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# CAMBODIA

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## INTRODUCTION

**CAMBODIA** is a low-income country with a gross national income (GNI) of USD 610 per capita in 2009 (WDI, 2011). It has a population of approximately 15 million and more than a quarter of the population still live under the 1.25 dollar-a-day income poverty line (2007).

Net official development assistance (ODA) to Cambodia in 2009 totalled USD 722 million (OECD, 2011). Since 2005, net ODA has averaged 8% of GNI and 88% of central government expense (WDI, 2011). Since 2005, ODA has averaged 10% of GNI (WDI, 2011). In 2009, the top five donors contributed 50% of Cambodia's core ODA (OECD, forthcoming).

## SUMMARY OF PROGRESS

**PROGRESS ON THE PARIS DECLARATION INDICATORS** depends on improvements by both donors and partner governments. Since 2005, 5 out of 13 indicators have seen targets met, a further 4 indicators have seen progress, 1 indicator has remained unchanged, and 4 indicators have seen setbacks. Change for both the Government of Cambodia and donors has taken some time but progress since 2007, especially in indicators 5a (use of country PFM systems), 5b (use of country procurement systems) and 9 (use of comment arrangements or procedures), which have been identified as priorities, shows that efforts are beginning to pay off. The national survey validation meeting, held in early 2011, concluded that good progress had been achieved considering the difficulties of changing behaviours and adopting new working practices in just five years.

Since 2005, setbacks were identified on indicators 4 (co-ordinated technical co-operation), 6 (parallel project implementation units), 10a (joint missions) and 10b (joint country analytic work), although different application of survey definitions and concepts over time may contribute to this observation. Where there were global targets, these may have been over-ambitious for Cambodia and its donors. In the coming years, government priorities (developed in dialogue with donors) will continue to centre on expanding programme-based approaches to support a results focus, the improved management of technical co-operation and strengthening greater use of country systems. ■

**TABLE 1:**  
Baselines and targets  
for 2010

	INDICATORS	2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	C	C	B	B or A
2a	Reliable public financial management (PFM) systems	2.5	3.0	3.5	3.0
2b	Reliable procurement systems	Not available	Not available	C	No Target
3	Aid flows are aligned on national priorities	79%	85%	88%	90%
4	Strengthen capacity by co-ordinated support	36%	35%	27%	50%
5a	Use of country PFM systems	10%	14%	21%	40%
5b	Use of country procurement systems	6%	16%	24%	No Target
6	Strengthen capacity by avoiding parallel PIUs	56	121	66	19
7	Aid is more predictable	69%	96%	90%	84%
8	Aid is untied	85%	89%	93%	More than 85%
9	Use of common arrangements or procedures	24%	28%	35%	66%
10a	Joint missions	26%	12%	19%	40%
10b	Joint country analytic work	64%	17%	35%	66%
11	Results-oriented frameworks	C	C	C	B or A
12	Mutual accountability	Y	Y	Y	Y

## ABOUT THE SURVEY

**THIS CHAPTER ASSESSES PROGRESS** against the quantitative indicators provided by the Paris Declaration Monitoring Survey, drawing on data provided by the government and donors, the OECD and the World Bank. In addition to this, it draws on qualitative evidence submitted to the OECD by the national government which incorporates feedback from donors and other stakeholders. The 2011 Survey responses cover 25 donors and approximately 91% of Cambodia's Core ODA. 18 and 24 donors were involved in the 2006 baseline and 2008 Surveys respectively. The 2011 Survey was led by the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC) in collaboration with the Joint Technical Working Group on Partnership and Harmonisation, which included civil society members. The government received support from most donors on the accurate and timely provision of data, with especially strong and effective support from donor focal points (UNDP and Sweden). The process has much improved from the 2008 exercise, as both the capacity and awareness of the survey exercise by the government and its donors have now become fairly significant. The exercise was also undertaken with greater efficiency through use of project-level data derived from the Cambodia ODA Database.

Stakeholders note that it is possible that in places definitions and concepts were interpreted differently by survey respondents in 2011 compared with previous years. This may explain apparent setbacks against some indicators, and a degree of caution should be taken in analysing the trends shown by some of the indicators. ■

	<b>Achievement OR CHALLENGE</b>	<b>LESSON OR PRIORITY ACTION</b>
Ownership	<b>Achievement:</b> Cambodia's National Development Strategic Plan (NDSP) is reviewed by parliament and civil society was included in its formulation.	<b>Lesson:</b> Consultations for the NDSP were sufficiently broad-based and inclusive, yet there is potential for increasing the input and participation of sub-national administrations, civil society organisations and the private sector.
Alignment	<p><b>Achievement:</b> Cambodia has improved the reliability of its public financial management (PFM) systems.</p> <p><b>Achievement:</b> Progress has been made in increasing the in-year predictability of aid (although considerable variation still exists among donors).</p> <p><b>Challenge:</b> Despite improving since 2007, only one-fifth of aid flows are channelled through country systems.</p> <p><b>Challenge:</b> The proportion of technical co-operation which is co-ordinated has declined 8 percentage points since 2007 to 27%.</p>	<p><b>Lesson:</b> The PFM Reform Programme, which builds capacity at the national level and sub-national level, has been implemented with strong government commitment and leadership.</p> <p><b>Lesson:</b> Establishment of a joint ODA database has been crucial in reducing disparities between what the government and donors record.</p> <p><b>Lesson:</b> As government systems are not fully functional, donor's procedures and PIUs have been used for the management of external resources.</p> <p><b>Priority action:</b> Government is currently developing coherent sector strategies and common capacity assessment tools to ensure capacity building under a government-led sector programme.</p>
Harmonisation	<p><b>Achievement:</b> Increased use of programme-based approaches (PBAs) has taken place despite a marked drop in budget support levels.</p> <p><b>Challenge:</b> Production of a large number of studies which are usually repetitive, expensive and under-utilised.</p>	<p><b>Lesson:</b> PBAs have been formally endorsed as the government's preferred approach for managing support in sectors and thematic areas.</p> <p><b>Priority action:</b> More effort and leadership is required to identify and implement a demand-led and coherent programme of analytical work at sector level.</p>
Managing for results	<b>Challenge:</b> Timely reporting against the NSDP indicators on managing for results has been weak.	<b>Priority action:</b> A new set of NDSP indicators are being developed with improved work processes. Further strengthening of capacity to ensure the data system is comprehensive and has been prioritised.
Mutual accountability	<b>Achievement:</b> Regular meetings by the government and donors to review progress against agreed Joint Monitoring Indicators has been held.	<b>Priority action:</b> Structure a results agenda around government-led priorities, improve partnership, programming and collaboration in key areas.

