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EVALUATION OF DFID COUNTRY PROGRAMMES

COUNTRY STUDY: Cambodia 1997–2003

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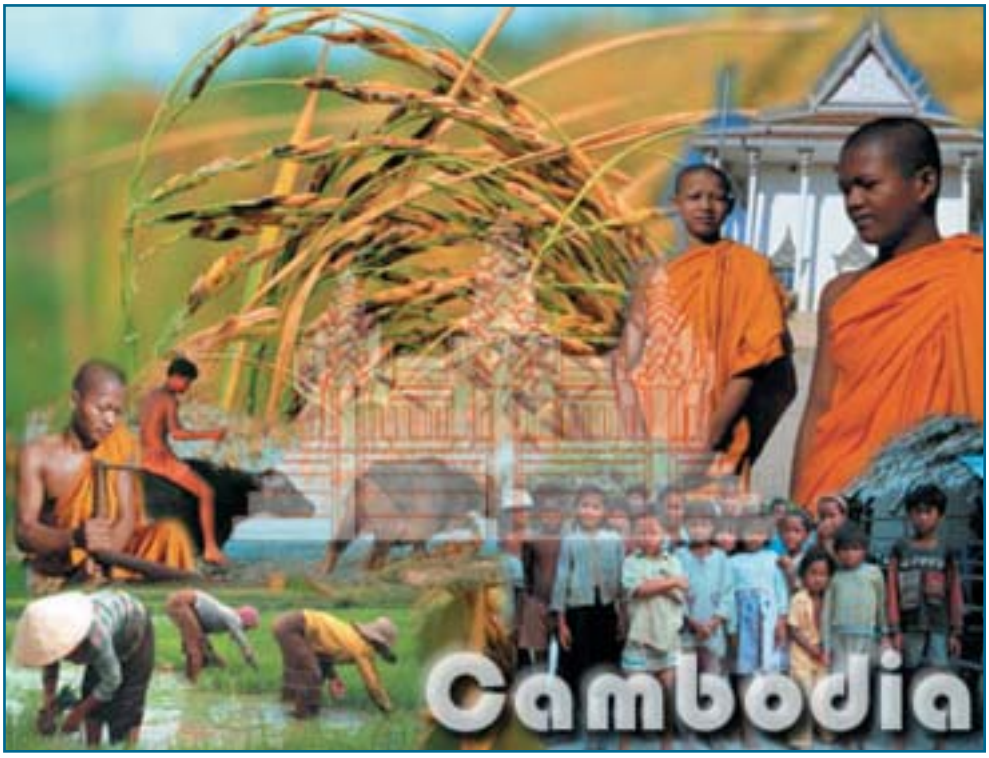

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PREFACE

This evaluation of DFID's Cambodia Country Programme is a component of a three country pilot evaluation exercise designed by DFID's Evaluation Department in 2003. The pilot exercise, which included studies of the Brazil (**Report EV 653**), Romania (Report **EV 655**) programmes, was developed to address a gap in DFID's evaluation coverage and to respond to a growing demand across DFID for systematic lesson learning at the country level. A further report (**EV 652**) summarises the findings of three pilot country programme evaluations (CPEs) and makes proposals for how CPE should be taken forward within DFID.

The study programme had two specific aims:

1) to develop appropriate approaches and methodologies for the evaluation of DFID programmes at the country level;

2) to assess the relevance, appropriateness, efficiency and effectiveness of the DFID country programme in achieving intermediate development impacts.

Inclusion of the Cambodia country programme in the pilot study was, in part, due to the desire of the DFID's country team to draw upon evaluation findings in the preparation of a new country plane scheduled to occur during 2003–04.

The evaluation covered the period 1997, the formation of DFID as an independent government department, to 2003.

The study was managed by Arthur Fagan and Lynn Quinn of Evaluation Department in conjunction with the appointed study consultants Oxford Policy Management (OPM) supported by Koninklijk Instituut voor de Tropen (The Royal Tropical Institute – KIT).

Preparatory work started in June 2003 and an initial country visit took place between 1–10 October 2003. The main evaluation activities were undertaken during October and November 2003. The evaluation involved key DFID personnel, in Bangkok and Phnom Penh, representatives of Cambodian Government, other donor agencies and local programme partners. In accordance with EvD policy considerable effort was expended in communicating lessons learned throughout the evaluation process. The initial draft evaluation report was submitted in July 2004 and circulated to all stakeholders for comment. The consultation process concluded with a seminar in London during July 2004.

Key study conclusions were:

- overall, DFID has made a positive contribution in a difficult environment;
- though a relatively small donor, DFID has maintained a prominent position in policy dialogues and donor discussions in an environment where political fragility, weak governmental institutions, high dependency on aid for financing investment and the great diversity and agendas of donors involved have made for unusually serious difficulties of donor coordination;

- the Cambodia programme now has clearer overall objectives than it did before the 2000 CSP, but still lacks an effective framework for programme-level monitoring and evaluation. Future monitoring of programme objectives should benefit from recent government work to produce a set of national MDG targets and from the increased attention in DFID to the development of monitoring and evaluation systems for those programmes in which it is directly involved;
- the establishment of the in-country office has enabled DFID to participate more actively than previously in formal and informal discussions on development issues, and to develop wider relations in the country. Good progress has been made in developing more collaborative ways of working in the latter part of the period under review.

M. A. Hammond
Head, Evaluation Department

ACKNOWLEDGEMENTS

This report has been prepared by a team consisting of Christopher Willoughby (team leader), Long Panavuth, Jan Rudengren and Mary Underwood, with contributions from Stephen Jones and Michael Flint. A parallel evaluation on Health by Maria Paalman of the Royal Tropical Institute Amsterdam was separately contracted by the Evaluation Department of the Department for International Development (DFID). The findings of her report have been integrated into this report.

A comprehensive list of people with whom conversations were possible is given at the end of the document. The team is deeply grateful for the time that so many people have given to sharing their views.

Oxford Policy Management
September 2004

LIST OF ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of South East Asian Nations
AusAID	Australian Agency for International Development
BE	British Embassy in Phnom Penh
CAS	Country Assistance Strategy (World Bank)
CG	Consultative Group
CHAD	Conflict and Humanitarian Affairs Division
CMAC	Cambodian Mine Action Centre
CoCom	Health Coordinating Committee
COHCHR	Cambodia Office of the High Commissioner for Human Rights
CP	Country Programme
CPP	Cambodian People's Party
CSCF	Civil Society Challenge Fund
CSD	Civil Society Department
CSCF	Civil Society Challenge Fund
CSP	Country Strategy Paper
DANIDA	Danish International Development Agency
DFID	Department for International Development
DFIDSEA	DFID South East Asia
EC	European Commission
EU	European Union
EvD	Evaluation Department (of DFID)
FAO	Food and Agriculture Organisation of the United Nations
FCO	Foreign and Commonwealth Office
FCMP	Forest Crime Monitoring Project
GDP	Gross Domestic Product
GFATM	Global Fund to fight AIDS, Tuberculosis and Malaria
GTZ	Gesellschaft fur Technische Zusammenarbeit
HSSP	Health Sector Support Project
HSR	Health Sector Reform
ICLARM	International Centre for Living Aquatic Resources Management
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFI	International Financial Institution
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
JFS	Joint Funding Scheme
JICA	Japanese International Cooperation Agency
MDG	Millennium Development Goal
MoH	Ministry of Health
MoU	Memorandum of Understanding
NCHADS	National Centre for HIV/AIDS, Dermatology and STD Control

NEX	National Execution
NGO	Non Governmental Organisation
NORAD	Norwegian Agency for Development Cooperation
NPRS	National Poverty Reduction Strategy
oda	Official Development Assistance
ODA	Overseas Development Administration
OPM	Oxford Policy Management
OPR	Output-to-Purpose Review
PAM	Poverty Assistance Marker
PCU	Project Coordination Unit
PCR	Project Completion Report
PEFA	Public Expenditure and Financial Accountability
PLG	Partnership for Local Governance
PM	Prime Minister
PPA	Participatory Poverty Assessment
PRSP	Poverty Reduction Strategy Paper
PSA	Public Service Agreement
RL	Rural Livelihoods
RGC	Royal Government of Cambodia
SDA	Service Delivery Agreement
SEADD	South East Asia Development Division
SEDP	Second Socio-Economic Development Plan
SGS	Small Grants Scheme
SIDA	Swedish International Development Agency
SWAp	Sector Wide Approach
SWiM	Sector Wide Management
STF	Seila Task Force
TA	Technical Assistance
TCAP	Technical Cooperation Assistance Programme
TCO	Technical Cooperation Officer
UK	United Kingdom
UN	United Nations
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nations Development Program
UNICEF	United Nations Children’s Fund
UNFPA	United Nations Population Fund
UNMAS	United Nations Mine Action Service
US	United States
USAID	United States Agency for International Development
USSR	Union of Soviet Socialist Republics
WB	World Bank
WHO	World Health Organisation
WTO	World Trade Organisation

1. EXECUTIVE SUMMARY

S1. This is a report of an evaluation of the Department for International Development (DFID) programme in Cambodia. The evaluation forms part of the wider Country Programme Evaluation (CPE) study, which is currently being undertaken by Oxford Policy Management (OPM) on behalf of the Evaluation Department (EvD) of DFID. The wider evaluation project has two aims: (i) to prepare evaluations of DFID programmes in three countries (Cambodia, Brazil and Romania); and (ii) to develop appropriate approaches and methodologies for the evaluation of DFID programmes at the country level.

S2. The evaluation was conducted in the period October 2003 to January 2004. Three members of the evaluation team visited Cambodia for two weeks in October. This was followed by separate visit to evaluate support in the health sector. A final one-week visit took place in January to discuss an initial version of this report.

S3. The evaluation covers the period from 1997–2003, during which time DFID bilateral country programme expenditure in Cambodia rose from around £3 million in 1997/98 to £8 million in 2002/03, or £27 million in total. A further £12 million was provided to non governmental organisations (NGOs) by central DFID departments over this period. The UK is one of the smaller donors, providing around 3% of the US$487 million in official development assistance (oda) disbursed in 2002.

Main findings

S4. Cambodia has lived through a traumatic recent history, but is now enjoying a higher degree of peace than the country has known for a generation. However, the constraints to pro-poor policy making are significant, the political environment remains uncertain, and aid coordination is weak. Progress on the Millennium Development Goals (MDGs) has been limited. The context within which DFID has been working since 1997 has been difficult, but is improving.

S5. The overall judgement of the evaluators is that DFID has made a positive contribution in a difficult environment. The 2000 Country Strategy Paper (CSP) provided a clearer statement of strategy than had been available before. DFID has been influential and is generally highly regarded by its development partners for its professionalism and flexibility, and particularly for its commitment to a consultative and collaborative approach. The quality of project cycle management appears to have improved over time.

S6. While the overall judgement of the current programme, in terms of strategy, activities, process and organisation is positive, it is much more difficult to demonstrate that the programme has been, or will be, developmentally effective. To a large extent, this may be more a problem of measurement and attribution than of achievement; a problem not helped by the lack of clear programme-level indicators and targets in the DFID strategies to date. But it also reflects the difficult and fragile Cambodian context.

Issues and implications

S7. The evaluation raises four issues of relevance to DFID in Cambodia and elsewhere:

i. Working with multilateral agencies.

ii. Programme-level monitoring and evaluation.

iii. DFID's in-country presence.

iv. Donor coordination.

S8 A key feature of the DFID programme has been the attempt to work through and with **multilateral agencies**, initially mainly UN agencies and now, increasingly, International Financial Institutions (IFIs). The experience points towards the need for a more realistic and strategic approach to partnership arrangements with multilateral agencies. Relationships with other agencies need to be monitored and managed, and a better reciprocal understanding of the culture, policies and procedures of each partner needs to be developed. Based on this, DFID needs a clearer understanding of the appropriate form of relationship, and how to maximise its influence, with different partners and in different circumstances. This might lead to a more diverse and discriminating approach involving particular multilateral and bilateral agencies, rather than a presumption than multilaterals (either UN or IFI) should be the preferred partners.

S9 DFID's programme in Cambodia now has clearer overall objectives than it did before the 2000 CSP, but still lacks an effective framework for **programme-level monitoring and evaluation**. Future monitoring of programme objectives should benefit from recent government work, in follow-up to the Poverty Reduction Strategy Paper (PRSP), to produce a set of national MDG targets, and from the increased attention that DFID has given to the development of monitoring and evaluation systems in the programmes in which it is directly involved. Together, these efforts may permit the adoption of well-founded quantitative targets for DFID-supported programmes and the more effective monitoring of progress towards them. Until this happens, the wide gap that exists between project-level scores on the one hand, and country-level outcome statistics, both of variable quality, will remain. Assessing other aspects of a country programme—such as strategy, process and organisation—can inform, but the basic problem of assessing programme-level effectiveness and impact has not been solved. We can say that the programme is generally 'doing the right thing in the right way', but we cannot really say how effective it is or what impact it has had.

S10. The establishment of the **in-country office** has enabled DFID to participate more actively than previously in formal and informal discussions on development issues, and to develop wider relations in the country, including with civil society organisations. Ongoing DFID-supported projects in each adviser's field have provided grassroots information and contacts, while freedom from direct management tasks has normally ensured adequate time for work on broader issues. However, the fact that the programme manager is based in DFID's regional office in Bangkok may have limited DFID's influence in-country. This needs to be balanced against the increased cost of locating a full-time programme manager in Phnom Penh.

S11. Political fragility, weak governmental institutions, high dependency on aid for financing investment and the great diversity and agendas of donors involved have made for unusually serious difficulties of **donor coordination**. Though a relatively small donor, DFID has maintained a prominent position in policy dialogues and donor discussions. Good progress has been made in developing more collaborative ways of working in the latter part of the period under review. DFID has recently decided to drop the aim, contained in the 2000 CSP, of eliminating the bilateral aid programme by 2010 and supporting Cambodia entirely through multilateral agencies. One option that could be explored by DFID as an alternative is the potential for co-programming and co-location with like-minded bilateral donors.

1. INTRODUCTION

1.1 This is a report of an evaluation of the Department for International Development (DFID) programme in Cambodia covering the period 1997–2003. It formed part of a wider Country Programme Evaluation (CPE) study undertaken by Oxford Policy Management (OPM) for the Evaluation Department (EvD) of DFID. The study involved an evaluation of three DFID country programmes (Brazil, Cambodia and Romania) and has led to the production of an integrated report synthesising results, and drawing conclusions about appropriate methodologies and other issues for country programme evaluation in DFID.[1]

1.2 Main work on Cambodia began in October, when several members of the team spent two weeks in Phnom Penh interviewing DFID staff working there, their principal partners in Government and in the aid community and representatives of other stakeholders. Maria Paalman,[2] working independently of Oxford Policy Management, carried out similar work in Phnom Penh specifically on the health sector in November 2003. Interviews have continued, by telephone and e-mail as well as in person, with others relevant to DFID's work in Cambodia, including many who are now in other parts of the world. A two-person follow-up mission visited Bangkok and Phnom Penh between 25–31 January to discuss the preliminary draft with DFID staff, fill gaps and verify the provisional conclusions.

1.3 The report is structured as follows. Section 2 discusses the context (in terms of Cambodia's development challenges and policies, and overall DFID policy) within which the DFID programme has been formulated and implemented. Section 3 analyses DFID's strategy towards Cambodia. Section 4 examines the evolution of the country programme and its relevance to the strategy objectives. Section 5 focuses on processes of partnership, ownership and DFID's management. Section 6 assesses the outcomes of the programme. Section 7 presents initial conclusions and highlights major issues emerging from the evaluation.

[1] Country Programme Evaluation Synthesis Report, EV 652
[2] Royal Tropical Institute, Amsterdam.

2. CONTEXT

What was the context within which the country programme was planned and implemented?

Political context

2.1 Cambodia has lived through a traumatic recent history marked by civil war, violent external intervention and a systematic attempt by the Pol Pot regime to eliminate the structures of society and the country's educated population. However, despite deep problems of governance, Cambodia has now achieved a higher degree of peace than it has known for over 40 years. In the early 1990s, the country had to overcome the effects of previous strife, which had left the country with very limited numbers of educated and professional people, a society characterised by distrust, violent conflict resolution, a centrally planned economy without the resources to recover from the economic and societal collapse during the last period of the Pol Pot regime, while receiving little international support outside the Eastern Block. With the collapse of Soviet Union and the start of the reform process in Vietnam, market reform was introduced, but the ruling party—the Cambodian People's Party (CPP)—maintained its political and economic monopoly, characterised also by endemic corruption in the military and the political elite.

