

# EXECUTIVE SUMMARY

## INTRODUCTION

The Assessment of Development Results (ADR) in Cambodia is an independent country-level evaluation conducted by the Evaluation Office of the United Nations Development Programme (UNDP) in 2009. Its objective is to assess UNDP overall performance and contribution to development in Cambodia during the two most recent programming cycles and to draw lessons for future strategies, particularly for the next programming cycle. Accordingly, this ADR examines UNDP strategy and performance under the ongoing Country Programme 2006-2010 for Cambodia and Country Programme Action Plan 2006-2010, as well as the previous Country Cooperation Framework 2001-2005, with a closer look at the more recent programme. In doing the assessment, the report looks at UNDP projects and activities as part of the broader United Nations Development Assistance Framework.

## METHODOLOGY

Following the methodology developed by the UNDP Evaluation Office to carry out an ADR, this report evaluates UNDP Cambodia's performance from two broad perspectives—strategic positioning and development results. The assessment of strategic positioning involves an examination of the extent to which UNDP has devised its programmes and strategies in line with the goals and strategies of the government of Cambodia and how it has anticipated and responded to significant changes in the national development context within its core areas of focus. The ADR begins by judging the performance of UNDP against its own target outcomes and outputs, as defined in its programme documents. It then judges the extent to which these outcomes and outputs have helped the country achieve its development goals.

## THE DEVELOPMENT CONTEXT

Since the Paris Peace Accord of 1991, Cambodia has embarked on a triple transition from conflict to peace, from autocracy to democracy, and from a centrally planned economy to market-based economic development. The challenges of this triple transition are enormous, especially since Cambodia has had to start from a very low level of development.

Despite these challenges, Cambodia has achieved considerable economic success in the past decade, growing at nearly 10 percent (7 percent per capita) per annum and doubling its per capita income from USD 285 in 1997 to USD 593 in 2007. Sustained growth has been accompanied by the beginnings of a structural transformation involving integration into the global economy, a shift in employment from agriculture to manufacturing, the onset of a demographic transition, and increased migration from rural to urban areas. These processes have led to perceptible improvements in the lives of the Cambodian people. For instance, the incidence of poverty has decreased from an estimated 45 to 50 percent in 1993-1994 to 30 percent in 2007. Various social indicators related to health, education and other social services also point towards improving trends.

However despite these achievements, Cambodia still remains a poor country, with the rural areas bearing the brunt of poverty. Although poverty has declined, it has done so extremely slowly considering the exceptionally high rate of growth that Cambodia has achieved. During the last decade and a half, poverty has declined only by about 1 percent per year, while national income has increased by nearly 10 percent. The consequence of this weak link between growth and poverty is that inequality has increased alarmingly. Moreover, there are questions about

the sustainability of such a high rate of growth, since a large part of this growth has occurred through depletion of assets (primarily environmental). There is clearly a long way to go to build Cambodia's progress on a socially and environmentally sustainable basis.

## FINDINGS

UNDP has been a staunch ally of the Royal Government of Cambodia (RGC) during these transitions, by providing support in such diverse areas as aid coordination, democratization, decentralization, environmental conservation, and poverty alleviation through employment creation.

UNDP goals and the projects and programmes it has adopted in order to achieve its goals are entirely consistent with the needs of the country and the priorities set by the government, as articulated, for example, in its landmark strategic document called the Rectangular Strategy. Both RGC and UNDP recognize that governance reforms aimed at **democratization and decentralization** are paramount if the country is to bury its tragic past and move forward into a new world in which different segments of society can live in peace and harmony. The relevance of the **environmental programmes** derives from the fact that Cambodia is blessed with rich, yet fragile, environmental resources, especially in the biosphere surrounding the Tonle Sap Lake. Sustainable use of these resources is essential not only to preserve biodiversity but also to protect the livelihoods of the poor people of Cambodia, whose lives are inextricably linked with the use of those resources. The goal of **poverty reduction** is an obvious necessity, as almost one third of the country's population lives in abject poverty and the decrease in the poverty rate is painfully slow, despite an impressive growth of national income over the last decade and a half. Finally, the need for **enhancing aid effectiveness** cannot be overemphasized in a country like Cambodia, which remains one of the most aid-dependent countries in the world. Thus all of the desired outcomes of UNDP are relevant to the needs and priorities of Cambodia. These outcomes are

also consistent with the proposed United Nations Development Assistance Framework outcomes.

