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Part I. Situation analysis

- The Country Programme has been developed to respond to national priorities of the Royal Government of Cambodia as spelled out in the National Strategic Development Plan (NSDP) 2006-2013. It derives from the United Nations Development Assistance Framework (UNDAF) 2011-2015 and an in-depth review of achievements and lessons learnt.
- With the latest Human Development Index at 0.593, Cambodia ranks 137th out of 182 countries. Cambodia has achieved impressive growth over the past decade and a significant reduction of poverty from 47 percent in 1993 to 30 percent in 2007. Over the same period inequalities have increased, as shown by the rise of the GINI coefficient from 0.35 to 0.43. When compared to other ASEAN countries at the same level of income and consumption, Cambodia has one of the highest disparities between rich and poor. Socio-economic disparities have increased both between rural and urban areas, as well as within rural areas, with rural inequality climbing to 0.36 in 2007. Cambodia has been heavily impacted by the global economic downturn due to its narrow economic base (garment, construction and tourism) thus straining Cambodia's ability to meet its MDG target of reducing poverty to 19.5 percent by 2015.
- Cambodia has made significant progress towards some of its CMDGs (Cambodia Millennium Development Goals) and is on track for Goal 4 (under five Mortality has decreased substantially), Goal 6 (HIV/AIDS, TB, Dengue prevalence has decreased), and Goal 9 (reduction in mine casualties). Significant challenges remain in meeting Goal 2 (high proportion of school coverage admission and low survival rate) and Goal 5 (the maternal mortality ratio, which stands at 461 deaths per 100,000 births, is amongst the highest in the region).
- In Asia, Cambodia is one of the most vulnerable countries to climate change putting water resources and agriculture at high risk. The lack of access to clean energy in rural areas is a barrier to improving livelihoods and dependency on wood energy a driver for deforestation. Reduction in forest coverage, low access to safe drinking water and sanitation are major impediments for Cambodia to reach MDG 7.
- Together with improvements in mainstreaming gender in national policies and strategies, Cambodia has made progress closing the gender gap in primary and lower secondary enrolment. More women have been elected, in particular at local level. Still, fewer girls complete school, women occupy lower paid employment and are exposed to the risk of trafficking, HIV and gender based violence. Gender norms prevent women from participating in decision making and fulfilling their rights.
- Cambodia has one of the youngest populations in the region with 35 percent between 10 and 24 years of age. About 300,000 youth are entering the workforce each year with few opportunities to contribute to and benefit from the country's economic growth, given the limited ability of the economy to create new jobs.
- Local and parliamentary elections have been peaceful. However, in the post election environment, democratic space has been shrinking with only one party represented in the nine commissions of the National Assembly. Public and civil society participation in decision making remains limited partly due to their capacity constraints, fear of participation, scarcity of institutionalized mechanisms and insufficient access to information. This is particularly true for youth.
- Among the key 'bottlenecks' to reaching the CMDGs, the UN Common Country Assessment (CCA) identified constraints common to all sectors in term of capacity of both duty bearers to fulfil their obligations and rights holders to exercise their rights. Budget limitations, slow progress in civil service reform, scarcity of mechanisms for participation and accountability, fragmentation of aid and limited awareness of rights are amongst these constraints.
- In response to the economic downturn and to ensure further poverty reduction and achievement of

CMDGs, the NSDP identifies the need for promoting agricultural sector diversification, land reform and de-mining, fisheries and forestry reform, as well as the development of a social safety net strategy that will shield the rural poor from future shocks. The NSDP and CCA identify limited capacity at both central and local levels to sustainably manage ecosystems and respond to climate change as an important issue.

- The Royal Government of Cambodia put good governance at the core of its *Rectangular Strategy* recognizing its importance in attaining the CMDGs. As pointed out by the NSDP the quality, efficiency and delivery of public services remain a key challenge in this respect. The *Organic Law on the Administrative Management of the Capital, Provinces, Municipalities, Districts and Khans* and the subsequent ten year national programme represent an opportunity for local communities to have a voice and strengthen their representation and participation. This reform offers the perspective of devolving key functions and budgets to local levels in order to increase quality, efficiency and effectiveness in social service delivery to the rural poor. The reform also has the potential to enable local economic development planning thus reducing socio-economic disparities between regions.
- In response to national priorities and challenges identified in the CCA, the UNDAF focuses on five areas: (I) the promotion of equitable, green, diversified economic growth, (II) access to health and education, (III) gender equality and empowerment of women, (IV) accountability and responsiveness to the needs and rights of people and participation in democratic decision making and (V) social protection.

