



Royal Government of Cambodia



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**SUMMARY REPORT OF THE MID-TERM REVIEW
OF
UNDP COUNTRY PROGRAMME ACTION PLAN
FOR CAMBODIA, 2011-2015**

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I. Introduction

The independent mid-term review (MTR) of the Cambodia Country Programme Action Plan (CPAP) 2011-2015 was jointly commissioned by the Royal Government of Cambodia (RGC) and the country office of the United Nations Development Programme (UNDP). The review was tasked to (i) assess programme performance from 2011-2013 and provide guidance for 2014-2015; (ii) formulate recommendations on how to maintain UNDP's strategic relevance during the next 5-10 years, and (iii) help articulate UNDP's mission and role over the medium term. The present report sets out the main findings, conclusions and recommendations of the MTR. The review was carried out between July 2013 and March 2014 and included two in-country missions by the full MTR team in October 2013 and January 2014 during which it received briefings from UNDP and met with government counterparts, UN agencies, the Asian Development Bank, the European Union, bilateral aid agencies and non-governmental organizations. The MTR used the standard evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability to assess programme performance, and two more, namely partnerships and the leveraging of UNDP's global assets, to address objectives (ii) and (ii). MTR activities included desk reviews of a wide range of data and documents on CPAP implementation, including project evaluations, and an *ex-post* application, by country office staff, of the Theory of Change method to the CPAP. However, although the team met with all but one of the project counterparts, the MTR was not expected to conduct an in-depth assessment of individual projects; instead, its units of analysis were the six CPAP outcomes and the CPAP as a whole. The review benefited from the full cooperation of national authorities, programme partners and the UNDP country office.

II. Context

Cambodia has undergone profound transformations over the last two decades and is now a country characterized by stability, peace and vibrancy. Socio-economic gains have been impressive, whether measured in human-development progress, reduction in absolute poverty, growth in GDP and income per capita, or improvements in infrastructure. Against a strong record in the "hard" dimensions of development and improved economic connectivity with the region and the world, important new concerns (skills development, social justice, equality, public-service delivery, transparency and environmental stewardship) have emerged, as was evidenced in the results of the general elections of July 2013. In response to this situation, RGC has launched new initiatives based on the policy priorities identified in the Rectangular Strategy Phase III for the next five years (skills and human-resource development, connectivity, agricultural development and reforms in key areas), thus giving impetus to a series of reform processes led by key ministries, with the Ministry of Economy and Finance playing a lead role in coordination and budgetary decision-making. Cambodia's proximate transition from low- to middle-income country status will most likely trigger a gradual decline in the volume of grant aid although no dramatic reductions are expected during the present decade since the country will continue to belong to the LDC category for several more years. Yet, ensuring strategic use of ODA will become increasingly important and should place a premium on knowledge-based development solutions over traditional technical assistance, a process to which, given the priorities defined in its own corporate strategic plan for 2014-2017, UNDP is well-orientated to contribute.

III. Where do we stand?

The CPAP was designed to respond to priorities defined in the National Strategic National Plan (SNDP), with a focus on accelerating, in particular, the attainment of those Cambodia Millennium Development Goals (CMDGs) that were substantially (goals 1, 5 and 7) or moderately (goal 9) off-track.

It was articulated around six outcomes¹ to be addressed through four programme components: poverty reduction (outcomes 1 and 5), environment and climate change (outcome 2), democratic governance (outcomes 3 and 4) and gender equity (outcome 6). The portfolio included 20 projects, of which 16 under national implementation and four under direct execution. Against a initial CPAP resource mobilization target of \$141 million (M) for the five-year cycle (of which 22 percent were to come from core resources and 78 percent from non-core), the resources committed through existing projects accounted for 90 percent of that figure (\$128.4 M) but actual delivery for 2011-2013 for only 38 percent (\$54.2 M). Projections through 2015 show total delivery for the cycle amounting to 65 percent (\$67 M) of the initial CPAP target and the signed project budgets. While core funding is basically on track, the gap in non-core resources will probably be substantial, even though additional resources are expected to be mobilized for new projects in the pipeline. Poverty reduction and climate change are the areas with by far the highest levels of resource mobilization and account together for three-quarters of total expected CPAP delivery. Capacity development for planning and aid effectiveness, and gender, follow at a distance, while governance and decentralization are the smallest components.

