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Country cooperation framework and related matters

**Second country cooperation framework for Cambodia
(2001-2005)**

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I. Development situation from a sustainable human development perspective

A. Development goals and priorities.

1. Since 1993, the Royal Government of Cambodia has made important strides in re-establishing political and economic stability. The successful conduct of national elections in July 1998 led to the installation of a coalition government and the integration of the Khmer Rouge into the Royal Government Armed Forces. At last, Cambodia is at peace with a unified territory under one government. The country regained its seat and representation at the General Assembly and in 1999 became a full member of the Association of South East Asian Nations (ASEAN). These achievements are impressive considering the suffering that the country and its people have experienced during the past quarter of a century.

2. Reducing poverty is the overarching development objective of the Royal Government of Cambodia. At the national workshop, held on 18 May 2000, to launch the preparation of the second socio-economic development plan, 2001-2005, the Prime Minister stated that the Government's main poverty-reduction strategy is geared towards achieving: (a) long-term sustainable economic growth; (b) equitable distribution of the fruits of economic growth among all socio-economic groups, between urban and rural areas and between women and men; and (c) sustainable management of the utilization of the environment and natural resources.

3. Following the restoration of political stability in 1998, the Government adopted a reform programme, which forms part of the Government's Platform for the Second Term, 1998-2003, and endorsed by the National Assembly in November 1998. Accountability, sustainability, transparency, and participation are key concepts in the implementation of the reforms. Specifically, over the next three years, government priorities will be to focus on deepening the economic reforms by placing emphasis on fundamental economic and political issues, to include: fiscal and revenue mobilization; rationalization of expenditure; administrative reform; military demobilization; and improved forestry management. A draft governance action plan has been prepared with a set of actions to

be taken to enhance governance in key areas such as the judicial and legal systems, anti-corruption, and public finance.

4. The international community has endorsed the strategy for state reforms proposed by the Government. The World Bank's Country Assistance Strategy was subsequently approved. Furthermore, relations were normalized with the International Monetary Fund (IMF), which re-established its presence in Phnom Penh in October 1999. A three-year programme (1999-2002) totalling \$81.6 million was approved under the Poverty-Reduction and Growth Facility. An interim poverty reduction strategy has been presented to the World Bank and IMF boards by December 2000, and the country operation strategy of the Asian Development Bank (AsDB) has been approved by the Bank Board.

5. A new development cooperation partnership paradigm was presented to the donor community at the Consultative Group meeting held in May 2000. The Government is determined to strengthen its leadership role further in the implementation of the development agenda and to ensure that this agenda is nationally owned. In establishing mutually beneficial partnerships, the Government intends to utilize the guidelines and criteria established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC), for donor agencies in implementing partnership and capacity-development activities as well as the principles for strengthening development partnerships and simplifying and harmonizing donor procedures, which were agreed on by all donor agencies and countries at the 1999 OECD/DAC Conference.

6. The areas where the United Nations system intends to concentrate its efforts during the next programming period have been identified by the United Nations Country Team through the common country assessment (CCA) for Cambodia. This document pinpoints critical concerns and challenges facing the country, in particular in the areas addressed at the major United Nations global conferences. The United Nations Development Assistance Framework (UNDAF) for Cambodia was finalized in June 2000 and covers the period 2001-2005. It serves as a frame of reference for the specific programmes of the United Nations development organizations working in Cambodia and it reflects their overall objectives and

areas of concentration. It is to be noted that the programming periods of UNDP, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) are harmonized — precisely for the period 2001-2005 — and that, consequently, all their programmes will start in 2001.

7. The second country cooperation framework (CCF) is the result of close consultations with the Royal Government and the major United Nations and donor partners. It reflects the major recommendations of the review of the first CCF, which was completed in November 1999. Its objectives are in line with the socio-economic development requirements as expressed by the Government at the Paris Consultative Group Meeting (May 2000), with the overall goals of the Government's upcoming socio-economic development plan, and with the UNDAF objectives.

B. Current problems and challenges

8. As Cambodia enters the new millennium, it is faced with the greatest challenge of creating an environment of good governance in order to consolidate peace, justice and the national democratization process. More specifically, the following elements provide the underlying framework of national challenges: promoting participation and consensus-building, promoting transparent and accountable public institutions, developing capabilities, creating opportunities and reducing social exclusion and vulnerability. The following analysis is drawn largely from the Cambodian socio-economic surveys of 1997 and 1998-1999, the CCA, the United Nations system consultative group paper on poverty and human development, the national human development report, and other key poverty assessments and profiles prepared by the Government and its development partners.

