

Evaluation of DFID's Country Programmes: Cambodia 2003 - 2008

Paul Thornton, Dane Rogers, Chan Sophal and Chris Vickery

"DFID has made a significant contribution to development in Cambodia – most notably in catalysing the movement of the donor community beyond a post-conflict perspective, and in prioritising aid effectiveness and development impact."

Introduction

1. This Country Programme Evaluation (CPE) of DFID's development activities in Cambodia assesses the relevance of DFID's strategy and the performance of the programme. DFID is preparing its next country plan and the evaluation was invited to draw lessons specifically to inform that process.

Context

2. By 2003 Cambodia had moved from a post-conflict situation and was facing the challenges of a more normal development paradigm. There has been continued state building with increased dominance by the Cambodian People's Party. Cambodia is no longer fragile in terms of active conflict, insecure basic service delivery and political instability, but there are continuing fragilities with little regard for the rule of law, corruption, contested property rights, social exclusion, poverty and growing inequality.

3. Economic growth has been impressive, but is narrowly based and is at risk from the global crisis. The slow increase in resources for priority services is not keeping pace with inflation limiting its impact. Cambodia has made good progress towards achieving the Millennium Development Goals (MDGs), but poverty and inequality are widespread and the rate of poverty reduction is less than half the economic growth rate. After the Paris Peace Agreement in 1991, Cambodia received substantial external assistance. There is still a wide range of bilateral and strong multilateral representation with significant new donors (China, Korea, Gulf States).

Programme Development and Relevance

4. The evaluation covers the final years of DFID's 2000 Country Strategy Paper (CSP), and the 2005 Country Assistance Plan (CAP), now extended to October 2009.

5. In 2000 DFID opened an office in Phnom Penh. This commitment was limited to ten-years with a portfolio centred on health and rural livelihoods focused on working through multilaterals. The 2005 CAP reaffirmed the intention of working entirely through multilateral and bilateral partners by 2011. This concept of 'partnership' was a modality for exit, it was *not* a vision; there was no clear strategy for the whole period of engagement or a defined purpose to be achieved before closure.

6. The 2005 CAP built on the 2000 CSP with an analysis shared with the Asian Development Bank, World Bank and UN that was highly relevant. There was no explicit purpose statement in the CAP but an emphasis on development effectiveness, the MDGs, and a poverty focus based on a clear pro-poor governance narrative. However this was not clearly linked to the commitment to closure within ten years.

7. The CAP had four objectives:

- Contribute to rapid increases in the impact of development resources in Cambodia.
- Responsive, accountable and effective local government for all people, especially the poor and socially excluded.
- Support government and civil society to strengthen the livelihoods of poor people.
- Increased access to health services and information.

8. The objectives were well framed and relevant to the context, but ambitious given the resources and timeframe. A limited range of activities were proposed but these were not sufficient to achieve the objectives. Accountability was the weakest link; not featuring heavily in the portfolio despite the CAP analysis and inclusion in partner programmes. Interventions have focused on supply-side governance and service delivery, with inadequate attention paid to wider citizen accountability and civil society strengthening.

9. The strategy was overambitious and set too high expectations. Poor monitoring added to the confusion over direction and performance. The desire to make sense of the 'vision' of a programme based on delegated partnerships added to the tensions and provoked an exaggerated view of the progress made by the Royal Government of Cambodia (RGC) and an assumption that budget support and sector programmes could be the main channels for support.

10. This perspective has tempered recently, but the price of sticking too rigidly to the proposed exit route has been a lost opportunity to test, monitor and revise the strategy over the ten-years. A thorough assessment after an initial period, setting clear milestones for strategic development, with reviews conducted jointly with government and development partners, would have enabled the strategy to be more flexible and responsive.

Effectiveness and Efficiency

11. DFID has made a significant contribution to development in Cambodia – most notably in catalysing the movement of the donor community beyond a post-conflict perspective, and in prioritising aid effectiveness and development impact. DFID's direct achievements are more mixed – more a factor of excessive ambition with limited resources than a failure to deliver. Whilst the strategy did address DFID priorities, the volume of funds available at local level through the main partnerships and the institutional incentives (e.g. spreading funds equitably at the expense of critical mass) meant that the interventions have had insufficient traction against poverty.

12. The evaluators' assessment is that of the four CAP objectives, only Objective 4 has been largely achieved. There has been satisfactory progress towards Objective 2, but it is unachievable in advance of the implementation of the 2008 RGC legislation supporting decentralisation. Objective 3 has been unsatisfactory in its achievement. Though livelihoods had been the cornerstone of the DFID strategy since 2000, the intervention has been inadequate and its contribution to strengthening the livelihoods of poor people remains weak. Objective 1 articulates the contribution that DFID has made, yet here too an overambitious aim – rapid increases in the impact of development resources – resulted in only satisfactory achievement.