Part II. Past cooperation and lessons learned

- The Country Programme mid-term review (2008) and the recent Assessment of Development Results (ADR) acknowledge solid results that UNDP has achieved through strategic partnerships with key national institutions, civil society organizations and development partners and the use of its Regional Centres. In particular, UNDP was instrumental in (i) establishing national systems at local level to facilitate the implementation of investment programmes and the delivery of social services; (ii) creating an enabling environment for the conduct of peaceful elections; (iii) designing a pro-poor Trade Integration Strategy; (iv) enabling national and local authorities to manage protected areas and forest sites in partnership with GEF; (v) producing cutting edge research for policy dialogue on economic governance reform; and (vi) strengthening country mechanisms to ensure greater aid effectiveness, harmonization and coordination. Lastly UNDP has been instrumental in establishing national gender mainstreaming mechanisms and designing gender responsive policies and sector plans.
- The mid term review and the ADR offer a number of lessons learnt that have helped in shaping the design of the new country programme. It was recommended that UNDP limits its focus on strategic areas of comparative advantage where it has a good track record and can have a meaningful impact such as democratic governance, decentralization reform, policy advice on pro-poor economic governance reforms, and sustainable management of natural resources. While recognizing the success of its gender initiative, UNDP was advised to improve integrating gender equity throughout its programme. It was agreed with the Royal Government of Cambodia that UNDP disengages from direct interventions in areas with little comparative advantage in country. Lastly it was recommended that UNDP integrates anti-corruption across its programme.
- In the area of democratic governance, it was recommended to engage more with civil society and media and focus on supporting systems for citizen engagement, participation and accountability. In the area of environment, more focus should be put on improving sustainable livelihoods and addressing climate change. UNDP should also strengthen its support to national capacity for poverty and MDG monitoring. De-mining should be better integrated with local economic development. While UNDP has been active in knowledge generation, the impact on policy development has to be better documented. Finally, UNDP should strengthen its monitoring and evaluation through solid baselines and better management of evaluations at outcome level.

Part III. Proposed programme

- UNDP will focus its assistance for the next five years on five key outcomes selected from the UNDAF, aligned with national priorities and based on an analysis of UNDP's comparative advantage. The focus on fewer outcomes strategically positions UNDP to provide upstream advice and services geared towards the attainment of the CMDGs.
- By 2015, UNDP expects to have significantly contributed to the following key results: (i) having impact on government policies and reforms for green, inclusive and diversified growth; (ii) securing pro-poor productive use of natural resources and reducing vulnerabilities to climate change; (iii) expanding democratic space at central and local level; (iv) advancing the decentralization and deconcentration reform with a focus on social service delivery to the rural poor; and (v) localizing the MDGs and strengthening accountability mechanisms.
- In response to rising inequalities, UNDP will adopt an integrated poverty reduction approach entailing local development planning and poverty monitoring, local governance for enhanced service delivery and policy options for inclusive growth. Building on lessons learnt, UNDP will put a strong emphasis on knowledge sharing and policy impact. Opportunities for South-South cooperation will be pursued building on past initiatives (e.g. extractive industries, MDG scorecards, green growth). UNDP will refine its approach to deepening democracy by focusing on access to information and creating more opportunities for dialogue around the CMDGs. UNDP will roll out a country specific approach to capacity development based on long term engagement and trust.
- In the area of inclusive growth, UNDP will provide quality policy research and high level advisory services on economic governance reforms to promote options for economic diversification taking into account equity and sustainability concerns. This will be done through partnering with the Supreme National Economic Council and strengthening national capacities to generate knowledge products on issues such as extractive industries and green growth options. Policy options for safety nets and cash transfers will feed into the UN joint effort on social protection. Building on the analysis of competitiveness and trade diversification at the national level, UNDP plans to develop private-public capacity to facilitate inclusive local development and economic diversification. UNDP will continue to strengthen structures and mechanisms to ensure that demining resources effectively translate in the release of land to productive use for the poor and the attainment of CMDG 9.
- Sustainable management and productive use of natural resources such as land, forestry and water will play an important role in national responses to climate change, sustained economic growth and rural poverty reduction. Environment and poverty linkages will be strengthened focusing on sustainability of eco-system services. UNDP will continue to develop national and local capacities to plan, integrate, coordinate and implement policies and plans with climate change adaptation strategies through leading the implementation of a Programme Based Approach. In addition, UNDP will support public-private sector partnerships that promote low carbon development, improved access to carbon financing and development of renewable energy options for the poor.
- UNDP will contribute to the UNDAF outcome on *strengthening mechanisms for dialogue, representation and participation of people in democratic processes*. This will be done through strengthening capacities of electoral bodies and elected representatives at national and local level, youth and women groups, media and stronger engagement with civil society and political parties.
- UNDP will partner with UNICEF, UNFPA and UNCDF to contribute to a key UNDAF outcome to