UNDP has made significant contributions towards enhancing each of the development outcomes, but there is still room for improvement. The following are the major conclusions from this evaluation:

1. Across the spectrum of UNDP activities—involving democratization, environmental conservation and poverty reduction—a great deal has been achieved, especially in terms of building institutions and capacities. Yet, full achievement of desirable outcomes has often been compromised by a lack of focus on the people. In the area of democratization and decentralization, people's participation and empowerment remain limited; in the environmental programmes, there is more emphasis on conservation and less on sustainable livelihoods of the poor who depend on environmental resources; and in the poverty-related programmes, more success has been achieved in building capacity for market-led development than in creating employment opportunities for the poor.
2. The objective of the democratization programme is to enable civil society and legislature to exercise effective checks and balances on the executive. UNDP has sought to achieve this outcome by helping RGC implement major reforms in the electoral process so that citizens can exercise their democratic rights more effectively, and by building the capacity of legislators so that they can carry out their responsibilities more efficiently. On both fronts, significant success has been achieved—for example, the 2008 national elections were widely acknowledged to have been technically much more 'free and fair' than the previous ones, and UNDP has been acclaimed for playing a vital role in making this possible. Yet, serious questions remain about the extent to which the development outcome of enabling civil society to play a check-and-balance role has been achieved. Although much has

been done in the area of technical capacity building of institutions, little effort has been made to strengthen civil society organizations and thereby develop the democratic space for citizens at large. This has reduced the effectiveness of UNDP efforts towards democratic governance in Cambodia.

3. UNDP has made far-reaching contributions towards developing the structures and systems of decentralization and local-level governance in Cambodia, with a view to enhancing people's participation in decision making and improving the government's ability to more effectively provide service. For the first time in the history of Cambodia, this has made it possible for ordinary citizens to participate in decision-making processes at the local level. However, the full potential of these structures and systems is yet to be fulfilled. While elaborate structures of participation exist, there is a wide variance in the participation of ordinary citizens from one commune to another.
4. The environmental programme deals with many urgent environmental concerns related to sustainable use of natural resources and climate change. A great deal has been achieved in this area, especially in building the capacity for biodiversity conservation. But achievements in creating sustainable livelihoods have been generally lacking, with the exception of some specific pilot projects. There is an inherent tension between conservation and protecting livelihoods.

One potential method for resolving this tension is to involve the communities in ensuring sustainable use of resources through various incentive mechanisms. UNDP Cambodia has initiated a number of pilot projects using the community-based natural resource management approach—with a good deal of success. Yet in the biggest environmental project, involving the Tonle Sap Basin, UNDP has moved away from this approach. As a result, the *Tonle Sap Project* and several other smaller ones have shown

considerable success in conserving biodiversity but much less in promoting sustainable livelihoods.

One possible reason for this imbalance lies in the excessive reliance of UNDP on Global Environment Facility funds for financing its environmental projects. The Global Environment Facility is concerned primarily with conservation, but UNDP should also be concerned with protecting and promoting the livelihoods of those who depend on those environmental resources. A way forward could be for UNDP to engage more fully with other development partners who share UNDP's fundamental concern with human lives and livelihoods.

5. Poverty-related activities have sought to reduce poverty in Cambodia primarily by building capacity for private-sector led development through reliance on the forces of the market and globalization. Much has been achieved in building the capacity and institutions necessary for a country that has had very little experience in market-based growth. Especially impressive has been the capacity building work involving the Ministry of Commerce to enable it to meet the challenges of export growth through diversification of the export structure. However, little has been achieved in introducing a pro-poor bias in these activities. In choosing the products to be promoted for export, no special consideration has been given to the pro-poor impact of these products and small producers have not been favoured in the process of product promotion. One manifestation of the lack of emphasis on the poor was the failure to integrate the Growing Sustainable Business Initiative, which was supposed to improve the capacity of small entrepreneurs.