2.2 The foundation for more positive developments was laid with the Paris Peace Accord in 1991, and the subsequent new constitution based on multiparty democracy and a market economy. The first election in 1993 resulted in a victory for the opposition, but the CPP, who controlled the military and police refused to accept defeat, and a government was eventually established with two prime ministers and two ministers for every ministry—one from CPP and one from the Sihanoukhist Funcinpec Party. The conflict between the two political parties in the government slowed any reform process. The conflict culminated in the CPP coup of July 1997 leading to the suspension of some international development assistance. However, the election in 1998 was held as planned. It was conducted in a better manner than in 1993 and with less political violence. CPP increased its vote and gained a parliamentary majority, but, since the constitution requires a two-thirds majority in the National Assembly for the government, a coalition was formed with the Funcinpec Party. The formation of the new government after the election took over four months, and the period was marked by considerable political violence. Prime Minister Hun Sen has remained in office throughout the period, but for extended periods in 1997-98 and 2003, only as head of a caretaker government without a clear mandate. However, the degree of political progress is illustrated by the fact that the process of forming a new government after the National Assembly elections of 2003, while disruptive to policy-making and reform implementation, has not been characterised by political violence on the same scale as in 1993 and 1998.

2.3 A recent study of the prospects for pro-poor policy-making in Cambodia[3] commissioned for DFID notes the weakness of both the state and civil society in the country, and the heavy reliance of the political system on informal, patronage-based networks. The study argues that the weak institutionalisation of the political system is manifest in "a lack of transparency about how and why decisions are made, the irrelevance of formal mechanisms

[3] Hughes and Conway (2003).

of accountability, a neglect of state functions that do not offer opportunities for rent-seeking, and a distortion to private ends of those public functions which do not offer opportunities for the generation and capture of wealth'. The study argues that limits to the possibility of pro-poor policy-making in Cambodia are imposed first by the 'subordination of policy concerns generally to the imperatives of facilitating the cohesion of networks underlying state institutions', and second by 'the paucity of channels of connection, communication and accountability between state and society, particularly in the rural areas where poverty is concentrated'.

2.4 Despite this, there are a number of positive signs relating to the effectiveness and poverty-focus of policy-making. The small body of reformist senior officials and civil servants is gradually expanding with the addition of a younger generation returning from higher studies overseas. Several ministries now have core groups of senior staff that can guide major programmes, such as the Ministries of Commerce, Education, Finance, Health and Interior. The CPP-led Government has developed a policy of decentralisation. Commune elections were held in February 2002 in which the CPP won 62% of the votes, and 97% of the top offices, but has for the first time to share local power with the opposition parties. The Commune Council could become a mechanism of democratic accountability, which could significantly improve the course of development. The Royal Government of Cambodia (RGC) has also given considerable attention to earning international recognition and opening the trading opportunities which are needed to stimulate both Cambodian and foreign private-sector activity in the country. RGC has revised laws affecting trade and private investment, made Cambodia a member of ASEAN in 1999, hosted the ASEAN summit in 2002 and succeeded, in September 2003, in having the country accepted for WTO membership. The anti-Thai riots in January 2003 were a setback, especially for political, cultural and commercial ties between Cambodia and Thailand.

Cambodia's development policies

2.5 The Government has recognised the need for reforms in many other areas, notably macro-economic and fiscal issues, civil service and public administration, decentralisation and deconcentration, legal and judicial structures and processes, anti-corruption and control of illegal logging and land grabbing. These reform areas are also emphasised in the Second Socio-Economic Development Plan 2001–2005 (SEDP II)[4], as well as in the Poverty Reduction Strategy Paper (PRSP)[5] that brought the SEDP II to a more concrete level and was approved in December 2002. However, with the exception of some macro-economic reforms, only limited progress has so far been made.

2.6 The RGC long-term development strategy, as set out in SEDP I and labelled the 'Triangle Strategy', rested on three pillars: restore security, integration in the world economy and promote favourable conditions. This strategy was further developed in SEDP II. The new development and reform agenda ('Rectangular Strategy') has good governance as its backbone and is based on four pillars: high economic growth and enhanced Cambodian competitiveness, employment creation, social equity and increase public sector effectiveness.[6]

[4] SEDP II was approved by Council of Ministers in December 2001.
[5] CSDKC (2002).
[6] MoEF (2003).

2.7 The process of developing a PRSP began in May 2000 in parallel with work on the RGC SEDPII. It was supported by different donors and came under different ministries. The production of the I-PRSP, supported by the World Bank, was under the Ministry of Economics and Finance. SEDPII was under the Ministry of Planning and supported by Asian Development Bank (ADB). SEDPII included the production of a participatory poverty assessment, and was approved by the Council of Ministers at the end of 2001 and by the National Assembly in June 2002. In practice the PRSP, finally produced at the end of 2002 as the 'National Poverty Reduction Strategy 2003–05', took the approach of operationalising the macroeconomic and institutional environment described in SEDPII in terms of concrete actions and specific targets. However, this parallel process was not conducive to the development of an effectively integrated national poverty reduction strategy. There now appears to be agreement to work towards a single National Poverty Reduction Strategy (NPRS) by 2005.

2.8 The PRSP sets out key areas for improvement of rural livelihoods, including improvements to land, water, agriculture, forestry, fisheries and transport, although the depth and breadth of Government commitment to the PRSP remains to be established. The priority poverty reduction actions are given in the PRSP as:

- maintaining macroeconomic stability.
- improving rural livelihoods.
- expanding job opportunities.
- improving capabilities.
- strengthening institutions and improving governance.
- reducing vulnerability and strengthening social inclusion.
- promoting gender equity.
- priority focus on population.

Economic context and development challenges

2.9 Cambodia's economic progress at the start of the evaluation period was seriously affected by the political turmoil of 1997 and its aftermath. However, the country was less affected than others in the region by the regional economic crisis in the latter part of the 1990s, reflecting its limited integration with other regional economies. Annual GDP growth has averaged 6% over the period, with the most dynamic sectors relating to exports and to the construction sector, especially in urban areas. Trade privileges granted by the US and EU have attracted garment assemblers who succeeded in achieving exports of some US$1.1 billion in 2001 (mainly to the US and UK) and employ an estimated 200,000 people in Phnom Penh and neighbouring provinces. Peace has permitted the rebirth of international tourism, now generating about 100,000 jobs, mainly in Phnom Penh and Siem Reap, and adding US$200 million to national income. However, the impact of this growth on the rural economy, where poverty is concentrated, is likely to have been limited. Population grew from about 11.2 million in 1997 to 12.8 million in 2003, or by about 2% per annum, and agricultural production, which still employs 75% of the labour force, grew only slightly

faster. Though population density remains much lower than in Vietnam or Thailand, landlessness has grown sharply,[7] and about 40% of rural households now have less than half a hectare—while, in some regions, peoples' access to common property resources has been reduced by illegal and semi-legal exploitation and efforts to reduce it.

2.10 Despite peace and the 6% per annum GDP growth since 1997, Cambodia has so far managed only limited progress on the Millennium Development Goals (MDGs). The UNDP 2002 assessment of progress towards the MDGs estimated Cambodia to be:

- **On track** to achieve halving the proportion of people **suffering from hunger.**
- **On track** to achieve universal **primary school enrolment** (no information on children reaching grade 5).
- **Lagging** on **female enrolment** in secondary school (no information on female primary enrolment figures).
- **Slipping back** on the **under five**[8] and **infant mortality** rates.[9] Maternal mortality rates of 437 per 100,000 births (UN 2001) are amongst the highest in Asia although these are reported to have decreased from 900/100,000 in 1994.[10]
- **No information** is available on the proportion of the population using **improved water sources**.

2.11 The share of population subsisting below the national poverty line (which is lower than the international US$1 a day measure for absolute poverty) is believed to have fallen from around 39% to 36% from 1995 to 2000. The prevalence of poverty in 1997 was considerably higher in rural areas (40.1%) than in Phnom Penh (11.1%) or other urban areas (29.9%). The corresponding figures for 1999 have been estimated by the World Bank to be unchanged for rural residents, while poverty in Phnom Penh dropped to 9.7% and in other urban areas to 25.2%.[11]

2.12 Economic growth has not so far been sufficient to reduce rural poverty significantly. With a Gini coefficient of approximately 0.4, Cambodia's income inequality is not extreme. There is however little doubt that the inequality in income distribution has accelerated in recent years in favour of the urban areas and the economic and political elite. Extreme poverty is primarily a rural phenomenon and the majority of the population lives either just above or just below the poverty line. Cambodia's poverty profile is rather similar to those of the neighbouring countries in Indochina: Laos and Vietnam. Cambodia's UN Human Development Index ranking is 130 out of 175 countries, as compared to 153 in 2000. It has entered the 'medium development category' and is no longer the lowest ranking country in South-East Asia.

[7] Sophal and Acharya (2002).
[8] Under-five mortality rates were 115/1000 in 1990 and 128/1000 in 2002. Ministry of Health figures for 2000 were 125/1000.
[9] Infant mortality rates were 80/1000 in 1990 and 97/1000 in 2001.
[10] There are however significant discrepancies in the data reported.
[11] Poverty data is unreliable, especially when attempting to analyse trends and changes in methodology for poverty measurement are common.

2.13 Land issues and the control of natural resources emerge through participatory poverty assessment as being key concerns for the poor (Participatory Poverty Assessment (PPA) 2000). Specific concerns include: limited land availability per household, low productivity of land, landlessness and decreasing access to community natural resources (forest and fish).

2.14 Health statistics give a mixed picture. While HIV/AIDS prevalence has been reduced sharply and there has been progress in reducing maternal mortality, the latter remains high,[12] and the under-five mortality rate is believed to have increased.[13] In regard to education, net primary enrolment has increased a little (from 83% in 1997 to 86% in 2002) but little or no progress appears to have been made in achieving gender equality.[14]

The role of donors

2.15 After the peace accord in 1991, donor support to Cambodia increased (other than aid from the USSR which effectively ceased), but was largely channelled through Non Governmental Organisations (NGOs). Aid through government increased after the formation of the 1993 government, particularly support to infrastructure and public sector capacity building. However, the insecurity outside the capital Phnom Penh meant that many donors were reluctant to embark on rural development projects.

2.16 Total Overseas Development Assistance (oda) disbursements fell from US$337 million to US$277 million between 1998 and 1999 due to the 1997 coup and the problems with forming a government after the 1998 election. Since then, aid disbursements have increased to US$487 million in 2002. Japan is by far the most significant donor agency in terms of expenditure, and has provided 23% of total oda between 1997 and 2002. The Asian Development Fund has accounted for 11% of oda. The International Development Association (IDA) accounts for 9%. Besides Japan, other important bilateral donors are the EC, US, France, Australia and Germany, each accounting for between 5 and 8%, while Sweden and the UK provide around 4% and 3% respectively of oda (Appendix, Table 6).

2.17 There is pronounced dissatisfaction by donors with the poor coordination of aid. The aid coordination process is regarded as having generated too much talk, often with too little listening, and little effective action. There is increasing recognition of the need for an agreed framework which assists in the identification of priority activities and which helps to minimise the number of overlapping projects and the associated competition for scarce government resources. This has been less of a problem in the health sector, where a donor coordination committee has been in place for many years. In general, however, the current structure of Consultative Group (CG)- based donor working groups has proved ineffective and donors as well as RGC have developed a new framework for donor working groups that will be more focused and which will involve donors and RGC staff at technical level. However, these reformed working groups have not yet been set up.

[12] 437 per 100,000 live births compared with 330 in Bangladesh.
[13] UN (2003). It places the under-five mortality rate at 115 in 1990 and maternal mortality at 590 in 1995.
[14] The ratio of girls to boys in primary and secondary education combined was 83% in 2001. World Bank/ ADB (2003).

3. DFID'S STRATEGY

Was DFID's strategy right?

This chapter outlines the evolution, justification and content of DFID's strategy in Cambodia. It looks at the process of consultation in drawing up the strategy and the treatment of cross-cutting issues within the strategy. It assesses whether the strategy was appropriate, relevant and feasible given the context outlined above.

Pre-1997 strategy

3.1 DFID's activity in Cambodia grew out of a joint Overseas Development Administration (ODA) and Foreign and Commonwealth Office (FCO) mission in 1989. According to the Interim Country Strategy paper prepared by the South-East Asia Development Division (SEADD) of oda in 1995, UK involvement was justified on the basis of Cambodia's position as one of the poorest countries in the world, where a small investment of aid could have a considerable impact. The main emphasis in the interim strategy was on projects relating to human development—health, education and children by choice—with poverty reduction, good government and the particular needs of women as other significant objectives. This focus was based on the country's deep poverty and poor social development. The interim strategy did not define long-term objectives or indicators for the programme, and did not involve any consultation process in Cambodia.

3.2 Funds managed directly by SEADD continued the previous trend of being channelled largely to UN agencies. The rationale for this was to achieve higher 'gearing' while minimising the administrative burden on the British Embassy, the aid management capacity of which was strictly limited. Funds directed to Cambodia by central ODA departments, including JFS/CSCF and CHAD, mainly supported activities managed by UK-based NGOs.

3.3 The humanitarian case for maintaining a substantive aid programme was considered strong, providing there was no worsening of the human rights or security situations. However, future aid allocations were going to be balanced against Cambodia's 'relative lack of political and commercial priority for the UK'. The aid framework for activities supported by the South-East Asia Division showed a planned decreasing commitment from £2.5 million in 1995/6 to £1.4 million in 1997/8.

Country Strategy Paper 2000

3.4 In late 1997, following publication of DFID's White Paper, south-east Asia country programmes were reviewed and identified as requiring changes to strengthen poverty focus. Preparatory work for a new Cambodia Country Strategy Paper (CSP) began in 1998. While there was no outside consultation in relation to the 1995 strategy, quite elaborate efforts were made for the 2000 CSP. Strategic studies were commissioned in 1998 on sustainable livelihoods, demobilisation, and governance and local government. Discussions were held with a range of Cambodian civil society organisations. The work benefited from the wide-ranging discussion between the new government and the donor group about the country's future at the February 1999 Consultative Group meeting in Tokyo. Views were also sought from other UK Government departments. Key lessons that were included in

the CSP as a result of the consultation process were the need to focus on issues impacting on livelihoods in rural areas, to adopt a flexible, lesson-learning approach, and to strengthen capacity to engage more fully in in-country policy discussions. The consultation process was completed when the UK Parliamentary Under Secretary of State for International Development visited Cambodia in October 1999 and held discussions with Prime Minister Hun Sen.

3.5 The CSP, which was published in March 2000, gave centre stage to the challenge of reducing poverty and meeting the international development targets. Its key features were:

- a commitment to a collaborative, multi-donor approach. The CSP included an ambition, by 2010, of channelling all DFID support through multilateral agencies.
- a focus on rural livelihoods and the health sector as entry points for developing a more collaborative way of working.
- an emphasis on pro-active engagement with government to strengthen policies and institutions.
- an increase in DFID staff capacity in-country.

3.16 Analysis of the country's development problems, and the obstacles to relief of poverty, led to the conclusion that the focus should be on strengthening government policies and institutions: reforming public expenditure systems, public administration and health services delivery, increasing public spending in rural areas, and improving government capacity to maintain investments made. The valuable role of NGOs was recognised, but it was seen as essential to build the government's own capacities, as had already been the main UK focus in the health sector. DFID therefore planned to take a more proactive approach to involvement in discussions of government policy and identification of projects for support, with a view to broader impact on aid for key dimensions of government strengthening. The increase in DFID staffing in-country was key to this.

3.17 The distinguishing feature of the CSP was its multilateral rather than bilateral outlook. DFID assistance was already largely channelled through multilaterals (and NGOs), but for **aid management** reasons. The British Embassy did not have the capacity to manage a bilateral programme. The CSP recognised that there was a strong **aid coordination** argument for a multilateral approach: 'donors and government need to avoid "project (and strategy) proliferation" in its worst form—where donors compete amongst themselves to provide projects that are un-coordinated, lack national ownership and impose many separate types of donor procedures and objectives' (p.1, CSP 2000).

3.18 The multilateral outlook was also a product of senior management concerns within DFID about adding yet another small country programme to what was seen by some as an undesirably long list. This explains why 'a new way of working for donors' was inserted into the definition of DFID's overall purpose in the country. It also explains why the final version of the paper introduced the aim of, by 2010, supporting Cambodia completely through multilateral agencies without the need for a bilateral aid programme. Alternative strategies of a more conventional bilateral programme, or of withdrawing from Cambodia because of governance concerns, were considered.

3.19 Two entry points for initiatives toward improved donor collaboration were identified: rural livelihoods and health. These were justified by the rural concentration of poverty, and by the emerging opportunity to work in rural areas previously too dangerous to enter. The inadequacy and importance of health services for the poor and the intention to build on previous experience in the sector were also recognised as being important. Earlier activities in education and urban planning were to be gradually phased out in order to allow for this focus. The idea of establishing a DFID office in Phnom Penh with advisers but without major responsibilities for project management contrasted strongly with the practice of most other aid donors. It was hoped that such an arrangement would enable the increased but still limited DFID financial resources to have greater impact in the particular context of weak government institutions and numerous poorly co-ordinated foreign aid agencies.

