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**Draft country programme document for the Kingdom of Cambodia
(2006-2010)**

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I. Situation analysis

1. The country programme for Cambodia (2006-2010) is consistent with the United Nation Development Assistance Framework (UNDAF) and the development challenges identified in the country analysis prepared jointly by the World Bank, the Asian Development Bank, the Department for International Development (DFID) of the United Kingdom, and the United Nations, in consultation with various stakeholders. Based on the UNDP comparative advantages outlined in the multi-year funding framework, 2004-2007 (DP/2003/32), the country programme supports the Government in achieving the Millennium Development Goals (MDGs) through a set of projected development results clearly reflected in the UNDAF results matrix.
2. Few post-conflict countries can claim such success in their first decade of recovery. The expansion of personal freedoms and the birth of a democratic system of government represent, perhaps, the most admirable of the achievements so far. But while the emergence of democracy in a country ruled recently by the Khmer Rouge is commendable, democratic processes remain fragile.
3. While the rapid spread of HIV/AIDS threatens developmental successes, Cambodia has become one of the few least developed countries in the world to reduce the prevalence of HIV/AIDS, down from 3 per cent in 1997 to 1.9 per cent in 2005.
4. Aggregate economic performance has been impressive, with GNP growth averaging nearly 6 per cent per annum over the past decade thanks to manufactured exports – mainly garments – and tourism, with significant poverty and gender benefits. However, economic growth has been narrowly based, and the poorest have seen little benefit.
5. The country has made progress in ratifying major global environment conventions and developing responses to support their implementation. Protected areas now cover 21 per cent of the country.
6. UNDP has helped the Government build effective institutions to address the landmine problem in the country. Over 200 square kilometers of contaminated land have been returned to productive use since 1993, and mine action is fully integrated into national development plans.
7. The termination of garment quotas on 1 January 2005 could lead to a loss of jobs in the garment sector, affecting mainly rural women and their families. Further rises in oil price are estimated to have serious growth, employment and poverty consequences. The negative impact of prolonged higher oil prices may be mitigated by the discovery of offshore oil, in late 2004, as a new potential source of revenues beginning in 2007. Compounding external pressures, in several key areas, domestic policies are not responding to mounting problems that lurk under the surface of respectable progress.
8. Cambodia faces four fundamental challenges. Pervasive corruption is undermining institutions, raising the costs of business and employment creation, slowing the progress in poverty reduction, exacerbating inequalities and jeopardizing future aid flows. Productive employment in agriculture and rural industries for the poor is vital as Cambodia invests in a future that is not dependent on aid.

9. The third challenge is to improve levels of human development. The Human Development Index score Cambodia (0.568) ranks it 130th out of 177 countries, and the third lowest in Southeast Asia, pointing to the need to rebuild health and education systems that build human capabilities and addresses gender inequalities.

10. A fourth challenge relates to accession of Cambodia to the World Trade Organization in 2004. Success or failure in the coming years will depend on how well Cambodia is able to tackle some of the challenges – particularly governance-related challenges such as corruption – and how well it can equip the Cambodian people with the capabilities needed to compete in the global economy.

11. Progress in the CMDGs will require urgent policy and institutional responses. The Rectangular Strategy of the Government of Cambodia acknowledges and highlights good governance as a precondition for development across all sectors. But such acknowledgement needs to be followed by serious and urgent actions. Extending the practice of democratic participation, and promoting and stimulating the growth and activities of civil society organizations (CSOs) will help to expand political pluralism and human rights.

II. Past cooperation and lessons learned

12. UNDP has made its strongest contribution in the area of democratic governance. It is worth emphasizing the role of UNDP in supporting the 2003 national elections and subsequent commune elections. Programmes in support of judicial and legal reforms, parliament and decentralization defined the UNDP presence in the area of governance. The Cambodia Resettlement and Reintegration Programme, supported by UNDP and the United Nations Office for Project Services, has led to the present government-run 'Seila' programme, which delivers over \$40 million per year for rural development.