The MTR found that all six outcomes were relevant to the needs of Cambodia when the CPAP was designed but wondered whether they remained the most strategic entry points given the changes taking place in the country. It also found that all outcomes had been addressed although governance and decentralization exhibited uneven coverage (existing projects relate to only two of the original five outputs). And within most outcomes, there are “success stories” (e.g., climate change, Loy9, CMDG score cards and aid effectiveness). However, greater emphasis has been placed on project implementation and output delivery than on progress towards outcomes and sustainability. Likelihood of impact can be observed vertically in some of the most successful projects but there is vast untapped potential for improving horizontal and vertical integration. The following table summarises the assessment of progress at the outcome level and provides pointers for the recommended repositioning of UNDP in Cambodia:

Outcome	Progress	Likelihood of future progress	Strategic relevance to repositioning
1	Partially satisfactory	Medium	High
2	Satisfactory	High	High
3	Not satisfactory	Low	High
4	Not satisfactory	Low	Low
5	Satisfactory	High	High
6	Partially satisfactory	Low	Low

With respect to variability of progress within each outcome, the performance of programme components is ranked as follows (1 highest – 4 lowest):

1. Climate change; Aid effectiveness

¹ *Outcome 1:* By 2015, national and sub-national capacities strengthened to develop more diversified, sustainable and equitable economy; *Outcome 2:* By 2015, national and local authorities, communities and the private sector are better able to sustainably manage ecosystems goods and services and respond to climate change; *Outcome 3:* By 2015, effective mechanisms for dialogue, representation and participation in democratic decision-making established and strengthened; *Outcome 4:* By 2015, sub-national administrations have capacity to take over increased functions; *Outcome 5:* Enhanced capacities at national and sub-national levels to develop and monitor policies, plans and budgets that are evidence-based and geared towards the attainment of the MDGs by 2015; *Outcome 6:* By 2015, gender disparities in participation and economic growth reduced.

2. Demining; Support to sub-national planning
3. Strengthening national planning; Economic diversification and poverty reduction
4. Environment (inc. forest management, PA and REDD); Governance and Decentralization; Gender.

Feedback from MTR team interviews showed that UNDP is regarded as a loyal and significant partner due to its long-standing contribution to the country's rehabilitation and development. At the same time, this strong legacy has generated expectations in some counterparts that UNDP should continue to provide similar types of support in the future. The MTR found that UNDP's evolution from its earlier role as a funding agency to its current emphasis on development results and change processes through development partnerships is still unevenly understood. Cases of opportunity- and funding-driven projects were reported. Project-drivenness appeared to be both a cause and a consequence of the compartmentalization of the UNDP programme and of similar limitations within RGC. However, UNDP senior management is aware of the need to improve integration and has initiated action to this end. The Theory of Change exercise which was undertaken by the country office as part of this MTR has laid a good basis for a shift towards a programmatic approach. UNDP's past and current contribution to capacity development is deemed important by programme partners, and a continuing priority. The MTR observed that capacity development dimensions of projects were better included at the design stage and were more systemic in content but also that there remained instances of questionable capacity substitution in some projects and a serious need to resolve issues of financial incentives for counterpart staff involved in UNDP project implementation. The MTR's view is that only through public administration reform will sustainable results in both of these two interlinked areas be possible. The review saw a need to improve the management and use of financial information and to address forthrightly and urgently the resource mobilization gap mentioned earlier. The active development of a South-South cooperation dimension has yielded encouraging results but far greater use of UNDP's global knowledge management assets needs to be made, especially in the policy area where opportunities for future engagement will depend on UNDP's credibility as a "solutions provider". Lessons learning and knowledge management tend to be project-based and need to be used more strategically and in closer interaction with UNDP's global networks. Likewise, monitoring functions should be reorientated towards achievement of outcomes, learning and programme-wise decision-making, beyond the current focus on project-level accountability. By and large, the CPAP evaluation has been implemented on time, although some outcome-level evaluations had to be postponed for a variety of reasons.

IV. Where do we go from here? Strengthening UNDP's role and contribution over the medium-term

Based on this assessment of performance, it appears that in spite of several examples of good practice, neither UNDP has been making optimal use of its comparative advantage in Cambodia, nor RGC has taken full advantage of UNDP's *modus operandi* as a development agency. Programme partners consider the following to be the most significant features of UNDP's comparative advantage in Cambodia: (a) long-standing association; (b) impartiality; (c) compatibility between UNDP's human development approach and Cambodia's priorities; (d) support for multisectoral interventions; (e) access to global expertise; (f) showcasing Cambodia's development experience and achievements; (g) flexibility and responsiveness, and (h) support for UN system coordination. With respect to UNDP's vision and role in Cambodia, the MTR found that the organization needs to take five major steps to enhance its contribution to the country's development:

1. **UNDP must articulate a clear identity and role for itself**, based on the notion that its value addition is increasingly less related to its role in resource mobilization and increasingly more dependent on its ability to access the best international expertise and knowledge, and in line

with the organization's corporate priorities defined in the UNDP strategic plan for 2014-2017. This requires better understanding by national programme partners of UNDP's specific contributions and services, and greater engagement with actors such as civil society, the academic and research community, and the media.