Strategic objectives

3.20 The overall purpose of the 2000 CSP was '**to promote a new way of working for donors to improve rural livelihoods significantly over the next ten years**'. DFID was to do this by working in partnership with government, civil society and donors to promote three broad programme objectives.

3.20.1 Encourage broad-based rural development that empowers poor and disadvantaged people.

3.20.2 Enhance government capacity to plan and implement pro-poor policies, to raise resources, and to account for their use.

3.20.3 Support improved policies and systems that enable the state to guarantee the equitable provision of effective basic services.

3.21 In common with other DFID CSPs produced during this period, these objectives were not accompanied by indicators showing how progress was to be measured. There were no specific indicators or targets for health or rural livelihoods. More significantly, the late inclusion of 'new ways of working' in the purpose was not accompanied by any changes in the contributing objectives, nor by any corresponding outputs. The CSP did, however, include commitments to:

- only develop interventions that complement a wider programme of multi-donor support
- strengthen DFID's in-country capacity to enable it to work intensively with other donors and government.
- make the next DFID country strategy a joint strategy with other donors and government.

3.22 The CSP also included a specific objective related to DFID's programme: **by 2010, to be in a position to support Cambodia completely through multilateral agencies without the need for a bilateral programme**. A programme review after 24 months would articulate five year benchmarks for progress towards this long-term objective.

Rural livelihoods strategy 2001

3.23 A Rural Livelihoods Strategy was prepared in 2001. This internal document was intended to make up for the limited treatment of rural livelihoods in the CSP. In the event, it simply articulated the three areas where DFID was already working, rather than spelling out a strategy as such, because there was no money for new commitments. The three areas were strengthening pro-poor local governance, improving rural infrastructure, and promoting better access to natural resources. DFID efforts regarding the latter were to be focused on engagement in key policy and legislative processes and on building local peoples' capacity to manage their own resources.

Cross-cutting issues

3.24 The 2000 CSP presented a fuller treatment of DFID's cross-cutting policy concerns than had the earlier strategy, though analysis of gender, HIV/AIDS and environmental issues was still relatively limited.

3.24.1 ***Poverty:*** In the Interim Country Strategy, poverty reduction is referred to as a significant objective, reflecting policies of the period. In the CSP, poverty and the needs of the poor are mainstreamed throughout the document.

3.24.2 ***Gender:*** The 1995 strategy mentions low education figures for women and states that particular attention will be paid to the needs of women. The CSP also mentions women and education, adding that violence against women is a problem and that they are under-represented in the political system in spite of having equal rights under the constitution. But 'gender' as such is not mentioned, and there is no analysis to show how gender issues, or the needs of women, will be addressed. The 2001 Rural Livelihoods Strategy contains a little more on the specific problems of rural women and states that it will mainstream gender concerns and seek to promote gender equality through each of its activities.

3.24.3 ***HIV/AIDS:*** This is not explicitly mentioned in the Interim Country Strategy, whereas the CSP commits to continue support for programmes to combat the disease, including associated reproductive health issues, with a focus on developing multi-donor/government programmes.

3.24.4 ***Environment:*** This is discussed only in the context of forestry and illegal logging.

Assessment of the strategy

3.25 The 2000 CSP was a considerable advance on the previous strategy in terms of providing a clear, public statement of the rationale, approach and objectives of DFID's programme in Cambodia. The inclusion of a ten-year aim—a shift from bilateral to multilateral programming—was noteworthy. Whether it was, and is, an appropriate or feasible aim can be questioned. It was not based on an objective assessment of the relative effectiveness of providing assistance through bilateral, multilateral or NGO channels. With hindsight, it seems to have been based on an over-optimistic view of the effectiveness of multilateral agencies, or of DFID's capacity to exert influence on them in areas where diagnosis, objectives or strategy differed.

3.26 The objectives and approach outlined in the CSP were relevant to the situation and policy context, both of the RGC and DFID. The decision to focus on health and rural livelihoods, and to phase out support for secondary education and urban planning, was consistent with information about the nature of poverty in Cambodia.

3.27 In common with all CSPs produced at that time, the Cambodia CSP suffered from the inadequate articulation of a framework of performance indicators and targets (although benchmarks were planned, but never defined, for the 2010 aim), and provided only general guidance for the programme. This makes it difficult to measure the performance of the programme. The general lack of definition was, in the case of Cambodia CSP, exacerbated by the late addition of the 'new way of working' objective and the 2010 aim, without corresponding changes to the subsidiary objectives. The failure to articulate fully the meaning and implications of this objective may have contributed to some of the difficulties that DFID has encountered in its partnership relations with other agencies.

4. DFID'S PROGRAMME

Did DFID do the right things?

This chapter describes the evolution and content of DFID's programme. It asks whether the activities were consistent with the strategy, and relevant and appropriate given the context.

Evolution of the DFID programme

4.1 Neither the 1995 nor the 2000 CSP provided more than general guidance for project identification and approval. It is also fair to point out that the 2000 CSP was seen as a 'living strategy' that needed to develop as knowledge and experience was gained. Factors that have influenced the development of the programme include the Cambodian and UK policy framework, DFID policies and guidelines, existing DFID projects, the Cambodia macro-environment and context and other donor initiatives. Overall political and economic developments, including the security situation in Cambodia, had a great influence on the identification of suitable projects. For example, although the interim strategy referred to rural development, prior to 1998 it was not considered feasible to operate outside Phnom Penh because of the poor security situation.

4.2 Direct DFID expenditure in Cambodia takes two forms: country programme (CP) expenditure managed by the DFID South-East Asia (DFIDSEA), and non-country programme (non-CP) expenditure managed by UK-based departments, mainly CHAD and CSD. Over the period 1997–2003, DFID has spent £38 million, of which £26 million (68%) was CP expenditure and £12 million (32%) was non-CP expenditure. Annual disbursements have doubled from £4.6 million in 1997/8 to £9.1 million in 2002/3. This was higher than forecast in the interim strategy (because of DFID's increased budget) but close to CSP forecasts in later years. CP disbursements have almost trebled over the period, while non-CP disbursements increased up to 1999/2000 and have since declined to below the 1997/8 level.

4.3 There are no clear trends in either the size or the number of projects over the period from 1997 until 2001. Since then, three large project commitments have been made—for HIV/AIDS, Seila, and Health Sector Support (see Appendix, Table 8).

Expenditure by objective

4.4 The 2000 CSP stated a clear intention to focus the country programme by concluding bilateral support for secondary education, urban poverty and malaria. Two main entry points—rural livelihoods and health—were identified for pursuing the three CSP objectives: (1) broad-based rural livelihoods; (2) pro-poor policy capacity; and (3) the equitable provision of basic services.

4.5 Table 1 below (see also detail in Appendix, Table 7) shows disbursement on all (including pre-CSP) projects by CSP objective for CP expenditures, and by sector for non-CP expenditures. Six main trends appear when disbursements are analysed over the two country periods:

4.5.1 **CP rural livelihood** projects have steadily increased in actual disbursement as well as in share of total disbursement with a great leap in 2002/3 (because of the Seila/Partnership for Local Governance (PLG) project).

4.5.2 **Education** is being phased out in accordance with the 2000 CSP. The same is not yet evident for **urban poverty** as the Phnom Penh Urban Poverty project was approved just before the 2000 CSP and has been extended at no cost until March 2004.

4.5.3 **Health** sector disbursement peaked in 1998/9 and has decreased steadily in the CSP period.[15]

4.5.4 Disbursement related to the **service delivery** objective (CSP objective 3) has declined in absolute terms but even more so in relative terms (Fig. 1). However, the number of CP service delivery projects has increased from the second year of the CSP, and a major health project has recently started.

4.5.6 Total **CP** disbursement shows a clear increasing trend while **non-CP** disbursement sharply decreased from its peak (1999–2000) in the transition from the interim CS to the current CSP. This peak is explained by large disbursement in demining and disaster relief.

4.5.7 **Demining** shows great variations with a peak during the transition from the Interim to 2000 CSP.

Table 1: Disbursement by CS objective and sectors (£ '000)

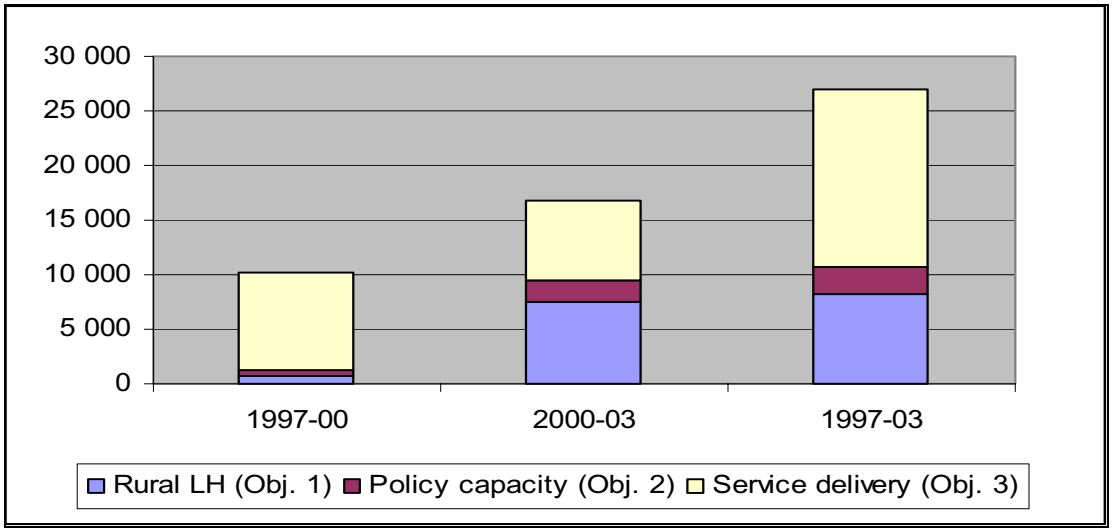
Objective/sector	Commit	Disbursements (£'000)						Total	Total	Total
	£ '000	97/98	98/99	99/00	00/01	01/02	02/03	97/00	00/03	'97-03
CP/SEA										
Rural LH (Obj. 1)	17 748	0	350	317	1 150	774	5 658	667	7 582	8 249
Policy capacity (Obj. 2)	4 584	39	474	40	8	1 284	673	553	1 965	2 518
Service delivery (Obj. 3)	56 809	2 875	3 098	3 007	2 894	2 728	1 565	8 980	7 187	16 167
Education	6 103	861	788	874	884	441	182	2 523	1 507	4 030
Health	47 717	1 725	2 072	1 853	1 654	1 576	1 383	5 650	4 613	10 263
(of which HIV/AIDS)	21 740	63	12	69	69	807	1 028	144	1 904	2 048
Total CP/SEA	79 141	2 914	3 922	3 364	4 052	4 786	7 896	10 200	16 734	26 934
Non - CP/SEA										
Demining	note 1	466	600	2 895	1 470	621	929	3 961	3 020	6 981
Emergency relief	1 133	0	0	0	861	150	0	0	1 011	1 011
Health	3 418	630	413	264	247	142	137	1 307	526	1 833
(of which HIV/AIDS)	20	10	0	0	0	0	0	10	0	10
Education	396	61	15	0	0	0	0	76	0	76
Other	4 058	535	425	333	395	211	184	1 293	790	2 083
Total non-CP/SEA	note 1	1 702	1 453	3 492	2 973	1 124	1 250	6 647	5 347	11 994
Total DFID	note 1	4 616	5 375	6 856	7 025	5 910	9 146	16 847	22 081	38 928

Note 1: Information for demining committment is missing for several projects

4.6 Another feature of the programme is that support for the strengthening of government services has been extended to include the local government structures and systems and the Ministries of Finance and Planning. The emphasis has also shifted from small-scale pilot projects, often run by NGOs (which managed more than half the projects underway in 1997/8, accounting for 40% of total disbursements), to government policy formulation and systems for its implementation. Figure 1 summarises the SEA disbursements and clearly depicts the increase in disbursement between the interim strategy and CSP and the growing importance of rural livelihoods projects.

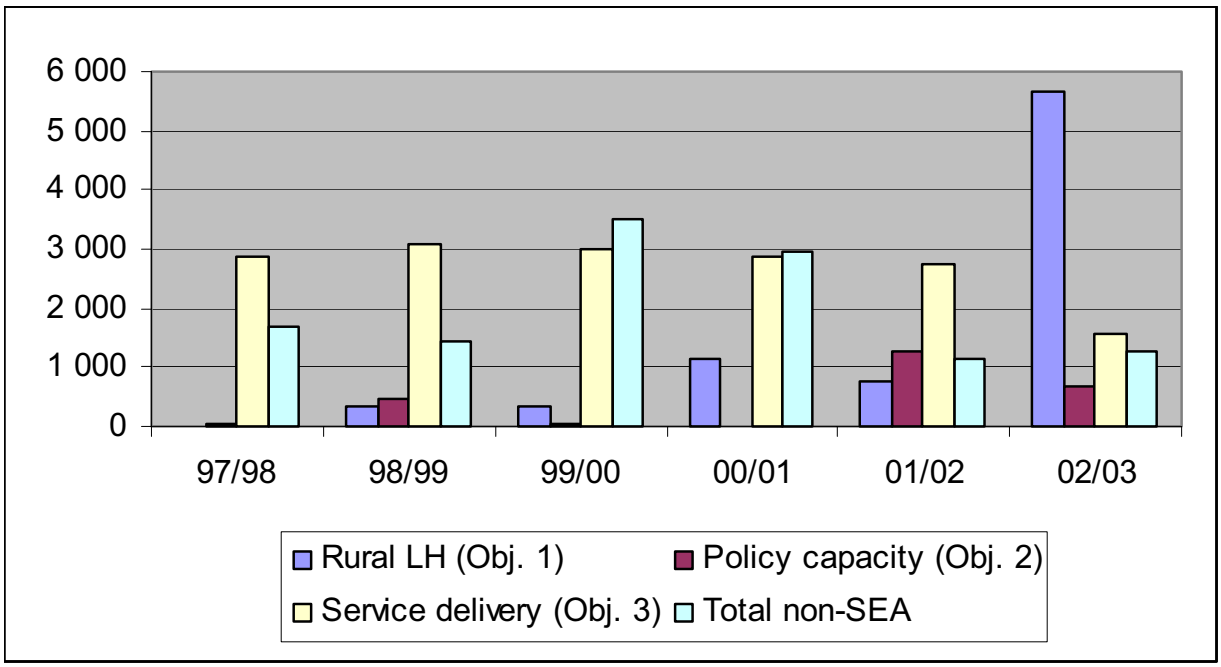
[15] In 2003/04 health sector expenditure has increased to reach the 1998/9 peak level.

Figure 1: SEA disbursement 1997–2000, 2000–03 and 1997–2003 by objectives



4.7 The two trends in CP disbursements of growing funding in rural livelihoods and pro-poor policy capacity objectives, with a relative decline in service delivery, come out clearly.[16] The latter reflects the planned phase-out of education, as well as delays that arose in final arrangements for large new multi-donor health projects. Health disbursements are likely to rise rapidly in coming years. Non-CP funded expenditures on demining show substantial variations over the years, but a continuing high level of activity. Non-CP expenditure on other projects (mainly health and rural development) have steadily fallen, and accounted for less than 4% of DFID's 2002/3 spending on projects in Cambodia, compared with nearly 30% in 1997/8 (Figure 2).

Figure 2: Annual Disbursement SEA, by CSP Objectives and Non-SEA (£ '000)



[16] The underlying assignment of projects among the three Objectives is shown in Appendix, Table 2. Since many projects contribute to more than one objective, assignment is necessarily somewhat arbitrary. Appendix, Table 3 (which also provides project start and closure dates, and lists main partners) assigns the projects somewhat differently. The results, however, indicate the same broad trends indicated in the text.

Partners and ways of working

4.8 From the beginning of the ODA/DFID operation in Cambodia in 1991, ODA/DFID operated largely through multilateral organisations and NGOs for aid management reasons. This mode of operation continued through the Interim Strategy period (1997/8–1999/2000). The 2000 CSP renewed the commitment to working with multilaterals, but now for aid coordination reasons as well. DFID has always worked with multilaterals and continues to do so (see Appendix, Table 8). Since 2000, there has been a trend towards working with International Financial Institutions (IFIs) and away from UN agencies.

4.9 The 2000 CSP did not merely commit DFID to working with multilaterals. It also committed DFID to developing 'new ways of working' for donors. On the assumption that this means working towards more collaborative multi-donor funding arrangements, the Seila/PLG and the Health Sector Wide Management (SWiM) (and the proposed follow-up to Technical Cooperation Assistance Programme (TCAP)) demonstrates that DFID has done this.

