



2006 Survey on Monitoring The Paris Declaration

Country Chapters

CAMBODIA

The 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

www.oecd.org/dac/effectiveness/monitoring

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

8 CAMBODIA

CAMBODIA IS A COUNTRY OF NEARLY 14 MILLION PEOPLE, with an average annual income of USD 402 per person (gross domestic product per capita, 2005). The latest survey shows that now 35% of Cambodians live below the national poverty line, down from an estimated 47% a decade earlier. In 2005, net official development assistance (ODA) to Cambodia was USD 470 million, which amounts to around 8% of gross domestic product (GDP). A total of 18 donors have responded to the 2006 survey; together, they account for at least 88% of ODA to the country.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate	Weak synchronisation among development plans, Medium-Term Expenditure Framework, Public Investment Program and budget process.	Implement fully the Public Financial Management Reform Program.
Alignment	Low	Very limited use of country public financial management and procurement systems.	Strengthen country systems, with donor support.
Harmonisation	Low	The need to promote the use of programme-based approaches.	Develop and strengthen sector programmes, with donor support.
Managing for results	Moderate	Relatively unsystematic approach to making development information available to stakeholders.	Complete and implement the monitoring framework for the National Strategic Development Plan.
Mutual accountability	Moderate	Difficulty in developing the implicit arrangements that exist in current mechanisms so that mutual accountability becomes a more explicit process.	Implement the mutual accountability provisions of the Cambodia Declaration on Aid Effectiveness and develop explicit commitments to mutual assessment.

OVERVIEW
Box 8.1
Challenges
and priority
actions

OWNERSHIP

OWNERSHIP IS CRUCIAL TO AID EFFECTIVENESS and good development results, and is central to the Paris Declaration. It has been defined in terms of a country's ability to exercise effective leadership over its development policies and strategies. Achieving this is not a simple undertaking, especially in countries that rely heavily on aid to finance their development. Nor, of course, can it be measured by a single indicator. Indicator 1 provides an entry point to the issue of ownership, focusing in particular on whether a country has an operational development strategy, with which donors can align their development assistance.

INDICATOR 1

OPERATIONAL DEVELOPMENT STRATEGY

Cambodia received – along with 58% of the sampled countries – a C rating for its development strategies in the World Bank's 2005 Comprehensive Development Framework Progress Report. This assessment is made on the basis of a range of criteria: whether the country has a long-term vision, with medium-term strategy derived from that vision; whether there are country-specific development targets with holistic, balanced and well-sequenced strategy; and whether there are the capacity and resources for implementation.

As the World Bank's 2006 Aid Effectiveness Review reports, the Rectangular Strategy for Growth, Employment, Equity and Efficiency sets out the long-term vision for Cambodia, and was adopted by the coalition government in 2004. The medium-term National Strategic Development Plan (NSDP) seeks to operationalise the Rectangular Strategy, and covers the period 2006-10. It brings together the goals and targets contained in earlier development strategies, including the National Poverty Reduction Strategy for 2003-05.

To complement and implement the NSDP, a number of sectoral plans have been prepared for education, health, HIV/AIDS, fisheries, nutrition, governance, legal and judicial reform, and decentralisation. Plans are being drawn up for agriculture, water, energy and land policy. Sub-national plans are also to be laid out that adjust national goals and targets to local circumstances, so that local development priorities can be addressed.

The National Strategic Development Plan incorporates the Cambodia Millennium Development Goals (MDGs), providing the “framework and compass” for growth, employment, equity and efficiency needed to meet the MDG targets. Indeed, the highest priority of the National Strategic Development Plan is to reduce poverty and help meet the country's MDGs.

Aligning the annual budget, the Public Investment Program and the Medium-Term Expenditure Framework to medium-term strategic priorities remains, as the World Bank puts it, “a key implementation challenge”. The government is working hard to ensure full synchronisation, but has encountered such difficulties as lack of co-ordination among government ministries. Encouragingly, there has been some reallocation of resources away from defence and security, towards education and health.

If Cambodia is to receive a rating of B by the Comprehensive Development Framework Progress Report for the ownership it exerts, and for the quality of its development strategy, substantial progress will be needed. Full implementation of the Public Financial Management Reform Program (expected to enhance the credibility of the budget) is a high priority.