Poverty

9. With an estimated 36 per cent of the overall population and 40 per cent of the rural population living below the poverty line and with a per capita gross domestic product of about \$280, addressing poverty constitutes a critical challenge in Cambodia. Poverty in Cambodia has many determinants. Major among them are the lack of opportunity for sustainable sources of income, the lack of access to productive

assets such as land and the low return on these assets because of the difficulty in accessing credit, the depleted rural infrastructure, etc. Furthermore, low purchasing power, remoteness and weather conditions have an adverse impact on food security. The very large number of mines and unexploded ordnance in Cambodia is also a major hurdle to food security and the economic reintegration of returning and landless populations.

10. Cambodia's greatest loss was the depletion of human capital due to a major human tragedy and the large-scale exodus of the educated citizens during the years of the Khmer Rouge. A recent study funded by UNDP and carried out by the Ministry of Education, Youth and Sport/the United Nations Educational, Scientific and Cultural Organization (UNESCO) reported that functionally literate people make up only 37 per cent of Cambodia's adult population. In addition, only 10 per cent of the population is engaged in skilled occupation. These factors place severe limitations on labour productivity. It should be noted in this connection that, given the total fertility rate of 4.2 per woman and the fact that 40.8 per cent of the population is below the age of 15, the demands on the employment market are high, and employment opportunities are grossly insufficient. Poverty in Cambodia is also a consequence of the low access to and high cost of quality basic services such as education, health and clean water, particularly for the poor themselves.

11. More challenges are emerging as Cambodia moves upwards on the scale of economic development. The lack of access to decision-making has prevented the poor from participating actively in community activities, created gaps between government policies and their implementation, and resulted in conflicts between the local authorities and the local population (e.g., land disputes).

12. With this legacy of suffering and devastation, the human development index (HDI) for Cambodia is understandably one of the lowest in Asia: according to the *Human Development Report 1999*, Cambodia ranks 137 of 174 countries. There are lacunae in the gender development index and the gender empowerment measures. There is a huge gap between the rich and the poor and 36 per cent of the country's population, which totals 11.4 million people, live below the poverty line. Rural households account for nearly 90 per cent of the country's poor but urban

population growth may lead to an increase in the number of urban poor. The high prevalence of HIV/AIDS in Cambodia poses a major threat to development and predicted increases will lead to a deterioration in the current human development situation.

13. The importance of fighting against poverty is fully recognized by the Government. The goals of the socio-economic development plan, 1996-2000, were the reduction and eventual eradication of poverty; speedy poverty alleviation and economic progress were the most important agenda items of the 1998-2003 Royal Government platform issued in November 1998. To date, however, Cambodia does not have a comprehensive national poverty-reduction strategy. Several initiatives are under way to address this institutional gap, through the preparation of the second five-year socio-economic development plan, 2001-2005, the interim poverty reduction strategy paper and the PRSP itself, all of which are expected to form the Government's national poverty reduction strategy.

14. To combat poverty and seek accelerated growth rate, Cambodia joined the ASEAN Free Trade Area (AFTA) in 1999. Accession to AFTA is a potentially important step in the development of the country. It will open new markets and will raise the efficiency of firms by exposing them to greater competition. It is also a positive factor for attracting foreign direct investment and increasing the rate of acquisition of new technologies and management skills. Cambodia has also started a negotiation process for accession to the World Trade Organization (WTO). However, trade is not a panacea and requires a deepening of domestic policy reforms in order to ensure pro-poor growth. Efforts need to be carried out simultaneously to create an enabling environment for enterprise development and to strengthen the response of national firms to incentives offered by the multilateral trading system. Without building the appropriate capacities for policy formulation and implementation, there is a risk that the positive impact of the new trade regime will be neutralized and will even contribute to increasing social inequalities.

Governance, peace and justice

15. The process of transition from a centralized economy to a market-based economy represents an additional challenge for the country. Since 1993, Cambodia has enjoyed sustained economic growth

(with the exception of 1997-1998, following the Asian financial crisis and domestic political problems). As part of its socio-economic development objective, the Government is committed to facilitating the emergence of the private sector as the key engine of growth and to promoting social development through the provision of effective public services to all citizens. The redefinition of the role of government and non-state actors (private sector, civil society, etc.) in a market-oriented economy is therefore central to Cambodia's public administration reforms. The objective is to foster a new partnership between the public sector and other national players and to lay the foundation for active and effective participation in all spheres of public life (i.e., economic, political and administrative). In particular, the Government plans to hold commune elections, which will lead to the establishment of commune councils with authority to raise revenue, receive funding and manage local development.

