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**Other matters**

**MISSION REPORT  
UNDP/UNFPA EXECUTIVE BOARD**

**Field visit to Cambodia  
(3-11 May 2000)**

**Introduction**

1. Representatives of the Executive Boards of UNDP and UNFPA visited Cambodia from 3 to 11 May 2000. The Group was composed of 12 members representing the following countries: Australia, Botswana, China, Czech Republic<sup>1</sup>, Guatemala, Indonesia, Japan, Russian Federation, South Africa, United Kingdom<sup>2</sup> and Viet Nam. The present report summarizes their findings, including those relevant to the global policies and functions of UNDP and UNFPA.

2. The Group wishes to thank the Royal Cambodian Government for its hospitality and its extensive and frank contributions to the Group's understanding. The members of the Group also wish to thank the UNDP and UNFPA Resident Representatives, Ms. Dominique McAdams and Ms. Yoshiko Zenda, and Ms. Soheyla Chahkar-Farhang, Secretary of the Executive Board, for organizing the programme and accompanying the Group, and the donor and NGO representatives and programme beneficiaries who received them.

Country picture

3. Cambodia is a country in two types of transition: from emergency to development and from a centrally planned to a market economy. Cambodia's recent history of violent conflict has created a special development situation. Much of the population is severely traumatized. Rule of law is not fully re-established. Disarmament, demobilization and demining are incomplete. Downsizing the army and providing alternative employment for ex-

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<sup>1</sup> Dr. Jana Simonova, Counsellor, Permanent Mission of the Czech Republic to the United Nations, was selected Group Coordinator

<sup>2</sup> Ms. Sarah MacIntosh, First Secretary, Permanent Mission of the United Kingdom to the United Nations, was selected rapporteur

combatants are major challenges. The severe shortage of financial and human resources means that the Government is unable to provide the most basic services and social safety nets for much of the population. This post-conflict context has imposed additional challenges and constraints on development assistance, including activities of the United Nations system.

4. The spread of peace and political stability throughout Cambodia since 1998 is improving the lives of most Cambodians and national development prospects. The economy is growing at approximately 4.3 – 4.5 per cent per annum except for 1997-1998, when internal conflict and external economic factors reduced growth to 1 per cent. However, Cambodia remains one of the poorest countries in the world. The Human Development Report 1999 shows a human development index (HDI) value of 0.514 (a ranking of 137 out of 175) and a human poverty index ranking of 73 out of 78 developing countries. Thirty-eight per cent of Cambodians live below the poverty line, 90 per cent of the poor live in rural areas, with most families not producing enough to eat. Twenty-nine per cent of households have access to safe drinking water. One hundred and fifteen of each 1000 children born die before the age of 5. Fifty per cent of children under 5 are malnourished. Income and wealth inequalities are growing between the rich and the poor, and between urban and rural dwellers.

#### Development assistance picture

5. Government requests for official development assistance (ODA) total approximately \$500 million per annum, roughly equivalent to the national budget. In 1999, the United Nations was Cambodia's largest multilateral donor contributing 23 per cent of total ODA (11 per cent from core resources and 12 per cent from non-core resources). Twenty-five per cent of bilateral donor funds are also channeled through the United Nations. Co-funding among bilateral donors, United Nations specialized agencies, funds and programmes and other multilateral development assistance institutions is common. National execution is limited by the extreme shortage of human resources.

#### Alignment of UNDP and UNFPA programmes with Cambodia's national priorities

6. Discussions with government officials revealed the following national priorities:

- strengthening democracy;
- poverty reduction, especially for the 90 per cent of poor living in rural areas;
- macro-economic reform to create the conditions for growth, development and foreign direct investment;
- public sector reform and capacity-building to improve the quality and efficiency of public services and to make them accessible;
- sustainable management of natural resources, especially reducing illegal forestry and canceling concessions considered incompatible with sustainable development;
- building human resources capacity;
- population planning and health, including reducing the spread of HIV/AIDS;
- demobilizing and downsizing the military;
- de-mining.

7. The Government reported that the programmes of UNDP and UNFPA were generally well aligned with these priorities. However, greater focus was needed in UNDP activities:

"hundreds" of existing UNDP projects were difficult for UNDP and the Government to manage effectively. The range of projects should be reduced to focus on public sector reform, de-mining, partnership and coordination, and social sectors, including gender issues, HIV/AIDS and planned parenting. The Group concurred.