OTHER ASPECTS OF OWNERSHIP

The World Bank's Aid Effectiveness Review reports that the government is exercising greater leadership in development assistance co-ordination. Most recently, at the March 2006 Consultative Group meeting, the government asked donors to align their assistance with national development priorities described in the National Strategic Development Plan. This will be taken forward through the existing aid dialogue structures, including the Technical Working Groups

mechanism, co-ordinated by the Government-Donor Coordination Committee. Government ownership and leadership over the national development agenda will be further extended from 2007, when the Consultative Group will be replaced with the Cambodia Development Cooperation Forum (CDCF), to be chaired by government. The drafting of the National Strategic Development Plan brought together a wide range of stakeholders, but with limited involvement of civil society and the private sector. Parliament was involved in formulating the development plan, and approved it in May 2006. The CDCF is therefore intended to provide a high-level dialogue opportunity for government, donors and civil society to discuss the NSDP, its financing framework and associated reform programmes.

To promote and strengthen national ownership, a relatively sophisticated aid management structure has evolved in Cambodia, with an emphasis on increased government leadership of a development partnership based on the National Strategic Development Plan. Aid management is the responsibility of the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia, which hosts the Secretariat for the Government-Donor Coordination Committee that oversees the Technical Working Group mechanism.

Cambodia participates in the OECD-DAC Working Party on Aid Effectiveness and the principles of the Paris Declaration have guided the drafting of the 2006 Government Action Plan on Harmonization, Alignment and Results. In October 2006, the government signed a declaration with all major OECD-DAC donors that applies these principles to the national context and commits all parties to their implementation.

ALIGNMENT

FOR AID TO BE EFFECTIVE, it must be aligned with national development strategies and plans. Indicators 2 to 8 of the Paris Declaration seek to determine the degree of alignment by looking at a number of dimensions of alignment. In Cambodia, while there are some achievements, the fact that country systems are regarded as inadequate works against greater alignment at the present time.

BUILDING RELIABLE COUNTRY SYSTEMS

The quality of Cambodia's public financial management systems is given a rating of only 2.5 under the World Bank's 2005 Country Policy and Institutional Assessment (CPIA). This is some way below the average of 3.2 for International Development Association (IDA) borrowers.

As the World Bank's Aid Effectiveness Review notes, the Public Financial Management Reform Program is expected to generate improvements in budget execution and to reduce the fiduciary risks associated with the current system of cash-based payments. It has already played an important role in building more reliable country systems, and has helped Cambodia to move up 0.5 point on the CPIA scale in 2006. The CPIA rating is therefore now 3 and a target of 3.5 or higher might be considered for 2010.

INDICATOR 2a

Cambodia's procurement system has not been rated, but the Aid Effectiveness Review recognises that some progress has been made in introducing more transparent procurement procedures, in line with international standards. This includes the establishment of national standard operating procedures in 2005 that are based on the regulations of the Asian Development Bank and the World Bank, and which will provide the basis for donors to align their support with a strengthened national procurement system. Cambodia ranked 130th out of 158 countries in Transparency International's 2005 Corruption Perceptions Index.

INDICATOR 2b

ALIGNING AID FLOWS ON NATIONAL PRIORITIES

According to the data, 79% of aid for government for fiscal year 2005 was recorded on budget by the government, which indicated a total of USD 397 million in the Ministry of Economy and Finance's accounts.

More substantively, as the survey response points out, this indicator assumes the existence of a budgeting process that aligns resources with national priorities. In Cambodia, such a process was being further reinforced in 2005. The formulation of the National Strategic Development Plan, and efforts to strengthen the links among plans, expenditure frameworks and budgets, may bring Cambodia closer to the 2010 target of 90% of aid disbursements recorded on budget. It has been also observed that alignment has progressed faster in some areas, such as health and education, than others.

Government and donors in Cambodia take the view that the indicator fails to measure alignment in the context of this country, because much useful and well-aligned aid is disbursed to local government and non-governmental organisations – not only through the budget exercise. Government intends to

make use of its resource mobilisation mechanisms and its ODA database in order to develop its own indicators that monitor the alignment of aid with national priorities.

The table provides government's budget estimates of aid flows for fiscal year 2005 (numerator) as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of discrepancy that is always less than 100%, the ratio is flipped when budget estimates are higher than disbursements. The baseline value for Indicator 3 in Cambodia is 79%. Achieving the target agreed in Paris of 90% (halving the gap) for this indicator will require concerted efforts by donors and government.