4.10 Besides funding projects, DFID has also pursued CSP objectives through the role it has played in the Cambodia Consultative Group (CG), which has held four major meetings since 1997 and has been supported by donor working groups in Phnom Penh. Already at the first of these meetings, in Tokyo in February 1999, DFID was pressing for agreements between government and donors on clear and monitorable milestones of progress in key areas of reform. Donor working groups were formed in the following months, on fiscal reform, demobilisation, forestry, public administration reform, and social sectors, with an informal group on governance in addition. DFID's own capacity to participate in these working groups, and other policy discussions, was greatly increased by the posting of two advisers (governance and rural livelihoods) to Phnom Penh on a full-time basis from October 2000. ODA/DFID policy engagement in the health sector was already stronger because of the succession of influential TCOs and the existence of the health co-ordinating committee (CoCom).

Project identification and local participation

4.11 Most of the older (SEADD) projects in the portfolio were briefly appraised by a single DFID adviser on the basis of a proposal prepared by the sponsoring international agency or NGO, or by consultants working for them. Selection was based largely on consistency of project objectives with those stressed in the country strategy prevailing at the time.

4.12 Increased advisory resources (including the Phnom Penh office) have in some cases enabled DFID to have greater influence on project design rather than being dependent on co-financers. Some projects (e.g., Poverty Support) have been designed largely by DFID itself. Thorough appraisal, usually by teams combining DFID and other donor personnel, has been organised for the larger recent commitments, such as for the Seila/PLG programme, assisting government decentralisation, and the Health Sector Support Project. Participation of Cambodian nationals in project preparation and/or appraisal is by no means universal but has increased. One of DFID's contributions to the multi-donor Health Sector Support Project, for example, was the financing of a meeting in mid-2002 gathering stakeholders from across the country to debate and agree health strategy.

Treatment of cross-cutting issues

4.13 While **poverty** reduction was a principal rationale for some of the ODA-supported projects, notably Phnom Penh Urban Poverty, this became a much more dominant consideration for projects approved after 1997. There is some evidence that the approach to poverty has changed since 1997. Analysis of the Poverty Assistance Marker (PAM) suggests that 'focused' and 'inclusive' projects have become relatively less important in the last three years, although absolute spending is more or less the same. The relative importance of 'inclusive' and 'enabling' projects is, however, sensitive to the classification for Seila/PLG (currently classified as 'enabling'). That aside, a general shift away from 'focused' projects and towards 'enabling' projects has probably occurred.

Table 2: Commitment (£m) by Poverty Assistance Marker (PAM) [17]

	Focused	Inclusive	Enabling
1997/8—1999/2000	£ 4.2 (21%)	£ 13.1 (66%)	£2.7 (14%)
2000/1—2002/3	£ 4.5 (13%)	£ 11.9 (33%)	£19.6 (55%)

4.14 A mixed approach to poverty reduction, and the shift to 'enabling' assistance, is appropriate. Some projects, such as CONCERN Rural Development, were focused specifically on areas considered particularly poor. In others, such as the Forest Crime Monitoring Unit (FCMU), the poor were only indirect intended beneficiaries. Some, such as election support, aimed at helping society more generally. Given the high degree of poverty throughout the country, all projects that channel increased resources (e.g. Phnom Penh Urban Poverty, Seila, Health Sector Support), or facilitate such channelling (e.g. Seila/PLG, TCAP), might be expected to have an impact on poverty. Most projects are building basic services and knowledge which could permit more intensive concentration on the poor at later stages by interim development of mechanisms such as equity funding schemes (as in health), commune allocations reflecting the percentage of the population which is poor (as in Seila/PLG), and schemes designed to benefit principally poorer people in the area served. DFID also gave advisory support to the Ministry of Planning on both the process and content of the country's PRSP (completed in December 2002).

4.15 The study of the health portfolio was critical of the treatment of poverty. The likely impact on poverty was not well analysed in any of the projects examined, nor had any of the projects been conceived or designed with poverty reduction centre stage, with the possible exception of the 'Health Services for the Urban Poor' component of the Urban Health Project. The study concluded that, had poverty been a more explicit objective, the projects could have been designed to reach more poor people.

4.16 **Gender** issues had been considered in some of the projects reviewed. The Secondary Education Project included objectives of increasing access for girls to English language training and meeting the special needs of female teachers unable to travel to regional centres for refresher courses, but we have found no references to what actually materialised on these scores. Under the CONCERN Rural Development project, staff have been trained

[17] Based on an analysis of the largest projects making up 75% of expenditure in two periods: 1997/8—1999/2000 and 2000/1—2002/3.

in gender analysis, gender 'focal persons' have been appointed and trained in all six communes covered, and representation of women has been improved, with some now occupying decision-making positions in village development committees. As regards the SeilaPLG programme, a gender strategy was developed in its early phase, reviewed by the DFID/ (Swedish International Development Agency) SIDA appraisal of the programme, and deemed acceptable. Health projects have given considerable attention to women's health issues, and the gender strategy developed for HSSP requires health centre management committees to include a man and a woman from each village covered, sets ambitious targets for training female health workers (including members of ethnic minorities), and institutionalises gender-disaggregated monitoring and evaluation.

4.17 **HIV/AIDS** has been a major focus of DFID attention. First, in connection with support for the social marketing of condoms beginning in 1994 and strongly focused on commercial sex workers; then, in 1997, with the world Health Organisation (WHO) in preparing a further phase of Health System Strengthening and a project for community care of HIV/AIDS patients; and, most recently, with a major multi-sectoral project, focused on this disease, that began in 2001.

4.18 **Environmental** screening notes were normally prepared, in accordance with standard DFID procedures (except where the project documentation was prepared to standards of a partner agency lacking a comparable requirement). However, recommendations for follow-up monitoring were often not implemented since environment was omitted from the key indicators chosen (including in the case of Seila/PLG). The Forest Crime Monitoring project, while focussed on human rights and linked to fiscal and judicial concerns, would also, if successful, have had indirect environmental benefits. DFID, through its livelihoods adviser, is also strongly engaged in broader policy dialogues regarding environmental issues and natural resources management that have a potentially greater impact than any achievable through the projects it is directly funding.

Assessment of the programme

4.19 DFID's country programme was, and remains, relevant and consistent with its strategy. There was a greater, if not always specific, focus on poverty reduction following DFID's 1997 White Paper. The projects proved highly relevant, in the respective periods, to the country's needs as expressed in SEDP I, SEDP II and the NPRS. Projects assisted were mutually supportive and consistent (e.g., TCAP and Health, Seila/PLG and Commune Elections), and were backed by active involvement of DFID senior staff and advisers in policy dialogues with government. The quality of new approvals improved over time. The public-sector projects were increasingly designed to improve RGC capacity and to reduce government's transaction costs, by channelling through multi-donor funds with unified reporting and procedures (e.g., Seila/PLG, TCAP, Elections support) and through combination with multilateral loan financing (Health).

4.20 In 2003, the Cambodia team made progress towards the CSP objective of making DFID's next country strategy joint with other donors and government. Taking the PRSP as the basis of their work, DFID, World Bank and ADB have together organised a series of meetings and wide consultations to assist all three institutions with the work of preparing their new country assistance strategies, by chance all due for completion early in 2004. This initiative has been welcomed by the government.

5. PROCESSES AND ORGANISATION

Did DFID operate in the right way?

This section looks at how DFID operated and was organised. The nature and effectiveness of DFID's relationships with other partners is reviewed.

DFID's main partners

5.1 DFID's programme in Cambodia has always been strongly dependent on partnerships with others, notably multilateral organisations and NGOs (see section 5 and Appendix, Table 8). This was emphasised in the 2000 CSP, which has since led to a further widening in the list of partners. Aside from CG meetings and other broad policy discussions, DFID had up until then collaborated on projects with few government institutions—principally the Ministries of Health and Education, the Phnom Penh Municipality, Seila, and the Cambodian Mine Action Centre (CMAC) and briefly, at an earlier stage, with the Department of Hydrology and, more recently, the National Elections Commission. Except in the case of education and hydrology, project implementation had been handled largely by UN agencies, mainly UNDP and WHO but also UNFPA and UNCHS. Among bilateral donors, it had worked only with USAID (on the Condoms Social Marketing Project) and, to minor extent, with NORAD and the Netherlands as joint financiers (Health Sector Reform III) and with Sida on Seila/PLG. In terms of total numbers of projects financed by DFID, most had been implemented by UK-based NGOs.

5.2 While active relations with most of these agencies have been sustained, the main focus of the last few years has been on the development of the wide range of new partnerships implied by the CSP:

- with the World Bank and ADB on a large variety of issues
- with the Seila programme donors (UNDP, Sida, DANIDA, World Bank, AusAID) and government institutions (especially the Seila Task Force, which includes representatives of ten ministries, under chairmanship of the Minister of Finance)
- various departments of the Ministry of Agriculture, DANIDA, FAO and other agencies, in pursuit of the rural livelihoods objective
- with the Ministries of Finance and Planning, and the IMF and the World Bank, on Public Expenditure Management and broader economic policies
- with UNAIDS in addition to the health and education bodies with which it had long cooperated in the country
- with COHCHR on elections
- with UNMAS on demining.

5.3 At the same time, earlier active partnerships with UNFPA and WHO have been brought to an end. For the moment at least, that with UNCHS is terminating with the completion of the Phnom Penh Urban Project (March 2004) and there has been a trend toward reducing the management responsibilities assigned to UNDP in connection with DFID-funded projects. In support of its activities, and to help strengthen its understanding of the country's

problems and potentials, DFID's country office has given close attention to relationships with NGOs and other civil society organisations. (Appendix, Figure 3, developed with the DFID Cambodia office, maps key stakeholders' relative importance to, and influence on, DFID's programme.)

Nature and effectiveness of partnerships

5.4 The nature of DFID's partnerships has varied. The partnerships developed have been sufficiently effective to support delivery of the expanded assistance programme described in the last section. In particular, the CSP initiative to increase collaboration with the multilateral financing institutions does appear to be increasing the potential impact on poverty reduction of some of the relatively large assistance that they provide, although it is too early to draw definitive conclusions. However, some relationships have proved easier and/or more effective than others.

5.5 The experience of working with the UN agencies has been mixed and has been coloured at times by personality clashes, as well as by dissatisfaction from DFID with the capacity of agencies to design, monitor and manage projects.

5.6 DFID's relationships with the UN agencies, and particularly with UNDP and WHO, raise questions about the extent to which DFID takes a sufficiently strategic, as opposed to pragmatic, approach to its partnerships. For example, WHO was, but is no longer, one of DFID's most important health sector partners, a decision that seems to have been influenced by particular difficulties in the working relationship in the late-1990s rather than by more fundamental strategic considerations.

5.7 Several successful partnerships have been developed in support of the multi-donor Seila programme initiated by UNDP and Sida in the middle 1990s, and joined by DFID in 2000. DFID has worked closely with Sida, provided flexible resources (both for TA and investments) to the PLG support project for the programme, and played a leading advisory role. The major efforts in structures, systems and capacity development that PLG and core donors have facilitated, together with several WB funded studies, permitted a large IDA commitment (US$22 million) in support of the programme's commune development funds earlier this year.

5.8 It is too early to evaluate DFID's partnerships with the development banks. However, some reactions to DFID's role in the design and negotiation of the new health sector programme are reported below, and some assessment of DFID's influence on the IFI's is contained in the next section.

Perceptions of partners

5.9 With the exception of the Department of Hydrology, with which the last joint project closed in 1997, the evaluation team interviewed senior representatives of all the Cambodian government agencies mentioned in sub-section 6.1 and found DFID appreciated by all as a technically competent, flexible and reliable support to government efforts. DFID's emphasis on local ownership, and readiness to accept common pool procedures for channelling its funds and reporting on their use, drew particular compliments from some

agencies. On the other hand, more than half of those outside the health field (where DFID has taken a more active part in technical assistance (TA) provision from the beginning) contrasted DFID unfavourably with other bilateral agencies, such as JICA, GTZ and Danida in one respect: DFID's more limited provision of direct long-term TA. Cambodian partners would like DFID to respond more positively to requests for TA.

5.10 Most representatives of the donor partners with which DFID is actively cooperating also expressed appreciation for DFID's notable flexibility, readiness to accept changes when a convincing case was made, and its typically balanced judgments. As a result, DFID was generally considered easier than many others to work with effectively. DFID was seen as having a strong and genuine desire to support government and to coordinate and consult with other donors. A number also considered DFID to be one of the more innovative donors.

5.11 Many people thought that DFID had been effective in maintaining communications with NGOs and in improving the dialogue between them and government/donors more generally. Despite the sharp drop in DFID's direct support for NGO-executed projects, we picked up criticism of this policy only from an NGO involved in demining which saw no logic in CHAD's decision to channel all support for this kind of work through UNMAS. Several of the UN agencies expressed particular gratitude for the support DFID had given to their technical positions in disputes they had had with UNDP. Those who had been dropped from active partnership did not register objection to the way in which the joint projects had been brought to an end, but regretted DFID's withdrawal. The few active partners who had had serious disagreements with DFID—such as ADB, the World Bank and UNDP—considered that in some cases, disagreements had been allowed to build up and colour discussions of other issues on which there seemed little reason for argument.

5.12 While perceptions of DFID, its advisers and its consultants, were generally very positive, some of the partners involved with the design and negotiation of the new health sector strategic plan and programme were critical of DFID. In part, this concerns a professional difference of opinion with WB and ADB over some design elements, notably DFID's insistence that a Project Coordination Unit (PCU) should not be established, as well as some of the loan covenants. While these professional differences explain some of the criticism voiced, there was a more general criticism from the IFIs that DFID sometimes showed: a lack of pragmatism and patience; a failure to understand that institution-building and policy change are gradual processes; an assumption that immediate and significant change could be 'bought' with small grants; and a lack of understanding of the bureaucratic requirements of IFIs. There was also some criticism of the quality of consultants provided through the Health Resource Centre, although the speed with which DFID was able to mobilise consultants through this route was much appreciated.

5.13 As already suggested, some negative perceptions are inevitable when DFID has strongly held views or criticisms, and acts accordingly. For example, the fact that DFID took its criticisms of the North-Western Rural Development Project to the ADB Board apparently led to a perceptible, but temporary, cooling in the relationship between the two agencies. This raises the question as to whether the move towards a closer partnership with the IFIs will lessen DFID's ability and willingness to be openly critical of IFI activities—as well as whether this is an effective means to exert influence over IFIs.

Local ownership

5.14 The issue of local ownership for aid activities aimed at strengthening government services is complex in the Cambodian context. Deep divisions between the political parties in the governing coalition make for greater than normal policy differences between government and individual ministries. Within ministries, the low official wages and the fact that most projects depend on payment of salary supplements to selected officials evidently complicate the development of staff consensus about reforms and threaten loss of staff trained. And building of ownership at the local level, among intended ultimate beneficiaries of services, suffers from continuing weak social capital.

5.15 Given these problems, the evidence from the older projects is nonetheless quite promising. With the possible exception of the social marketing projects, all the health projects were implemented with the Ministry of Health (MoH) and had good local ownership. The malaria project is a good example of a project that has been gradually taken over by the MoH, and is now fully owned by it. HSR-III was a less good example: the large number of expatriate advisers probably hindered the building of real MoH ownership in some areas.

5.16 Taking as evidence of local ownership the extent to which the changes that the projects aimed to support have been sustained, our reviews indicate broadly positive ownership for all the four main government-strengthening projects completed in 2000/2 (Malaria II, Secondary English II, Reproductive Health and Health Sector Reform III). Though several did not fully meet project objectives within the project period, lasting capacity does seem to have been created, most staff stayed, and the changes introduced during the projects have been further built on. UK aid involvement had been long in all four cases (7–10 years) and in several cases, ownership seems to have increased over time as ministry staff quality improved and more became involved in the programmes. A strong feature of the initially vertical health projects, compared with experience in other countries, is the way in which the services they provided were increasingly integrated into the general health services at the operational level.

5.17 The newer projects present a mixed picture, but do not indicate that the eventual results will be more disappointing. The Seila Programme currently shows strong high-level provincial and local ownership, and effective communication of that through the ministries and the provinces. TCAP has suffered from varying levels of commitment and understanding among the department heads and mid-level officials in the Ministry of Finance, but support is strengthening sufficiently to enable a second round of effort. The Health Sector Support Project appears to be strongly owned within the Ministry of Health, benefiting from work over the last decade, but its full implementation will depend on broader government ownership to resolve budgetary and civil service problems. The HIV/AIDS project also seems to be fully owned by the government, especially by the AIDS programme of the MoH.

