


# CLEARANCE SLIP FOR COST SHARING AGREEMENT



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## CONTRIBUTION AGREEMENT BETWEEN USAID AND UNDP

<b>Agreement/Trust Fund title:</b>	<b>Program Contribution Agreement between USAID and UNDP</b>
<b>Project No:</b>	<b>00095080</b>
<b>Project Title:</b>	<b>Partnership for Development Results Phase 2</b>
<b>Country Office/HQ Business unit:</b>	<b>Cambodia</b>
<b>Regional Bureau:</b>	<b>RBAP</b>
<b>Donor:</b>	<b>USAID</b>
<b>Total amount of the Agreement:</b>	<b>US\$209,234.85</b>
<b>Document Received on</b>	
<b>Reviewed by</b>	
<b>Consulted</b>	
<b>Comments/Additional information</b>	
<b>Cleared by:</b>	 <hr style="width: 80%; margin: auto;"/> <b>Simon Hannaford</b> <b>Director, Legal Support Office</b>
<b>Date of clearance:</b>	<div style="font-size: 2em; font-family: cursive;">12/9/2016</div> <hr style="width: 80%; margin: auto;"/>
<b>Cleared with conditions:</b>	



September 12, 2016

## PROGRAM CONTRIBUTION AGREEMENT

Between the United States of America, acting through the United States Agency for International Development (“USAID”) and United Nations Development Programme (UNDP) (“Recipient”)

1. Activity Title: **“Partnership for Development Results Phase 2”**

2. USAID Activity Number: **AID-442-IO-16-00003**

3. Purpose

USAID and the Recipient hereby agree to support the Royal Government of Cambodia to strengthen capacities and systems for managing multiples sources of development finance in the context of recently attaining Lower-Middle Income Country status. Working with the Cambodian Rehabilitation and Development Board (CRDB) and the Council for the Development of Cambodia (CDC), the project supports the production, analysis and management of data, information and knowledge that can inform resource allocation and program implementation to ensure increased support to targeting of expenditures towards programs that promote poverty reduction and inclusive sustainable growth, specifically in support of the Rectangular Strategy-3 and the National Strategic Development Plan (NSDP) as well as the localization of the Sustainable Development Goals (SDGs). The project supports: (a) institutional strengthening to manage and align diverse sources of development finance with the national budget, the NSDP and SDGs; (b) resource mobilization and management related to the public sector component of the Industrial Development Policy; and (c) continued implementation of development effectiveness objectives through the Development Cooperation & Partnerships Strategy.

4. USAID Grant

Pursuant to its authorities under the Foreign Assistance Act of 1961, USAID hereby grants to the Recipient U.S. **\$209,234.85** to be expended as described in this Agreement. The purpose of the Agreement is met upon disbursement by USAID to the Recipient.

5. Estimated Completion Date: August 30, 2018

6. This Agreement consists of (a) this Title Page, (b) Annex 1, the Program of Work Description, and (c) Annex 2, Indicative Budget for the Activity.

7. Disbursement

Within 30 days of the last signature to this agreement, USAID will disburse the Program Contribution to the Recipient in U.S. Dollars by electronic funds transfer to the following site:

- Payment by Letter of Credit (LOC)

8. Reports and Financial Management

- a. The Recipient agrees to furnish USAID an annual financial statement, certified by the Head of Accounting (or equivalent), concerning the outputs of the account supported by this Agreement. These annual statements will be provided by March 31 of each year of the period covered by this contribution.
- b. The Recipient confirms that this award will be administered according to the Financial Regulations of the Recipient. The expenditure will be recorded in the accounts of the Recipient, which follow generally accepted accounting principles and will be subject to audit in accordance with the Recipient's standard audit procedures.

**9. Information and Marking**

The Recipient will give appropriate publicity to the Agreement as a program to which the United States contributes.

**10. Termination and Other Remedies.**

- a. Either party may terminate this Agreement in its entirety by giving the other party 90 days written notice. In addition, USAID may terminate this Agreement in whole or in part, upon giving the Recipient written notice, if the Recipient substantially fails to comply with any provision of this Agreement, after efforts have been made by both parties to resolve the issues.
- b. In the event of termination by USAID or in the event of termination by either party in the event of force majeure circumstances, the termination will not apply to funds irrevocably committed in good faith by the Recipient, including those entered into with third parties, before the termination date indicated in the notice of termination, provided that the commitments were made in accordance with this Agreement. Any portion of this Agreement which is not terminated will remain in full force and effect. If, however, the Recipient considers that the reduced funding makes the continuation of the Activity, or any part of the Activity, impracticable, the Recipient may terminate the Agreement in whole or in part.
- c. USAID, notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Recipient to refund a proportionate amount of the Grant in the event that the cost of the Activity is below total contributions by donors. If the provided, unspent balances attributed to USAID, as of the estimated completion date, is two percent or less of the amount contributed under this Agreement, then the Recipient may apply these balances to the continuation and close-out of the program of work beyond this date. The Recipient agrees to report to USAID within two years on how the balances were used for the purposes of this Agreement. In all cases, the Recipient must contact the USAID financial management representative listed below within 90 days of the estimated completion date, in the event of the availability of unspent and uncommitted funds.