13. The governance portfolio review highlighted the importance of controlling corruption and the need for UNDP to do more in this area. The second lesson was the need to consolidate work in the areas of decentralization and support of the judicial and legislative branch, which remain subservient to the executive. This issue will have special importance in the light of the Khmer Rouge trials expected to be held in the next several years. While UNDP has so far facilitated the coordination of initiatives on civil service reform, it will continue providing limited support in this area in order to concentrate its effort in other emerging and/or priority areas.

14. In the area of poverty, UNDP worked closely with the Government to produce the Cambodia MDG report, which included the addition of an MDG 9 relating to mine action as a key element of poverty reduction. The report provides a sound basis for building the national strategic development plan to be released in 2006. UNDP also did important work in the area of trade, including assisting the Government in the accession process to WTO. Other initiatives covered HIV/AIDS, gender, and the monitoring of poverty.

15. A lesson learned from the MDG and poverty group of UNDP Cambodia was the need to consolidate efforts. Accordingly, the next period will see a mix of strong policy advocacy on a few key poverty-related issues and some concrete grass-roots initiatives which will feed back into policy.

16. The environment portfolio was dominated by Global Environment Facility projects. While continuing to work on biodiversity and global and regional environmental issues, UNDP will address the legal and institutional obstacles to improved natural resource management and sustainable development in Cambodia.

III. Proposed programme

A. Links to the UNDAF

17. The UNDAF approved in 2005 identified four key priority areas, aligned with the priorities of the Rectangular Strategy and meeting the Cambodia MDGs. These objectives are: (a) good governance and the promotion and protection of human rights; (b) supporting agriculture and reducing rural poverty; (c) capacity building and human resource development for the social sectors; and (d) supporting the national strategic development plan (2006-2010).

18. Within the framework of the UNDAF and in line with the priorities of the Government's Rectangular Strategy and UNDP practice areas, the new country programme will focus on cooperation in mutually reinforcing objectives, with the cross-cutting themes of gender equity, HIV/AIDS, the promotion of human rights, and good governance.

19. In line with the **first priority of the UNDAF** – good governance and the promotion and protection of human rights – and in line with the **Rectangular Strategy** which states that “good governance is the most important pre-condition to economic development with sustainability, equity and social justice”, the UNDP governance programme, *Deepening democracy and strengthening accountability*, will build on past activities and move into new national priorities. It will promote the strengthening of civil society for greater participation and transparency, and the use of information and communications technology to enhance access to information. UNDP will continue to build and deepen democratic institutions to create checks and balances on executive power (i.e., the parliament, the judiciary and independent electoral bodies).

20. The second component involves the strong commitment of UNDP to the decentralization process that is so vital to a series of objectives, among them improving the delivery of social services and increasing the participation of the poor in decision making. The issue of land concessions will not be addressed per se as this process is under the leadership of other donors.

21. The third component focuses on accountability. UNDP will collaborate with other agencies and the Government to advocate for effective, institutionalized measures to reduce corruption and ensure integrity in the functioning of institutions. The fight against corruption is at the centre of the Rectangular Strategy. UNDP will promote a human rights-based approach to development, access to justice for the poor, and strengthening the role of the media and CSOs for increased participation and transparency in government decision making. UNDP will also provide support to the Khmer Rouge Tribunal.

22. **The second priority of the UNDAF**, agriculture and rural poverty reduction, will be organized under two UNDP programmes – *Unleashing entrepreneurship* and *Management of natural resources*, building on rectangle one “Enhancement of the

Agricultural Sector” and rectangle three “Private Sector Development and Employment Generation” of the **Rectangular Strategy**.

23. *Unleashing entrepreneurship* will focus on the central role of the private sector in trade, employment creation and poverty reduction, especially in the rural areas. In view of the potential negative employment effects of the end of the quota system for garment exports (which affects mainly women), UNDP will focus on the need to diversify the economy to generate employment and income in other areas. Advocacy of the policy measures required to enhance domestic markets and make Cambodia more competitive in international markets will be coupled with business development projects targeted at women and men to encourage farmers to produce for rural and urban consumption and to assist them in developing other off-farm activities.