8. Key government concerns were the effective and efficient use of development resources; strengthening government leadership and ownership of the development process; and building the Government's own strategic ODA management capacity. The Government also wished to execute a higher proportion of development programmes nationally as a means of building capacity and reducing implementation costs.

#### Capacity-building

9. The Government said that development efforts were sometimes hampered by inefficient use of public resources, including ODA; poorly functioning ministries; and slow disbursement of Treasury funds to line ministries. The Government attached priority to strengthening and reforming the public sector in order to improve the quality and efficiency of, and access to, government services, including health and education. The Group noted government requests for assistance in strengthening the financial management and technical capacity needed to absorb and manage ODA resources more effectively; to expand the reach and impact of development programmes; and to increase national execution.

10. His Royal Highness Prince Rannaridh requested UNDP support for parliamentary and legislative capacity-building. A major bilateral donor said that capacity-building in market and private sector regulation was needed.

11. The Group was particularly impressed by the Government's determination (confirmed by donors) to build capacity, especially human capacity, as a development priority. The Group visited notable examples of UNDP- and UNFPA-supported capacity-building in decentralization, public sector reform, development planning and civil society.

#### Capacity-building: decentralization

12. The "Seila" programme, financed by the Ministry of Rural Development, is a policy experiment in decentralized planning, financing and management of rural development. It is supported by the UNDP/UNCDF-funded Cambodian Rehabilitation and Recovery programme (CAREERE). The objective of the Seila programme is to use decentralized and participatory rural development as a foundation for peace and socio-economic development, and for the alleviation of rural poverty. Seila also aims to redefine and clarify the roles and responsibilities of the central Government, local authorities and civil society. Seila/CAREERE created and empowers a rural development structure of village and commune development committees that define the assistance needed from outside to meet their development needs and the potential and resources they already have to contribute to these needs.

13. The development committees, which have a family-by-family understanding of needs and resources, suggest solutions, agree actions, mobilize resources and implement their own projects. Village and commune development committees present plans to provincial development committees, which interact with provincial line ministries. UNDP/CAREERE does not interact directly with villagers but trains and works through government

counterparts to build local government capacity and to ensure ownership and sustainability of the programme.

14. The Group considered that the UNDP/CAREERE initiative, begun in 1991 and consolidated in 1996, had been crucial in beginning the process of strengthening local government, institutional and human capacity, increasing participatory development and creating a more transparent climate for the use of development funds.

15. The Group noted that successful implementation of the Seila programme in the five north-western provinces had contributed to a change in government policy on decentralization of governance, and to the Government's decision to expand the programme nationwide.

#### Capacity-building: public sector reform

16. The costs of privately purchased and largely ineffective healthcare (averaging \$26 per annum for a family), and the effects of poor health, contribute to indebtedness and poverty in Cambodia. Per capita public sector health care spending is only \$1 per annum. The objectives of health sector reform are to improve the quality of, and promote better access to, public sector primary healthcare. The first stage of reform focused on rationalizing and restructuring health resources to reduce overlap and expand coverage and improving Ministry of Health priority-setting and budgeting. A second phase will focus on decentralizing planning and management and improving the quality of care. A major operational constraint – on this and all public sector reform – remains the low skills base and status of government workers (including professional staff), who earn approximately \$15 per month.

17. The Resident Coordinator presented the health sector reform process (supported by UNDP, the World Health Organization (WHO) and two bilateral donors) as an example of sector wide analysis and action by donors in support of government priorities and as a pathfinder for UNDP work in public sector reform. The Government hoped that the criteria for a formal Sector-Wide Approach (SWAP) would be met within five years. The Group welcomed government commitment to the reforms and was impressed by the expertise and dedication of officials leading the process. The Group welcomed UNFPA's advocacy for reproductive health within the health sector reform process, and noted that elements of the next UNFPA country programme were integrated into the reform process.

18. The Group visited an example of innovative health sector capacity-building in the 100 per cent Condom Use project in Sihanoukville. The objective of the project was to reduce the incidence of sexually-transmitted disease, including HIV infection, by encouraging and empowering sex workers to use condoms during all sexual encounters. The project reported that condom prevalence within the target group had increased from 78 per cent to 96 per cent.

19. The Group was told by UNDP of, but did not see or discuss, projects in training for long-term employment, micro-credit, banking and tax policy, human rights, election support, natural disaster response and security.