16. The absence of the rule of law and a very weak capacity to administer justice contribute to a climate of impunity, corruption and lack of respect of human rights. The Government recognizes the need to establish the rule of law and to improve public governance and promote a fully participatory democracy within which human rights will be upheld.

17. Cambodia is also witnessing the emergence of vibrant civil society organizations (CSOs) representing different segments of the population and promoting their rights. However, after years of repression and of fear, the social fabric is still weak and mistrust still exists at all levels in society. The Government recognizes that after decades of conflict, one of its main challenges is to rebuild national life and to consolidate the achievements of the process of national reconciliation, which has begun in recent years.

Environment

18. Environmental degradation and the unsustainable exploitation of natural resources continue to be serious concerns in Cambodia. The overriding issue is how to achieve sustainable utilization of natural resources in an equitable manner for the benefit of the local communities and the national economy while maintaining the integrity of the resources and the conservation of local flora and fauna. A concerted and continuous effort from the Government supported by development partners is needed to obtain a sustainable

balance between development and conservation. In addition, by converting illegal environmental activities into legal ones, the Government can earn legal revenues from Cambodia's rich natural resources in a sustainable fashion, which, in turn, will finance important reform processes.

19. In early 1998, the Government adopted the national environment action plan (NEAP), the stated goal of which is to improve environmental management. The NEAP states that the common problems relating to environmental management are inadequacy of environmental regulations and the limited institutional capacity and/or political will to enforce them.

Gender

20. Cambodian women represent 53 per cent of the active labour force and head 25 per cent of Cambodian households. However, women face constraints in all areas of life. They are seriously under-represented at the level of national decision-making, representing only 10 per cent of all elected leaders at provincial and village levels. Of 25 ministers, only two women hold a ministerial portfolio and there are four women Secretaries of State out of 50; of the 122 members of the National Assembly, 10 are women. Women continue to face substantial discrimination on the labour market, earning 30 to 40 per cent less than men. Literacy rate for men is 40 per cent higher than for women; male school enrolment is 50 per cent greater than that of girls by age 15, and nearly three times as large by age 18; maternal mortality is one of the highest in Asia.

21. In recent years, the rapid increase in the number of sex workers and trafficking of women and children have become acute problems. Cross-border trafficking and illegal migration from Cambodia to Thailand is widespread although no statistics are available. Conditions of poverty, social upheaval, underdeveloped legal infrastructure and weak law enforcement are all contributing to the rapid growth of the sex industry.

II. Results and lessons of past cooperation

22. As reflected in the findings of the mid-term review of the first CCF (1997-2000), UNDP has

facilitated Cambodia's transition towards stability and the support provided through the Programme has been consistent with the country's development objectives. The first CCF focused on: (a) enabling environment for sustainable human development (SHD); (b) poverty eradication and sustainable livelihoods; (c) environment (d) gender equality and the advancement of women; and (e) special development situations.

23. The CCF country review report (2000) recommends that the focus of the second CCF be on (a) intervention at the national level to support improved governance and development management, including public administration reform and aid coordination and (b) continued capacity-building for participatory development and poverty reduction at the local level. The number of projects should be smaller and, as much as feasible, activities dealing with the same area of concentration should be grouped under the same programme. The following paragraphs outline main results and lessons of past cooperation.

Enabling environment for sustainable human development.

24. *Policy dialogue and analysis.* UNDP cooperation focused on raising people's awareness and creating analytical capacity with regard to SHD issues. These interventions have been instrumental in stimulating discussion and debate within the Government and between the Government and civil society on important poverty-related issues. However, concerted long-term efforts are still necessary to build national capacity and improve the Government's leadership in the formulation and monitoring of SHD policies and strategies in participation with civil society and the private sector.

25. *Institutional capacity for elections.* The importance of elections in the process of the reintegration of all peoples into Cambodian society and their empowerment to influence the decisions that affect their daily lives can hardly be exaggerated. In this regard, as Cambodia progresses towards more decentralized forms of government, continued support to legal frameworks for elections at communal council levels and definitions of the role of these decentralized entities would enable further strengthening of the democratization process.

26. *Reform of legal structures, respect for human rights, and tolerance.* Cambodia's recent history of political conflict and the destruction of its judiciary and legal institutions means that the respect for the primacy of the rule of law is perhaps the primary challenge in the area of governance. It is a difficult task and UNDP-financed efforts in this area have thus far had mixed results. UNDP cooperation was intended to strengthen, inter alia, the capacities of the National Assembly and its Commission on Human Rights but met with less success owing to insufficient commitment on the counterpart side. Further, it was found that to improve the quality of legislation in the National Assembly requires the development of a broader understanding and discussion of policy formulation issues rather than a focus on the techniques of legislative drafting.