13. DFID has used its resources efficiently. More focus on monitoring related to impact would improve performance, as would more attention to team working and a reappraisal of the 'vision'. This set a challenge that could have been addressed innovatively, but partnership for exit became a strait-jacket and the strategic opportunity was lost.

Impact

14. The most significant impact has been in the health sector, with institutional improvements, increased access to services, improved health facilities and growing and predictable budget allocations. There has been a positive impact on government capacity and responsiveness.

15. More broadly, there is evidence that DFID support has contributed to a proactive approach to planning and policy by RGC, and the development of a government-led pro-poor policy framework.

16. Impact in relation to decentralisation is less evident. There have been institutional improvements at the sub-national level but the most significant contribution has been ensuring continued donor support and focus. These benefits can now be realised and more coherent donor support is being articulated, especially by the European Union (EU) members.

17. Livelihood impact is the least significant. The limited funds available to communes, coupled with lack of pro-poor socio-economic planning at provincial and district levels, point to limited impact on socio-economic development. The over-reliance on improved supply-side interventions for delivering poverty reduction and improved livelihoods presented significant risks. The civil society component has been slow to take off. Greater attention to strengthening voice and accountability would have complemented DFID's portfolio and contributed to sustainability, not only with respect to livelihoods but across the whole programme.

Lessons

18. The lessons learnt from the Cambodia programme include....

.... for **the DFID team in Cambodia**

- The **missing vision and a renewed long-term narrative needs to be centre stage** for the duration of the DFID programme.
- **Poverty and social exclusion** remain the most significant aspects of Cambodia's fragility; the **loss of the poverty focus** has diminished the rationale for continuing the DFID programme.
- There were **inflated expectations for what decentralisation can deliver** in the short term - on poverty reduction and governance. DFID has stayed with a difficult process and the benefits are now being realised with a key role for DFID in the EU division of labour.
- The risks in **challenging partners assertively over policy divergence and programme direction** can be overcome if alliances, evidence, and clear processes are used.
- **Mediating and moderating the relationships between partners** has been DFID's key contribution to developing a programme based approach in the health sector.
- DFID has contributed to the **gains in the contentious arena of aid effectiveness**, but much remains to be done in this crowded and fragmented development partner environment.
- **Monitoring and evaluation are essential for learning** and programme development. DFID cannot be held to account for impacts that lie within the domain of government but it is accountable for its own interventions.

... for the **future of the Cambodia Programme**

- A **fully delegated programme** is neither appropriate nor advisable. DFID's influence and presence is more important than its financial contribution.
- Given the number of other donors present **closure of the DFID programme** could be a positive contribution to aid effectiveness.
- Continued engagement with an enhanced Embassy incorporating DFID, could form the basis for **an innovative long-term partnership** between the UK and Cambodia.

...for **Partnership Working**

- Partnerships are **means not ends**. Strong partnerships based on mutual understanding, shared commitment, and honest exchange can be effective as the basis for harmonised support but relationships need to be robust enough to renegotiate, or even terminate.
- The **nature of partnership** – common vision, like-minded approach to aid effectiveness, joint working and joint decisions – is different from a simple subcontracting relationship.
- **Appraisal, regular monitoring and wider measurement** (of programme impact and the partnership process) would have enhanced all the current partnerships.
- **Policy engagement and influence on development effectiveness** has been achieved in Cambodia as a result of active presence.

...for work in **Post-Conflict/Fragile Contexts** ...

- Engagement with **fragile states** requires a flexible and politically sensitive approach with continuity of presence and analysis.
- **State building** to ensure stability needs to be balanced with civil society development to build accountability and social cohesion.
- Post-conflict **transition is a process** that is not linear; it takes time for the deeper impacts and fragilities to be addressed.
- There are differences between **state building and peace building** (or long-term conflict prevention); the two must not be confused.

Recommendations

When proposing time-bound engagement **DFID Senior Management** should ensure there is a strategy for the whole period that is realistic and relevant given the resources and timeframe with a monitoring framework, reviews, and break points.

Human Resources Division should ensure policy and practice take the longer-term timeframe of country programmes and the need for continuity into account. The implications for the recruitment and posting of staff, length of contract, continuity of development and technical skills, and career development should be considered.

Policy Division should incorporate an analysis of stable societies, citizen accountability and the role of civil society voice and accountability in its development of DFID's understanding of state building, setting the conceptualisation of 'state' within a broader socio-political framework.