5.18 Government has genuinely welcomed DFID programme initiatives such as publication of its Cambodia strategy and strong support for application of sector-wide approaches to reinforce local ownership. An important obstacle to implementation of the sector-wide approach, or other forms of budget support, remains the weakness of financial disciplines and systems in the country. The strong support DFID has been giving for sector-wide planning, other broader financing frameworks, and the improvements in budgeting, accounting and monitoring needed to make them work, are thus significant contributions to enabling stronger local ownership of aid activities more broadly.

Deployment and use of DFID's resources

5.19 The capacity of DFID to design and follow up on project management and implementation has been greatly increased since the establishment of its small office in Phnom Penh, and the advisers now located there are appropriate in relation to the strategic emphases in the CSP. A country office with professional expertise is appreciated—and somewhat envied—by other bilateral donors. From the projects in their fields that DFID was financing through other management structures, DFID advisers have had sufficient grassroots information and contacts to keep abreast of key issues and feed their broader advisory function and they were able to focus better than the staff of many other agencies on the larger issues, not least the extremely important interrelations between projects in different areas such as Seila and Commune Elections, or TCAP and Health.[18] Management problems in some of the multilaterally run projects have on occasion been a time-consuming diversion from this more important work, emphasising the importance of careful structuring and design at project start-up, as illustrated in the case of FCMP and Phnom Phen Urban Poverty.

5.20 It is noteworthy that, among our Cambodian interlocutors, even the strongest advocates of the multilateral route for channelling DFID's assistance to the country emphasised the vital importance of DFID maintaining high-quality staff in Phnom Penh to contribute on policy and strategic issues. Both the government and the World Bank indicated however that they would like to see DFID's programme manager for Cambodia also located in Phnom Penh rather than Bangkok, with responsibility for all DFID support to the country. While this might improve the effectiveness of the programme, there are efficiency issues to be considered. The current programme manager is part-time (40%). Placing a full-time programme manager in Phnom Penh would therefore significantly add to the cost of managing the programme.

5.21 A difficulty has been determining the appropriate allocation of staff and responsibilities between the DFID regional office in Bangkok and Phnom Penh. With more and more country offices being established in the region, the justification for a regional office has been questioned. The decision not to post a health adviser to Phnom Penh until 2003 may have been influenced by the continuing need to provide advisory support to other countries served by the regional office, possibly to the detriment of effective monitoring of the Cambodia health portfolio, and the building of local trust and influence.

5.22 Advisory services provided by DFID, backed by limited and focused capital assistance, have covered quite well the areas of reform that were highlighted in the CSP and in UK statements at the annual CG meetings. While there have been unexpected delays in individual projects, DFID's overall disbursements for DFIDSEA (i.e. CP) projects in Cambodia have been maintained well in line with the aid framework for the country, which increased from £3.4 million in the first CSP year (1999–2000) to £7.9 million in 2002/3. Aggregate disbursements for these four years were £20.1 million, compared to aggregate aid frameworks of £19.0 million. Performance against framework in the four years was 96%, 116%, 96% and 113% respectively.

[18] Interviewees from some other agencies noted the difficulties they had, for example, in participating actively in broader discussions under sector-wide programmes when most of their time was taken up with direct management of the projects they were financing.

Monitoring and evaluation

5.23 Monitoring of DFID projects' progress has become more systematic following the introduction of the PRISM system in 2001. Little attention appeared to have been given to monitoring results in several of the earlier projects that were reviewed. Good intentions at the time of project approval regarding monitoring of key aspects of several of the health projects (notably Malaria II) appear to have run into difficulties and had little ultimate follow-up. Recent projects financed directly by DFIDSEA have applied the PRISM system. Projects financed through multilateral channels have conformed to a joint system, with PRISM forms completed by advisers on the basis of their analysis of project progress. The PRISM format was used as the basis for developing a joint UNDP-DFID-Sida-STF reporting and monitoring format for Seila. The OPR review of the CONCERN Rural Development project, following advice and support from the Phnom Penh rural livelihoods adviser, was designed as a participatory process which the project participants found to be very useful, particularly as it also included a sister CONCERN project funded through the CSCF.

5.24 It is not clear what, if any, monitoring at the programme level was done prior to the CSP. In 2001 and 2002, comprehensive annual reviews were prepared by the DFID Cambodia team, reviewing progress, obstacles and prospects against the three objectives established in the CSP and, more broadly, against DFID's PSA/SDA Targets. One of the conclusions of the 2002 review was that DFID had made only slow progress towards its headline objective of promoting new ways of working by donors. Since the logframe that had been developed for the CSP had not been finalised and was not included in the published version, no Cambodia-specific targets were available against which to measure progress. In view of the CSP's stress on collaboration with the multilaterals and the aim of supporting Cambodia after 2010 entirely through them, the 2002 report also undertook a special assessment of progress in Cambodia toward achievement of the objectives identified in DFID's institutional strategy papers for the World Bank, ADB and UNDP. Findings were generally positive for the two banks, but disappointing in the case of UNDP.

5.25 One finding of the health evaluation report was that there appeared to be no provision for the systematic monitoring of partnerships, despite the importance of these in both the White Paper and the 2000 CSP. The extent to which the partnership approach followed for most of the period – contracting out to multilaterals – has achieved the desired (if undefined) outcomes is considered in the next section.

Lesson learning

5.26 Lessons of experience were identified in the Project Completion Reports (PCRs) prepared for most of the main DFIDSEA-sponsored projects that closed during the period under review or moved into a separate second phase. In some cases, these PCRs benefited from – or were substituted by – an independent external evaluation commissioned by DFID or by the multilateral agency that handled the funds. Application of the lessons in relevant follow-on projects was the responsibility of the sector advisers concerned. Sometimes these lessons were quite useful, as, for instance, in the case of Health, with the series of projects through the 1990s aimed at strengthening the ministry, and elections, where DFID has provided support for preparation and monitoring of the elections held in 1998, 2002 and 2003.

5.27 More elaborate arrangements have been made for monitoring and feedback into practice of lessons of experience in the larger projects initiated in recent years. Seila/PLG is supported by a Permanent Advisory Team (following on from a similar arrangement in its pre-DFID phase) consisting of independent outside observers who assess progress twice a year and commission related research. The major health projects include provision, as standard in the case of SWAps, for a technical review to be prepared by a joint government/TA team in time for the annual review meeting between government and all concerned donors on programme progress. This work is also supported by the major effort, directly funded by DFID through its support to the ADB-financed part of the health programme, to further upgrade the monitoring system developed under Health Sector Reform III. Health performance data are to be gathered, broken down by sex, socio-economic status and ethnicity. The data are to be developed in such a way as to enable systematic comparisons of the outcomes of ongoing pilots and experiments, such as contracting of health-care provision. Health service delivery outside the public sector is to be covered so as to permit a comprehensive view of sector-wide change. And the information is to be provided to local bodies such as health centre management committees, feedback committees and NGOs, to help improve health sector governance.

Assessment of process and organisation

5.28 DFID in Cambodia has always worked with and through others. In the 1990s, DFID's major partners were the UN agencies and NGOs, largely to reduce DFID's direct management burden and costs. Since 2000, DFID has sought to work more directly with government and with the IFIs for strategic reasons. Experience of working with the UN agencies was mixed. In general, DFID perceptions of the performance of these agencies became less favourable as it became more engaged in-country and monitored the projects more closely.

5.29 DFID's objectives in working with other agencies appears to have been threefold: first, to decrease the aid management burden; second, to gain more influence by working through multilaterals; and third, to further a more co-ordinated and collaborative approach to development assistance. The first was the predominant objective in the late 1990s, while the third is the predominant objective today.

5.30 To what extent has the first objective been achieved? (Achievement of the second and third objective is discussed in the section on outcomes). This evaluation has not compared the costs of alternative aid management arrangements, but nor does it appear that DFID has done so. Contracting out implementation to multilateral agencies does reduce the management burden to some extent. However, the more that DFID seeks to be involved in the management and monitoring of the project, the less the benefit in terms of reduced aid management costs. Experience suggests that, unless DFID is prepared to 'contract and forget', contracting out to multilaterals still entails significant aid management costs if project performance is to be assured. And the more DFID becomes involved, the less the aid management advantages of contracting out to multilaterals rather than consultancy companies. However, management cost is not the only, nor should it be the main, consideration. Leveraging of influence is potentially of greater importance. However it is not clear that DFID has approached the selection of partners in a way that has been driven by strategic influencing considerations, that has sought to monitor its partnerships against particular objectives, or to invest in building understanding of policies and bureaucratic constraints.

5.31 Perceptions of DFID as a development partner are generally very positive. DFID is seen as flexible (both financially and intellectually), with a strong and genuine desire to work in a consultative and collaborative way, and to promote local ownership, despite some significant disagreements (for instance in the design of the health SWiM).

5.32 The establishment of the small DFID office in Phnom Penh, staffed by advisers, is widely seen as a positive development. The fact that the advisers, with the possible exception of the health adviser, have not had extensive project management responsibilities, and have generally been insulated from the bureaucracy of DFID more generally by the office in Bangkok, has allowed them the time and space to contribute on policy, strategic and aid coordination issues. This has to be balanced against the potential costs in terms of responsiveness of locating programme management in Bangkok.

5.33 Project appraisal and monitoring procedures, which had been considered adequate in the ODA period (though they were perhaps barely so, as argued in the evaluation of the Malaria II project), were not up to dealing adequately with the broader system-strengthening objectives emphasised by DFID. This problem has now been largely overcome by provision of more staff time, incorporation of more elaborate monitoring and evaluation arrangements into project design and, in the case of the major commitments, joint appraisal and monitoring with other donors. Whether staff-time provision has increased sufficiently since 2000 to maintain this higher standard of work for the tripled DFIDSEA annual project expenditures intended to take place by 2004 would warrant examination. In addition, while project level monitoring has strengthened, the CSP did not provide an effective operational framework for monitoring performance at the programme level; something which, it is anticipated, will be addressed through the Country Assistance Plan that is currently under preparation. There is also no systematic monitoring or evaluation of partnerships.

5.34 Information flows, and especially public information flows, about the activities that DFID is supporting in Cambodia seem rather weak. Useful advance has been made in communication between London and DFID's Phnom Penh office on many of the smaller projects that the central departments are supporting in Cambodia, although Phnom Penh staff still sometimes hear only from the recipient of grants received (e.g., for Demining, through UNMAS).

6. OUTCOMES

How effective was the programme in achieving the desired outcomes?

This section discusses the extent to which DFID has achieved its objectives over the evaluation period, and more broadly the extent to which DFID has contributed to Cambodia's development. It begins by reviewing results from DFID's project monitoring system, and then attempts to identify outcomes to which DFID has contributed in relation to the objective areas, particularly those defined in the 2000 CSP. This is followed by a discussion of specific aspects of DFID's contribution.

Project performance

6.1 A summary of the project performance scores available on PRISM is contained in table 9 (in the Appendix). Analysis of output and purpose scores over time is hampered by the small number of projects scored, particularly in the period 1998-2000, and by the variable and subjective nature of the scoring process. These reservations aside, it appears that the scores awarded in the period 2001–3 are, on average, lower than those awarded in the earlier period. In the period 1998-2000, around 77% of the output scores were in the 'largely achieved' category, as were 44% of the purpose scores. In the 2001–3 period these figures fell to 25% and 20% respectively. Of the ten projects scored since November 2001 seven are rated at 3 (purpose likely to be partially achieved) or below. Of the three projects assigned a rating of 2 (likely to be largely achieved), two were in fact direct continuations of projects started before 1997.

Table 3: Summary of project performance scores, by period

1998–2000 (n=9)

	Completely achieved	Largely achieved%	Partially achieved %	Achieved to a very limited extent	Unlikely to be realised	Too early to judge%
Outputs		77	23			
Purpose		44	33			22

2001–2003 (n=15)

	Completely achieved	Largely achieved %	Partially achieved%	Achieved to a very limited extent	Unlikely to be realised%	Too early to judge%
Outputs		27	53		13	7
Purpose		20	60		13	7

6.2 There are two possible explanations for this apparent deterioration in portfolio performance. The first is that scoring has become more cautious and rigorous in later years. The second is that more recent projects have more ambitious objectives and are addressing more complex issues. Earlier projects, such as Secondary English and Social

Marketing of Contraceptives were simpler and had more focused objectives. The combination of a small number of projects and variable scoring methods makes it difficult to draw definite conclusions.

6.3 It is important to bear in mind that, for a medium-risk project in a country such as Cambodia, a 'partial achievement' rating is not necessarily poor. That said, external evaluations and our own reviews of a number of the larger projects that were initiated in DFID's first four years suggests that a secondary factor accounting for the low performance was poor preparation (usually by international agencies or their consultants) and only superficial appraisal by a single DFID adviser, despite the increased complexity of the undertakings. In some cases, such as the Reproductive Health project with UNFPA, DFID oversight of implementation was also limited.

6.4 The least successful project to date has been the Forest Crime Monitoring Project. The project was designed in 1999 by a group of international assistance agencies (excluding DFID). No provision was made for developing the community participation which is usually essential for controlling delogging, and no effort was made to delineate rules of the game, develop systems for cooperation among the institutions involved or how information flows would be managed, despite the known sensitivity of the subject area. The UNDP's handling of project management led, in this case, to serious delays in fund release (partly due to incompatibilities between UNDP and FAO accounting systems). The Department of Forests remained underfunded due to political decisions concerning the control of the forest resources, and was unable to respond to the advice of the contractor. The project was terminated ahead of schedule, leaving little more than an improved tracking system and protocol mapping, no real advance towards a solution of the forest protection problem, and a large residue of mutual suspicion and distrust. Only now is another contractor, more experienced in auditing and verification practice, being hired. The project was scored, under PRISM, as a failure against its planned outputs, although a case has been made that the initiative was worth doing since it demonstrated practical donor response to a government political commitment and highlighted the international concern on the issue.

Strategic objectives and outcomes

6.5 Explicit, although still very general, objectives for the programme were only introduced in the 2000 CSP, although some of the earlier projects laid part of the foundation for those objectives. Table 10 (in the Appendix) presents a summary of outcomes related to DFID projects[19] in relation to each of the programme objectives, including the overarching objective of encouraging new ways of working with donors.

6.6 Attainment of planned outcomes has been difficult in almost all major projects, and spending against two of the strategic objectives has been relatively recent. Progress against the CSP objectives has therefore been limited. One of the most successful involvements has been in education, but that is a sub-sector of basic service provision that was not prioritised in the CSP, partly because many other donors were involved. Such education projects as DFID has supported, while certainly useful, have also had relatively limited objectives.

[19] Listing as an outcome does not necessarily mean that the outcome can be attributed fully to DFID's involvement. In most cases, DFID has operated within a partnership and a framework for making empirically based attribution of impact does not exist.

6.7 Much of DFID spending until the last year of the 1997–2003 period was on the health dimension of basic service provision. The most important project supported, alone accounting for more than a third of total disbursements for DFIDSEA health projects, was Health Sector Reform III. This squarely addressed the objective that came to be formally adopted in the 2000 CSP of supporting 'improved policies and systems which enable the state to guarantee the equitable provision of effective basic services'. The project was managed by WHO but with substantial DFID reinforcement, notably by taking responsibility for selection of all the relatively large number of foreign TA personnel employed. The PCR, prepared with the aid of an external evaluation team four years after the project's start in 1998, assessed all but one output to have been largely achieved, but concluded that the overall purpose of the project had only been partially achieved. Available figures indicate indeed that, despite a tripling (in real terms) of government's per capita expenditure on health services, visits to public facilities have increased only from 0.33 per head of population in 1997 to 0.35 in 2001, with huge variations among provinces.[20]

6.8 Despite the PCR's disappointment with the progress achieved toward application of a sector-wide approach, the understanding and conviction generated among at least a core group within the Ministry of Health became crucial when the World Bank and ADB decided to try to adopt a sector-wide approach for their next loans to the Cambodian health sector. DFID, for its part, concerned by past lack of progress on the overall purpose of its support and aware that others besides WHO had supported experiments with possible solutions to the problems, decided to try to have a broader influence by linking its grants to the banks' activities. This turned out to be one of the less smooth cases of new partnership development, but it eventually led to joint appraisal and linked commitments, late in 2002, by IDA (US$27 million), ADB (US$22.2 million) and DFID (US$22 million) in support of an integrated Health Sector Strategic Plan whose preparation was largely financed by DFID. When it became clear that many of the foreign donors to the health sector had insufficient confidence in Cambodian financial procedures to support a full SWAp, plus other objections to this approach, the government opted for a common policy and strategy into which each donor would fit its intervention. This so-called SWiM approach is reflected in the strategic plan which also incorporates many results of the work done under the Health Sector Reform Project.