**TABLE 2:**  
Learning from success  
and challenges

## OWNERSHIP

**AID IS MOST EFFECTIVE** when it supports a country-owned approach to development. It is less effective when aid policies and approaches are driven by donors. In the context of the Paris Declaration, ownership concerns a country's ability to carry out two, inter-linked activities: exercise effective leadership over its development policies and strategies; and co-ordinate the efforts of various development actors working in the country.

Indicator 1 assesses the operational value of a country's development strategy. In particular, it looks at the existence of an authoritative country-wide development policy (*i.e.* a unified strategic framework), the extent to which priorities are established, and whether these policies are costed and linked with the budget. All of these features are important to harness domestic resources for development, and to provide a basis for the alignment of aid to development priorities. Each country has provided evidence against these criteria, and this has been translated into a score by the World Bank using the same methodology as in the 2006 and 2008 surveys. A five-point scale runs from A (highest score) to E (lowest score). The Paris Declaration targets 75% of partner countries achieving a score of A or B by 2010.

**INDICATOR 1**  
Do countries have  
operational development  
strategies?

In 2011 Cambodia received a B rating (an improvement from its C rating in 2007) which implies that the country has taken significant action on the quality of its development strategies. However, further action is still needed. Cambodia's National Strategic Development Plan (NSDP), is embedded in a long-term vision and linked to sector and sub-national strategies, and is used as a point of reference for the formulation of policies and programmes. It is prioritised, linked to MDGs and cross-cutting issues, and linked to the budget via a medium-term fiscal framework (MTFF).

The Rectangular Strategy Phase II (RS II) for Growth, Employment, Equity and Efficiency defines the National Strategic Development Plan. The plan takes good governance reforms as its core and notably incorporates the Millennium Development Goals. Gender equality and environmental sustainability are cross-cutting issues among other areas of priority in the National Strategic Development Plan.

The preparation for the National Strategic Development Plan involved consultations with sector and sub-national entities as well as the Technical Working Group (TWG) including a national planning group, the private sector and civil society members. Parliament's participation is indirect – mainly through the plan's endorsement. The government plans to evolve towards a broader based high-level national consultation mechanism on national development strategies – the Cambodia Development Forum – which is expected to catalyse wider and more robust dialogue and consultation in the future.

The National Strategic Development Plan 2006-2010 has been updated to cover the period 2009-2013 and to be sufficiently broad-based and inclusive. The plan therefore provides a top-down/bottom-up feedback mechanism that reconciles sector prioritisation/policy with national planning, which also supports the alignment of external assistance. Utilising the relationships and consultation processes established or utilised during the formulation of the National Strategic Development Plan, the foundation is now in place for further work on national monitoring mechanisms linked to the plan.

The National Strategic Development Plan is costed so that it is consistent with the mid-term expenditure framework. The framework covers a period of three years and is updated annually, ensuring macroeconomic indicators, targets and sector policy targets. Sector plans and reforms are also prepared in line with macro stability considerations. Emerging priorities such as climate change are used to inform the National Strategic Development Plan. ■

## ALIGNMENT

**AID THAT IS DONOR DRIVEN AND FRAGMENTED IS LESS EFFECTIVE.** For aid to be effective, it must make use of national development strategies and use and help strengthen capacity in national systems, such as those for procurement and public financial management. The Paris Declaration envisions donors basing their support fully on partner countries' aims and objectives. Indicators 2 through 8 of the Paris Declaration assess several different dimensions of alignment.

On alignment, indicators on reliable public financial management systems, aid predictability and alignment of aid to national priorities have shown the most progress. This may partly be due to the government's effort to identify and implement relevant and results-focused measures at the sector level and the increased use of programme-based approaches as a means to address national priorities. Assessment of data shows setbacks against the indicators on co-ordinated technical co-operation and parallel project implementation units. The main challenges for both the government and donors have been lack of capacity and incentives for effective change management and stronger multi-stakeholder partnerships.

Indicator 2 covers two aspects of country systems: public financial management (PFM) and procurement. Do these systems either adhere to good practices or are there plans for reform? If countries have reliable systems, donors are encouraged to use them for the delivery and management of aid. This helps to align aid more closely with national development strategies and enhances aid effectiveness.

### INDICATOR 2 Building reliable country systems

Indicator 2a of the Paris Declaration assesses whether PFM systems meet broadly accepted good practices or whether credible reform programmes are in place. The assessment is based on the World Bank's Country Policy and Institutional Analysis (CPIA) score for the quality of PFM systems, which uses a scale running from 1 (very weak) to 6 (very strong).

To score highly, a country needs to perform well against all three of the following criteria: a comprehensive and credible budget linked to policy priorities; an effective financial management system to ensure that the budget is implemented as intended in a controlled and predictable way; and timely and accurate accounting and fiscal reporting, including timely and audited public accounts with effective arrangements for follow up. Meeting the global 2010 target requires half of partner countries to move up at least one measure (*i.e.* 0.5 points) between 2005 and 2010.

Assessments over the rounds of monitoring show continuous improvement on the rating for public financial management systems in Cambodia, with an increase from a score of 2.5 in 2005 to 3.0 in 2007. In 2010, the country moved up 0.5 points to a score of 3.5, exceeding the target previously set. This can be attributed to the country's efforts to improve the quality of the financial management system at a national level (which indicates the broad success of the first stage of the Public Financial Management Reform Programme – PFM RP) and sub-national levels (including a focus on decentralised PFM mechanisms), and a component of the reform programme that is dedicated to strengthening sub-national planning and budgeting.

Indicator 2b was first measured in 2008 by 17 countries. The process is one of self-assessment, using the Methodology for the Assessment of National Procurement Systems developed by the OECD-DAC Task Force on Procurement. The methodology includes baseline indicators to compare a country's systems to internationally-accepted good practice, as well as a new set of indicators. These indicators assess overall performance of the system, compliance with national legislation and standards and whether there is a reform programme in place to promote improved practices. The results are expressed as grades on a four-point scale running from A (the highest) to D (the lowest). The 2010 target is for a third of partner countries to move up at least one measure (*i.e.* from D to C, C to B or B to A) although not all countries will perform an assessment.