ensure that sub-national governments have the capacity to take over newly increased functions. This will impact the responsiveness of government, improve delivery of key social services, as well as provide citizens with better possibilities to hold government accountable. To this end, UNDP will support the design and implementation of guidelines and procedures for planning, human resources management, financial and contract management and the implementation of a comprehensive capacity development strategy for the newly established Sub-National administrations.

- In the run up to 2015, UNDP will partner with UN Agencies in promoting the CMDGs through strengthening capacities in evidence-based planning, budgeting and monitoring thus contributing to the UNDAF outcome *to enhance national capacities to develop and monitor responsive policies and plans*. UNDP will be the CMDG scorekeeper turning them into realistic targets with quick win solutions that sub-national governments will be enabled to use. UNDP will strengthen accountability mechanisms to monitor the effectiveness of planning, budgeting and aid management processes. UNDP will build on policy improvements in the areas of aid effectiveness and gender mainstreaming to support implementation at sector level. Capacity development efforts will include the design of accountability and transparency mechanisms in support of national efforts to fight corruption.
- Gender equity and empowerment of women and youth are cross cutting results that will be closely monitored. Communication strategies will be fully integrated across the programme as a key driver for policy impact. Knowledge sharing will be given special attention with the initial piloting of three Communities of Practices in the areas of Climate Change, Extractive Industries and Decentralization.
- UNDP's programme is positioned in support of "Delivering as One", harnessing partnerships with UN agencies in the areas of decentralization reform, green economic growth, gender mainstreaming and climate change (UN-REDD). A new strategy of engagement with civil society and private sector active in extractive industries, climate change and public service delivery will be implemented. UNDP will support Programme Based Approaches in key sectors capitalizing on its comparative advantage as a neutral broker of partnerships. UNDP-managed Multi-Donor Support Programmes will focus on comprehensive capacity diagnostics and the strengthening of national accountability systems that will pave the way for budget support.

Part IV. Programme management, monitoring and evaluation

- The UNDP country programme will be nationally executed under the coordinating authority of the Council for Development of Cambodia. National implementing partners will be selected on the basis of a capacity assessment and necessary support will be provided to address capacity gaps. UNDP will continue to provide implementation support services at the request of the Government. The United Nations Volunteers and South-South Cooperation will continue to play a prominent role in the implementation of the country programme. In line with UN reform, the Paris Declaration and the Accra Agenda for Action, UNDP will continue its full support through the United Nations Resident Coordinator System to advance United Nations harmonization and simplification as well as coordination with other development partners.
- UNDP will systematically integrate results based management across its programmes. Participatory approaches for monitoring and evaluation (M&E) will be applied with implementing partners to enhance national ownership, accountability, and effective implementation. Drawing on lessons learnt, special attention will be put on gathering baseline data and formulating an M&E plan aligned with the UNDAF M&E plan and the Government Joint Monitoring Indicators and National Strategic Development Plan targets. Joint M&E with other development partners will be encouraged.
- UNDP regular resources estimated at USD 45.7 million will serve as a catalyst. A partnerships and resource mobilization strategy will be designed to meet the additional resource requirement of USD 80 million. The total budget of the country programme is estimated at USD 125.7 million.