The poor may have experienced some benefit through the 'trickle-down' process—a process that also characterizes the government's overall economic development policy in Cambodia. But the reliance on the trickle-down process has resulted in a slow rate

of poverty reduction despite the high rate of economic growth. In order to accelerate poverty reduction, UNDP needs to do more to reorient its activities in favour of the poor. In particular, UNDP needs to be more involved in rural and agricultural development, in cooperation with other agencies that have more expertise in this area, because that is where poverty in Cambodia is most heavily concentrated. UNDP has the potential to add value in this area by drawing linkages with its macro policy work and its support to local level governance structures.

6. UNDP Cambodia has forged strong partnerships with a wide range of stakeholders in Cambodia, for which it is highly regarded in all quarters. Cooperation with other development partners has been especially strong. The United Nations (UN) Resident Coordinator plays a constructive role in this regard by strengthening cooperation with other development partners through formal and informal means. There is room for improving this collaboration at the project level by involving other development partners earlier in the project cycle—at the stage of project design.
7. Sustaining strategic collaboration with other development partners is a challenging task, especially in a country like Cambodia where many agencies are competing with foreign aid. While UNDP has generally met this challenge, there remain some areas of concern. For example, collaborating partners in the UNDP decentralization programme do not share the same view about the basic objective of decentralization, which has compromised the effectiveness of the programme.
8. Cambodia has an elaborate structure of aid coordination, and UNDP has played a vanguard role in this regard by building the institutional capacity of the government to handle coordination, as well as by helping to devise institutions for joint monitoring by the government and development partners. Proper functioning of these institutions is essential for enhancing aid

effectiveness, yet some parts of the system are not functioning as well as expected. The UN Resident Coordinator has recently taken steps to revitalize the moribund segments, an effort to which UNDP has much to contribute.

9. UNDP Cambodia has responded to the emerging development needs of the country quickly and imaginatively with various kinds of support. Most of these responses are highly valued by the government, other development partners and civil society. For example, the Insights for Action Initiative launched in 2006 responded to the government request for new ideas and knowledge in emerging areas of interest. The initiative has a string of achievements to its credit, but its original flexibility has somewhat been lost. This has happened in part because it is now more engaged in following up on previous work than starting new initiatives, and in part because what was originally an initiative under the UN Resident Coordinator has now been placed into the stricter programmatic framework of UNDP.
10. UNDP, along with other UN organizations, has helped Cambodia develop a sophisticated institutional structure for mainstreaming gender in government departments and ministries. This structure is unique in both the developing world and the developed world. Gender Mainstreaming Action Groups have been set up in a number of ministries, many of whom have already produced Gender Mainstreaming Action Plans, some of which have received budgetary support from the Ministry of Finance. However, the national capacity to manage this structure is severely limited. The most significant capacity development has occurred in the Ministry of Women's Affairs, but the ministry does not have enough human resources to provide technical support to all the Gender Mainstreaming Action Groups. To some extent, this problem is mitigated by the fact that some UN organizations in the United Nations Country Team (UNCT) provide direct support to the Gender Mainstreaming

Action Groups with which they work. The UNCT might achieve better results by coordinating its activities more effectively—for example, by appointing a gender coordinator at the office of the Resident Coordinator.

11. There are potential synergies across programme areas to be exploited in the Cambodia country programme. The synergies between environmental projects, especially their sustainable livelihood components, and poverty projects are obvious. What is special about Cambodia is the wide-ranging effort that is being made, with the help of UNDP and other development partners, to set up an elaborate decentralization structure. The existence of such a participatory local governance structure and the support mechanism UNDP has at local levels should make community-based initiatives more effective and efficient—whether they are for environmental protection or for poverty reduction. Moreover, if successful execution of community-based projects can be tied with local government planning processes, this would lend credibility and effectiveness to the decentralization process itself. UNDP Cambodia has yet to take full advantage of this potential synergy.
12. This evaluation has identified three issues regarding efficiency in achieving desired outcomes. First, efficiency could be enhanced by fully exploiting the potential synergies among UNDP programme areas through a more programmatic approach rather than by following a conventional project-oriented approach. Second, efficiency could be enhanced by taking more active steps to translate the lessons of pilot projects into larger-scale activities by being more proactive in finding partners who can be entrusted with the task of scaling up. Third, the high rate of turnover in the UNDP country office has a potential deleterious effect on efficiency by reducing institutional memory, especially in a context where the projects have commendable continuity across the programming cycles.