**11. Other Provisions.**

- a. Consistent with numerous United Nations Security Council resolutions, including [S/RES/1269 \(1999\)](#), [S/RES/1368 \(2001\)](#), and [S/RES/1373 \(2001\)](#), both USAID and the Recipient are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of USAID to seek to ensure that none of

its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, the Recipient undertakes to use reasonable efforts to ensure that none of the USAID funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

**12.** USAID Mailing Addresses:

- USAID's technical representative for this Agreement by account is:

Ms. Peoulida Ros  
Development Assistance Specialist (Monitoring and Evaluation),  
Agreement Officer's Representative (AOR)  
U.S. Agency for International Development (USAID/Cambodia)  
#1, Street 96, Sangkat Wat Phnom,  
Khan Daun Penh, Phnom Penh, Cambodia  
Email: [pros@usaid.gov](mailto:pros@usaid.gov)

- USAID's financial management representative for this Agreement is:

USAID - M/CFO/CMP  
1300 Pennsylvania Avenue, NW  
SA-44, 430-J  
Washington, DC 20523  
[loc@usaid.gov](mailto:loc@usaid.gov)

**13.** Recipient Mailing Address:

- The Recipient's representative for this Agreement is:

Assistant Country Director (Programme)  
United Nations Development Programme (UNDP)  
#53, Pasteur Street, Boeung Keng Kang 1  
Phnom Penh, Cambodia

- The Recipient's financial management representative(s) for this Agreement are:

Ms. Channa May  
Finance Analyst  
Email: [channa.may@undp.org](mailto:channa.may@undp.org)  
United Nations Development Programme (UNDP)  
#53, Pasteur Street, Boeung Keng Kang 1  
Phnom Penh, Cambodia

**14. Acknowledgements – Recipient (UNDP)**

Signature: \_\_\_\_\_

Name: Ms. Setsuko Yamazaki

Title: Country Director

Date: \_\_\_\_\_

**15. Acknowledgements - USAID:**

Digitally signed by JAVIER O CASTANO  
DN: c=US, o=U.S. Government, ou=Department  
of State, ou=PIV, cn=JAVIER O CASTANO,  
serialNumber=9901000000000000000000000003  
6EE9  
Date: 2016.09.12 09:55:27 +07'00'

Signature: \_\_\_\_\_

Name: Javier O. Castano

Title: Agreement Officer

Date: September 12, 2016

## USAID PROGRAM CONTRIBUTION FISCAL DATA

1. Appropriation and Fiscal Year:

GLAAS Requisition No. REQ-442-16-000031

<u>Fund Code</u>	<u>Prog. Area/ Element</u>	<u>Sub-object Code</u>	<u>Amount (US\$)</u>
DV/2015/2016	A26/A140	4100301	\$31,285.85
DV/2014/2015	A26/A140		\$121,607.00
DV/2013/2014	A26/A140		\$56,342.00
<b>TOTAL</b>			<b>\$209,234.85</b>

2. Budget Account: \$209,234.85
3. Amount Obligated for this Action: \$209,234.85
4. Total Obligated Amount: \$209,234.85
5. Total Estimated Amount: \$209,234.85
6. Cost-Sharing Amount (Other Donors): Multiple (see Program Description)
7. Activity Title: Partnership for Development Results Phase 2"
8. Tax I.D. Number: 60003423
9. DUNS No.: 645521498
10. LOC Number: 17A8P



September 12, 2016

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United Nations Development Programme (UNDP)  
#53, Pasteur Street, Boeung Keng Kang 1  
Phnom Penh, Cambodia

14. Acknowledgements – Recipient (UNDP)

Signature: S. Yamazaki

Name: Ms. Setsuko Yamazaki

Title: Country Director

Date: 14 Sept. 2016

15. Acknowledgements - USAID:

Signature: 

Digitally signed by JAVIER O CASTANO  
DN: c=US, o=U.S. Government, ou=Department  
of State, ou=PIV, cn=JAVIER O CASTANO,  
serialNumber=99010000000000000000000000000003  
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Date: 2016.09.12 09:55:27 +07'00'

Name: Javier O. Castano

Title: Agreement Officer

Date: September 12, 2016

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10. LOC Number: 17A8P

**United Nations Development Programme  
Cambodia  
Project Document**

**Project Title:** Partnerships for Development Results – phase 2

**UNDAF/CPD Outcome:** By 2018, people living in Cambodia, particularly youth, women and vulnerable groups are enabled to actively participate in and benefit equitably from growth and development that is sustainable and does not compromise the well-being, natural and cultural resources of future generations

**Expected Output(s):** CPD Output 3.3: Institutional mechanisms in place to manage the transition in composition of ODA and to expand access to other sources of global development financing.