INDICATOR 3
Table 8.1

Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* (%) c=a/b c=b/a
Asian Dev. Bank	--	85	
Australia	--	15	
Belgium	--	5	
Canada	--	2	
Denmark	--	4	
European Commission	--	7	
France	--	18	
GAVI Alliance	--	2	
Germany	--	17	
Global Fund	--	19	
IMF	--	2	
Japan	--	92	
New Zealand	--	1	
Sweden	--	2	
United Kingdom	--	3	
United Nations	--	61	
United States	--	22	
World Bank	--	41	
Total	314	397	79%

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

CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Capacity constraints significantly undermine the ability of country systems to capture, co-ordinate and utilise aid flows more effectively. Under the Paris Declaration, donors have committed to providing a greater proportion of their technical assistance in a way that is co-ordinated with country programmes, so that it helps to strengthen the capacity of partner countries.

In Cambodia, capacity-building programmes at the sector level are much more viable than those at the national level due to the great lack of technical staff in many sectors. Therefore, co-ordination with a sector strategy in collaboration with other development partners was the focus in compiling the data.

The baseline figure for Cambodia – reached through a process of discussion between donors and government about the meanings of “co-ordinated” and “technical co-operation” – shows that 36% of technical assistance is co-ordinated with sector strategies that are aligned to and embedded with the national strategy. It must be noted that there may have been some inconsistency among donors regarding the manner in which the criteria were interpreted and applied but donors will have to work hard to meet the 2010 target of 50%.

It is expected that the proportion of technical assistance that is co-ordinated with country programmes will climb as the use of programme-based approaches (budget and sectoral support) increases. In addition, the government is developing a set of guidelines for the provision of technical co-operation, while the Government Action Plan on Harmonization, Alignment and Results

How much technical assistance is co-ordinated with country programmes?

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c=a/b
Asian Dev. Bank	4	32	13%
Australia	0	11	0%
Belgium	0	5	0%
Canada	0	6	0%
Denmark	1	4	34%
European Commission	2	4	55%
France	3	9	34%
GAVI Alliance	0	0	--
Germany	4	13	31%
Global Fund	0	0	--
IMF	2	2	100%
Japan	6	38	17%
New Zealand	0	2	0%
Sweden	0	3	9%
United Kingdom	1	1	60%
United Nations	18	32	57%
United States	33	43	77%
World Bank	2	9	26%
Total	77	212	36%

INDICATOR 4
Table 8.2

also commits government and donors to identifying capacity gaps and working out how to close them. Pilot efforts to eliminate salary supplements are underway through merit-based pay initiatives in sectors and reform programmes (including the Public Financial Management Reform Program), with others to be established in the near future. The government will need to maintain its ownership and leadership of the capacity building and technical co-operation agenda.

INDICATOR 5a
Table 8.3

How much aid for the government sectors uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg(b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
Asian Dev. Bank	85	23	0	0	9%	0	0%
Australia	15	0	0	0	0%	0	0%
Belgium	5	0	0	0	0%	1	24%
Canada	2	0	0	0	0%	0	0%
Denmark	4	0	0	0	0%	0	0%
European Commission	7	2	2	0	21%	2	31%
France	18	0	0	0	0%	0	0%
GAVI Alliance	2	0	0	2	33%	0	0%
Germany	17	0	0	0	0%	0	0%
Global Fund	19	19	19	0	67%	0	0%
IMF	2	0	0	0	0%	0	0%
Japan	92	7	7	7	8%	2	3%
New Zealand	1	0	0	0	0%	0	0%
Sweden	2	0	0	0	0%	0	0%
United Kingdom	3	0	0	0	0%	0	0%
United Nations	61	13	6	2	12%	12	20%
United States	22	0	0	0	0%	0	0%
World Bank	41	4	0	0	4%	4	11%
Total	397	69	35	12	10%	22	6%

USING COUNTRY SYSTEMS

The Paris Declaration encourages donors to step up their use of country systems where these are of sufficient quality. Indicator 5a measures the extent to which aid for government makes use of the country's systems for budget execution, financial reporting and audit.

For Cambodia, while 17% of aid for government uses the country's budget execution system, the figure is much lower for the country's financial reporting and audit systems. Averaged across the three systems, only 10% of aid makes use of the country's systems.