24. The *Management of natural resources* programme will support the national environmental action plan, focusing on links between the development and environment sectors. Mine clearance activities will target rural infrastructure and land that could be used for agriculture and off-farm rural activity. The **Rectangular Strategy** states that: “The Royal Government is aware that de-mining is not only a security-related issue but also has significant economic implications, particularly on land distribution and the security of poor farming households in remote areas”. The programme will involve strengthening the capacity of national and local authorities to enhance rural livelihoods through the sustainable use of natural resources and the application of energy, water and other natural resources, and will conserve and manage biodiversity in key critical geographic regions. Continuous support will be provided to the sustainable management of protected land areas, in particular in the Northern Plains region, the Tonle Sap area, and the Cardamom Mountains. Increased attention will be given to incorporating concerns about managing risks and responding to natural and man-made disasters to protect the livelihoods base that the poor depend on.

25. The **third UNDAF priority**, capacity building and human resource development for the social sectors, will involve close collaboration amongst United Nations organizations building on rectangle four of the **Rectangular Strategy**: “Capacity Building and Human Resources Development”. UNDP support to decentralization will have an important bearing on the delivery of social services. UNDP will help build the capacity of the planning function of the Government to better coordinate among sectoral ministries in order to improve planning for the social sectors. In line with the stated objectives of the **Rectangular Strategy**, and ensuring that the gender gap in education is narrowed, UNDP, in collaboration with the United Nations Children’s Fund (UNICEF), United Nations Educational, Scientific and Cultural Organization (UNESCO) and others, will consider innovative mechanisms to allow girls to complete lower secondary education. Finally, the UNDP HIV/AIDS programme will focus its governance and leadership efforts on targeted at-risk populations.

26. The UNDP emphasis on the **fourth UNDAF priority** area, supporting the National Strategic Development Plan (NSDP 2006-2010) and the Royal Government of Cambodia’s leadership of the process, will ensure that the MDG targets are pivotal to the plan and its implementation. UNDP will continue providing support to Cambodia MDGs Advocacy Campaigns at the local level and assist in the tracking of MDG progress. In keeping with the Millennium Project Report (2005)

commissioned by the Secretary-General, the country programme will support the Government in policy planning to localize and achieve the MDGs. UNDP will strengthen aid co-ordination mechanisms as part of the support of the planning process and the harmonization process of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

B. Cooperation strategies

27. UNDP cooperation with other development partners in Cambodia has been reflected in the close collaboration evident in the preparation of its UNDAF, which also involved the Asian Development Bank, DFID and the World Bank. Cooperation modalities are consistent with the OECD/DAC harmonization process. UNDP will strongly support the simplification and harmonization action plan for Cambodia.

28. Given the programme focus, cooperation strategies will tackle related constraints along the following lines: (a) Make achieving the MDGs the core objective in all priority areas, with strong emphasis on linking upstream policy with alternative pro-poor downstream and rights-based development approaches; (b) Emphasize problem analysis, strategy development, capacity assessment and action planning, involving all key stakeholders; (c) Mainstream gender in all areas, ensuring that it is an integral part of the design, implementation, monitoring and evaluation of all programmes and projects; (d) Adopt innovative, strategic and coherent programme approaches in line with the MYFF outcomes and key drivers of development effectiveness, exploring cross-sectoral linkages and programme synergies for programme integration and coherence; (e) Identify and disseminate good practices, and connect national partners to global knowledge.

29. Guided by national consultations and other discussions, the Government and UNDP intend to pursue a partner strategy working closely with other United Nations organizations, bilateral institutions, CSOs and non-governmental organizations (NGOs), academics and the multilateral institutions in implementing the new country programme.

IV. Programme management, monitoring and evaluation

30. In line with the principle of harmonization among United Nations organizations advocated by the United Nations Development Group (UNDG), UNDP will adopt new partnership arrangements to achieve the results described in this draft country programme document. National capacity will be assessed, and necessary measures will be taken to ensure results are obtained and harmonization is advanced. Non-traditional execution and implementation modalities will be explored – including NGOs and the private sector, further enhancing the role of United Nations Volunteers, and technical cooperation among developing countries.

