



**Executive Board of  
the United Nations  
Development Programme  
and of the United Nations  
Population Fund**

Distr.  
GENERAL

DP/1994/25  
2 May 1994

ORIGINAL: ENGLISH

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Second regular session 1994  
10-13 May 1994, New York  
Item 5 of the provisional agenda

COUNTRY PROGRAMMES, MID-TERM REVIEWS AND RELATED MATTERS

Assistance to Cambodia

Note by the Administrator

I. PURPOSE

1. The present note provides information to the Executive Board on the implementation of assistance to Cambodia on a project-by-project basis and seeks the authorization of the Board for the Administrator to commit an additional \$12 million from the indicative planning figure (IPF) to expedite programmes and projects already formulated and ready for implementation.

II. BACKGROUND AND FINANCIAL FRAMEWORK

2. Over the past two and a half years, Cambodia has undergone a historic transformation with assistance from the United Nations. In order for UNDP to facilitate this change, the Governing Council, in its decision 92/25 of 26 May 1992 authorized the Administrator to approve projects for Cambodia on a project-by-project basis, based on the recommendation to the Council in the note by the Administrator (DP/1992/56), this amounted to an allocation of \$40 million from indicative planning figure (IPF) resources. This was in addition to the approval by UNDP in 1991 of projects worth in the aggregate \$13.4 million on the basis of an appeal by the Supreme National Council of Cambodia in June 1991 to the Secretary-General of the United Nations. As a result, a total of \$53.4 million in IPF resources became available to support humanitarian and rehabilitation efforts during the transition period, which commenced with the signing of the Paris Peace Accords in October 1991.

3. The projects implemented during the transitional period focused on human resources development, infrastructure rehabilitation, assistance for the reintegration of refugees and displaced persons in rural areas, and aid coordination. The transition period ended in September 1993 with the termination of the United Nations Transitional Authority in Cambodia (UNTAC) and the assumption of office by the newly formed Royal Government.

### III. TRANSITION PERIOD ACTIVITIES

4. The projects approved through the end of March 1994 are listed in annex II to the present document. A majority of the activities undertaken were in response to the dislocations resulting from some 20 years of internal conflict and, hence, the need to rehabilitate and rebuild a devastated war-torn society and economy.

5. Through UNDP efforts, a number of UNDP-funded personnel performed de facto managerial functions. UNDP activities also provided a framework for collaboration with other donors at a time when few were physically represented in Cambodia. The total external resources managed by UNDP were in fact approximately double the IPF resources (see annex II).

6. UNDP-facilitated operations that deserve special mention include the Cambodia Resettlement and Reintegration Programme (CARERE), which benefited over 200,000 Cambodians. More than 150 schools have been constructed, some 160 kms of secondary and feeder roads have been rehabilitated and more than 2,000 wells have been dug. Non-governmental organizations (NGOs) and the concerned communities have been the primary agents in these activities. Through a separate road-rehabilitation programme, financed entirely by cost-sharing contributions, Route 5 has seen major surface improvements and the reconstruction of several bridges and culverts. Under an employment-generation programme, a network of training centres has been established throughout the country's north-western and central provinces. More than 300 persons, half of them women, have been trained in business management as have 40 Cambodian counterparts through a Cambodian NGO. The use of the Transfer of Knowledge through Expatriate Nationals (TOKTEN) modality has enabled some 80 expatriate nationals to return to Cambodia as consultants in such areas as agriculture, education, economic reform and management, and health. Many of these individuals now occupy senior posts in the newly established Government, including two Ministers of State, two Secretaries of State and four Under-Secretaries of State. Among the most successful of the technical interventions by UNDP has been the project in the field of civil aviation, which has brought Phnom Penh's international airport and three domestic airports to international standards of efficiency and safety. The International Civil Aviation Organization (ICAO) provided technical cooperation and support in the execution of these interventions.

### IV. PROGRAMME FOR THE BALANCE OF THE FIFTH CYCLE

7. Through the provision of external advisers in a wide variety of fields and through a collaborative process with the United Nations specialized agencies,

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UNDP assisted the Government to formulate its National Programme to Rehabilitate and Develop Cambodia. This Programme establishes a medium-term national development agenda. It envisages five mutually reinforcing strategies, including the reform of the administrative and judicial institutions of the State, the promotion of economic stabilization and growth, structural adjustment and sectoral reform, direct support for sustained development, particularly in the area of services and infrastructure and the sustainable utilization of the natural resource base. The document was presented to the International Committee for the Reconstruction of Cambodia (ICORC) when it met in Tokyo in March 1994. The overall thrust of the document is on sustainable human development through improvements in the economic and social well being of the vast majority of Cambodians who are still living in poverty. It takes into account the following key human development indicators: 35 per cent of all families headed by single mothers; only 12 per cent of the rural population with access to safe drinking water; high child mortality rates; low numbers of immunized children; a very youthful population; an inadequate school system in both qualitative and quantitative terms; low agricultural productivity; limited access to market and services owing to poor road conditions; countless landmines, particularly in areas that could support agricultural development; and, to compound the difficulties faced by Cambodia, very limited national human resources and technical and managerial capabilities and capacities.