The **DFID Team in Cambodia** should:

- engage proactively with the civil society organisations being supported through other DFID sources to deepen its understanding of advocacy, voice and accountability, and the deeper social impact of the conflict;
- develop an implementation strategy for the new country plan including a monitoring framework with process milestones and benchmarks for each objective, partnership and intervention; together with initiatives to strengthen its M&E systems;
- undertake a joint review with Danida of the Multi Donor Livelihoods Facility (MDLF) to revise mutual expectations for livelihoods and natural resource management, the scope of MDLF to deliver them, and agree revisions at purpose and output level.

Management Response

DFID Cambodia welcomes the Country Programme Evaluation. It is an honest assessment of DFID's contribution to Cambodia's development. We agree with the overall conclusion of the report that "DFID has made a significant contribution to development in Cambodia – most notably in catalysing the movement of the donor community beyond a post-conflict perspective, and in prioritising aid effectiveness and development impact".

We welcome the assessment that policy engagement and influence on development effectiveness has been achieved as a result of active presence and the high quality of the DFID advisory team. This view is shared by the Government of Cambodia. We are now encouraging them to take more assertive ownership of the aid effectiveness agenda.

We agree that DFID's most significant impact has been in the health sector. We played a key role in mediating and moderating the relationships between partners. Our recently approved support to the Ministry of Health led sector-wide approach includes targeted interventions on reproductive health, rural health services and support for protecting the poorest from catastrophic hospital expenses.

On DFID assistance for local government reform, we believe the evaluation understates the positive impact of supporting a long term process of political reconstruction in rural Cambodia where endemic mistrust in government authority and the legacy of three decades of conflict are only now beginning to be overcome. We have supported the establishment and financing (through the government system) of directly-elected commune councils. The councils have helped rebuild the country's shattered infrastructure and enabled positive dialogue between citizens and the state. They have helped reduce Cambodia's fragility and are one reason why Cambodia has not slipped back into conflict.

Progress on improving livelihoods has been disappointing. Although the risks in implementation were recognised, the programme underestimated the challenge of addressing sustainable natural

resource management in a context with weak rule of law and a deeply entrenched patronage system. We are now strengthening the poverty focus of the livelihoods programme and supporting policy interventions that address issues around inequality and exclusion.

We acknowledge the overall conclusion on the limitations of a fully delegated programme. The Cambodia programme piloted efforts to work through others both as a means of improving aid effectiveness and “doing more with less”. We learnt that developing such relationships were very intensive of resources, particularly of staff time. It was also critical to have a shared view of the importance of results and how to achieve them. The record is more mixed than the evaluation suggests. Some partnerships were more successful. Examples include the successful health partnership with the World Bank and others; and on water and sanitation with UNICEF.

We accept that monitoring and evaluation needs to be improved. The UK is stepping up its aid evaluation effort. Identifying the results of our efforts and the lessons of what does and does not work is important and DFID is working internationally to increase rigorous evaluation of international development programmes. A major new evaluation policy for DFID sets new standards of quality, and DFID will support at least 40 independent evaluations of its country work, policies and sectors over the next four years.

The recent decision by Ministers to close the DFID Cambodia office by 2011, while honouring all existing commitments was taken on the basis of ensuring the best use of UK development assistance globally. Although still classed as a fragile state,

Cambodia is a relatively well-aided country. Based on 2008 commitments, aid was approximately \$62 per person and our programme represents only around 4% of total external assistance. By reallocating resources to other countries with greater numbers of poor people, and fewer donors, DFID can have a bigger impact on reducing poverty. At the same time, our commitment to working in fragile states that remain under-aided is strong. Over the last five years, the UK has doubled its aid to fragile states and conflict-affected countries to £1.2 billion a year and we are now the third largest bilateral donor to these countries. In the future DFID will commit 50% of all new bilateral country funding to fragile countries, as set out in our fourth White Paper, Building our Common Future.

We have been rigorously reviewing our existing programmes in Cambodia with partners to ensure that we achieve a “responsible exit” in the remaining two years. We will be putting particular emphasis on lessons learnt, both those relevant in the Cambodian context and for other developing countries to help determine what our legacy will be in Cambodia and how best to secure it.

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

DFID, the Department for International Development: leading the British Government’s fight against world poverty.

One in six people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty. DFID responds to emergencies, both natural and man-made. It also supports long-term programmes which aim to reduce poverty and disease and to increase the number of children in school, in support of the internationally agreed UN ‘Millennium Development Goals’.

LONDON

DFID
1 Palace Street
London
SW1E 5HE

GLASGOW

DFID
Abercrombie House
Eaglesham Road
East Kilbride
Glasgow
G75 8EA

Switchboard: 020 7023 0000

Fax: 020 7023 0016

Website: www.dfid.gov.uk

Email: enquiry@dfid.gov.uk

Public Enquiry Point: 0845 300 4100

From overseas: + 44 1355 84 3132

ISBN: 1 86 192 988 9