Cambodia scored a C in 2010 on the reliability of its procurement systems. Because there was no mechanism to systematically assess and quantify the quality of procurement systems in partner countries, no target on progress towards Indicator 2b was set in the 2006 baseline survey. Nevertheless, Cambodia has taken actions to reform and improve the reliability of its procurement systems, including developing a procurement manual for external funded projects/programmes aligned with standard operating procedures, and establishing legal and institutional frameworks for procurement systems. A draft procurement law is being finalised and is due to be submitted to parliament later this year.

Comprehensive and transparent reporting on aid, and its use, helps ensure that donors align aid flows with national development priorities. When aid directed to the government sector is fully and accurately reflected in the national budget it indicates that aid programmes are well connected with country policies and processes. This also allows partner country authorities to present accurate and comprehensive budget reports to their parliaments and citizens.

As a proxy for alignment, indicator 3 measures the percentage of aid disbursed by donors for the government sector that is included in the annual budget for the same fiscal year. The indicator reflects two components: the degree to which aid is aligned with government priorities, and the extent to which aid is captured in government's budget preparation process. Budget estimates can be higher or lower than disbursements by donors and are treated similarly for the purpose of measuring indicator 3 despite the different causes. The 2010 target is to halve the proportion of aid flows that are not currently reported on government budgets, with at least 85% of aid reflected in the budget.

#### INDICATOR 2a

How reliable are country public financial management systems?

#### INDICATOR 2b

How reliable are country procurement systems?

#### INDICATOR 3

Aligning aid flows on national priorities

**TABLE 3**  
Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows in 2010 (USD m)	Aid disbursed by donors for government sector in 2010 (USD m)	2005		2007		2010*		Total aid disbursed through other donors (USD m)
			(for reference)	(for reference)	(for reference)	(for reference)	(%)		
	a	b					c = a / b	c = b / a	
Asian Dev. Bank	164	78	--	90%				48%	0
Australia	33	16	--		59%			50%	27
Belgium	1	1	--	69%			85%		0
Canada	5	4	--		31%			77%	1
China	64	120	--	84%			54%		0
Denmark	23	19	--	44%				80%	0
EU Institutions	33	8	--		36%			26%	9
Finland	0	0	--	72%			--		2
France	26	22	--		67%			83%	0
GAVI Alliance	6	6	--	0%			95%		0
Germany	46	28	--	70%				61%	0
Global Fund	57	61	--	0%			94%		0
IFAD	2	4	--	--			60%		0
IMF	--	--	--	0%			--		0
Ireland	0	0	--	--			--		0
Japan	60	128	--	91%			47%		0
Korea	19	36	--	33%			52%		0
Netherlands	0	0	--				--		0
New Zealand	2	1	--		49%			52%	1
Spain	1	2	--		23%		57%		3
Sweden	5	2	--		7%			43%	15
Switzerland	0	0	--				--		0
United Kingdom	8	0	--		21%			4%	23
United Nations	84	73	--	70%				87%	0
United States	31	36	--	0%			86%		0
World Bank	149	73	--	87%				49%	0
Average donor ratio			--	46%			61%		
<b>Total</b>	<b>821</b>	<b>720</b>	<b>79%</b>	<b>85%</b>			<b>88%</b>		<b>83</b>

\* Ratio is  $c = a / b$  except where government's budget estimates are greater than disbursements ( $c = b / a$ ).

In 2010, 88% of Cambodia's aid was reported on budget, which means that 12% or USD 101 million in aid is not included in the budget.

The last two columns in the above table indicate to what extent the disbursements by donors are over or are short of the government budget figures. The GAVI Alliance and the Global Fund perform best against this indicator, while the UK and the EU Institutions register the lowest scores. It is worth noting that survey methodology differs from government recording systems resulting in some difficulties for donors in reporting projected flows.

Performance against this indicator has improved consistently since 2005, indicating better alignment of aid with national priorities and/or better coverage of aid in the national budget. A number of projects funded by the government's larger donors account for the gap, mainly due to the complexities of implementing large-scale projects, especially those in infrastructure.

Problems of poor alignment of aid with national priorities in Cambodia generally relate to the process by which development co-operation projects are identified, negotiated and programmed (especially with regard to delegated and co-funding arrangements) rather than information management.

For many countries, aid is a vital source of revenue and resources. Being able to predict aid disbursements – both in terms of how much aid will be delivered and when – is important to enable countries to manage public finances and undertake realistic planning for development. The Paris Declaration calls on donors to provide reliable, indicative commitments of aid over a multi-year framework, and to disburse aid in a timely and predictable manner according to agreed schedules.

Indicator 7 examines the in-year predictability of aid for the government sector by measuring the proportion of planned disbursements (as reported by donors) that are recorded by governments in their accounting system as having been disbursed. Indicator 7 therefore assesses two aspects of predictability. The first is the ability of donors to disburse aid according to schedule. The second is the ability of government to record disbursements for the government sector as received in its accounting system. Indicator 7 is designed to encourage progress in relation to both, with the aim of halving the proportion of aid not disbursed (and not captured in the government's accounting system) within the fiscal year for which it was scheduled by 2010. The ultimate goal is to improve not only the predictability of disbursements, but also the accuracy with which they are recorded in government systems – an important element to support ownership, accountability and transparency.

**INDICATOR 7**  
Providing more  
predictable aid

	Disbursements recorded by government in 2010 (USD m) a	Aid scheduled by donors for disbursement in 2010 (USD m) b	2005		2007		2010 *		For reference: Aid disbursed by donors for government sector in 2010 (USD m) d	For reference: % of scheduled aid disbursements reported as disbursed by donors in 2010 **	
			(for reference)	(for reference)	(for reference)	(for reference)	c = a / b	c = b / a		e = d / b	e = b / d
Asian Dev. Bank	76	163	--		91%		47%	78	48%		
Australia	43	36	--			92%	82%	16	46%		
Belgium	1	1	--		81%		85%	1		85%	
Canada	5	5	--		56%		99%	4	77%		
China	120	64	--			99%	54%	120		54%	
Denmark	13	16	--		57%	79%		19		87%	
EU Institutions	18	36	--		60%		49%	8	23%		
Finland	2	1	--			46%	62%	0	0%		
France	22	27	--		63%		83%	22	82%		
GAVI Alliance	6	6	--			88%	95%	6		95%	
Germany	25	46	--			75%	54%	28	61%		
Global Fund	61	57	--			70%	94%	61		94%	
IFAD	4	2	--	--	--	--	60%	4		60%	
IMF	--	--	--	--	0%	--	--	--	--	--	
Ireland	0	0	--	--	--	--	--	0	--	--	
Japan	128	60	--		93%		47%	128		47%	
Korea	36	19	--			38%	52%	36		52%	
Netherlands	0	0	--			--	--	0	--	--	
New Zealand	2	3	--			45%	87%	1	45%		
Spain	5	2	--			15%	37%	2		92%	
Sweden	17	11	--		72%		63%	2	19%		
Switzerland	0	0	--			--	--	0	--	--	
United Kingdom	23	35	--		97%		67%	0	1%		
United Nations	41	75	--			97%	55%	73	98%		
United States	34	28	--			0%	81%	36		77%	
World Bank	58	127	--		78%		45%	73	57%		
Average donor ratio			--		64%		67%		59%		
<b>Total</b>	<b>742</b>	<b>821</b>	<b>69%</b>		<b>96%</b>		<b>90%</b>	<b>720</b>	<b>88%</b>		