8. With the notable achievements arising from emergency relief and rehabilitation of the transitional period as a backdrop, the United Nations specialized agencies can now turn their attention away from relief and rehabilitation and more towards sustainable human development. The priority needs are: enhancement of the delivery of basic services in such fields as health and education; the promotion of economic growth with equity and, finally, overall improvements in terms of macro-economic management and public sector reform.

9. Three broad areas of activity are expected to receive priority attention in the months and years ahead: (a) the implementation of the capacity-building programming on de-mining operations in Cambodia, which is now being supported by the international donor community through a trust fund established by UNDP for this purpose in November 1993; (b) within the context of a comprehensive public sector reform and management programme, enhanced aid coordination and aid management, particularly in view of the anticipated increase in financial assistance and technical cooperation resources for Cambodia; and (c) the expansion of the UNDP role in the development phase of the CARERE programme, with particular emphasis on resource mobilization and enhancing the capacity of the Cambodians themselves to manage the programme. In all three cases, the UNDP financial contribution is to be used as a catalyst to attract cost-sharing and parallel financing from other donors. In addition, UNDP will provide technical advice in macroeconomic management, educational policy and reform, rural credit and other key areas of high priority to the Government.

10. The Government has already indicated its interest in elaborating a country strategy note for United Nations Development System assistance, which would be linked to the national programme for rehabilitation and development. UNDP will be closely involved in the preparation of this note.

11. Given the situation described above, rapid responses from UNDP and its collaborators in the United Nations Development System are called for if the momentum already achieved in enabling Cambodia to move from relief and rehabilitation to sustainable human development is not to be lost. With the publication of the National Programme for Rehabilitation and Development, together with the discussions that took place at ICORC in March 1994, it will now be possible for UNDP to target its interventions in accordance with Government priorities. Accordingly, detailed consultations with the concerned Government authorities will now take place with a view to preparing at the earliest possible date a special document along the lines of a UNDP country programme. The document will outline the support that UNDP can provide for the remaining portion of the fifth programme cycle, 1992-1996. As is shown in annex I, the IPF funds available for this purpose amount to approximately \$43.5 million. It is expected that this document will be presented to the Executive Board at its October 1994 session.

12. Even as the work of preparing a country programme is proceeding and in order to sustain the momentum already achieved, UNDP support to Cambodia's development requires additional resources. In this regard, several new projects as well as the expansion of existing ones have been requested by the Cambodian authorities and are now ready for approval by UNDP. These will eventually form part of the overall country programme to be presented to the Executive Board in October 1994. Since these activities must commence in the near future, the Administrator recommends that the Executive Board authorize a commitment of an additional amount of \$12 million over and above the \$40 million emanating from Governing Council decision 92/25 which, together with the unprogrammed funds of \$7 million, will result in a total of \$19 million for commitments to be undertaken between now and October 1994, as shown in annex I.

#### V. EXECUTIVE BOARD ACTION

13. The Executive Board may wish to:

1. Take note of the proposals contained in the present note;
2. Authorize the Administrator to commit an additional \$12 million from the indicative planning figure to expedite approval of programmes and projects formulated and ready for implementation.

Annex I

STATUS OF IPF RESOURCES AND AUTHORIZATIONS

(Fifth programming cycle, 1992-1996)

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A. Status of resources

Carry over from fourth cycle IPF		52 966 000
Fifth cycle IPF	51 703 000	
Programme reserve (30 per cent)	(15 510 900)	<u>36 192 100</u>
Available IPF resources (1992-1996)		89 158 100
Budgets approved as of March 1994		<u>45 649 293</u>
Balance of IPF resources		<u>43 508 807</u>

B. Status of authorizations

Amount programmed as of 31 December 1991	13 489 221	
Amount authorized in accordance with decision 92/25	<u>40 000 000</u>	
Total authorized for programming		53 489 221
Amount programmed as of March 1994		<u>(46 428 293)</u>
Current balance available for programming		<u>7 060 928</u>

Annex II

a/ Less expenditures in 1991 and previous years of \$779,000, bringing approved budgets for 1992-1996 to \$45,649,293.

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