### Capacity-building: development planning

20. The Government, including His Royal Highness Prince Rannaridh, highlighted the 1998 General Population Census – Cambodia's first in 36 years – as a development milestone. The Group agreed that the census (supported largely by UNFPA) had contributed significantly to national development planning capacity by providing a comprehensive population database of international quality to support policy-making and resource allocation and targeting. The Government said that the census had closely informed the national five-year socio-economic development plan, and that line Ministries and provincial authorities were starting to use census data more widely. The Group considered this important and was concerned that the Seila/CARERE programme was drawing up new village databases rather than accessing available village-level census data.

21. The Government said that census data would also provide a better national baseline to monitor key development indicators. For example, increased contraceptive prevalence (from 7 per cent in 1995 to 20 per cent in 2000) was reflected in census data showing a significantly (7-8 times) lower population percentage in the 0-4 age group in provinces benefiting from UNFPA birth spacing and planned parenting assistance.

22. The Government said that Cambodia's 2000 Demographic Health Survey (jointly supported by UNFPA, the United Nations Children's Fund and the United States Agency for International Development) would complement the census with detailed provincial health profiles. The Group noted that this better information would improve government and donor capacity to target and monitor interventions and attribute outcomes, as required of UNFPA under its multi-year funding framework.

### Capacity-building: civil society

23. Census data indicates that over 40 per cent of Cambodia's population is aged 14 or younger and that the number of Cambodians entering reproductive age will double in the next five years. The Group noted that, although the Government's attitude to adolescent reproductive health information and services was not prohibitive, only non-governmental organization (NGOs) provided sexual and reproductive health information and services to young, unmarried people. Many of these NGOs were supported by the EC/UNFPA Asia Initiative, which aims to strengthen the capacity of Cambodian NGOs to deliver life skills education. The Group witnessed the high demand for reproductive health services and recognized that only a small percentage of the population was reached by current efforts. The Group considered that reproductive choices and protection from ill health, including sexually-transmitted diseases and HIV/AIDS, were key to providing a secure future for young Cambodians.

24. The Group was particularly impressed by the work of two UNFPA-supported reproductive health NGOs: Friends and the Reproductive Health Association of Cambodia (RHAC). Both organizations use peer education to communicate with young people on their own terms, and integrate sexual and reproductive health information and services into popular, youth-friendly activities. The Group commended these approaches and their positive contributions to youth life skills.

25. The Group noted with satisfaction UNFPA's involvement and in building the capacity of civil society organizations to articulate grass-roots needs and to participate in the

development process, including by engaging and challenging the Government. The Group considers these important areas for wider United Nations attention.

### Gender

26. -The Ministry of Veterans and Women's Affairs is the Cambodian national machinery for promoting gender equality. The Group heard that the Ministry is responsible for setting, promoting and monitoring gender policy across the public sector. The Group was impressed by the range of government measures to promote gender equality, including scholarships designed to keep girls in school and targets for gender representation in the police force. The Group welcomed the Ministry's decision to focus on four of the twelve areas of the Beijing Platform for Action: reproductive health; legal protection; women's employment; and girl child education. The Group noted that the Ministry also implemented gender projects and considered that the immediate benefits of project implementation should be weighed against the long-term goal of mainstream implementation of gender policies across Government.

### Employment

27. The Group visited the Tonle Sap region and heard from bilateral and multilateral donors of threats to Cambodia's natural resources posed by unsustainable, and often illegal, exploitation. The Group noted with concern the lack of transparency in the granting and monitoring of licenses for natural resources exploitation; the concentration in a small number of individuals of the benefits derived from natural resources exploitation; and the consequent threats to the livelihoods of local villages and communities from overexploitation and changes to traditional practices. The Group was told that concerted donor and international pressure had caused the Government to review and cancel some logging concessions. The Group heard of UNDP efforts to increase transparency in the award of fishing-lot concessions that could offer a basis for similar, coordinated international pressure.

### Technical cooperation among developing countries

28. The Group found that Cambodia's early stage in development offered significant potential for technical cooperation among developing countries (TCDC), in particular, cooperation with other developing countries in the region. The Group considered that capacity-building and human resources development could be further promoted through activities such as workshops, courses, and seminars undertaken in the TCDC modality. The Group noted government references to existing regional TCDC (100 per cent condom use in Thailand and Cambodian advocacy efforts with the Lao People's Democratic Republic in the fight against HIV).