13. There are two concerns regarding sustainability of outcomes. First, sustainability requires adequate capacity building at the national level. Although UNDP in principle puts a lot of emphasis on capacity building, in practice this has been hampered by *de facto* conversion of national execution modality into direct execution modality, driven by the need to deliver outputs. Second, the existence of the scheme of salary supplements for project staff raises questions about the sustainability of incentives beyond the project period.

## RECOMMENDATIONS

One of the central recommendations of this report is to refocus the programme activities on people. To this end, concrete strategic recommendations are made below for specific areas of work.

1. To enhance the effectiveness of its flagship programmes on democratization and decentralization, UNDP needs to change its approach towards civil society, strengthening it with a view to developing capacities of Cambodian citizens. A two-pronged approach is suggested: nurturing independent civil society organizations with financial and technical support so that they can carry out the essential function of social mobilization; and encouraging reforms that can create the democratic space in which an independent civil society can flourish.
2. UNDP needs more confidence in the viability of community-based conservation of fishing resources in the Tonle Sap region as well as elsewhere in Cambodia and should devise institutional structures that can forge the link between conservation and livelihood more effectively.
3. To better integrate livelihood concerns into conservation projects, UNDP should forge partnerships with other agencies, which, like UNDP, are concerned primarily with human lives and livelihoods while pursuing environmental objectives.

4. UNDP should introduce a more explicit pro-poor bias into its poverty reduction programme. One suggestion is for UNDP to take pro-poor projects, such as those under the Growing Sustainable Business Initiative, more seriously than it has done so far. In particular, it should integrate the Growing Sustainable Business Initiative more substantively into the mainstream trade project (or its successors), and seek collaboration with other development partners (including non-governmental organizations) so that successful pilots under the initiative can be scaled up to more substantial projects.
5. To accelerate poverty reduction, UNDP should engage more in agricultural and rural development activities, preferably by entering into collaboration with other development partners who have traditionally been more engaged in these sectors in Cambodia.
6. UNDP should exploit the potential synergies among its programme areas to the fullest. One suggestion is to link the local governance structure that it supports with the community-based natural resource management for sustainable livelihood and some of the pro-poor projects (including possible work on agriculture and rural development).
7. UNDP successfully involves other development partners at the stage of execution and implementation of projects, but it needs to do more to ensure cooperation at the stage of project design in order to enhance the effectiveness and efficiency of outcomes.
8. UNDP needs to do more to bridge the conceptual divide among its partners in decentralization projects, helping RGC devise an efficient system for combining governance reform with service delivery.
9. Despite the existence of an elaborate structure of aid coordination in Cambodia, several critical parts of this structure—in particular, the Government Donor Coordination Committee and Technical Working Groups—have not functioned well in the recent past. UNDP could play a more active role in revitalizing these parts, making use of the goodwill it enjoys among both donor and government circles by virtue of the seminal role it has played in supporting aid coordination in Cambodia.
10. To enhance UNDP ability to offer imaginative ideas quickly in response to changing country needs, it should restore the flexibility and quick response ability of the Insight for Action Initiative, which has been missing in the recent past.
11. To enhance effectiveness and efficiency across the spectrum of outcomes, UNDP should move faster towards the programme-based approach from the conventional project-oriented approach.
12. UNDP Cambodia should, for the sake of greater efficiency and impact, make a systematic attempt to convert the pilot initiatives into larger-scale activities and seek out partners through whom the scaling up can be achieved.
13. To promote sustainability of outcomes, UNDP should make greater effort to separate technical support from capacity building support and find innovative ways of combining the two in a synergistic rather than competitive relationship.
14. UNDP should further strengthen its effort to mainstream gender in the work of sectoral ministries, and the UNCT that assists sectoral ministries should also mainstream gender in their work across the board. UNCT in Cambodia should seriously consider appointing a senior gender coordinator, preferably located at the office of the UN Resident Coordinator, so as to achieve more effective coordination of gender-related activities across UN organizations.