31. Outcome indicators have been agreed upon with the Government and other key stakeholders. Results-based management will be systematically integrated across all UNDP-supported programmes and projects, and participatory approaches for monitoring and evaluation will be developed and applied in partnership with project implementers and beneficiaries to ensure that basic monitoring systems are in place and are aligned with the results framework. Financial monitoring tools will be strengthened across all projects, so as to avoid corruption and fraud, and to ensure

the effective use of resources channelled through UNDP. Country MDG indicators and targets (see Annex 3) and annual Consultative Group indicators and targets will be monitored carefully.

32. Limited core resources will serve as a catalyst. Successful implementation of the country programme will depend largely on the mobilization of non-core resources, including bilateral, multilateral and national resources. Future resource mobilization schemes will hinge on regular policy dialogue with the Government and strategic partners of UNDP.

33. A collaborative monitoring and evaluation mechanism has recently been established between the United Nations system in Cambodia, the World Bank, DFID, and the Asian Development Bank. A joint monitoring and evaluation exercise will be undertaken every six months. This will dovetail with monitoring and evaluation by the NGO Service Delivery Programme to further reduce transaction costs.

Annex: Results and resources framework for the Kingdom of Cambodia (2006-2010)

National priority or goal: Good governance and promotion/protection of human rights						
Intended UNDAF outcome No. 1: By 2010, achieve significant progress towards effective participation of citizens, accountability and integrity of Government in public decision making and policy implementation for the full realization of human rights, and meeting the country MDGs.						
Programme component	Country programme outcomes, including outcome indicators, baselines and targets	Country programme outputs	Output indicators, baselines and targets for 2010	Role of partners	Indicative resources by goal	
					Regular resources	Other resources
MYFF goal 2: Fostering democratic governance	1. Increased participation of civil society and citizens in decision making for the development, implementation and monitoring of public policies	<ul style="list-style-type: none"> Strengthened community participation in the planning, management and implementation of local development activities, especially in the management of natural resources. Strengthened capacity of civil society through civic education and engagement with Parliament, local representative bodies and state actors. Improved enabling environment and strengthened management capacity for free and fair elections at national and local levels. 	<p>600 communes practicing participatory planning.</p> <p>Elections in 2007 and 2008 considered as free and fair.</p>	FAO, ILO, UNFPA, UNESCO, UNICEF, OHCHR, UNIDO, World Bank Government, Parliament, Senate, media, NGOs	\$3,000,000	\$8,000,000
	2. Improved public access to information related to (i) management of public resources (ii) judicial decisions and laws (iii) human rights	<ul style="list-style-type: none"> Support to independent news coverage and public news services provided. Laws and judicial information disseminated. Information on budget allocations, public expenditure, audit results and procurement contracts publicly accessible. 	Govt and independent websites established with relevant information. Community info centres disseminating said info.	UNESCO, UNFPA, OHCHR, ILO, UNICEF, World Bank Government, NGOs, media	\$300,000	\$1,000,000
	3. Effective, independent and impartial justice system set up, and equal access increased	<ul style="list-style-type: none"> Legal aid and legal literacy programmes in place. National capacity in place to complete and review essential codes and laws to ensure accordance with international standards. Strengthened interface between the judicial system, alternative dispute resolution mechanisms and community justice through legal recognition and institutionalization of informal justice systems. 	Essential Codes and Laws passed. Informal justice system recognized and practiced at commune level.	OHCHR, UNICEF, ILO, World Bank	\$2,200,000	\$3,000,000
	4. Corruption significantly reduced to ensure integrity and transparency in government management of public resources and services	<ul style="list-style-type: none"> Strengthened oversight functions of parliament and local representative bodies. Advocacy developed and implemented for accession to the United Nations convention against corruption and for adoption and implementation of a national anti-corruption law. Government supported on implementation of its anti-corruption strategy as it relates to enforcement, prevention and mobilization of the public. 	Anti-corruption law passed. Cambodia accessed to UN convention against corruption and systems to comply with it in place	OHCHR, UNODC, World Bank Government, NGOs, Media	\$3,000,000	\$500,000
	5. Increased efficiency and effectiveness of the public administration and decentralized governance structures to deliver basic services	<ul style="list-style-type: none"> Key Roles and functions of sub-national government bodies in delivery of public services identified and translated into legal instruments. Comprehensive fiscal decentralization strategy developed including development of a legal framework for taxation and own sources of revenue. Capacities of communes for decentralized planning, management and delivery of public goods and services further strengthened. 	Law on taxation for own source of revenue enacted. Govt allocates 2.56 % of budget to commune sankat funds 1621 Communes deliver public goods and services	WHO, UNFPA, UNICEF, World Bank National Government, regional authorities, Commune Councils	\$4,000,000	\$20,000,000