27. *Promotion of an efficient civil service.* Improving public sector and strengthening civil service capacity are key elements for Cambodia's future. UNDP support to national public administration reform did not lead to the expected results. The reasons for this failure include the earlier political instability, the lack of consensus on the scope and objectives of the reform at the political level and the fact that the project objectives themselves were too ambitious, considering the absorptive capacity of the Government at the time. It is now fully recognized that the transformation of the government machinery into a transparent and efficient public administration must be considered in a longer-term perspective. The Government has given UNDP the leadership among donors to support the implementation of a revised strategy for public administration reforms. The prospects for future multi-cooperation in this area are promising.

Poverty eradication and sustainable livelihoods

28. *Support for monitoring of human poverty and income poverty.* UNDP focused on developing the capacity of the Government in the collection, collation, monitoring and analysis of data on poverty. The publication of key statistical and analytical documents on the evolution of poverty is highly valued by the Government, non-governmental organizations (NGOs) and donors as it allows for enhanced policy dialogue, support to national decision-making processes and effective comparison of poverty trends over time.

However, additional efforts are required to ensure that poverty monitoring and analysis inputs are effectively integrated into the national policy decision-making system, especially in the context of preparation for the second five-year socio-economic development plan and the PRSP.

29. *Promotion of participation (including that of women) in development planning and other decision-making processes, development of the capacity of local authorities and support for increased allocation of public support to the sub-national and national levels.* UNDP support to decentralized and participatory planning, finance, and management of rural development (the Cambodian Resettlement and Reintegration Programme (CARERE)) has been perceived by the Government as a potential model programme in promoting decentralization and local governance. It has brought about social cohesion and socio-economic progress at the provincial and local levels while generating some positive policy-level impact in the wider context of decentralization. This confirms that participatory and decentralized development does contribute to local progress and poverty reduction. However, the policy impact at the national level depends on the extent of the Government's institutional capacity-building. Another key lesson is the importance attached to adopt a pilot-based approach in testing alternative development models.

30. *Promotion of access of the poor and women to microfinance services.* UNDP support to the Association of Cambodian Local Economic Agencies (ACLEDA) is a success story in UNDP cooperation with Cambodia. ACLEDA is now by far the largest provider of micro-credit and small business credit in Cambodia. In particular, the systems and methodology for administering cost-effective micro-credit are considered best practice for development.

31. *Support self-organization of the urban poor.* UNDP work focused on creating an effective forum for dialogue between the Municipality of Phnom Penh, urban poor communities, and NGOs. Consolidation of this innovative initiative requires a comprehensive urban poverty reduction strategy, that will strengthen the institutional framework for donor support.

Environment

32. UNDP focused its support on enhancing national awareness on climate change and bio-diversity-related issues and building capacity for the sustainable management of forests. Such intervention led to more open policy dialogue and expanded public awareness on matters of resource conservation and sustainability. The key lesson is to foster interministerial collaboration and dialogue to ensure the proper coordination of national resource management and increased awareness on fundamental environmental concepts such as the management of protected areas, biodiversity and climate change.

Gender equality and the advancement of women

33. UNDP has been an active player and advocate in Cambodia for gender-mainstreaming both at the policy and grass-roots levels. Gender has been appropriately treated as a cross-cutting concern in practically all UNDP projects. UNDP has provided major support to CARERE and projects dealing with governance, democracy and human rights, the urban poor, and micro-credit, as well as HIV/AIDS-related activities. UNDP involvement in supporting gender-mainstreaming, whether at the policy level or through grass-roots activities, has led to effective results. In this regard, it is critical to pursue efforts aimed at developing a national capacity for gender-mainstreaming at all levels of the national development process.

Special development situations

34. UNDP focused its support through technical cooperation for the management of the Cambodian Mine Action Centre. The tasks remaining in land clearance, mine awareness and related activities are enormous and must be approached by everyone concerned in a long-term time frame. Further technical cooperation will be needed for some time to come and UNDP cooperation should be appropriately scheduled to shift from the use of long-term expatriate technical advisers to more focused advisory support in selected interventions to assist Cambodian managers to upgrade their capacities and systems.