RESULTS AND RESOURCE FRAMEWORK

National priority or goal: CMDG 1 Poverty reduction and hunger, CMDG 9 Demining and CMDG 7 Environment management						
Intended UNDAF outcome 1: By 2015, more people living in Cambodia benefit from, and participate in, increasingly equitable, green, diversified economic growth						
Programme Component	Country programme outcomes	Country programme outcome: baseline, indicator(s) and targets	Country Programme Output	Role of partners ¹	Indicative Resources by Goal	
<p><u>Key result area 1.</u> Promoting inclusive growth, gender equality and MDG achievement</p>	<p>CP Outcome 1: National and sub national capacities strengthened to develop more diversified, sustainable and equitable economy.</p>	<p><u>Outcome 1 - indicator:</u> # of sub-national round tables on local development and economic diversification options Baseline 2009: 0 Target 2015: 5 annually</p>	<p>Output 1-1: Evidence-based policy alternatives for inclusive, diversified and green growth generated for policy makers and civil society dialogue</p> <p>Output 1.2: Increased private-public capacity to facilitate local development and economic diversification in both urban and rural areas</p> <p>Output 1.3: National structures and mechanisms ensure demining resources are effectively allocated promoting the release of land for productive use by the poor.</p>	<p><u>Outcome 1 Partners:</u> Supreme National Economic Council, Ministry of Planning, Cambodia National Petroleum Authority, Ministry of Mines and Industry, Mine Association, Siam Reap city, Cambodia Mine Action Authority. UNCDF, IFAD, FAO ADB, CIDA, Australia.</p>	<p>Outcome 1</p> <p>Regular resources USD 9,000,000</p> <p>Other resources USD 9,000,000</p>	
<p><u>Key result area 4.2.</u> Catalyzing environmental finance</p>		<p><u>Outcome 2 - indicator:</u> Stability of indices of ecosystem diversity and condition in target communities Baseline: 2010 satellite imagery Target 2015: 100%</p>	<p>Output 2.1: National and sub national authorities and forest-dependent communities are better able to integrate, coordinate, and implement policies and plans for eco-systems services in the Northern plains and Cardamom regions</p>		<p><u>Outcome 2- Partners:</u> Ministry of Environment/ General Department Administration of Nature Conservation and Protection, Ministry of Finance, Ministry of Agriculture/ Forestry Administration, National Committee for Climate Change, Sub national administrations, local governments, National Committee for Democratic Development. IFAD, UNEP, UNV. EU, DANIDA, SIDA, ADB/WB. OXFAM, Climate Change NGO network.</p>	<p>Outcome 2</p> <p>-----</p> <p>Regular resources USD 7,700,000</p> <p>Other resources USD 18,000,000</p>
<p><u>Key result area 4.3.</u> Promoting climate change adaptation</p>		<p>CP Outcome 2: National and local authorities, communities and private sector are better able to sustainably manage ecosystems goods and services and respond to climate change.</p>	<p><u>Outcome 2 - indicator:</u> # of national and sectoral strategies, plans, and programmes integrating climate change Baseline 2010: 4 Target 2015: 10</p>			<p>Output 2.2: National Climate Change Committee, key line Ministries and sub-national authorities enabled to integrate adaptation into development</p> <p>Output 2.3: Increased public/private capacity to promote low carbon emission and renewable energy</p>
<p><u>Key result area 4.4.</u> Expanding access to environmental and energy services for the poor</p>						
National priority or goal: Good governance, the core of the Rectangular strategy (NSDP update 2006-2013): The fight against corruption, Public administration reform including decentralization and de-concentration – CMDGs 1, 2, 3, 4, 5, 6						
Intended UNDAF outcome 4: By 2015, national and sub-national institutions are more accountable and responsive to the needs and rights of all people living in Cambodia and have increased participation in democratic decision making.						