**Implementing Partner:** CRDB/CDC

**Brief Description**

This project supports the Royal Government of Cambodia to strengthen capacities and systems for managing multiples sources of development finance in the context of attaining Middle Income Country status. Working with CRDB/CDC, the project supports the production, analysis and management of data, information and knowledge that can inform resource allocation and programme implementation to ensure increased support to targeting of expenditure towards programmes that promote poverty reduction and inclusive sustainable growth, specifically in support of the RS-3 and NSDP as well as the localisation of the SDGs. The project supports: (a) institutional strengthening to manage and align diverse sources of development finance with the national budget, the NSDP & SDGs; (b) resource mobilisation and management related to public sector component of the Industrial Development Policy; and (c) continued implementation of development effectiveness objectives through the Development Cooperation & Partnerships Strategy.

Strategic Plan Output: 7.4, 7.5, 7.6, and 7.7

Atlas Project ID: 00095080

Start Date: 01 January 2016

End Date: 31 December 2018

PAC Meeting Date: 13 August 2015

Total resources required: USD 2.5 million

Total allocated resources: \_\_\_\_\_

Regular

Other:

Donor: \_\_\_\_\_

Donor: \_\_\_\_\_

Government: \_\_\_\_\_

Pipeline: \_\_\_\_\_

Unfunded: \_\_\_\_\_

In-kind Contributions \_\_\_\_\_

Agreed by (Government): \_\_\_\_\_ Date: \_\_\_\_\_

Agreed by (Implementing Partner): \_\_\_\_\_ Date: \_\_\_\_\_

Agreed by (UNDP): \_\_\_\_\_ Date: \_\_\_\_\_

## Acronyms

ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
BRICS	Brazil, Russia, India, China, South Africa
BSP	Budget Strategic Plan
CDC	Council for the Development of Cambodia
CDCF	Cambodia Development Cooperation Forum
CRDB	Cambodian Rehabilitation and Development Board
CSOs	Civil Society Organisations
DPs	Development partners
FDI	Foreign Direct Investment
FfD(3)	Financing for Development (3 <sup>rd</sup> meeting in Addis Ababa in July 2015)
GDP	Gross Domestic Product
GNI	Gross National Income
IDP	Industrial Development Policy
JMIs	Joint Monitoring Indicators
LDC	Least Developed Country
LMIC	Lower Middle-Income Country
MEF	Ministry of Economy & Finance
MIC	Middle Income Country
MoE	Ministry of Environment
MOEYS	Ministry of Education, Youth & Sports
MOP	Ministry of Planning
MOWA	Ministry of Women's Affairs
MTR	Mid-term Review
NSDP	National Strategic Development Plan
NGOs	Non-Governmental Organisations
ODA	Official Development Assistance
P+H	Partnership & Harmonisation (TWG)
PBA	Programme-Based Approach
PFM	Public Financial Management
PfDR	Partnerships for Development Results project (UNDP & co-funding DPs)
RGC	Royal Government of Cambodia
SDG	Sustainable Development Goals
SIDA	Swedish International Development Agency
SNEC	Supreme National Economic Council
TWGs	Technical Working Groups
UNDP	United Nations Development Programme

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## I. DEVELOPMENT CHALLENGE

Cambodia's development challenges are set out in the Rectangular Strategy – Phase III (2014-2018). In addressing these challenges, this project builds directly on RGC's own national and sector/thematic programmes, including the RS-III and NSDP. It also takes account of the UNDP mid-term review that was prepared in 2014 to inform UNDP's policy-based programming that supports Cambodia's trajectory towards, and beyond, the attainment of Lower-Middle Income Country (LMIC) status. In brief, these challenges can be considered across 3 broad areas: (i) consolidation of significant progress achieved; (ii) continuing to address on-going challenges; and (iii) preparing to respond to new and more complex development challenges.

**Consolidating progress** - GDP grew at an annual average rate of approximately 8% between 2000 and 2014. This resulted in the poverty rate falling from 47.2% (2004) to 18.6% (2013) and Cambodia's HDI value increasing 32% to 0.543. CMDG targets have largely been met or are on-track so that Cambodia is now well-positioned to adapt the SDGs into its own development strategies and plans. Building on the Development Cooperation and Partnerships Strategy, the challenge is to support Government to mobilise resources and partnerships that support the identification of policies and the implementation of plans that will consolidate this progress and sustain the upward trajectory of pro-poor growth, benefiting the poor and 'near poor' and expanding the economic base so that it provides opportunities for a young population with rising expectations.