Programme management

35. The systematic evaluation of programme activities has been carried out for all programmes and projects to draw lessons learned and to provide strategic direction for improvement. Development partners have been encouraged and invited to participate in the Government and UNDP evaluation and formulation exercises, leading to positive results in terms of partnerships and collaborative arrangements with United Nations partner agencies and others (e.g., AsDB parallel funding for the “Building together: Gender equity” programme; financial support from Australia and the United Kingdom to the “Forest-Crime Monitoring” trust fund; and support from the Department for International Development (DFID) to the programme of support to the Municipality of Phnom Penh urban poverty-reduction strategy).

36. The UNDP focus needs to be narrowed with a view to making the best possible use of scarce resources and to make a real difference. Greater and greater emphasis is to be placed on partnerships and, increasingly, the country office is to play a catalytic, brokering role. Along the lines of the Administrator’s Business Plans, UNDP will direct its assistance more and more towards policy advocacy, institution-strengthening and other upstream activities such as knowledge networking and support for empowerment.

III. Objectives, programme areas and expected results

37. For the past decade, Cambodia has enjoyed sustained economic growth and at last the country is at peace. For this situation to be consolidated and sustained, the country will need to forge a shared national vision through consensus-building and social cohesion around key development priorities. To this end, people-centred development processes and good governance for poverty reduction are the major challenges identified by the United Nations system in Cambodia. The UNDAF indicates that these challenges could be best addressed under the following mutually supportive areas of concentration: (a) governance, peace and justice; (b) poverty eradication; (c) human development; and (d) sustainable management of natural resources. Other cross-cutting areas include human rights, gender equality and women’s empowerment, minority groups, children and youths’

rights, participation and democracy, regional cooperation, and reintegration of demobilized soldiers.

38. In line with overall objectives of the United Nations system for the period, the objective of the second CCF (2001-2005) is to focus on creating a pro-poor environment conducive to openness, transparency, accountability and participation in the national development process both at the central and local levels, with a view to achieving the shared goal of sustainable poverty reduction. This objective is fully in line with both the objectives of the Government's second five-year socio-economic development plan. It is also fully in line with the Secretary-General's agenda for development, which aims at halving, by 2015, the proportion of the world's poor, and with the global focus of UNDP to providing upstream support and advising Governments on policies and institutions to meet their development challenges.

39. UNDP will focus its interventions in the following three areas of concentration: (a) strengthening governing institutions (national and local level); (b) reduction and monitoring of poverty; (c) management of natural resources. Gender will be a cross-cutting theme in all areas of concentration. Systematic monitoring and analysis of poverty and welfare indicators and trends in the context of the national development process will be at the core of UNDP policy and institutional development work during the second CCF. Governance enhancement and systematic support for open and participatory processes of policy-making, priority-setting, resource allocation and the monitoring of implementation will be at the heart of all development interventions. The three areas of concentration under the CCF will provide the main sources of knowledge-building on UNDP technical cooperation in Cambodia.

40. The strategy underlying the second country cooperation framework will include in particular the following principles:

(a) Priority will be given to programmes and projects likely to have multiple effects and a significant impact on the kinds of policies and institutions that will help most to eradicate poverty, ensure gender justice, and strengthen human rights;

(b) Programmes and projects will be policy-driven, promote the piloting of innovative ideas and produce strategic policy analyses and options;

(c) Every effort will be made to have a clear, two-way connection between the policy advice given at the central level and field-level activity;

(d) Capacity-building will continue to be a key element of all interventions supported by UNDP in order to enhance national ownership and leadership of the development process. In this regard, special emphasis will be given on nationally driven execution of all technical interventions;

(e) Special attention will be given to strategic partnership-building for the enhanced impact of development interventions and the mobilization of critically needed complementary technical cooperation resources;

(f) All UNDP interventions in Cambodia will be results-oriented with a view to promoting effective knowledge-building, knowledge-sharing and access to best practices.

A detailed review of each area of concentration is given below.

A. Strengthening governing institutions

41. To support the efforts of the Government to promote good governance and create an environment for peace, justice and development, UNDP will concentrate its efforts in the following four programme areas and expected results:

1. Promoting efficiency, effectiveness and accountability in the public administration (central and provincial levels) to address effectively the challenges of national transformation, respond better to the population's needs and deliver services more efficiently.

42. The expected results in this programme area are:

(a) Strengthened capacity of the Council of Administrative Reforms to plan, implement, monitor and coordinate public administration reforms;

(b) Effective dissemination of information and mechanisms for policy consultation, including central and local policy networks, to reach national consensus on public reform priorities and advise the Government on policy options, including gender representation and participation in the public sector.