6.9 Thus, even where projects have been assessed as only partially achieving their stated purposes, they have often made a significant contribution towards meeting the strategic objectives chosen in 2000. This is clearly the case, for instance, also with the TCAP and with the CONCERN Rural Development project. Table 10 (in the Appendix) summarises the outcomes to which the DFID programme has made a significant contribution, organised by the main CSP objectives.

6.10 As already mentioned, the presence in Phnom Penh of both governance and rural livelihoods advisers has had clear benefits. For example, it enabled DFID to lay the groundwork for assisting positive change with respect to improving poor peoples' access to natural resources. Major improvements of the legislative framework that have been brought about in recent years are due mainly to the efforts of various other donors, but the DFID team has assisted in their refinement and worked well with donor groups and NGOs

[20] World Bank/ADB (2003).

to help government bring about their approval and activation. Strong support has been provided to action research on the role of different natural resources in poor peoples' livelihoods and on ways for NGOs to help the poor defend their interests more effectively. Greatest progress has been made in assisting the fisheries sector, where research supported by DFID has helped the Department of Fisheries to identify improvements needed in regulations and led it to create an office to promote and assist community fisheries. The Phnom Penh-based advisers have also helped to establish links between the fisheries research programme and DFID support to the International Centre for Living Aquatic Resources Management (ICLARM). Opportunities are likely gradually to open for important work in connection with access to forest and land resources. Similarly, the Phnom Penh-based advisors have allowed DFID to make a significant strategic contribution to the implementation of the Seila/PLG.

Contribution to development outcomes

6.11 Despite the lack of broad improvement in service coverage and quality, it is in the health sector that the most tangible development changes to which DFID has so far contributed are to be found. Some of these relate directly to priorities highlighted in the MDGs. The reduction in the prevalence of adult (15–49) HIV infection from 4.5% in 1997 to 2.6% in 2001 is believed to reflect partly high mortality (due to lack of treatment and drugs) but also significant increase in condom use among high-risk groups, which in turn is usually mainly attributed to the effects of the PSI Social Marketing programme that was started in 1993. DFID had been associated almost from the beginning as the sole financier of condoms. Only now is an additional financier of condoms for the programme becoming available, in the form of the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM). The evaluation[21] of the Reproductive Health project managed by UNFPA also implies that, despite the limited effectiveness of the component specifically addressed to the problem, maternal mortality has nonetheless benefited from the project's efforts to spread knowledge and use of contraceptives for birth control, in an environment where there has been very high recourse to abortion, often using unqualified practitioners. Infant and child mortality rates, on the other hand, have not declined despite the considerable DFID and other donor resources committed. Progress on these MDGs has been minimal during the evaluation period.

6.12 Though only one of the sources of support for control of malaria, the UK was the original donor in 1990. The planning it stimulated plus the WHO-executed malaria projects that it financed are credited with an important contribution to the positive trends believed to have prevailed in both the incidence and case fatality rate of this poverty-related disease. The many demining projects supported by DFID have certainly contributed to the significant reduction in monthly injury and fatality rates that appears to have occurred since the mid-1990s, in addition to fulfilling their main purpose of adding to the lands once again available for productive use. However, demined land has to a large extent been grabbed by military or the political and economic elite, thus not contributing to poverty alleviation as it potentially could.

[21] Lenton and Slavin (2000).

6.13 DFID's past activities have also contributed to less visible changes that have helped to build the foundation for future development. These may prove even more important in the long run. It has supported large amounts of short-term training, for instance in public finance management under TCAP, and in provincial and commune planning, management and financial procedures under Seila, and numerous training endeavours, including long-term overseas training, in the health sector. Low civil-service wages sometimes mean that impacts on government capacity are less than hoped for, but the people trained have seldom been lost to the country. By substantial support through UNDP/OHCHR for all the elections since the first in 1993, particularly in strengthening the capacities and procedures of the National Election Commission for systematic investigation of complaints received, DFID has assisted initial stages in the development of sound management of democratic processes. While other agencies provided most of the concrete support required for preparation of Cambodia's PRSP, DFID repeatedly urged open consultative processes, involving civil society and NGOs as well as the regions, in its preparation and discussion. It thereby contributed to the important start the Ministry of Planning made in building the practice of wide consultations on major planning documents.

Effect on government policy and programmes

6.14 DFID has sought to influence government policy and programmes via two routes: directly and indirectly. DFID's direct support has generally been respected and has had some influence on government policy. This is evident on highly publicised issues like illegal logging or the treatment of Phnom Penh slum dwellers, on relatively technical ones like community fisheries, or on experiments in decentralisation and local governance. The experience in health also suggests that continuity of DFID's involvement over a long period was an important factor in policy influence. But to go on from such broad observations to estimate how different government policy would have been in the absence of the particular voice of DFID is virtually impossible.

6.15 Take for example an area such as public finances, where DFID has exerted influence through multiple mutually reinforcing channels—projects in different fields, and through the IFIs and the CG—and where huge readjustments have in fact been made, taking the period as a whole. The developments were much in line with DFID advice and efforts, but it is not possible to say how the trends might have been in the absence of such advice and efforts. Nor is it even possible to say whether DFID's influence in this area had greater effects on what was done than, say, as result of the extensive advice and capacity building provided in support of the government's decentralisation policies. In the health sector, improvements have been made in RGC's capacity to plan and integrate various national projects, and thus improve service delivery. However, in many areas available data do not show an impact.

6.16 An important initiative in this area is TCAP (Technical Cooperation Assistance Programme). The programme was designed in 2000, largely by separate specialist missions from IMF headquarters, with very limited Cambodian input. DFID senior advisers in Bangkok were worried from the start that the programme gave too little attention to institutional and motivational aspects of finance ministry reform, and tried to strengthen it by supplementing their main financial commitment with funding for an additional 'fiscal governance' dimension. TCAP has largely fulfilled its limited objectives in banking reform and statistics and helped

some improvement in revenue-raising. But it will end in the coming months with not much more than foundations laid in the crucial areas of budgeting and treasury management—deficiencies in which are hampering, in particular, effective public expenditure in the rural areas. The good work commissioned by DFID on fiscal governance seems to have had little attention from IMF or the Ministry of Finance. It has, however, been helpful to the World Bank/ADB planning effort (to which DFID has further contributed) for a sequel to TCAP, to assist government in resolving the outstanding problems of public finance management.

6.17 Most of the main DFID-assisted projects and much of its other activities have been either trying to discover appropriate practical solutions to the country's problems, in the absence of existing knowledge, or to spread solutions found, in the absence of strong government or private services to do that. Several positive examples of innovation and spread in the health and fiscal/financial sectors are shown in Tables 4 and 5. Seila is not included because, although much has been achieved in relation to RGC policies, much of this pre-dates DFID's involvement.

6.18 DFID has also sought to exert influence indirectly by working through and with multilateral agencies. According to the 1997 White Paper, working through multilaterals is advantageous because of 'the scale of their resources and the influence they can exercise over the policies of partner governments'. The assumption is that DFID's resources will achieve more when applied through and with multilaterals than if the same level of resources are provided more directly to the government. The Cambodian experience suggests that this assumption may not be valid. It assumes that multilaterals have the same development objectives as DFID, and that they are equally effective at promoting these objectives with government. Neither is necessarily valid. In such circumstances DFID is likely to achieve less influence than if it worked more directly (via TA and possibly with other bilateral agencies) with government itself.

6.19 The current working assumption is that more influence will be achieved by working with the IFIs than either with the UN agencies, other bilaterals, or more independently. The IFIs are assumed to employ high calibre staff, to have more influence on wider issues such as public sector reform, and to bring more substantial funds to bear. All are probably true. It should not be assumed, however, that DFID and its IFI partners have identical development agendas, nor that differences of opinion will not arise over programmes. As with the UN agencies in the 1990s, DFID is likely to find that increased (indirect and long-term) influence has a cost in terms of reduced (direct and short-term) influence over the programmes it supports. This may well be a favourable trade-off, but it should not be taken for granted.

Table 4: Examples of innovation and spread—TCAP Project

Tax Department	Discovery	Spread
Expand coverage of **Real Regime** (i.e., based on incorporated enterprise accounts)	The large majority of tax revenue collected is paid by entities covered by the Real Regime, but most Tax Department officers have been employed under the Estimated Regime, which offers greater scope for negotiation. Assessments have shown that taxpayers who moved from Estimated to Real Regime have paid more tax.	Real regime introduced in 5 additional provinces in 2002. Remaining 13 provinces are expected to offer Real Regime within the next 2–3 years, with priorities set according to economic growth in the provinces.
Divide Real Regime Unit into **Large Taxpayer Unit** and **Medium Taxpayer Unit**	Identified in 2001 as an important means to improve management of collections from larger taxpayers.	The new units were created in Phnom Penh in 2001–02, large numbers of staff have been trained, and the units' staff compliments have been substantially expanded in 2002–03.
Compliance and **Enforcement**	Draft unit plans, monitoring system and collection manual have been developed, and computerisation started (2002–04)	Monthly reports on tax arrears and tax offices' collection enforcement actions were started early 2003. National Assembly approved tax law amendments to clarify authority for collection action. Import and export consignments of some defaulters have been seized.
Customs and Excise		
Customs Law	Draft of a WTO-compliant law was prepared and approved by Council of Ministers in December 2002	Awaits new National Assembly for approval. Supporting and implementing regulations developed during 2003.

Tax Department	Discovery	Spread
Customs Duties	Revised and compressed structure (average unweighted tariff of 15%) introduced July 1 2003	
Anti-Smuggling	Strategy developed late 2001 and early 2002 by anti-smuggling task force with assistance from IMF Adviser	Strategy under implementation (2002–04): • Anti-smuggling teams successfully working in Phnom Penh since September 2002, and gradually developing in provinces. • Seals and stamps for 21 sensitive products introduced and effective. • Significant improvement achieved in inter-agency cooperation • Government/Private Sector Anti-Smuggling Task Force regularly meeting.
Banking System		
Bank Restructuring	Bank relicensing applications reviewed in 2001, and liquidation initiated of the 14 banks deemed non-viable.	Bank relicensing completed March 2002, further strengthening of the 17 remaining banks has been continued, and increasing public confidence is indicated by strong increase in deposits.
Bank Accounting	Uniform Chart of Accounts for banks developed	New Chart being applied since 1 January 2003
Bank Supervision	National Bank's structure for supervision of commercial banks was redesigned in 2002.	Extensive staff training carried out, and stronger on-site supervision of banks introduced.

Table 5: Examples of Innovation and Spread - Health Sector

SHS 2 (1995–7)	**Health Coverage Plan:** was developed in 1995–96 as a framework for rational allocation of government expenditure on public health services. The country was divided into 67 Operational Districts for purposes of management of such services. MPA (minimum package of activities, which includes initial consultation and primary diagnosis, emergency first aid, chronic disease care, routine child health, maternal care including normal delivery and birth-spacing advice, health education and onward referral) was to be provided at all health centres, while CPA (complementary package of activities, comprising consultation and advanced diagnosis for referred patients, medical and surgical emergencies, hospitalisation and dentistry) was to be made available at all district hospitals.	HSR 3 (1998–2002) & simultaneous WB, ADB & bilateral projects	By 2002, ability to provide the MPA had been extended to 82% of the country's 991 health centres (according to 2002 Budget Book), while the CPA was offered by 40% of the 48 provincial and district hospitals. A main focus of HSR 3 had been to help implement the District-based health system in 5 provinces and to generate documentation useful for similar work in other provinces.
HSR 3 (2000–2)	**Equity Funds:** first Cambodian experiments (mainly in poor areas of Phnom Penh) with this technique for helping poor households meet the costs of hospital care for catastrophic medical emergencies.	HSSP (2003–7)	DFID has committed $600,000 through World Bank as an initial contribution for distribution to poor families in the event of such emergencies, thus assisting roll-out of an Equity Fund system benefiting from the Phnom Penh pilot and experience in other countries.

Effect on other donors/IFIs

6.20 It is difficult to establish whether DFID has influenced the behaviour, policies, strategies and programmes of other donors. There is evidence, however, that DFID activities have at different times affected the programmes of other donor partners in four important ways:

- providing the foundations for further donor support
- supplying elements that they were not themselves able to provide
- assisting in project implementation
- influencing the design of other donor programmes

6.21 The first has been particularly important for the new joint activities with the IFIs, as illustrated by the DFID/WHO role in preparing the way for the Health SWiM and the DFID/Sida support for development of channels to bring central finance to localities, and preparation of the commune investment plans which would be financed by the IDA credit for Seila. It is important to note, however, that in both cases DFID did not work alone, even if it did make a significant contribution.

6.22 Examples of the missing elements furnished by DFID are the condoms USAID could not provide to PSI owing to its policy against commodity financing of products not made in the USA. In the Health and Seila programmes, DFID provided the local salary supplements which World Bank rules make it hard to finance (as well as co-financing almost 50% of the Seila PLG core costs).

6.23 One example of assistance in project implementation includes reinforcement to WHO under the Health Sector Reform project. In this case, DFID funds enabled WHO to take a leadership role in a country where, without adequate supporting funds, it might not have been taken seriously. Other examples of implementation assistance include support for the technical positions of some of the UN specialised agencies working on UNDP-managed projects; and the work of DFID's Phnom Penh-based Advisers on projects handled by IFI headquarters-based staff.

6.24 DFID advisers' comments on the design details of partner projects, or their supporting documentation, are in some cases acknowledged to have helped to strengthen them and occasionally, as in the case of Phnom Penh Urban Poverty, Seila/PLG and HSSP, brought about significant design changes.[22] DFID's engagement with the recalcitrant issues of public finance improvement, including involvement of the DFID-supported Public Expenditure and Financial Accountability (PEFA) team at World Bank headquarters, may break new ground in terms of DFID impact on the design of a joint intervention in Cambodia.

[22] Not all respondents agree that DFID made a contribution to the design of the Seila project, as opposed to building the institutions and capacities which enabled the World Bank to make a better design than would otherwise have been possible. Some people are also of the opinion that some of DFID's design contributions to HSSP were not helpful (see para. 69).

Donor coordination and harmonisation

6.25 Donor coordination and harmonisation has proved to extremely difficult in Cambodia, illustrating the difficulty of turning donor rhetoric on coordination into practical action. DFID's efforts to develop 'new ways of working for donors' in the rural livelihoods and health sector nevertheless represent an important contribution to improved donor coordination, although the broader results hoped for remain at this point more potential than actual.

6.26 In respect of rural livelihoods, DFID, Sida and UNDP agreed to support the Seila/PLG, which is the core support project to Seila. The strengths of the core structure, notably the flexible trust fund, the new approaches to local governance, the use of private contractors and competitive bidding procedures, and the high returns indicated by ex post evaluation of the commune investment,[23] have attracted additional donors. In addition to the World Bank support for commune-level infrastructure, the Seila framework and structures are used by IFAD and AusAID for projects aimed at agricultural development and stimulation of local private-sector activity and by DANIDA for its natural resources management project.

6.27 DFID played a key role in the development of the Health Sector Strategy and the subsequent SWiM. As regards the SWiM, GTZ as well as WHO and UNICEF showed early support, and USAID has recently signed a MoU/Strategic Objective Agreement with the ministry, spelling out what USAID will do, through its NGO partners, to support the HSSP. The SWiM model has also effectively been adopted by NCHADS, the main beneficiary under DFID's recently approved large HIV/AIDS project, with NCHADS now providing basically the same periodic progress report to all its seven supporting donors.

6.28 The improvements in accounting and auditing that DFID and the IFIs are pursuing under their work in public finance management are also helping to lay the Cambodian foundations for increased acceptability to donors of SWAps, pooled funds and similar budget support mechanisms that government would much like to see used more generally. But many donors still have reservations. Some believe, for instance, that domestic support for their aid activities depends on visible linkage between their funding and the particular good/activities/results bought with it, or that their legislature would not accept untied procurement.

6.29 DFID has also been one of the leading donors in recent discussions in Phnom Penh about how to improve aid coordination generally and the operation of the CG working groups in particular. Many interesting ideas are being generated, such as reforming the working groups to become more formally joint with government and NGOs. There are also ideas for making them more technical by increasing the participation of technical specialists, focusing their work specifically on the various targets established in the PRSP, and seeing them as practical coordination mechanisms to be assisted by the CG rather than the other way round.

6.30 DFID also took trouble to coordinate its comments on drafts of the PRSP with those of a number of other donors, thus providing a consolidated view to government. The large consultations with groups of stakeholders that it has recently organised with ADB and the World Bank, to help them all with preparation of their new Cambodia assistance strategies, also take the PRSP as a starting point and represent another interesting experiment on the road to improved donor coordination.

[23] World Bank (2003).