\* Ratio is c=a/b except where disbursements recorded by government are greater than aid scheduled for disbursement (c=b/a).

\*\* Ratio is e=d/b except where disbursements recorded by donors are greater than aid scheduled for disbursement (e=b/d).

**TABLE 4**  
Are disbursements on  
schedule and recorded  
by government?



Cambodia made substantial progress on the in-year predictability of aid since 2005, meeting the 2010 target, although there has been a slight setback since 2007. The principal reason for improvement has been the increased use of the ODA Database since 2006 promoting the provision and compilation of robust figures on ODA delivery. Canada, the GAVI Alliance and the Global Fund are the donors who fare best (over 94%) while Spain, the World Bank, Japan and the Asian Development Bank have the lowest scores (under 47%).

The proportion of scheduled aid disbursement reported as disbursed by donors in 2010 was 88%. There are gaps between the scheduled aid disbursements and actual disbursements made by donors for the government sector, and between the disbursements actually made and those recorded in the government's accounting system. Stakeholders point to delays in implementation and co-funding as factors that may help to explain these gaps.

The government has made efforts to meet various requirements (*e.g.* administrative, technical, financial,) to facilitate the timely execution of projects and disbursement of funds, and to fully capture disbursements in its accounting systems.

The Accra Agenda for Action commitments, including paragraph 26a on providing full and timely information on annual commitments and actual disbursements and paragraph 26c on providing rolling three-to-five year expenditure and/or implementation plans, promote the compliance and co-operation of donors in improving the predictability of aid. However, meeting the Accra Agenda for Action commitment on providing information in a timely manner is a challenge, as the government MTEF is only three years, which makes it unrealistic to craft a five-year expenditure/implementation plan. All donors now routinely provide three-year projections during government-donor high-level consultation meetings.

Capacity constraints present significant challenges to development and poverty reduction efforts and their sustainability. These relate both to aid management capacities (the ability of the government to capture, co-ordinate and utilise aid flows more effectively) and also to broader capacities for the design and implementation of policies and service delivery.

Under the Paris Declaration donors committed to providing technical co-operation that is co-ordinated with partner country strategies and programmes. This approach aims to strengthen capacities while also responding to the needs of partner countries. Successful capacity development is led by the partner country.

Indicator 4 focuses on the extent to which donor technical co-operation (an important input into capacity development) is country-led and well co-ordinated. It captures the extent to which technical co-operation is aligned with objectives articulated by country authorities, whether country authorities have control over this assistance, and whether arrangements are in place to co-ordinate support provided by different donors. The Paris Declaration target is for 50% of technical co-operation flows to be implemented through co-ordinated programmes that are consistent with national development strategies by 2010.

This indicator has fallen 8 percentage points to 27% since the 2008 Survey (36% in the 2006 Baseline Survey), indicating a setback in co-ordinating and aligning donor support for capacity development (although consistency across time and between donors in applying the survey criterion is also an explanatory factor). The World Bank appears to be the only donor that shows a marked improvement on this indicator. While variations in the interpretation of – and reporting against – definitions may explain some of these changes, the findings also suggest that more effort is required by government to prioritise and better articulate its technical co-operation needs, and that donors must better co-ordinate and harmonise support under government-led plans to develop capacities, using national arrangements to manage technical co-operation.

**INDICATOR 4**  
Co-ordinating support to  
strengthen capacity



	Co-ordinated technical co-operation (USD m)	Total technical co-operation (USD m)	2005 (for reference)	2007 (for reference)	2010 (%) c = a / b
	a	b			
Asian Dev. Bank	1	6	13%	11%	19%
Australia	5	31	0%	15%	16%
Belgium	1	1	0%	100%	100%
Canada	3	7	0%	26%	52%
China	0	0	--	0%	--
Denmark	0	0	34%	100%	--
EU Institutions	3	26	55%	3%	11%
Finland	0	2	--	0%	0%
France	1	8	34%	4%	18%
GAVI Alliance	0	0	--	--	--
Germany	6	27	31%	24%	21%
Global Fund	0	0	--	--	--
IFAD	0	0	--	--	--
IMF	--	--	100%	100%	--
Ireland	0	0	--	--	--
Japan	11	42	17%	19%	26%
Korea	0	11	--	0%	0%
Netherlands	0	0	--	0%	0%
New Zealand	0	2	0%	53%	5%
Spain	0	7	--	0%	0%
Sweden	0	6	9%	0%	0%
Switzerland	0	0	--	0%	0%
United Kingdom	0	1	60%	23%	0%
United Nations	31	73	57%	62%	43%
United States	0	2	77%	0%	0%
World Bank	9	10	26%	41%	87%
<b>Total</b>	<b>72</b>	<b>263</b>	<b>36%</b>	<b>35%</b>	<b>27%</b>

**TABLE 5**  
How much technical  
co-operation is  
co-ordinated with  
country programmes?

Steps being taken by relevant country authorities to identify and communicate clear objectives and strategies for capacity development include:

- A 2010 country systems study which was commissioned and has been followed up to support the improvement of capacity development related to country systems.
- The core reforms by the government (PFM, public administration, decentralisation) now all include capacity development as a key component.
- The programme-based approach focus of the government has been implemented and a 'Guideline of Managing Technical Cooperation' was produced in 2008.

Steps taken by donors to integrate technical co-operation into country programmes and co-ordinate support among donors include:

- Supporting sector and PBA work, including on technical co-operation management and endorsing the PBA approach.
- Supporting the analytical work on strengthening country systems which will allow a more coherent approach to implementing the core reforms and programming technical co-operation for capacity development.
- Linking support through projects to capacity objectives under sector support programmes.