National priority or goal: Enhancement of agriculture and rural development for eradicating extreme poverty and hunger by 2015						
UNDAF outcome by the end of the programme cycle: By 2010, agriculture and rural development activities have improved livelihoods and food security, as well as reinforcing the economic and social rights of the most vulnerable in targeted rural areas						
MYFF goal 1: Achieving the MDGs and reducing human poverty	1. Increased resources are mobilized, and productivity and diversification of agriculture improved in line with cohesive national programmes and policies for agriculture and rural poverty alleviation	<ul style="list-style-type: none"> Strategic plans for rural development and agriculture in place following sustainable development principles/commitments. Partnerships in place to support the implementation of national policies and programmes. 	Strategic plan developed and approved by govt. Sustainable land use practiced in 20 % of agricultural area	FAO, WFP, UNIDO, IFAD, UNFPA, World Bank	\$2,500,000	\$3,000,000
	2. Increased and equitable access to and utilization of land, natural resources, markets, and basic services to enhance livelihoods	<ul style="list-style-type: none"> Strengthened capacity to enforce international conventions and national legislation and regulation. Improved access to financial and capital assets, and business services for unleashing entrepreneurship for rural poor men and women. Enhanced management capacity of government and empowerment of local communities in sustainable land and water management, use of natural resources, and environmental protection. Strengthened processes in mine action with emphasis on making land available to the rural poor men and women. 	Protected areas not used for mining or other purposes. SME sector has access to one stop shops at provincial level Mine cleared land accessible to the poor	ILO, OHCHR, UNICEF, UNIDO, UNESCO, IFAD, FAO, UNICEF, World Bank	\$2,500,000	\$5,000,000
	3. The rural poor and vulnerable using their enhanced skills, abilities and rights to increase productivity	<ul style="list-style-type: none"> Lower cost and environment friendly technology for energy production, agro-processing and integrated farming system in place. Enhanced capacity and skills of local communities to increase productivity through sustainable use of natural resources. 		IFAD, FAO, UNIDO, WFP, UNESCO, World Bank	\$1,900,000	\$6,000,000
MYFF goal 4: Crisis prevention and recovery	4. Enhanced resilience to shock	<ul style="list-style-type: none"> Emergency preparedness and response plan in place. Enhanced capacity to manage risks and respond to natural and man-made shocks. 	External shocks anticipated and addressed with minimal human impact	WFP, UNICEF, FAO, WHO Government (NCDM, MRD, MAFF), NGOs	\$100,000	\$500,000
National priority or goal: Capacity building and human resource development for social sectors						
UNDAF outcome: By 2010 improved health, nutritional and education status and gender equity of rural poor and vulnerable groups						
MYFF goal 1: Achieving the MDGs and reducing human poverty	1. Increased equitable access to and utilization of quality social services	<ul style="list-style-type: none"> Increased access to basic nine-year education. Increased access to and quality of services and interventions regarding nutrition, sexual, maternal, and child health. Strengthened multisectoral response to HIV/AIDS. Enhanced gender responsiveness of social service institutions and providers. 	Enrollment of girls at lower level secondary schools facilitated. HIV/AIDS prevalence rate maintained or lowered from 1.9 %	UNICEF, UNESCO, WFP, WHO, UNFPA, ILO, UNV, UNAIDS, FAO, UNODC, World Bank Government (MoEYS, MoH, NAA, MoSALVY, MARD, MoL), NGOs	\$500,000	\$1,000,000