Cambodia received a rating of 2.5 for the quality of its public financial management (PFM) systems in 2005. In 2006, the CPIA rating increased to 3.0 but further headway is clearly needed, first on building reliable country systems (see above) and second, on making more use of country systems. The Public Financial Management Reform Program should, as it bears fruit, allow for increased use of government systems. In the meantime, the lessons from the Education Sector Priority Action Program and the Commune/Sangkat Fund – both of which use government financial systems – should be adopted and applied broadly. Although no target is set for

2010, the successful implementation of the PFM reform will encourage donors to make more use of government systems and this may allow for the establishment of a target for Indicator 5a at a future time.

The same applies to the country's procurement systems. They are seldom used (6% of aid) and, although unrated, are regarded as weak. They will need improving if donors are to make more use of them. The fact that three development partners (Asian Development Bank, Agence française de développement and the World Bank) are following the government's recently established procurement procedures (the standard operating procedures) gives some grounds for optimism, especially as the procedures are to be extended to cover grant as well as loan financing.

AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration calls for a substantial reduction in the number of project implementation units (PIUs) that are parallel, where appointment decisions and accounting relationships involve the donor alone. The baseline survey (having determined that there is a spectrum from fully integrated to fully parallel PIUs, and having decided on a cut-off point for reporting purposes) records a total of 56 parallel PIUs, a figure which leads to a 2010 target of 19. This baseline figure, and therefore the target, should be received with caution, however, as there is felt to be significant donor under-recording of PIUs.

Progress is expected both by integrating existing PIUs and by making use of programme-based approaches, which will make it unnecessary to establish new parallel PIUs. Such efforts will be given added impetus by the Government Action Plan for Harmonization, Alignment and Results that sets out a number of steps to reduce the number of parallel PIUs.

How many PIUs are parallel to country structures?

	Parallel PIUs (units)
Asian Dev. Bank	0
Australia	9
Belgium	6
Canada	1
Denmark	0
European Commission	0
France	18
GAVI Alliance	0
Germany	0
Global Fund	0
IMF	0
Japan	0
New Zealand	0
Sweden	0
United Kingdom	3
United Nations	19
United States	0
World Bank	0
Total	56

INDICATOR 6
Table 8.4

PROVIDING MORE PREDICTABLE AID

If aid is provided in a predictable manner, then recipient countries are better able to plan and make effective use of it. Indicator 7 seeks to assess the in-year predictability of aid, measuring the proportion of planned disbursements (as reported by donors), recorded by government in the national accounting system as having been disbursed.

The table looks at predictability from two different angles. The first angle is donors' and government's combined ability to disburse aid on schedule. In Cambodia, donors scheduled USD 455 million for disbursement in 2005 and actually disbursed – according to their own records – significantly less than expected (USD 397 million). The discrepancy varies considerably among donors. The second angle is donors' and government's ability to record comprehensively disbursements made by donors for the government sector. In Cambodia,

INDICATOR 7
Table 8.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m) a	Aid scheduled by donors for disbursement in FY05 (USD m) b	Aid actually disbursed by donors in FY05 (USD m) c	Baseline ratio* (%) c=a/b c=b/a
Asian Dev. Bank	--	96	85	
Australia	--	15	15	
Belgium	--	6	5	
Canada	--	2	2	
Denmark	--	5	4	
European Commission	--	8	7	
France	--	28	18	
GAVI Alliance	--	2	2	
Germany	--	17	17	
Global Fund	--	23	19	
IMF	--	2	2	
Japan	--	89	92	
New Zealand	--	1	1	
Sweden	--	6	2	
United Kingdom	--	3	3	
United Nations	--	55	61	
United States	--	33	22	
World Bank	--	63	41	
Total	314	455	397	69%

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

government systems recorded USD 314 million out of the USD 397 million notified as disbursed by donors (69%) indicating that a significant proportion of disbursements were not captured either because they were not appropriately notified by donors or because the government system records only loan-financing and investment components of bilateral grants in the budget.

Indicator 7 on predictability has been designed to record progress in both disbursing and recording funds so as to gradually close the predictability gap by half by 2010. In other words, it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in government systems – an important feature of ownership, accountability and transparency. In Cambodia, this combined predictability gap amounts to USD 141 million (31% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. They might work at improving:

- the realism of predictions on volume and timing of expected disbursements;
- the way donors notify their disbursements to government;
- the comprehensiveness of government's records of disbursements made by donors.

UNTYING AID

INDICATOR 8 According to OECD data covering 61% of 2004 commitments, 86% of aid to Cambodia is untied.