### Coordination

29. Most assistance in Cambodia involves more than one donor, with many programmes involving bilateral, United Nations system and other multilateral donors. The Government said that donor requirements (multiple missions, different information requirements, varying monitoring techniques and dates) presented a heavy burden and absorbed a considerable proportion of the human resources available within the Government. The Government also noted the risk of donor-driven processes overburdening and undermining the Government. The Group found this and other arguments for better donor coordination and streamlining of administrative and monitoring requirements compelling.

30. The Group heard that the preparation by the Government of the Poverty Reduction Strategy Paper (PRSP), initiated by the World Bank and the International Monetary Fund, would involve work additional to preparation of the Government's five year socio-economic development plan. The Bank/IMF deadline for completion of the PRSP is October 2000. The national development plan is scheduled for completion by November 2000. Work on the documents will, therefore, occur in parallel. The World Bank and the IMF have agreed to the preparation of an interim PRSP on this timing with production of a final PRSP rescheduled for summer 2001 following completion of the national development plan. The Government described initial coordination difficulties between the Ministry of Finance and Economy (which has lead responsibility for PRSP) and the Ministry of Planning (which has lead responsibility for the national development plan). The Group considered that the recent decision by the Government to establish an inter-ministerial committee to prepare the PRSP was an important step towards ensuring a multisectoral, government-wide approach and national ownership, and should help to reduce duplication. The Group also considered that the United Nations system should lend appropriate assistance to the Government to support the preparation of the PRSP.

31. The Group heard that the heads of some United Nations agencies felt well coordinated by the Resident Coordinator and that the United Nations Development Assistance Framework (UNDAF) process had been worthwhile in bringing them closer together. The Resident Coordinator welcomed IMF participation in the UNDAF process. The Group noted with concern that the World Bank representative faced many demands on his time, apparently making participation in coordination difficult. UNFPA said that the opportunities for common analysis offered by the UNDAF process had already resulted in collaboration with WHO and UNICEF in the development of the new UNFPA country programme.

32. The Government and bilateral donors said that clearer delineation of the roles of United Nations actors and better inter-agency coordination were needed. The Group considered that improved coordination and collaboration would require equal respect to be accorded to the mandates of all United Nations system actors. The Group welcomed as a good example of headquarters-lead coordination the efforts of the HIV/AIDS Theme Group and UNAIDS. The Group learnt that UNAIDS and the HIV/AIDS Theme Group (due to expand to include bilateral donors and the European Commission) were active forces in the country in helping to catalyse and coordinate a United Nations-wide response in support of government action across the 12 ministries and numerous NGOs involved. The Group noted that UNAIDS had provided valuable strategic planning advice on HIV/AIDS and had helped to lever and programme additional resources for HIV work, including a \$35 million loan from the World Bank. UNAIDS said that the UNDAF would use HIV infection rates as a measure of progress.

#### Headquarters reforms at the field level

33. The Group noted with concern that the UNDP country programme for the period 2001-2004 would not be available for discussion with the UNFPA programme covering the same period at the third regular session of the Executive Board in September 2000, and would not, therefore, be approved before the planned start of the programme. This would prevent harmonization of the programming periods. The Resident Coordinator said that the administrative tools were not yet available for joint programming in Cambodia.

34. The Group considered that UNFPA, UNDP and the Government showed a good awareness of results-based management. The Group noted with satisfaction that each stage of the Seila programme had identified outputs, that a strengths, weaknesses, opportunities, threats (SWOT) analysis was undertaken after each project, and that one criterion for the allocation of funding to villages and communes covered by the programme was output in the previous period.

35. The Group was aware of concerns over, and ongoing donor review of, the management of the Cambodia Mine Action Centre (CMAC) Trust Fund and the allocation of de-mined land and regrets the lack of substantive discussion with the Resident Representative. In subsequent discussion, a representative of the Regional Bureau for Asia and the Pacific said that an audit had found that no United Nations funds had been misused.

36. The Group noted that efforts to create a United Nations House have been hindered by problems in securing appropriate property.

#### Key issues and summary conclusions: UNFPA

37. The Group considers that UNFPA is firmly established as the international focal point for population and reproductive health issues in Cambodia; that UNFPA is at the centre of the health sector reform process; and that UNFPA collaboration with the World Health Organization (WHO), UNICEF, UNAIDS and the European Commission is close and productive. The Group also considers that UNFPA has created an appropriate strategic focus for its work.