Sustainability

6.31 All of the outcomes reviewed are fragile. The government budget is small, with insufficient funds for either investment or the costs of service delivery in the health sector or Seila programme. In the short to medium term, Cambodia will therefore remain heavily dependent on external assistance. The sustainability of interventions will depend on support from both government and donors that is not only sustained but also effectively focused on the most locally proven systems, structures and concepts. Efforts to address the problems in public administration and judicial services that the government has recognised, but has hitherto postponed, will also be particularly crucial. The key issue in all areas is whether the initiatives embarked upon will evolve, in practice, in a pro-poor direction given the many political-economic obstacles to pro-poor policies.

Assessment of outcomes

6.32 A systematic assessment of DFID's effectiveness is, at best, only possible at the project level. PRISM data suggests that the majority of recent projects are partially effective. In most cases this can be explained by the ambitious objectives set, a tendency to over-estimate the capacity of partners, and the difficult country context. Some earlier projects also suffered from poor preparation, inadequate appraisal, and limited DFID monitoring.

6.33 It is much more difficult to provide a systematic assessment of DFID's performance at a programme level. The lack of defined indicators for the CSP objectives is a major obstacle to programme-level monitoring and evaluation, but there are also generic measurement and attribution problems. It is possible to say that DFID has made a significant contribution to outcomes which will further the CSP objectives, and some contribution to positive changes in country level development outcomes. It is also possible to say that DFID has, with and through others, had some positive influence on government policy and programmes, and some positive influence on the programmes of other donors. DFID has also been a leading advocate of better donor coordination, although this remains poor, and is certainly well regarded as a development partner. However, it is not possible on this basis either to provide an objective judgement DFID's performance, or to demonstrate precisely what the expenditure of around £40 million since 1997 has achieved over and above what might have happened without DFID.

7. CONCLUSIONS, ISSUES AND LESSONS

General conclusions

7.1 Cambodia's leaders have achieved hard-won progress in the last ten years in re-establishing peace after twenty years of civil war. Following the Paris Peace Accords of 1991, UN-supervised elections were held in 1993 and a coalition government formed between previously warring parties. New elections in 1998 were won by the coalition partner, which had staged a coup d'etat in 1997. This party succeeded by the end of 1998 in forming a new coalition government with the main opposition party as junior partner, and non-governmental military forces were largely disbanded. Increasingly peaceful elections were held in 2002 (at commune level) and 2003 (at the national level), but the political parties have not yet reached compromise on the composition of a new national government.

7.2 As security has improved, the country has been able to give increasing attention to economic and social development. But the past destruction of institutional, social and physical capital, and the still fragile political situation, have severely constrained the leadership the government could give. Many bilateral and multilateral aid donors and many NGOs, have been working in the country. Compared with countries of similar income-level and population size, Cambodia has gradually risen from being one of the lowest recipients of aid on a per capita basis in the early years after the Paris Peace Accord to being one of the highest.

7.3 The overall judgement of the evaluators is that DFID has made a positive contribution in a difficult environment. The 2000 CSP provided a clearer statement of strategy than had been available before. DFID has been influential and is generally highly regarded by its development partners for its professionalism and flexibility, and particularly for its commitment to a consultative and collaborative approach. The decision to establish a small advisory office in Phnom Penh has been very beneficial. The quality of project cycle management appears to have improved over time.

7.4 While the overall judgement of the current programme in terms of strategy, activities, process and organisation is positive, it is much more difficult to demonstrate that the programme has been, or will be, developmentally effective. The majority of the DFID projects are only partially effective; donor coordination remains weak; improvements in MDGs have been limited; and such development and political progress as has been achieved remains fragile. This may be more of a problem of measurement and attribution than of achievement, a problem not helped by the lack of clear programme level indicators and targets in the DFID strategies to date. But it also reflects the very difficult and fragile context that is Cambodia.

7.5 Following from these general conclusions, and those presented at the end of each section of the report, the evaluation raises four issues which are relevant to DFID in Cambodia and elsewhere:

- working with multilateral agencies
- programme-level monitoring and evaluation

- the scale and nature of DFID's in-country presence
- strengthening coordination among aid donors.

Working with multilateral agencies

7.6 A key feature of the DFID programme has been the attempt to work through and with multilateral agencies. Initially the focus was on UN agencies. Aside from relief activities handled largely by British NGOs, the first programmes to receive UK aid support were those in health organised by UNICEF and WHO, and demining, financed though the UN and NGOs. Joint efforts with WHO, which were sustained for ten years, focused particularly on rebuilding the capacities of the Ministry of Health. A new partnership was formed with UNFPA in 1994, and another with UNDP and UNCHS in 1995 to implement the first UK-assisted project explicitly aimed at poverty reduction (Phnom Penh Urban). DFID contributed to other UNDP-run project funds created in the late 1990s.

7.7 The Cambodia CSP issued in 2000 stressed that DFID should develop only 'interventions that complement a wider programme of multi-donor support' and implied that they would be run mainly by multilaterals, now including the IFIs in addition to the traditional UN partners. It was based on the expectation of lower management costs for DFID, and greater influence, than could be achieved through a bilateral programme alone. It also represented a commitment to a more coordinated and collaborative approach to development assistance.

7.8 While the evaluators believe that the stress on multi-donor support was right, they are less convinced about the emphasis on multilateral agencies. Perhaps the greatest weakness of the 2000 CSP was a degree of over-optimism about the capacities of the multilaterals to generate good projects and implement them efficiently. Implementation of the CSP has however led to rising doubts about the wisdom of contracting projects with the UN agencies. While some of the problems appear to have resulted from insufficiently precise specification in the project agreements with the agencies as to what they would and would not do (e.g. with the UNDP concept of NEX), there were weaknesses in the technical and project management capacity of these agencies. As a result they often needed more support, double-checking and oversight than was initially envisaged. Split or shared responsibility between different UN agencies often created tension. Much concern also arose about the DFID staff time involved in efforts to resolve such problems. However the problems with project agreements should not overshadow the other positive features of relationships with the UN agencies, for instance the way in which the long-term relationship with WHO helped create the conditions for moving towards sector wide approaches in the health sector and for much larger DFID commitment of funds.

7.9 Partnerships with the IFIs have substantially increased, although these have not always been easy (see para. 69). DFID has committed substantial funding to the ADB and World Bank in support of defined elements of their current health projects. But it has also reserved considerable funds for direct contracting in health, and has rightly explored opportunities for working with other bilateral agencies.

7.10 The experience points towards the need for a more realistic and strategic approach to partnership arrangements with multilateral agencies. Relationships with other agencies need to be monitored and managed, and a better reciprocal understanding of the culture,

policies and procedures of each partner needs to be developed. Based on this, DFID needs a clearer understanding of the appropriate form of relationship, and how to maximise its influence, with different partners and in different circumstances. This may, for example, lead to a more diverse and discriminating approach with particular multilateral and bilateral agencies, rather than a presumption than multilaterals (either UN or IFI) should be the preferred partners. The particular modalities of aid support used (e.g. a bilateral project in support of commonly agreed objectives as compared to contributing resources to assist with the design of an IFI project) are less important than a clear understanding of how to work effectively in partnership. There also needs to be recognition that with such a small team and programme, issues of individual skills and personality are likely to be significant in determining how DFID's can be most effective.

Programme-level monitoring and evaluation

7.11 The 2000 CSP provided overall objectives for DFID's programme in Cambodia, though not in a specific or monitorable form. Prior to that, in accordance with the internal Interim Strategy Paper that had been prepared in 1995, explicit objectives were largely limited to the project level, although the projects were selected following stated criteria, which mainly emphasised human development in the case of Cambodia. The CSP introduced the overall purpose already quoted and three broad programme objectives—encouraging broad-based rural development, enhancing government capacity to plan and implement pro-poor policies, and supporting improved policies and systems for provision of basic services.

7.12 At the broader level of the MDGs, Cambodian statistics are notably weak, but the most reliable data that are available indicate very limited progress and even, according to some sources, some retrogression. The exception is HIV/AIDS infection, where significant improvement appears to have been achieved. Future monitoring of programme objectives should benefit from recent government work, in follow-up to the PRSP, to produce a set of national MDG targets, reflecting Cambodian realities, priorities and possibilities. DFID has also been giving greatly increased attention to development of monitoring and evaluation systems for the programmes in which it is directly involved, especially health sector improvement and Seila. Together, these efforts should permit the adoption of well-founded quantitative targets for DFID-supported programmes and the more effective monitoring of progress towards them. Some of them may well be national MDG targets, but most are likely to be intermediate objectives, reflecting progress of programmes that are considered essential to reaching the MDGs and therefore indicative of likely subsequent improvement on the MDGs themselves. Now that initial experience has been gained with the promotion of new ways of working for donors, it may also be possible to generate useful targets for the elaboration and spread of the mechanisms developed for this purpose.

7.13 However, the fundamental challenge of monitoring and evaluating country programmes remains. Indeed, the trend towards sector-wide programmes and co-funding makes measurement and attribution even more difficult. There is no easy answer, but the wide gap that currently exists between project-level scores on the one hand, and country-level outcome statistics on the other, needs somehow to be bridged. Assessing other aspects of a country programme—such as strategy, process and organisation—can inform, but the basic problem of assessing programme-level effectiveness and impact has not been solved.

Strengthening DFID's office in Cambodia

7.14 To deepen DFID's capacity for dialogue with government and other donors, the 2000 CSP stressed strengthening of the department's local representation. DFIDSEA activities in the country had previously been run entirely from Bangkok, assisted in Phnom Penh by the ambassador in the case of high policy discussions, and a national officer for some administrative matters. Two DFID professional staff—governance and rural livelihoods advisers—were posted to Phnom Penh on a full-time basis from October 2000, an expatriate administrative officer was added on a temporary basis in 2002, and a full-time health and population adviser early in 2003. DFID's Phnom Penh office thus contrasts with those of most other donors by having a main focus on policy and coordination dialogues, limited project management work (since most is handled by multilaterals), and strong sector skills.

7.15 The existence of the Phnom Penh office has enabled DFID to participate more actively than previously in formal and informal discussions on development issues, and to develop wider relations in the country, including with civil society organisations. Ongoing DFID-supported projects in each adviser's field have provided grassroots information and contacts, while freedom from direct management tasks has normally ensured adequate time for work on broader issues. The problems that have arisen on occasion in the UN agencies' management of DFID-financed projects have caused unfortunate diversion of effort from such work.

7.16 The areas which have particularly benefited to date from this kind of advisory activity include the development and implementation of the structures needed for the government's decentralisation programme, certain improvements in public finance and in natural resource management assisted by emphasis in CG and related discussions, and moves toward improving poor peoples' access to fishery and forestry resources. The health sector, and especially the SWiM, is also already beginning to benefit from the arrival of DFID's permanent health and population adviser. Consideration has been given to delegating some degree of grant approval power to Phnom Penh, especially for small research activities, but under programmes established to date final approval powers have been retained in Bangkok.

7.17 Government and World Bank have raised the question of whether DFIDSEA might be able to post to Phnom Penh a full-time programme manager for Cambodia, with greater control over all DFID support to the country, from wherever it originates. They feel that the full-time presence of the programme manager would significantly increase DFID influence in directions that they consider particularly important, such as on aid coordination and on government policy reforms. The ambassador gives strong support to the existing DFID advisers, but believes that policy influence could be increased by strengthening the office and improving public communication about the scale and purpose of the DFID resources that reach the country. Locating a full-time programme manager in Phnom Penh would, however, increase the costs of managing the programme. Wider concerns about the future of the DFID regional office in Bangkok may also have been a factor in the decision to retain the programme manager post in Bangkok thus far, and in the relatively late posting of a health adviser to Phnom Penh.

7.18 The experience suggests that in-country offices staffed by advisers without major

project or DFID management responsibilities can make a significant contribution to policy and aid coordination dialogues. The challenge is to maintain the time and space for non-project work if project implementation is not contracted out to other agencies while ensuring effective and responsive programme management.

Strengthening donor coordination

7.19 Political fragility, weak governmental institutions, high dependency on aid for financing investment, and the great diversity and agendas of donors involved have made for unusually serious difficulties of aid coordination. Though a relatively small donor (direct aid still less than 3% of total official aid flows to the country), DFID has maintained a prominent position in policy dialogues and donor discussions, including those connected with the CG. It has persistently urged stronger government leadership as the main means to improve donor coordination. It has supported approaches intended to facilitate government leadership, such as government-CG agreements on reform benchmarks, moves toward provision of aid as budget support, and preparation of the national PRSP.

7.20 The 2000 CSP redefined DFID's overall purpose in Cambodia as promoting 'a new way of working for donors to improve rural livelihoods significantly over the next 10 years'. Little was said at that stage as to the specific content of the new way, other than that it would be more collaborative among donors. It would help Cambodia and its donors avoid 'projects that are uncoordinated, lack national ownership and impose many separate types of donor procedures and objectives'. The CSP identified rural livelihoods and health as entry points for pursuing this purpose

7.21 Good progress has been made in developing such new ways of working in the latter part of the period under review, although DFID has recently taken the decision to drop the aim, contained in the 2000 CSP, of being able in 2010 to support Cambodia entirely through multilateral agencies without the need for a bilateral aid programme. DFID has made a major contribution to the Seila core fund, and to the development of the SWiM approach in the health sector. DFID has been a strong promoter through these programmes and the IMF TCAP of broader budgeting, accounting and auditing improvements, which could enable eventual transition to a fuller SWAp. Recent work with the WB and ADB on a joint country strategy process is also a very positive development.

7.22 This progress aside, the fact remains that many donors still have reservations about participating directly in the model of new ways of working that DFID is seeking to promote. It will likely take time, and demonstrated success of the programmes using them, to secure a much wider following. Government itself is a strong proponent and progress is likely to depend on its initiatives to promote joint planning between government and donors of action to achieve selected key objectives, for instance from the PRSP, rather than on the action of individual bilateral agencies. The RGC proposes to seek agreement on 2–3 year targets, the resources needed to reach them, and allocations of responsibility. However, bilateral agencies could contribute to simplifying management and coordination through, for example, reducing the number of separate donor offices, advisers and programmes (while maintaining the volume of assistance provided). One option that could be explored by DFID is the potential for co-programming and co-location with like-minded bilateral donors such as SIDA and DANIDA.

List of People Consulted

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Ministry of Economy & Finance

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Ministry of Planning

Kim Saysamalen	Under Secretary of State

Ministry of Education

Pok Than	Secretary of State

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Leng Vy	Director, Department of Local Administration

Ministry of Agriculture, Forestry and Fisheries

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Im Sausdey	Chairman

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Appendix: Tables and Figures

Table 6: oda Disbursements to Cambodia 1997–2002

	1997	1998	1999	2000	2001	2002	Total
Japan	61.6	81.4	50.9	99.2	120.2	98.6	511.9
ADB (AsDF)	10.7	29.3	26.2	50.8	48.4	79.1	244.5
WB (IDA)	30.4	19.2	26.8	36.6	39.6	47.3	199.8
EC	32.9	32.9	27.5	26.1	24.2	27.8	171.5
US	30.0	32.5	14.1	21.5	22.4	44.4	164.9
France	27.1	21.4	22.1	21.5	21.4	24.6	138.2
Australia	24.0	21.9	16.7	25.7	15.8	21.6	125.6
Germany	17.0	17.9	21.6	19.4	18.7	18.4	113.0
Sweden	23.0	14.3	7.6	16.8	16.9	14.5	93.0
UK	7.4	9.9	7.5	13.0	11.7	13.2	62.7
Netherlands	11.5	9.3	6.3	7.4	8.2	9.3	52.0
UNDP	17.5	9.8	7.9	3.1	3.9	3.1	45.3
IMF	-	9.5	5.5	13.5	10.8	39.3	
Norway	8.8	7.2	6.3	6.2	5.6	3.1	37.3
WFP	2.2	3.6	2.3	10.2	8.4	3.2	29.9
Korea	1.8	0.3	0.3	0.7	1.1	22.7	26.8
Canada	5.3	3.4	1.2	2.6	8.0	4.9	25.3
UNFPA	3.9	6.7	3.3	3.2	3.1	3.6	23.8
UNICEF	3.9	3.6	3.5	3.6	3.6	3.5	21.7
Denmark	2.4	0.7	2.5	2.0	4.9	6.6	19.0
Belgium	2.9	2.2	3.3	3.1	2.8	3.1	17.4
Finland	1.4	2.3	2.1	3.7	2.8	2.7	14.9
Switzerland	1.5	2.9	1.5	1.8	3.0	3.2	13.8
UNTA	3.0	1.3	2.2	2.6	2.1	1.7	12.9
IFAD	0.1	-	0.5	2.2	4.0	3.1	9.9
Other bi	4.6	3.4	3.4	4.2	2.5	4.4	22.5
Other multi.	0.4	0.1	0.1	5.7	3.3	8.3	17.9
TOTAL	335.3	337.4	277.2	398.4	420.0	486.9	2,243.9

SOURCE: OECD/DAC (USD MILLION)