<p>Strategic Plan <u>Key result area</u> 2.1. Fostering inclusive participation</p>	<p>CP Outcome 3: Effective mechanisms for dialogue, representation and participation in democratic decision-making established and strengthened.</p>	<p><u>Outcome 3 - indicator:</u> # of public platforms established at national and local level to allow interface between citizens, civil society and elected representatives. Baseline 2009: 20 Target 2015: 35</p>	<p>Output 3-1: Avenues and structures developed and strengthened to empower youth and women to participate in decision-making and planning at national and sub-national level.</p>	<p><u>Outcome 1 Partners:</u> National Elections Committee, Parliament Technical Cooperation secretariat, Local government associations, Ministry of Women Affairs, Ministry of Information, National Committee for Democratic Development. National Council for Youth Development, Khmer Youth Associations, Committee to Promote Women in Politics, Committees for Free and Fair Elections. OHCHR, UNV. Sida, EU, USAID.</p>	<p>Outcome 3 ----- Regular resources USD 9,000,000 ----- Other resources USD 16,000,000</p>
<p><u>Key result area</u> 2.2. Strengthening responsive governing institutions</p>	<p>CP Outcome 4: Sub national governments have capacity to take over increased functions.</p>	<p><u>Outcome 3 - indicator:</u> % of women elected councilors Baseline 2007: 14.6% Target 2015: 30%</p>	<p>Output 2-2: Increased capacity of electoral body and elected representatives to represent their constituencies.</p>	<p><u>Outcome 4- 2 Partners:</u> Ministry of Interior, National Committee for Democratic Development, Local elected governments, Ministry of Information, Ministry of Women Affairs. Civil society organizations and Local Government Associations. UNICEF, UNCDF, IFAD WB, EU, Sida, GTZ.</p>	<p>Outcome 4 ----- Regular resources USD 12,000,000 ----- Other resources USD 28,000,000</p>
<p><u>Key result area</u> 2.2. Strengthening responsive governing institutions</p>	<p>CP Outcome 5: Enhanced capacities at national and sub-national to develop and monitor policies, plans and budgets that are evidence-based and geared towards the attainment of the CMDGs by 2015</p>	<p><u>Outcome 4 - indicator:</u> # of key functions that line ministries have devolved to sub national administrations Baseline: 0 Target 2015: 2 functions</p>	<p>Output 3-3: Civil society organizations have knowledge, means and capacity to mobilize people to engage and voice their concerns.</p>	<p><u>Outcome 5 – Partners:</u> Ministry of Planning, Ministry of Women Affairs, Council for Development of Cambodia, National Committee for Democratic Development, Local elected governments, Local Government Associations, Academics. UNICEF, UNFPA, UNCDF, UNIFEM, UNV. Norway, WB, ADB , Spain, Australia, SIDA</p>	<p>Outcome 5 ----- Regular resources USD 8,000,000 ----- Other resources USD 9,000,000</p>
<p><u>Outcome 4 - indicator:</u> % of public revenues allocated to sub national councils Baseline 2009: 2.8% Target 2015: 10%</p>	<p>Output 4-2: National institutions are enabled to provide capacity development services to local administrations and councils</p>	<p><u>Outcome 5 - indicator:</u> Percentage of sectoral plans that are gender responsive Baseline 2009: 10% Target 2015: 30%</p>	<p>Output 4-3: NCDD has the capacity to lead, coordinate and monitor the implementation of the 10-year programme</p>	<p><u>Outcome indicator:</u> % of provinces and districts that modify their investment plans based on MDG scorecards Baseline 2010: None Target 2015: 75%</p>	<p>Output 5-1: National and sub-national capacity to develop plans and budgets that are geared towards the MDGs strengthened.</p>
<p><u>Outcome indicator:</u> % of provinces and districts that modify their investment plans based on MDG scorecards Baseline 2010: None Target 2015: 75%</p>	<p>Output 5-2: Strengthened accountability mechanisms to monitor the effectiveness of planning, budgeting and aid management processes.</p>	<p>Output 5-3: Strengthened gender mainstreaming mechanisms at national and sub-national level</p>			