38. The Group notes the rapid progress from a very low base in promoting birth spacing in Cambodia. Given the economic, social and health benefits realized by other countries in the region from lower rates of population growth, the Group sees value in UNFPA maintaining its emphasis on sexual and reproductive health care within and beyond the primary health care system, including in the informal and private sectors.

39. The Group notes the need and demand for adolescent sexual and reproductive health services in Cambodia, and the need for a strategic approach to building the capacity of Cambodian reproductive health NGOs. The Group also notes the role of good quality impact data from local programmes in gaining support for adolescent reproductive health among key government and donor constituencies. The Group considers that UNFPA has made a key contribution to both.

40. The Group notes with concern Cambodia's high maternal mortality rate and the lapse of formal midwifery training. The Group welcomes UNFPA's plans to re-establish midwifery training and encourages UNFPA to work closely with UNICEF and WHO to increase skilled attendance at delivery. The Group notes the high recourse to abortion to control fertility and the contribution of unsafe abortion practices to high maternal morbidity and mortality. The Group notes that abortion is legal. The Group considers that UNFPA has an advocacy role for relevant ICPD+5 public health measures.

41. The Group notes that UNDAF indicators have not yet been elaborated and considers that UNFPA has relevant social sector expertise to contribute in this area.

### Key issues and summary conclusions: UNDP

42. The Group considers that UNDP has used its early presence in Cambodia and long-standing good relations with the Government to establish good access to the Government at all levels. There is a high level of trust and goodwill which the new Resident Representative should build on and use to further Cambodian development objectives (with which the UNDP programme is well aligned) and progress towards the international development targets. However, the Group considers that the UNDP programme has become too fragmented and difficult for UNDP and the Government to manage and implement effectively. The Group considers that the programme needs to be more focused and refocused on public sector reform and capacity building, trust fund management (including de-mining), partnership and coordination, and social issues, including HIV/AIDS and gender. The Group welcomes the Resident Representative's intention to improve the focus of the next programming period, and similar indications in the country review report submitted to the Executive Board at its second regular session in 2000.

43. The Group considers that the extreme shortage of human capacity at all levels in post-conflict Cambodia sets the framework for all UNDP activities. The Group notes with concern UNDP plans to reflect declining core resources in cuts to capacity-building projects in public sector reform and macroeconomic policy. The Group welcomes the achievements of the Seila/CAREERE programmes in decentralization and participatory development capacity-building and considers that assistance should be lent, as requested, to its expansion to other provinces. The Group notes with satisfaction that the Seila/CAREERE programme has contributed to a change in Government policy on the decentralization of governance.

44. The Group notes that the Government is now seeking assistance with more strategic capacity-building, including ODA management, public sector reform, resource and programme management, parliamentary and legislative support. The Group believes that capacity in these areas is essential for government leadership and ownership of the development process; expansion of the reach and impact of development programmes; and to ensure the sustainability of these programmes through national execution. The Group considers that incorporating TCDC into the overall UNDP effort would improve the cost-effectiveness of capacity-building. The Group also considers that, in line with the Administrator's Business Plans, 2000-2003, new UNDP capacity-building activities should be at a more strategic level.

45. The Group notes that concerted donor and international pressure has caused the Government to act on illegal and unsustainable logging, and considers that UNDP has a key advocacy role to play in focusing donor and international attention on emerging natural resources issues, including fishing.

46. The Group considers that greater efforts should be made to foster coordination and cooperation within the United Nations family, including by creating an atmosphere of mutual trust and respect.

47. The Group notes with concern the sparse participation of the World Bank representative in donor coordination and the burdens on the Government of parallel PRSP and national development plan processes. The Group considers that greater efforts should be made at the field and headquarters levels to engage the World Bank representative in donor coordination, including advising World Bank management of the Group's concerns. The Group also considers that the United Nations system should lend appropriate assistance to the Government as requested to support the preparation of the PRSP.

48. The Group considers that every effort should be made to submit both the UNDP and the UNFPA country programmes for Cambodia to the Executive Board at its third regular session in September 2000 to ensure that both programmes are approved before they start and that programming periods are harmonized. The Group further considers that joint programming could offer benefits in minimizing the burden of donor requirements and ensuring that United Nations bodies act where they have comparative advantages.

49. The Group considers that UNDP Cambodia has been successful in attracting non-core resources of \$72 million over 1997-1999 (compared to core resources of \$38 million over the same period). Non-core resources have contributed to projects on public sector reform, elections, mine action, urban poverty and decentralization.

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