(c) Adoption of the necessary laws and regulatory texts for decentralization and deconcentration by the relevant authorities, based on lessons learned under CARERE and the national programme on decentralized government (SEILA);

(d) Establishment of a legislative and regulatory framework for commune council elections and commune administration;

(e) Improved central and local policy dialogue and connectivity for informed national policy and legislative reforms in support of lessons learned from local successes;

(f) Enhanced fiscal deconcentration and budget processes based on the budget priorities and plans of provinces and districts (pilot initiative: health sector);

(g) Improved capacity of local institutions to meet poverty-reduction and gender justice needs through effective mobilization, allocation and management of resources;

(h) Enhanced capacity of the rural and urban communities in the monitoring and implementation of local development projects;

(i) Increased participation of urban and rural communities (including women organizations, civil society organizations (CSOs), NGOs, and the private sector) in local authority decision-making processes and in the planning and budgeting of priority development interventions.

Partnerships will be formed in the Government and with the Donor Working Group on Public Administration Reform, as well as with the German Agency for Technical Cooperation (GTZ), the Ministry of Development Cooperation of the Netherlands, the Swedish Agency for International Development (SIDA), the Department for International Development (DFID) of the United Kingdom, the European Union, the World Bank, the International Fund for Agricultural Development (IFAD), the United Nations Capital Development Fund (UNCDF), the United Nations International Drug Control Programme (UNDCP) and the World Food Programme.

2. Strengthening institutional capacity of parliamentary structures, systems and processes (National Assembly and Senate)

43. The expected results in this programme area are:

(a) Increased effectiveness of parliament to perform its legislative and oversight functions as a contribution to the strengthening of the country's democratization process, the promotion of the rule of the law and the protection of vulnerable groups. In particular, increased capacity of the Senate and the National Assembly to understand and discuss draft legislation; set policy priorities, allocate scarce resources and monitor policy implementation, including informed budgetary processes in the health sector (pilot initiative);

(b) Increased participation of civil society, especially women and disadvantaged groups, in the law-making process and monitoring of the implementation of laws, especially in matters of human rights and the rights of women.

Partnerships will be formed with the Government and with the Canadian International Development Agency (CIDA), the Ministry of Foreign Affairs of France, Asian parliaments, the Inter-Parliamentary Union (IPU), the Office of the United Nations High Commissioner for Human Rights (UNHCHR) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

3. Enhancing administration of, and access to, justice.

44. The expected results in this programme area are:

Increased capacity of the judiciary and the courts to act independently, uphold the rule of the law and ensure gender justice (judicial mentors initiative).

Partnerships will be formed with the Government, CIDA, the Ministry of Foreign Affairs of France, the Ministry of Development Cooperation of the Netherlands, the Norwegian Agency for International Development (NORAD), AsDB, the World Bank and UNHCHR.

4. Strengthen the Government's capacity for effective and efficient aid coordination and management

45. The expected results in this programme area are:

(a) Enhanced role for the Government in the formulation, implementation and monitoring of policy papers and public investment programmes;

(b) A strengthened partnership framework for the effective coordination and management of external assistance, including common modalities and procedures for programme execution and information sharing.

Partnerships will be formed with the Government and with the donor community. UNDP will act as facilitator.

B. Poverty reduction and monitoring

46. The success of the national poverty-reduction strategies (including the second five-year socio-economic development plan and the PRSP) is predicated on an efficient and participatory poverty-monitoring and analysis system and enhanced access to information and knowledge. In this regard, and in order to support the Government's objective to promote growth with equitable redistribution, UNDP will concentrate its efforts in the following three programme areas and expected results.

1. Promoting pro-poor and gender-sensitive national and sectoral policies and strategies

47. The expected results in this programme area are:

(a) Enhanced capacities of the Government to conduct socio-economic household surveys and other data-collecting exercises, thereby supporting the compilation of comprehensive and gender-disaggregated poverty and welfare data and contributing to targeted pro-poor programming;

(b) Strengthened capacities of the Government to monitor the evolution of the socio-economic situation and assess the effectiveness of national poverty reduction policies and strategies (including the second five-year socio-economic development plan and the PRSP) as well as government- and donor-funded anti-poverty interventions;

(c) A strengthened national/provincial capability to learn, research, analyse, plan, and evaluate multisectoral and multidimensional responses to the HIV/AIDS epidemic in order to understand and respond better to the development implications of the HIV/AIDS epidemic;

(d) National and sectoral poverty-reduction policies and strategies, including the HIV/AIDS strategy, are developed and implemented through a

participatory process, giving priority attention to the poor and vulnerable groups, including women;

(e) Acceptance and use of survey and participatory methodologies for planning, implementing and monitoring anti-poverty policies and programmes;

Partnerships will be formed with the Government and with DFID, AsDB, the World Bank and non-governmental organizations (NGOs).