HARMONISATION

THE FACT THAT LITTLE AID is provided to Cambodia in the form of programme-based approaches (PBAs) limits the degree of harmonisation achieved. There is much room for improvement of the co-ordination of donor missions too, in contrast to the commendable situation of co-ordinating country analytical work where much has already been accomplished. Donors, alongside government, will have to work hard to meet the Paris targets by 2010. Notwithstanding these observations, it has been noted in Cambodia that many partners have made great progress in forming delegated partnership arrangements and there is a marked trend in channelling resources through other donors. The “point of delivery” methodology adopted by this survey does not capture these partnership arrangements but it is necessary to acknowledge and to encourage this trend.

USING COMMON ARRANGEMENTS

Based on criteria developed in-country by a joint government-donor group, 24% of aid to Cambodia makes use of PBAs. Most of it is provided as sectoral support, through sector-wide approaches focused on education, health, decentralisation, public financial management and private-sector development.

How much aid is programme based?

	Programme-based approaches			Total	Baseline
	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	disbursed (USD m) d	ratio (%) e=c/d
Asian Dev. Bank	11	0	11	85	13%
Australia	0	0	0	18	1%
Belgium	0	0	0	6	0%
Canada	0	0	0	6	0%
Denmark	0	1	1	5	29%
European Commission	2	0	2	8	27%
France	0	0	0	21	0%
GAVI Alliance	0	0	0	2	0%
Germany	0	5	5	27	18%
Global Fund	0	19	19	19	100%
IMF	0	2	2	2	100%
Japan	0	33	33	96	34%
New Zealand	0	0	0	2	0%
Sweden	0	0	0	4	7%
United Kingdom	0	2	2	3	78%
United Nations	2	29	31	81	39%
United States	0	0	0	47	0%
World Bank	0	7	7	41	16%
Total	15	98	113	470	24%

INDICATOR 9
Table 8.6

How many donor missions are co-ordinated?

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
Asian Dev. Bank	8	104	8%
Australia	0	6	0%
Belgium	0	1	0%
Canada	2	11	18%
Denmark	2	3	67%
European Commission	4	10	40%
France	2	25	8%
GAVI Alliance	0	0	--
Germany	2	16	13%
Global Fund	0	5	0%
IMF	22	25	88%
Japan	3	74	4%
New Zealand	1	4	25%
Sweden	12	26	46%
United Kingdom	12	17	71%
United Nations	52	201	26%
United States	10	10	100%
World Bank	14	30	47%
Total (discounted*)	146	568	26%

* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

INDICATOR 10a
Table 8.7

INDICATOR 10b
Table 8.8

How much country analysis is co-ordinated?

	Co-ordinated donor analytical work * (units) a	Total donor analytical work (units) b	Baseline ratio (%) c=a/b
Asian Dev. Bank	4	6	67%
Australia	7	13	54%
Belgium	0	0	--
Canada	0	3	0%
Denmark	2	3	67%
European Commission	1	2	50%
France	3	4	75%
GAVI Alliance	0	0	--
Germany	1	5	20%
Global Fund	0	0	--
IMF	0	4	0%
Japan	3	3	100%
New Zealand	2	2	100%
Sweden	5	11	45%
United Kingdom	7	7	100%
United Nations	29	41	71%
United States	3	3	100%
World Bank	9	11	82%
Total (discounted*)	76	118	64%

* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

Donors and government need to collaborate to set targets on the proportion of aid to be delivered through PBAs, as highlighted in the Government Harmonization, Alignment and Results Action Plan for 2006-10. Technical working groups have already been established in 18 sectors and thematic areas. They will have an important role to play in facilitating and accelerating the formation of PBAs. Their potential has been demonstrated by Technical Working Groups on Planning and Poverty Reduction, Agriculture and Water, and Decentralisation and Deconcentration. Nevertheless, reaching the 2010 target of 66% will be an uphill climb.

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

The baseline survey raised some questions about the meaning of “joint” and “mission”. Results show that 26% of the 568 donor missions to Cambodia were co-ordinated. Despite numerous successes among donors in running joint missions, the 2010 target of 40% co-ordinated missions is ambitious. The call by the Harmonization, Alignment and Results Action Plan for each Technical Working Group to produce a calendar of missions should nevertheless reduce the number of duplicative missions.

In excess of 60% of country analysis was co-ordinated and this brings Cambodia close to the 2010 target. As the data show, and the World Bank’s Aid Effectiveness Review confirms, the efforts of multilaterals to co-ordinate their analysis have paid off.