2. **UNDP must make the most of its human-development approach and know-how to articulate its programme and develop new initiatives in Cambodia**, as it has done, and successfully so, around the world for more than 20 years, to ensure programme coherence, cross-thematic synergies and sustainable results. A "results-based" development concept applied to improvements in people's well-being, human development should guide the programming cycle from the design to the evaluation stages, and be used to assist RGC in the evaluation of public-policy implementation, effectiveness and impact.
3. **The existing gap between the strategic directions defined in the CPAP and the fragmentation observed in the implementation of the CPAP must be bridged**, which implies giving priority to outcome-orientated programming and taking full advantage of potential synergies within and across outcomes. To this end, a new type of engagement between UNDP, RGC and development partners is required, that gives priority to summoning the knowledge and experience needed to address key development challenges, to depth over breadth so as to maximize relevance and impact, and to national requests for UNDP support focusing on the country's uppermost priorities and UNDP's areas of strongest expertise and experience.
4. **As Cambodia becomes better equipped to address its own development challenges, UNDP must increasingly concentrate on those issues that prove the most difficult to resolve**, among which stand out, as the experience of many middle-income countries shows, fighting rising inequality, reverting environmental degradation, implementing increasingly complex governance reforms and improving resilience when faced with external shocks, together with addressing the "unfinished agenda" of low-income countries, in particular with respect to the MDGs.
5. **National ownership of UNDP-supported initiatives must be strengthened. Where traditional donor-recipient relationships are still found to exist, a rapid transition to equal partnership between UNDP and its programme partners needs to be implemented.** Ownership by national institutions is a necessary condition to take advantage of the opportunities that are already under way and aligned with RSIII, under the leadership of various ministries (inc. Economy and Finance, Education, Commerce, Labour and Vocational Training, and Environment) following the 2013 general elections.

UNDP must begin to reposition itself in Cambodia in order to enhance the effectiveness of its contribution. Among the measures to be applied, UNDP should:

1. **Engage in policy-driven programming built around the "policy cycle"** and move from project-driven policy support to policy-driven projects with a well-established link to national policy and as instruments for building evidence, fostering policy dialogue and enhancing policy design and effectiveness. The policy cycle starts with analysis and formulation, runs through planning and programming, budgeting and resource allocation, and monitoring and implementation, and concludes with policy evaluation, leading to new cycles in which support is provided not only at the upstream stage but also at the implementation and capacity-development levels.
2. **Use clear selection criteria to guide policy-driven programming**, including (a) what is perceived to be the most strategic priorities, (b) UNDP's comparative advantage and capacity to deliver, and (c) those areas which the Government considers to be of highest priority *and* to which its commitment to reform is strongest. On the basis of available evidence, UNDP should focus on (a) skills development; (b) human development and social inequality, and (c)

governance, in particular judiciary, electoral and parliamentary reforms, as well as on the cross-cutting issues of climate change and environment.

3. **Take advantage of the new reform processes and soon-to-be-achieved graduation of Cambodia to lower-middle-income-country status, UNDP must strive to engage with higher-level authorities of RGC to dialogue on key priority issues, so as to identify where it can contribute best.**

V. How do we get there? The transition begins now.

The transition from the current business model to the new one will require improvements in UNDP's engagement with national and international partners, programme design, implementation and management, as well as changes in the way RGC manages its relationship with UNDP. The MTR found that although these step changes will require time to be implemented, the transition to the new vision and programming logic must begin now, given the pace of reforms undertaken by RGC and the likelihood of more reform processes being launched in the coming months. UNDP and RGC should agree to promote both the policy-driven programming logic *and* greater flexibility, so as to enable their partnership to respond rapidly to emerging issues and new initiatives. To this end, five recommendations are made:

1. **UNDP and RGC should engage as soon as possible in a high-level dialogue to develop a common understanding of the new directions suggested for the programme. This process is essential to provide the necessary political support for the implementation of the changes proposed by the MTR.**
2. **For 2014-15, ongoing projects that require adjustments in resource allocation, scope or focus should be jointly revised by UNDP and RGC programme partners. Such revision is a prerequisite to addressing the resource mobilization gap and supporting the transition to a policy-driven programming approach. Outputs for which no work was carried out in 2011-2013 and no pipeline exists should be dropped from the CPAP.**
3. **Priority should be given to those areas that will be most strategic for the repositioning of UNDP and activities should be refocused within each outcome to facilitate the transition process.**
4. **The elaboration of the next CPAP should begin in the first semester of 2014. A key objective to be achieved in that process is the building of a well-designed project pipeline focusing on a few strategic initiatives.**
5. **The “policy cycle” programming logic and the Theory of Change methodology should be used to strengthen the coherence and vertical and horizontal integration of the programme as well as to improve synergies with relevant UN agencies. Human resources should be redeployed to ensure that the policy support function is delivered effectively and becomes the core engine of the programme.**