**INDICATOR 5**

## Using country systems

Donor use of a partner country's established institutions and systems increases aid effectiveness by strengthening the government's long-term capacity to develop, implement and account for its policies to both its citizens and its parliament. The Paris Declaration commits donors to increase their use of country systems that are of sufficient quality, and to work with partner countries to strengthen systems that are currently weak. Indicator 5 is directly linked to indicator 2 on the quality of public financial management (PFM) and procurement systems.

**INDICATOR 5a**

## Use of country public financial management systems

Indicator 5a measures the extent to which donors use partner country PFM systems when providing funding for the government sector. It measures the volume of aid that uses partner country PFM systems (budget execution, financial reporting and auditing) as a proportion of total aid disbursed for the government sector. The 2010 target is set relative to indicator 2a on the quality of PFM systems. For partner countries with a score of 5 or above on Indicator 2a scale the target is for a two-thirds reduction in the proportion of aid to the public sector not using the partner country's PFM systems. For partner countries with a score between 3.5 and 4.5 on indicator 2a, the target is a one-third reduction in the proportion of aid to the public sector not using partner country's PFM systems. There is no target for countries scoring less than 3.5.

In 2010, 21% of aid used Cambodia's PFM systems. This figure reflects improvement in a relatively short time-span but falls short of the target. The Asian Development Bank, Japan and the UN are amongst those donors spearheading this progress, while more than half of donors have lagged behind, especially China, the Global Fund and the World Bank. Because the PFM systems are noted by stakeholders as "not yet of international standard", donors face certain challenges when using them. Except for the education sector which

**TABLE 6**

How much aid for the government sector uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Budget execution (USD m) b	Financial reporting (USD m) c	Public financial management				Procurement			
				Auditing (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) avg(b,c,d)/a	Proc. systems (USD m) e	2005 (for reference)	2007 (for reference)	2010 (%) e/a
Asian Dev. Bank	78	76	76	76	9%	2%	97%	55	0%	2%	71%
Australia	16	0	0	0	0%	0%	0%	0	0%	0%	0%
Belgium	1	0	0	0	0%	0%	0%	1	24%	100%	100%
Canada	4	0	2	0	0%	0%	17%	1	0%	0%	31%
China	120	0	0	0	--	0%	0%	0	--	0%	0%
Denmark	19	15	0	0	0%	97%	26%	19	0%	100%	100%
EU Institutions	8	2	2	2	21%	47%	20%	0	31%	0%	0%
Finland	0	0	0	0	--	0%	--	0	--	0%	--
France	22	3	5	3	0%	23%	16%	13	0%	53%	59%
GAVI Alliance	6	0	0	0	33%	33%	0%	0	0%	0%	0%
Germany	28	0	0	0	0%	0%	0%	13	0%	24%	45%
Global Fund	61	0	0	0	67%	0%	0%	0	0%	0%	0%
IFAD	4	4	4	4	--	--	100%	0	--	--	0%
IMF	--	--	--	--	0%	0%	--	--	0%	0%	--
Ireland	0	0	0	0	--	--	--	0	--	--	--
Japan	128	37	37	37	8%	19%	29%	37	3%	19%	29%
Korea	36	0	0	0	--	0%	0%	0	--	0%	0%
Netherlands	0	0	0	0	--	--	--	0	--	--	--
New Zealand	1	0	0	0	0%	0%	0%	0	0%	0%	0%
Spain	2	0	0	0	--	0%	0%	0	--	0%	0%
Sweden	2	1	1	1	0%	0%	24%	1	0%	0%	24%
Switzerland	0	0	0	0	--	--	--	0	--	--	--
United Kingdom	0	0	0	0	0%	0%	0%	0	0%	0%	0%
United Nations	73	18	18	18	12%	17%	25%	18	20%	23%	25%
United States	36	0	0	0	0%	0%	0%	0	0%	0%	0%
World Bank	73	12	0	0	4%	27%	6%	12	11%	27%	17%
<b>Total</b>	<b>720</b>	<b>167</b>	<b>144</b>	<b>140</b>	<b>10%</b>	<b>14%</b>	<b>21%</b>	<b>171</b>	<b>6%</b>	<b>16%</b>	<b>24%</b>

receives sector budget support, some sectors have established pooled/delegated funding mechanisms/arrangements (e.g. health, mine clearance) to consolidate external support and to promote use of the national systems.

Donors have started putting in efforts to implement the Accra Agenda for Action commitment to use country systems as the first option. These efforts include conducting a study and a workshop dedicated to considering next steps, providing support for the government's core reform programme and channelling one-third of their aid into technical co-operation to develop government capacity building.

Indicator 5b follows a similar graduated target to indicator 5a which is set relative to indicator 2b on the quality of procurement systems. For partner countries with a procurement score of 'A', a two-thirds reduction in the proportion of aid for the public sector not using the country's procurement systems and for partner countries with a procurement score of 'B' to reduce the gap by one-third.

There is also a marked improvement in indicator 5b since 2005. In 2010, 24% of aid used Cambodia's procurement systems. Denmark, Belgium, the Asian Development Bank, France, Germany, Japan, the UN and the World Bank have all been able to make progress in this way. The remaining donors, however, do not use the systems which they generally regard as in need of "being strengthened".

When providing development assistance, some donors establish dedicated project management units or implementation units (PIUs) – to support development projects or programmes. A PIU is said to be "parallel" when it is created by the donor and operates outside existing country institutional and administrative structures. In the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management. However, in the long run, parallel PIUs often tend to undermine national capacity development efforts, distort salaries and weaken accountability for development.

#### INDICATOR 5b

Use of country procurement systems

#### INDICATOR 6

Avoiding parallel implementation structures

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
Asian Dev. Bank	0	28	2
Australia	9	9	7
Belgium	6	1	1
Canada	1	2	0
China	--	0	0
Denmark	0	0	0
EU Institutions	0	2	6
Finland	--	0	0
France	18	15	8
GAVI Alliance	0	0	0
Germany	0	2	1
Global Fund	0	1	0
IFAD	--	--	3
IMF	0	0	--
Ireland	--	--	0
Japan	0	0	0
Korea	--	11	0
Netherlands	--	0	0
New Zealand	0	0	0
Spain	--	11	10
Sweden	0	0	0
Switzerland	--	1	0
United Kingdom	3	1	1
United Nations	19	37	27
United States	0	0	0
World Bank	0	0	0
<b>Total</b>	<b>56</b>	<b>121</b>	<b>66</b>

TABLE 7

How many PIUs are parallel to country structures?