MANAGING FOR RESULTS

THE PARIS DECLARATION invites partner countries and donors to work together to manage resources and use information to improve decision making. This means both strengthening the capacity to undertake such management and helping to increase the demand for a focus on results. Indicator 11 looks at one component of this effort: the establishment of a cost-effective results-oriented reporting and assessment system by the country.

Cambodia, along with 42% of the countries assessed, received a rating of C for its reporting and assessment system, as part of the World Bank's 2005 review of the Comprehensive Development Framework. The rating is based on three criteria: the quality of development information, the degree to which stakeholders have access to it, and the extent to which there is co-ordinated monitoring and evaluation of the country's development efforts.

In terms of the quality of development information, the World Bank's Aid Effectiveness Review for 2006 points out that action is being taken to strengthen capacity for data analysis. Most significantly, in 2005, the National Institute of Statistics completed a Statistical Master Plan for 2005-15. This plan provides for regular surveys, and better quality and timeliness of statistics. It should lead to co-ordination and coherence among the various line ministries. In order to guarantee stakeholder access to information, some of the necessary elements are in place, with many useful documents available on the government's website. Finally, in monitoring and evaluation, the government has prepared an outline for a monitoring framework. In addition, the work of the Joint Government-Donor Technical Working Groups and the Government-Donor Coordination Committee provide other opportunities for co-ordinated country-level monitoring and evaluation. With a determined effort by government, and with the support of donors, Cambodia is reasonably well-placed to achieve a B rating by 2010.

INDICATOR 11

MUTUAL ACCOUNTABILITY

THE PARIS DECLARATION CALLS for donors and partner countries to be accountable to each other for the use of development resources, and in a way that tends to strengthen public support for national policies and development assistance. This in turn requires governments to improve country accountability systems and donors to help by being transparent about their own contributions. Is there a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness, including those in the Declaration itself?

Cambodia uses its Harmonization, Alignment and Results Action Plan (previously the Harmonization and Alignment Action Plan) and a set of joint monitoring indicators as a basis for discussion at its annual dialogue with donors (national-level Consultative Group mechanism, to become the Cambodia Development Cooperation Forum in 2007). This action plan lays out priority activities for aid effectiveness work, while the joint monitoring indicators establish verifiable indicators and targets that are used in discussions throughout the year, before being reviewed at the following Consultative Group meeting (attended by a broad range of government ministries as well as civil society).

INDICATOR 12

Table 8.9
Baselines
and targets

BASELINES AND TARGETS

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	C	B or A
2a Quality of PFM systems	2.5	3.0
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	79%	90%
4 Co-ordinated capacity development	36%	50%
5a Use of country PFM systems (aid flows)	10%	No target
5b Use of country procurement systems (aid flows)	6%	Not applicable
6 Parallel PIUs	56	19
7 In-year predictability	69%	84%
8 Untied aid	86%	More than 86%
9 Use of programme-based approaches	24%	66%
10a Co-ordinated missions	26%	40%
10b Co-ordinated country analytical work	64%	66%
11 Sound performance assessment framework	C	B or A
12 Reviews of mutual accountability	Yes	Yes

The table above presents the 2005 baselines and targets for Cambodia. The baseline values are concluded from the discussion above, which draws on various sources of information. The main source is the baseline survey undertaken in Cambodia under the aegis of the National Co-ordinator (Chhieng Yanara).

The government and its donor partners are fully committed to implementing the Paris Declaration as part of a national approach to aid effectiveness work. This has been firmly demonstrated most recently by the October 2006 signing of the Declaration on Aid Effectiveness.

To strengthen national aid management, the aid dialogue structure has also been strengthened in recent months following reviews of the Consultative Group mechanism, and of the Technical Working Group and Government-Donor Coordination Committee structures. Both reviews contained proposals for more effective aid management: they were discussed and agreed by government and donors prior to being approved for implementation.

The government is also currently working with donors to position the Paris indicators – and others suited to the country context – in the Harmonization, Alignment and Results Action Plan. Lastly, customisation of Cambodia's ODA database will provide for more routine monitoring and application at country level.

ACRONYMS

CDCF	Cambodia Development Cooperation Forum	MDG	Millennium Development Goal
CPIA	Country Policy and Institutional Assessment	NSDP	National Strategic Development Plan
GDP	gross domestic product	ODA	official development assistance
IDA	International Development Association	PBA	programme-based approach
		PFM	public financial management
		PIU	project implementation unit