Table 7: Programme Evolution

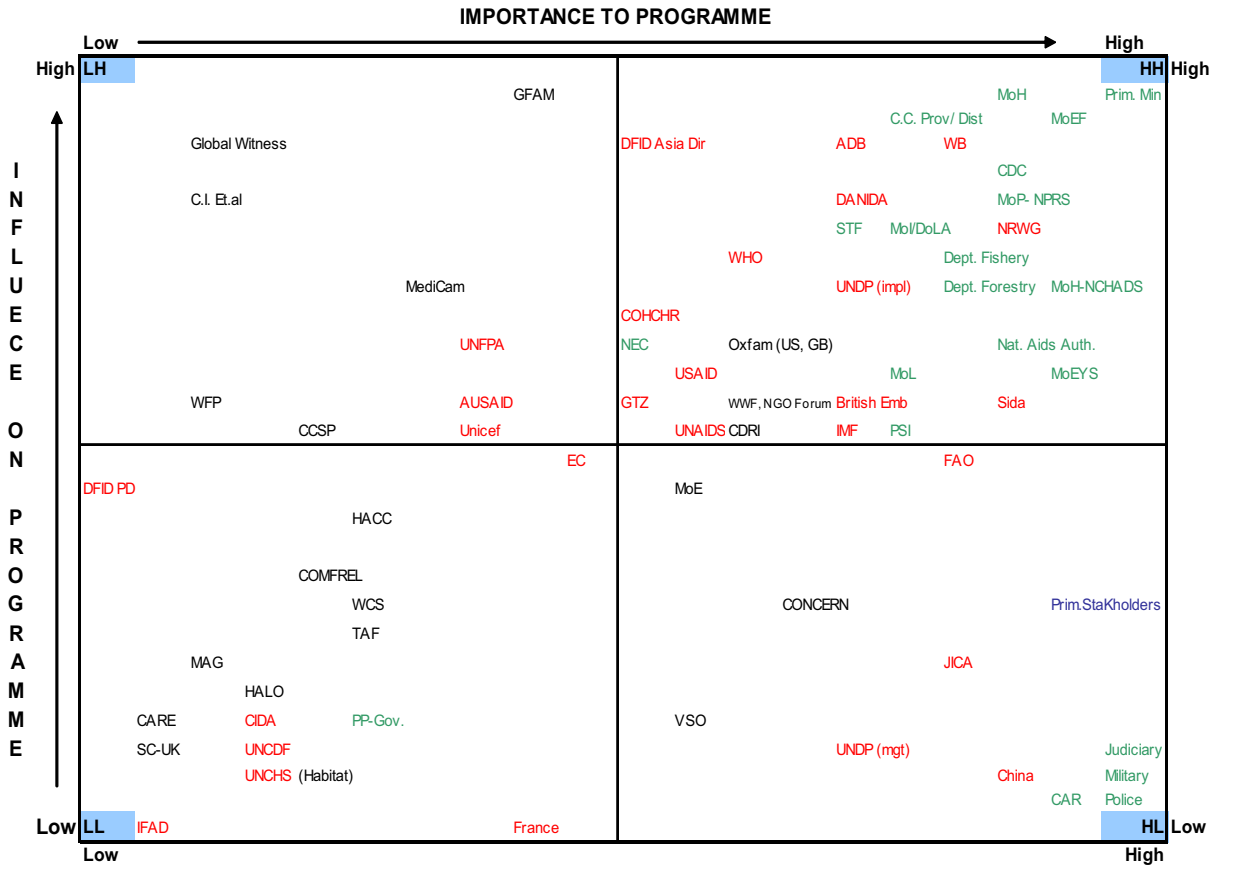
(Projects sorted by CSP objective and year of start of project)

	Sector	Disbursements (£´000) 97/98	98/99	99/00	00/01	01/02	02/03
SEA							
Demining	Demining		200				
Illegal Logging Unit	Forestry			200	175	300	34
Reconciliation Anlong Veng	Rural Dev		150		180		
Concern Rural Developm. Project	Rural Dev			117	168	153	211
Forestry Action Plan	Forestry				14	5	3
Rural Livelihoods, sht.-term	Rural Dev				15	50	18
SEILA 2001 Inv. Plan	Rural Dev				250	250	
Oxfam Flood Rehab.	Emerg				348		
Rural Livelihoods Fund	Rural Dev					16	105
SEILA R.D. Programme	Rural Dev						5 287
Support to Trust Fund for NRM	Rural Dev						
ELT for Ministries	Ec Man	21					
Voter Opinion Research	Democr	18	26				
Elections Support	Democr		448	40	8		
MinEconFin: IMF TCAP	Ec Man					784	534
Commune Elections '02	Democr					500	80
Poverty Support Programme	Pov Pol						59
Battambang Water	Urban dev	4					
Kratie Water	Urban dev	4					
Secondary English I	Education	345					
Birth Spacing	Health	60					
Social Mktg. Condoms I	Health	151	701	289	391	79	
Health Systems Strengthen II	Health	198	19				
Malaria II	Health	362	61		56		
Phnom Penh Urban	Urban dev	281	238	280	356	711	
Teacher Trg. Master Plan	Education	23					
Chevening scholarships	Education	30	24				
Secondary English II	Education	463	764	863	803	283	
Health Sector Reform III	Health	58	771	964	1 072	645	128
Strengthening Health Systems	Health	32		30	31		
Reproductive Health	Health	801	508	501	35	11	
HIV/AIDS Commun. Care	Health	63	12				
Social Mktg. Condoms II	Health			42	14	705	995
HIV/AIDS Commun. Care	Health			27	51	4	
VSO Primary equipment supply	Education			11	81	158	182
HIV/AIDS Proj. Identification	Health				4	14	
Response HIV/AIDS	Health					84	33
Health Sector Support	Health					34	227

	Sector	Disbursements (£´000) 97/98	98/99	99/00	00/01	01/02	02/03
Non-SEA							
SAO Integrated Aquaculture	Rural Dev	100	69	73	27		
Bus. and Comm. Development	Rural Dev	93	77				
Nat. Res., Komp. Chhnang	Rural Dev	80	99				
Older People Programme	Soc. Pol	110	3				
Mine Clearance	Demining	192					
Kompong Speu R.D.	Rural Dev	77	99				
Facilitate Farmer Innovation	Rural Dev	30	37	39	42		
Rattanak Mondol Dev.	Soc. Pol	45	41	25			
Demining	Demining	250					
Demining	Demining			248			
Battambang Demining	Demining		93				
Mine clearance (mfg.)	Demining	24	107	83	40		
Demining 10/98 - 3/99	Demining			459			
Battambang MAG	Demining			1 125	125		63
Mines Adv. Group - Boval	Demining				323		386
Humanitarian Demining	Demining		400				
Cambodia Halo Trust Demining	Demining			617			
Capacity Building	Rural Dev			103	114	94	9
Cap. Bldg. for R.D.	Rural Dev			93	90	83	94
MAG Tractor Trials	Demining			89	100		
Halo Trust Demining	Demining			86	668	460	4
CMAC Op. Act. M16	Demining				214		
IFRCS Flood Appeal	Emerg				250		
WFP for Floods	Emerg				500		
CONCERN for Floods	Emerg				111		
Ag., Bus. & Commod. Dev.	Rural Dev				49	34	45
Floods Appeal	Emerg					150	
Integ. Mine Action	Demining					161	476
Renew'ble Res. Res'rch (Mekong)	Rural Dev						16
CMAC Reform	Demining			188			
Primary Education	Education	61	15				
Integrated Health Care	Health	72	53	82	6		
Pro-poor Health Programme	Health	48	39	30	52	38	14
Rattanakiri PHC II	Health	50	50	50	50	28	22
Save the Children - misc.	Health	136	111				
Prosthetics/Orthotics school	Health	56					
Ext. Support for Health Sector	Health	18	3				
Water/Health education	Health	47					
Eye Health Services	Health	151	106				
Komp. Tralach health educ'n.	Health	42	36	23			
H.Wells - HIV/AIDs Placement	Health	10					
Reproductive health education	Health		15	79	92		
Child Rights	HR				73		
UNAIDS training	Health				6	51	18
PHC Education	Health				41	25	83
Disability Rights	HR						20

= CSP Objective 1 Rural development = CSP Objective 2 Pro-poor policies = CSP Objective 3 Service delivery

Figure 3: Summary of Stakeholder Analysis



Influence on Programme: extent that: (1) they shape what DFID decides to do; (2) their opinons affect selected methods/approaches
Importance to Programme: extent that (1) the programme will have an impact on their lives; (2) their support/agreement is key for successful implementation

Table 8: SEA Partners in Cambodia 1993–2003

DFID Dept:	Title	Start date	Committm. (£'000)	Main Donor Partners
SEA	Battambang Water	1993-01-01		
SEA	Kratie Water	1993-01-01		CARE
SEA	ELT for Ministries	1994-01-01	87	
SEA	Secondary English I	1994-01-01	2,216	MoEYS
SEA	Birth Spacing	1994-04-01	340	UNFPA,Save the Children
SEA	Social Mktg. Condoms I	1995-01-01	2,441	USAID, PSI
SEA	Health Systems Strengthen II	1995-01-01	832	WHO
SEA	Malaria II	1995-04-01	1,451	WHO
SEA	Phnom Penh Urban	1995-10-01	2,989	UNDP,UNCHS
SEA	Teacher Trg. Master Plan	1996-08-12	60	
SEA	Chevening scholarships	1997-04-01		
Interim Strategy				
SEA	Secondary English II	1997-11-24	3,227	MoEYS
SEA	Voter Opinion Research	1997-12-16	55	
SEA	Health Sector Reform III	1998-01-01	3,641	UNDP, WHO
SEA	Strengthening Health Systems	1998-01-01		WHO
SEA	Reproductive Health	1998-02-11	1,871	UNFPA, MIS
SEA	HIV/AIDS Commun. Care	1998-03-31	76	WHO
SEA	Elections Support	1998-04-01	500	UNDP
SEA	Demining	1998-06-01	200	
SEA	Forest Crime Monitoring and Reporting Proj.	1999-10-29	975	FAO, DANIDA, WB, UNDP, Global Witness
SEA	Reconciliation Anlong Veng	1999-11-01	330	UNDP, Seila
SEA	Social Mktg. Condoms II	1999-11-03	5,796	USAID, PSI
SEA	HIV/AIDS Commun. Care	1999-12-13	82	WHO
SEA	CONCERN R.D.	1999-12-17	975	CONCERN
SEA	VSO Primary equipment supply	2000-03-27	600	WB, VSO
CSP				
SEA	Forestry Action Plan	2000-10-30	67	
SEA	Rural Livelihoods, sht.-term	2000-12-12	100	
SEA	SEILA 2001 Inv. Plan	2001-01-01	500	UNDP, Sida
SEA	HIV/AIDS Proj. Identification	2001-01-01	20	UNAIDS, WHO
SEA	Response HIV/AIDS	2001-04-01	15,766	UNAIDS, WHO
SEA	MinEconFin: IMF TCAP	2001-09-14	1,801	UNDP/IMF
SEA	Rural Livelihoods Fund	2001-10-22	450	NGOs
SEA	Oxfam Flood Rehab.	2001-10-22	450	OXFAM
SEA	Commune Elections '02	2001-12-24	580	UNDP
SEA	Health Sector Support	2002-03-04	15,401	WB, ADB, WHO
SEA	Seila/PLG Programme	2002-04-26	13,601	UNDP, Sida
SEA	Poverty Support Programme	2002-08-01	961	WB
SEA	National Elections ' 03	2003-05-15	600	UNDP
SEA	T.F. for Nat. Res. Mgt.	2003-07-16	100	FAO, DANIDA, GTZ, Sida, WB

Table 9: Project Performance Summary

MIS Code	Start Date	Project	Review Date	Risk	Output Rating	Purpose Rating
144550004	1994	Secondary English I	9/97	-	-	1
144555007	1/95	Soc Mktg Contraceptives I	7/99	-	-	2
144555009	4/95	Malaria Ph II	5/00	-	2	3
144546002	10/95	Phnom Penh Urban Poverty	11/98	M	2	2
			10/99	M	2	2
			3/02	M	3	3
			4/03	M	3	3
14455507	11/97	Secondary English II	8/99	L	2	2
			10/00	M	2	2
			11/01	-	2	2
144555011	1/98	Health Sector Reform III	3/99	M	3	X
			10/00	H	2	3
			5/02	M	2	3
144555010	2/98	Reproductive Health	6/99	M	2	X
			10/00	-	2	3
144542005	4/98	Support 1998 Elections	5/01	-	2	2
144502001	10/99	Illegal Logging Unit	1/01	-	2	2
			3/02	H	5	5
			4/03	H	5	5
144555014	11/99	Soc Mktg Condoms II	3/02	L	2	2
			4/03	M	X	X
144508001	12/99	CONCERN Rural Dev	11/00	M	3	3
			9/01	M	3	3
			11/02	M	3	3
14455008	3/00	VSO EQIP Support	3/02	L		X
			4/03	L		2
144683002	3/01	Primary Health Care (CSCF)	3/03	M	3	3
144542006	9/01	IMF TCAP	11/02	M	3	3
			8/03	M	3	3
144508004	4/02	Seila RD Programme	5/03	M	3	3

Table 10: Outcomes of the DFID programme by CSP objective

CSP Objective	**Outcomes** (to which DFID has made considerable contribution)	DFID/SEA activities	Sustainability issues
New ways of working with donors	• Active partner in the reformation of the donor groups • Active in CG • SWAp and SWiM health, with common annual reviews • Influenced multilaterals in adopting flexible donor systems • Active and informed partner in Seila core • Forest sector work • Finance management reform • Mediating in management conflicts between multilaterals	• Dialogues policy, financing broad and innovative programmes, Seila, Health, etc	• Heavily dependent on sector and thematic advisors in the Phnom Penh office
Encourage broad-based rural development that empowers poor and disadvantage people	• All 1,621 communes have adopted and produced an annual commune plan and priority projects • Resources to communes, $ 6 000 investment and $ 3000 for administration allocated in 2002. • Capacity building in decentralised systems and structures at all provinces and communes	• Seila	• Integrated into national planning systems. • Commune funds are part of RGC budget as well as externally financed • Seila and HRS salary supplements to get staff committed, is not sustainable
	• Improved access to health service, in some provinces	• Health Sector Reform 3	• Funding dependent on external sources; systems for OM not set up
	• Provision of infrastructure and livelihood intervention in poor communes in Siem Reap Province	• Concern Capacity Building for Rural Development	
	• Improved infrastructure in squatter areas • Policy change towards squatters • Land cleared from land mines and UEOs	• Phnom Penh Urban poverty I&II	• Poverty changes and infrastructure sustainable, but TA and funding dependent on external sources. Attitude of officials has slightly changed towards squatters
		• Demining projects	• Local village based demining has been established. Land cleared of mines has been claimed by military and political and economic elite. Operations depended on external resources

Enhance government capacity to plan and implement pro-poor polices, to raise resources, and to account for their use	• Strengthen the MoH capacity in planning, financial management and health sector strategy	• Health Sector Reform (HSR3) Phase 3	• HRS 3 set up a health sector reform group that has been successful. DFID helped to pilot equity funds and with others (WB and ADB) are scaling these up in HSSP
	• Improved capacity in national programme	• Malaria project • Seila • Seila • Election support to 1998, 2002	• Decentralisation reform is government driven • Systems and procedures have been integrated in the national systems and structures. • Dependent on external funding support
	• Important inputs to decentralisation reform • Planning, financial management and management systems developed and implemented especially at local level • Contribution to freer and fairer election, NEC capacity has increased • RGC forest crime data handling increased as well as public awareness • RGC capacity building in revenue mobilisation and financial management	• Forest crime monitoring project • TCAP	• Sustainability dependents on RGC forest policy • Sustainability dependents on RGC willingness to implement fiscal policy, civil service and anti corruption reforms
Support improved policies and systems which enables the state to guarantee the equitable provision of effective basic services	• Contribution to extending reproductive choices to Cambodian women • Framework and procedures for improved health service delivery • Reduced incidence of malaria (51%) and hospital death due to malaria (68%), and case fatality rate to 1% • Prevention of HIV through improved access to condoms • Upgrading of English langue training	• Reproductive health • HSR3 • Malaria Control Project 2 • Social marketing of contraceptives I&II • Secondary education I&II	• The project seems to have laid the foundation for a sustainable RH services, but activities relying on external funding. • HSR 3 salary supplements to get staff committed, is not sustainable • Dependent on external funding • Dependent on external funding and training • Teaching capacity has increased

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The Department for International Development (DFID) is the UK Government department responsible for promoting sustainable development and reducing poverty. The central focus of the Government's policy, based on the 1997 and 2000 White Papers on International Development, is a commitment to the internationally agreed Millennium Development Goals, to be achieved by 2015. These seek to:

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- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a global partnership for development

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