To make aid more effective, the Paris Declaration encourages donors to “avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes.” Indicator 6 counts the number of parallel PIUs being used in partner countries. The target is to reduce by two-thirds the number of parallel PIUs in each partner country between 2005 and 2010.

The number of PIUs that are parallel to country structures has varied across rounds of monitoring (56 in 2005, 121 in 2007 and 66 in 2010). It is likely that this arises as a result of difficulties in reporting accurately on the number of parallel PIUs in different rounds of the survey rather than as a result of significant changes in the way in which projects are actually managed. Some donors who have not noticeably changed their management arrangements since the last survey reported markedly different figures in 2011.

According to a recent government paper on country system use, both the Government of Cambodia and donors often prefer to use PIUs because these mitigate risks and promote (short-term) performance and permit greater latitude in human resource management. A solution proposed by this paper is to combine a number of projects or programmes under the management of one government-led PIU with a common set of procedures.

Progress requires steps to be taken by both donors and governments to (i) avoid creating new parallel PIUs, and (ii) phase out parallel PIUs and/or mainstream PIUs into national structures. This will be addressed through work on the development of programme-based approaches that takes into account ongoing efforts to strengthen country systems and capacities, notably through the government’s core reforms (especially public administration reform and PFM).

Aid is “tied” when restrictions are placed on the countries that goods and services may be purchased from, typically including the donor country and/or another narrowly specified group of countries. Untied aid not only improves value for money and decreases administrative burdens, but also supports the use of local resources, country systems and the harmonisation of donor support provided through pooled or joint aid instruments and approaches.

#### INDICATOR 8 Untying aid

TABLE 8  
How much bilateral aid  
is untied?

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Australia	-11.4	-11.4	26%	100%	100%
Austria	0.0	0.0	0%	--	100%
Belgium	2.3	2.3	100%	100%	100%
Canada	0.0	0.0	89%	100%	--
Denmark	4.9	4.9	100%	--	100%
Finland	8.3	8.3	100%	100%	100%
France	28.7	27.9	34%	68%	97%
Germany	15.4	15.2	41%	100%	99%
Ireland	2.5	2.5	100%	100%	100%
Italy	0.8	0.1	32%	49%	8%
Japan	208.5	208.5	100%	100%	100%
Korea	36.1	11.7	--	1%	32%
Luxembourg	0.9	0.9	100%	100%	100%
Netherlands	0.0	0.0	84%	--	--
New Zealand	1.1	1.1	52%	100%	100%
Norway	2.4	2.4	100%	100%	100%
Portugal	0.0	0.0	--	--	--
Spain	9.6	8.9	94%	90%	93%
Sweden	19.2	19.2	100%	100%	100%
Switzerland	0.3	0.3	100%	100%	100%
United Kingdom	72.6	72.6	100%	100%	100%
United States	74.1	69.2	0%	79%	93%
<b>Total</b>	<b>476</b>	<b>445</b>	<b>85%</b>	<b>89%</b>	<b>93%</b>

Source: OECD Creditor Reporting System.

Data on the extent to which aid is tied are based on voluntary self-reporting by donors that are members of the OECD's Development Assistance Committee (DAC). The Paris Declaration target is to continue progress towards untying all aid between 2005 and 2010.

The data on aid untying collected by the OECD – which relates to 2009 – shows that 93% of aid to Cambodia was untied. This demonstrates a slight (but consistent) improvement since 2005. Italy (8%) and Korea (32%) were the only donors to untie less than 90% of their aid to Cambodia. Efforts by donors to untie aid are usually the result of policies established by donors' headquarters. Government is increasingly involving itself in the procurement of technical assistance to ensure that there are no restrictions on the procurement of expertise and technical support.

## CONDITIONALITY

Conditions relating to budget support disbursements tend to be drawn from Cambodia's own results framework, rather than being determined unilaterally by donors. Since 2004, the Joint Monitoring Indicators have been used to guide budget support disbursements. The Joint Monitoring Indicators are a set of indicators that guide mutually agreed activities linked to a framework for mutual accountability rather than a conditionality framework. The Joint Monitoring Indicators only link to sectors represented by the technical working groups. The extension of coverage to sectors that are not covered by the Joint Monitoring Indicators is a challenge because project-level conditionality is not only negotiated between government and donors but also linked to sector dialogue concerning the Joint Monitoring Indicators. The Joint Monitoring Indicators are published on the internet. ■

## HARMONISATION

**POOR CO-ORDINATION OF AID** increases the cost to both donors and partner countries and significantly reduces the real value of aid. Harmonisation of aid delivery procedures and the adoption of common arrangements help reduce duplication of effort and lower the transaction costs associated with aid management. The Paris Declaration focuses on two dimensions of aid as a proxy for assessing overall harmonisation: the use of common arrangements within programme-based approaches (PBAs) and the extent to which donors and partner countries conduct joint missions and co-ordinate analytic work.

Aid effectiveness is enhanced when donors use common arrangements to manage and deliver aid in support of partner country priorities. A good mechanism for aid co-ordination can be described as one that has shared objectives and integrates the various interests of stakeholders. Indicator 9 assesses the degree to which donors work together – and with partner governments and organisations – by measuring the proportion of total ODA disbursed within programme-based approaches (PBAs). In practice, there are many different approaches and modalities which can use PBAs and harmonisation takes place at various levels.

At one level, the partner country is responsible for defining clear, country-owned programmes (*e.g.* a sector programme or strategy) and establishing a single budgetary framework that captures all resources (both domestic and external). At another level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, partner countries and donors are jointly responsible for donor co-ordination and harmonisation of donor procedures. The 2010 target is that two-thirds of aid flows are provided in the context of PBAs.