(f) Trade-related matters are mainstreamed in the second five-year socio-economic development plan and the PRSP and pro-poor trade and investment policy reforms and programmes are formulated and implemented, making sure that the country and the poor benefit from the integration in the global economy; (This programme intervention will be part of a multilateral effort, the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.)

Partnerships will be formed with the Government and with the International Monetary Fund (IMF), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO) and the World Bank.

(g) A comprehensive mine action plan developed and integrated into Cambodia's overall national socio-economic planning, and formulated with community participation in the identification of mine-clearance priorities.

Partnerships will be formed with the Government and the Australian Agency for International Development (AusAID), EU, DFID, the Department for International Development Cooperation of Finland (FINNIDA), the Ministry of Foreign Affairs of France, the Japanese International Cooperation Agency (JICA), the United States Agency for International Development (USAID) and the European Union).

2. Enhancing access to, and effective utilization of, information and knowledge for enhanced impact of poverty-reduction efforts

48. The expected results in this programme area are:

(a) A national and multisectoral assessment of the potential needs, practical solutions, partnership options and potential impact of information and

communication technologies on the national development process;

(b) Increased national capacity to access and process trade-related information, and effectively engage in multilateral trade negotiations in coordination with other subregional groupings, especially in the context of pro-poor and equitable trade.

Partnerships will be formed with the Government Civil Society Organizations (CSOs), NGOs and the private sector.

3. Promoting improvements in the livelihoods of the poor.

49. The expected results in this programme area are:

(a) Greater access for the poor and other vulnerable groups, including women, in rural and urban areas to sustainable income-generating opportunities, employment and productive assets (including land);

(b) Strengthened national capacity for disaster preparedness and contingency planning (natural and man-made disasters).

Partnerships will be formed with the Government and DFID, AsDB, the Food and Agriculture Organization of the United Nations (FAO), IFAD, the United Nations Centre for Human Settlements (UNCHS), the World Food Programme (WFP) and NGOs.

C. Management of natural resources.

50. Environmental degradation and unsustainable exploitation of natural resources continue to be serious concerns in Cambodia. UNDP support will concentrate on the following three programme areas and expected results.

1. Promoting national policy, legal and regulatory framework for environmentally sustainable development.

51. The expected results in this programme area are:

Legal framework reformed to strengthen provincial and local-level capacity to ensure more equitable access to natural resources (forestry and fisheries) and better integration of natural-resources management in local development planning. (Emphasis

on links with other ongoing decentralization initiatives such as CARERE/SEILA).

Partnerships will be formed with the Government and with the Danish International Development Agency (DANIDA), DFID, AsDB, FAO, The Global Environment Facility (GEF), the Mekong River Commission (MRC), the World Bank and NGOs.

2. Strengthening the monitoring and assessment of environmental sustainability.

52. The expected results in this programme area are:

Improved national capacity for proper monitoring and reporting of illegal logging and wildlife activities, in concession and non-concession forestlands, as well as in national parks and protected areas.

Partnerships will be formed with the Government and with DANIDA, DFID, AsDB, the World Bank, Global Witness; FAO and NGOs.

3. Enhancing national capacity for participation in global conventions, regulatory regimes and funding mechanisms for environmentally sustainable development.

53. The expected results in this programme area are:

Improved national capacity to fulfil commitments to global environmental conventions (national strategy and action plans, national communication for biodiversity and climate change) and nomination for a natural world heritage site (Cardamom mountains).

Partnerships will be formed with the Government and with AsDB, FAO, GEF, MRC and UNESCO.

D. Gender

54. The Platform for Action (PFA) adopted by the Fourth World Conference on Women in 1995 and reconfirmed at the recent Beijing + 5 Conference in New York, indicates clearly the need for the establishment and strengthening of a national machinery for the advancement of women. The Government, which is a signatory of the PFA, has recently reconfirmed its commitment in this regard. UNDP has assisted the Government to achieve this goal by providing support for the preparation of the Government's policy strategy on the advancement of women. During the second CCF, UNDP will

concentrate on promoting gender equality as a cross-cutting issue in the decision-making process at all levels (central, provincial, and district). In addition, UNDP will concentrate on the following programme area and expected results.

Strengthening advocacy, networking and partnerships for gender equality

55. The expected results in this programme area are:

(a) A strengthened advocacy capacity of the Ministry of Women's and Veterans' Affairs;

(b) A strengthened gender-mainstreaming capacity at both central and provincial levels.