DP/DCP/KHM/1

MYFF goal 2: Fostering democratic governance	2. Increased awareness and empowerment of the population, particularly women, children and youth, to claim their rights to social services	<ul style="list-style-type: none"> Increased awareness of government, community leaders and social service providers of their role in the realization of the community's rights. 		UNICEF, UNFPA, WHO, UNESCO, WFP, ILO, OHCHR, UNAIDS Government (MoH, MoEYS, MoSALVY), NGOs	\$500,000		
5: Responding to HIV/AIDS	3. Significant reduction in all forms of violence against and trafficking of women and children	<ul style="list-style-type: none"> Increased capacity for prevention of violence, including human trafficking, and improved legal framework and law enforcement. 	Law on anti-trafficking passed and implemented. Traffickers punished according to the law.	UNICEF, UNFPA, WHO, UNESCO, WFP, ILO, OHCHR, UNAIDS Government (MoWA, MoJ, CNCC)	\$500,000		
<p>National priority or goal: The rectangular strategy of the Royal Government of Cambodia is translated into a single national strategic development plan (2006-2010) implemented in a coordinated and timely manner.</p>							
<p>UNDAF outcome by the end of the programme cycle: The national development plan and its implementation serve as an effective guide for sector plans and related budgets, as well as reflecting Cambodia's obligations in relation to human rights and the country MDGs.</p>							
MYFF goal 1: Achieving the MDGs and reducing human poverty	1. A coherent and participatory process to transform the rectangular strategy into a national development plan 2006-2010 that reflects the international commitments and established national policies of Cambodia.	<ul style="list-style-type: none"> Multi-stakeholders consultations at national and regional levels. Consensus and trust building. Good practices from other countries shared. Communications strategy implemented. Gender is mainstreamed in the plan. 	United Nations system fully engaged in consultations on national development plan	UNCT Government (MoP, CDC, SNEC)	\$500,000		
MYFF goal 2: Fostering Democratic Governance			2. Effective implementation of the national development plan through appropriate resource disbursement (national and international), good coordination and inclusive participation, applied research at the national and local levels.	<ul style="list-style-type: none"> Consultation mechanisms established. Public sharing of information on the implementation and results. Donor-Government consultations supported. Resources allocated based on priorities and performance. 	UNCT Government (CDC, MoP, line ministries)	\$2,000,000	\$500,000
MYFF goal 3: Energy and environment for sustainable development			3. National plan effectively monitored with focus on the country MDG progress	<ul style="list-style-type: none"> Strengthened national capacity for data collection, management and monitoring of progress. 	Household economic survey conducted and analysed for priority setting and decision making	UNCT Government (MoP)	\$1,000,000
MYFF goal 4: Crisis prevention and recovery							

MYFF goal 5: Responding to HIV/AIDS	4. Effective coordination of partner actions focusing on impact and cohesion of all inputs.	• Effective support to sectoral technical working groups (including joint programming) and overall aid coordination mechanism..	UNDP involved in and chairing five technical working groups leading to results as per consultative group agreements.	UNCT		
				Government	\$1,000,000	\$1,000,000
				Total	\$25,500,000	\$51,500,000
				Grand total	\$77,000,000	

Abbreviations

FAO: Food and Agriculture Organization; IFAD: International Fund for Agricultural Development; ILO: International Labour Organization; OHCHR: Office of the United Nations High Commissioner for Human Rights; UNAIDS: Joint United Nations Programme on HIV/AIDS; UNCT: United Nations Country Team; UNIDO: United Nations Industrial Development Organization; UNODC: United Nations Office on Drugs and Crime; WFP: World Food Programme; WHO: World Health Organization.

CDC: Council for the Development of Cambodia; CNCC: Cambodian National Council for Children; MAFF: Ministry of Agriculture, Forestry and Fisheries; MoEYS: Ministry of Youth, Education and Sport; MoH: Ministry of Health; MoJ: Ministry of Justice; MoL: Ministry of Labour; MoP: Ministry of Planning; MoSALVY: Ministry of Social Affairs Veteran and Youth Rehabilitation; MoWA: Ministry of Women’s Affairs; MRD: Ministry of Rural Development; NAA: National Aids Authority; NCDM: National Committee on Disaster Management; SNEC: Supreme National Economic Council.