Although falling short of the 66% global target, Cambodia has shown progress since 2005, the pace of which has increased since 2007. The government and its donors, however, will need to maintain their joint focus on the increased use of PBAs if they are to achieve their stated objective of making this the preferred arrangement for managing partnerships at the sector level and in implementing reform programmes. Budget support levels have dropped markedly since the last survey, implying that continued progress may depend

**INDICATOR 9**  
Using common  
arrangements

**TABLE 9**  
How much aid is  
programme-based?

	Programme-based approaches			Total aid disbursed (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) e = c / d
	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c = a + b				
Asian Dev. Bank	10	10	20	78	13%	31%	25%
Australia	0	5	5	31	1%	15%	16%
Belgium	0	1	1	1	0%	100%	100%
Canada	0	3	3	7	0%	26%	52%
China	0	0	0	120	--	0%	0%
Denmark	0	19	19	20	29%	92%	92%
EU Institutions	1	3	4	30	27%	24%	14%
Finland	0	0	0	2	--	0%	0%
France	0	5	5	24	0%	10%	21%
GAVI Alliance	0	6	6	6	0%	59%	100%
Germany	0	6	6	39	18%	22%	15%
Global Fund	0	61	61	61	100%	0%	100%
IFAD	0	4	4	4	--	--	100%
IMF	--	--	--	--	100%	100%	--
Ireland	0	0	0	1	--	--	0%
Japan	0	58	58	142	34%	31%	41%
Korea	0	7	7	36	--	2%	19%
Netherlands	0	0	0	1	--	0%	0%
New Zealand	0	0	0	2	0%	53%	5%
Spain	0	0	0	22	--	0%	0%
Sweden	0	0	0	6	7%	0%	0%
Switzerland	0	0	0	3	--	0%	0%
United Kingdom	0	0	0	2	78%	20%	20%
United Nations	0	61	61	110	39%	47%	55%
United States	0	0	0	62	0%	0%	0%
World Bank	0	45	45	73	16%	67%	62%
<b>Total</b>	<b>11</b>	<b>295</b>	<b>307</b>	<b>884</b>	<b>24%</b>	<b>28%</b>	<b>35%</b>

on bringing other aid modalities into co-ordinated programmatic arrangements. Large donors including the Asian Development Bank, the World Bank and Japan have been successful in increasing their non-budget support participation in PBAs, while many others have also increased their participation since 2007. Further introduction of such approaches in other sectors as well as efforts to bring technical co-operation into PBAs are required to ensure continued improvement against this indicator.

PBAs have been formally endorsed as the government's preferred approach for managing support in sector and thematic areas. The government and donors have both engaged actively in a process to promote PBAs. Health and education programmes, PFM reform, mine clearance, and aid management are based on PBAs. Efforts are also ongoing to promote the use of PBAs in decentralisation reforms and in agriculture. However, establishing a broad understanding of PBA principles and opportunities, changing mindsets and managing risk will be challenges of the future.

#### AID FRAGMENTATION

Fragmented aid – aid that comes in many small slices from a large number of donors – creates high transaction costs and makes it difficult for partner countries effectively to manage their own development. Aid fragmentation also increases the risk of duplication and inefficient aid allocation among donors. To reduce the fragmentation of aid and improve the complementarity of donors' efforts and division of labour at the country level, PBAs are used in Cambodia to manage all partners and to promote coherence. The government supports all forms of co-operation modalities within these PBAs. Delegated co-operation arrangements are also encouraged.

When a strategy has been jointly agreed upon and effectively utilised in planning activities and promoting donor alignment by the government, the problem of aid fragmentation is manageable. Programmes regarding areas such as PFM, health programmes, as well as aid management are evidence of the ability to manage support from multiple sources within a common framework. However, although Cambodia promotes complementarity through its PBAs and sector programmes, it has chosen not to promote formal division of labour across donors. Nevertheless, it works constructively with groups of donors that wish to do so (*e.g.* EU donors).

A common complaint of partner countries is that donors make too many demands on their limited resources: country authorities spend too much time meeting with donor officials and responding to their many requests. The Paris Declaration recognises that donors have a responsibility to ensure that, to the greatest extent possible, the missions and analytical work they commission are undertaken jointly – *i.e.* that the burden of such work is shared. The 2010 target is that 40% of donor missions to the field are conducted jointly.

Collecting accurate and consistent data on donor missions has been a challenge in Cambodia. To rationalise and improve the co-ordination of donor missions, the government has established an online tool for donors to input details of forthcoming (and previous) missions. The objective is to promote forward planning and co-ordination. However, very few donors have used this tool (even when recognising that forward planning may promote efficiency and effectiveness for all parties). Therefore, the target is still not likely to be reached in the near future.

#### INDICATOR 10a Joint missions

	Co-ordinated donor missions* (missions) a	Total donor missions (missions) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
Asian Dev. Bank	4	73	8%	9%	5%
Australia	12	15	0%	0%	80%
Belgium	0	0	0%	--	--
Canada	1	8	18%	8%	13%
China	0	0	--	--	--
Denmark	1	2	67%	50%	50%
EU Institutions	6	8	40%	0%	75%
Finland	0	0	--	--	--
France	0	10	8%	0%	0%
GAVI Alliance	2	2	--	100%	100%
Germany	2	4	13%	0%	50%
Global Fund	3	3	0%	0%	100%
IFAD	2	5	--	--	40%
IMF	--	--	88%	80%	--
Ireland	0	0	--	--	--
Japan	0	6	4%	0%	0%
Korea	0	21	--	0%	0%
Netherlands	0	0	--	--	--
New Zealand	0	3	25%	100%	0%
Spain	0	0	--	--	--
Sweden	1	3	46%	0%	33%
Switzerland	0	0	--	--	--
United Kingdom	0	0	71%	59%	--
United Nations	7	26	26%	47%	27%
United States	0	0	100%	0%	--
World Bank	31	62	47%	33%	50%
<b>Total</b>	<b>47</b>	<b>251</b>	<b>26%</b>	<b>12%</b>	<b>19%</b>

TABLE 10  
How many donor missions are co-ordinated?

\* The total of coordinated missions has been adjusted to avoid double counting. A discount factor of 35% is applied.



**INDICATOR 10b**  
Joint country  
analytic work

Country analytic work is the analysis and advice necessary to strengthen policy dialogue, and to develop and implement country strategies. It includes country or sector studies and strategies, country evaluations and discussion papers. The Paris Declaration foresees that donors should conduct analytic work jointly where possible as it helps curb transaction costs for partner authorities, avoids unnecessary duplicative work and helps to foster common understanding. Indicator 10b measures the proportion of country analytic work that is undertaken jointly. The 2010 target is that 66% of country analytic work is carried out jointly.