Partnerships will be formed with the Government and with GTZ, the Ministry of Development Cooperation of the Netherlands, AsDB, the International Organization for Migration (IOM), UNFPA, and the United Nations Development Fund for Women (UNIFEM).

IV. Management arrangements

A. Programme management

56. In conjunction with the new partnership paradigm of the Government, UNDP will focus all its efforts on strengthening the Government's ownership of the development agenda and leadership of the development process. Specifically, UNDP will provide technical cooperation to the Government in strengthening national capacity for the enhanced coordination and management of external assistance. In addition, most UNDP-funded programmes will be nationally executed and the responsibility for management will be shifted more and more to national institutions and/or Government counterpart units on the basis of capacity assessments. For all ongoing agency-executed projects, an exit strategy will be developed to facilitate the gradual transfer of programme/project management to the national or Government institutions.

57. Furthermore, the Government has indicated that there appears to be some momentum in creating a road map for more collaborative partnerships, whether these become adaptations of the sector-wide appraisal programme (SWAP) or other types of approaches. UNDP acknowledges the importance of greater integration of development interventions. However,

practical solutions are still to be identified owing to the very nature of the challenges of adopting the SWAP or other similar approaches. UNDP therefore intends to make every effort to ensure the integration of all its activities into a large framework of support to the particular area. In addition, joint or parallel programmes will be undertaken with other United Nations organizations, in accordance with UNDAF.

B. Linkages with intercountry programmes

58. The linkages between intercountry programmes and country projects will be further promoted, focusing geographically on ASEAN and the Mekong subregion and thematically on cross-border issues. In particular, links will be established with selected subregional programmes offering potential for complementary support to national efforts in such areas as: capacity development and institutional strengthening of parliament and promotion of human rights-related matters (e.g., the regional governance programme, known as PARAGON), better management of common natural resources (e.g., Mekong River Commission), foster political dialogue (e.g., with ASEAN and the Mekong River Commission), impact on disaster mitigation (e.g. Mekong River Commission), trafficking of women and children, Integrated Framework and globalization (e.g. ASEAN), HIV/AIDS (e.g., RBAP) and gender. The exchange of experiences and good practices through networking will be an essential element in the pursuit of such intercountry programmes.

C. Resource mobilization strategy and targets.

59. The country office will adopt a more systemic approach in assessing the scope, the nature and content of overall resource requirements in support of its priority functions of United Nations support, policy and institutional development work and administrative support services as set forth in the CCF. In particular, the resource mobilization strategy acknowledges the centrality of accessing more policy knowledge and skills to achieve the core objectives of the CCF. In this regard, the resource mobilization strategy will need to go beyond financial contributions to include in-kind

contributions in order to maximize opportunities to achieve set CCF objectives.

60. More specifically, the resource mobilization strategy will build on a critical functional review of the UNDP country office unit for effective implementation of the CCF and a subsequent cost-effective and efficient reallocation of all available human resources (both regular and other resources) through the use of the resource strategy table (RST) tool. New and innovative ways will need to be designed in order to expand the RST beyond human resources to include other resources (e.g. knowledge networks). The functional review exercise will provide the basis to identify capacity gaps, design relevant capacity profiles and engage in effective and informed resource mobilization (both financial and in-kind).

61. In addition, the country office resource mobilization efforts will rely on the comparative advantages of UNDP, the achievements and successes of past UNDP technical cooperation in Cambodia as outlined in the first CCF country review (2000), and the organization's intention to focus on policy and institutional development interventions that carry the potential for multiple development effects.

62. The resource mobilization targets are estimates of the total financial resources, both regular and other resources, that are expected to be available to support the programme areas and other related activities of the CCF. In-kind contributions will be estimated at a later stage, based, among other things, on the functional reviews noted above.

Annex

Resource mobilization target table for Cambodia (2001-2005)

Source	Amount	Comments
	(In thousands of United States dollars)	
UNDP regular resources		
Estimated carry-over	4 599	Includes carry-over of TRAC 1, TRAC 2 and the earlier AOS allocations.
TRAC 1.1.1	13 640	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	240	
SPPD/STS	682	
Subtotal	19 161 ^a	
UNDP other resources		
Government cost-sharing	-	
Third party cost-sharing	7 500	
Funds, trust funds and other, of which	18 800	
GEF	1 000	
Capacity 21	800	
CMAC Trust Fund	13 000	
Elections Trust Fund	4 000	
Subtotal	26 300	
Grand total	45 461	

^a Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: AOS = administrative and operational services; TRAC = target for resource assignment from the core; CMAC = Cambodia Mine Action Centre; GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services.