As for the indicator on joint missions, consistent reporting against indicator 10b has been a challenge in Cambodia. The government holds a very strong view that there are too many studies, thus usually rendering themselves repetitive, expensive and under-utilised. Efforts to establish a joint and co-ordinated programme of sector work have been successful in some sectors (PFM, aid management and where other PBA-type approaches are in place) but there remain many examples of *ad hoc* and donor-driven studies. More efforts and a higher level of leadership are required to identify and implement a demand-led and coherent programme of analytical work at the sector level. Progress has been apparent with Denmark and Germany actively involved in analytical partnership. The Global Fund and the World Bank are clearly making an effort and other donors such as the UN systems are also showing progress. Nevertheless, Cambodia is still a long way from meeting the 2010 target. ■

**TABLE 11**  
How much country  
analytic work is  
co-ordinated?

	Co-ordinated donor analytic work* (units) a	Total donor analytic work (units) b	2005 (for reference)	2007* (for reference)	2010* (%) c = a / b
Asian Dev. Bank	3	8	67%	5%	38%
Australia	0	2	54%	56%	0%
Belgium	0	0	--	--	--
Canada	0	1	0%	100%	0%
China	0	0	--	--	--
Denmark	11	11	67%	--	100%
EU Institutions	0	2	50%	0%	0%
Finland	0	0	--	--	--
France	0	1	75%	0%	0%
GAVI Alliance	0	0	--	--	--
Germany	1	1	20%	--	100%
Global Fund	1	2	--	0%	50%
IFAD	0	1	--	--	0%
IMF	--	--	0%	0%	--
Ireland	0	0	--	--	--
Japan	0	0	100%	--	--
Korea	0	0	--	0%	--
Netherlands	0	0	--	--	--
New Zealand	0	0	100%	0%	--
Spain	0	0	--	--	--
Sweden	0	0	45%	--	--
Switzerland	0	0	--	--	--
United Kingdom	0	0	100%	44%	--
United Nations	9	27	71%	43%	33%
United States	0	0	100%	0%	--
World Bank	5	9	82%	100%	56%
<b>Total</b>	<b>23</b>	<b>65</b>	<b>64%</b>	<b>17%</b>	<b>35%</b>

\* The total of coordinated missions has been adjusted to avoid double counting.  
A discount factor of 25% is applied.

## MANAGING FOR RESULTS

**BOTH DONORS AND PARTNER COUNTRIES** should manage resources according to well-defined, desired results, measuring progress toward them and using information on results to improve decision making and performance. Achieving this implies strengthening capacity to undertake such management and emphasising a focus on results. Countries are expected to develop cost-effective and results-oriented reporting and performance assessment frameworks, while donors commit to use them and refrain from requiring separate reporting.

Indicator 11 assesses the quality of a country's results-oriented frameworks. In particular, it considers the quality of the information generated, stakeholder access to information, and the extent to which the information is utilised within a country level monitoring and evaluation system. The government provides evidence against these criteria through the survey, and this is translated by the World Bank into a score running from A (highest score) to E (lowest score). The Paris Declaration 2010 global target is to reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.

Since 2005, Cambodia has maintained a score of C regarding the operability of its results-based frameworks. The National Strategic Development Plan includes provisions for monitoring and evaluation, which is performed by the Ministry of Planning in close collaboration with line ministries and agencies following their selected monitoring indicators. It can be noted, however, that significant reforms to the framework are planned, which if effectively implemented can be expected to lead to an increase in performance on this indicator.

Development information for the monitoring and evaluation framework is sectorally comprehensive, although it is currently being reviewed to strengthen the coverage of indicators to sector priorities to ensure linkage to priorities outlined in the NDS. National data systems supporting the monitoring and evaluation framework include a population census, household census, GDP, poverty survey, and labour survey. The government is developing a new set of National Strategic Development Plan indicators to have more relevant, comprehensive and timely indicators. However, the timely reporting of the indicators remains a key challenge. Relevant data are available in hard copy as well as electronically on the internet, in both Khmer and English, and have been widely disseminated.

The monitoring and evaluation framework tracks inputs, outputs and outcome indicators, while the Ministry of Planning tracks intermediate indicators as part of the respective line ministry work plans. The National Strategic Development Plan reports are the principal tools for reviewing progress and formulating policy. The recent evolution of the monitoring and evaluation framework is characterised by a stronger national process led by the National Institute of Statistics and the establishment of sector monitoring and evaluation systems. Some donors, such as the Asian Development Bank, are also supporting the government in developing more robust M&E systems. Further capacity strengthening and co-ordination across ministries and at the sub-national level is needed to ensure that data systems are comprehensive and robust. ■

## MUTUAL ACCOUNTABILITY

**STRONG AND BALANCED MECHANISMS** that support accountability are required at all levels for aid to be most effective. Donors and partner country governments should be accountable to their respective publics and to each other for implementing their commitments on aid, its effectiveness, and the results to which it contributes.

Indicator 12 examines whether there is a country-level mechanism for mutual assessment of progress on partnership commitments, including on aid effectiveness. There are three criteria that must all be met: the existence of an aid policy or strategy agreed between the partner country government and donors; specific

### INDICATOR 11

Do countries have results-oriented frameworks?

### INDICATOR 12

Mutual accountability

country-level aid effectiveness targets for both the partner country government and donors; an assessment towards these targets undertaken by both partner and donors in the last two years, and discussed in a forum for broad-based dialogue. The 2010 target is for all partner countries to have mutual assessment reviews meeting these criteria in place.

The Joint Monitoring Indicators provide the principal mechanism for managing and monitoring under a mutual accountability framework. The Joint Monitoring Indicators – which are negotiated at the sector level – identify priority outcome-level results across a range of sector and thematic areas based on the national development strategy and sector plans. Aid effectiveness priorities are also associated with each Joint Monitoring Indicator. The Government-Donor Coordination Committee meets three times per year to review progress and to lend a platform for dialogue. The Cambodia Development Co-operation Forum meets every 18 months to review progress and to discuss and finalise new targets on a wide range of national development policies and goals, including for aid effectiveness. At the technical level, the technical working groups meet in 19 sector and thematic areas for ongoing dialogue.

Approaches to development co-operation have changed towards increasing the focus on results for government-led priorities as well as to improving partnership, programming and collaboration in key results areas. Regarding the participation of other stakeholders in the process, the Parliament involves itself in the preparation and approval processes of national planning. The Joint Monitoring Indicators are then derived from the National Strategic Development Plan's monitoring framework which is the aggregation of priority sector targets. Civil society organisations take part in most of the technical working groups, which formulate and implement Joint Monitoring Indicator activities, as well as in higher-level dialogue mechanisms. ■

## NOTES

The quantitative information presented in this chapter is taken from data provided by national co-ordinators up to 31 July 2011, following the data validation process with stakeholders at the country level. It was not possible to modify or correct any data received after this date.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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