**Responding to current challenges** - Cambodia's current policy priorities recognise that continued improvements must be maintained. Remaining challenges include working with development partners to address inequality, increase livelihood and employment opportunities, improve public service delivery and, by recognising the dependence of the poor on natural resources, increase the focus on sustainable development and climate change adaptation. These issues are afforded high priority in the Rectangular Strategy: economic competitiveness and diversification are prioritised while social sector challenges are also recognised, including gender equality and food security. If Cambodia is to realize its goal of becoming an upper middle income country by 2030, this calls for a gradual and transformational increase in public spending to build resilience, crowd-in private investments, and strengthen domestic resource mobilization. Such an increase in public spending and domestic resource mobilization will necessarily require the transformation of the economy to higher value-added industries and the generation of decent employment. To address these challenges the RGC has produced a number of specific new initiatives, including to launch its Industrial Development Policy (IDP) and to establish a National Council on Sustainable Growth.

**Preparing for a complex future** - as the country attains LMIC status it is also looking towards ASEAN economic integration and expanding trade opportunities. The Industrial Development Policy aims to modernise and diversify the economic base, increase added value in production and provide improved livelihood opportunities. Challenges include coordinating resources and actions to ensure an appropriate role for the state in enhancing the environment for the private sector and ensuring positive and equitable social outcomes. Ensuring effective use of ODA will be key to jump start process of establishing foundations (i.e. building resilience, transforming the economy, and strengthening tax base) for sustainable and inclusive growth, and the implementation of SDG-related activities while Cambodia looks towards LDC graduation is part of this challenge. Beyond ODA, it is also necessary to establish systems that can identify, measure and track other sources of development finance.

This project works in the context of ongoing public sector reforms and builds on a wide range of partnerships in both the public and private sectors that have been established and strengthened by Government to meet the challenges identified above. ODA partnerships remain significant (total aid was USD 1.45 billion in 2014, 10% of GDP) but external cooperation is declining as a share of

overall development finance. South-South Cooperation and other non-ODA forms of external cooperation are growing. Private sector investment – both domestic and foreign – is seen as a key driver of growth and employment. Finally, and most significant from the perspective of national leadership, domestic resource mobilisation is increasing in line with Government capacity to plan, budget and implement its own development programmes.

The challenge this project responds to concerns supporting the Royal Government and its partners to mobilise, manage and coordinate these diverse partnerships and resources so that they are translated into development results. The specific project-related challenge is to: (a) support institutional strengthening to ensure the effective use of ODA and other development finance during the LMIC transition; (b) support reforms and initiatives, including the Industrial Development Policy, aimed at mobilising public and private sources of development finance; and (c) implement the Development Cooperation and Partnerships Strategy to maximise new sources of development finance (e.g. for issues such as climate change), including concessional funding, in line with national & global development objectives and prospective LDC graduation.

## II. STRATEGY

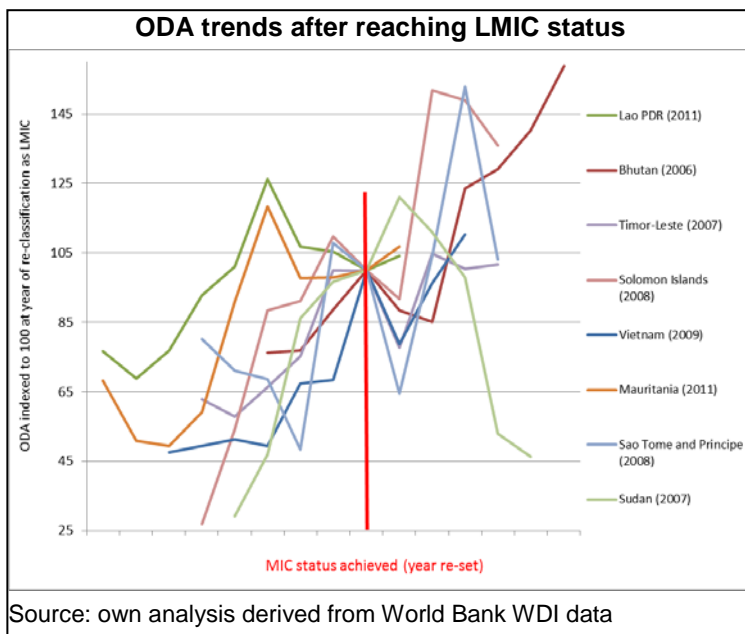
### **Context**

The RGC has elaborated its partnering challenges in the Development Cooperation and Partnerships Strategy (2014-2018). The Rectangular Strategy, NSDP and SDGs provide a broader development context in which to situate these challenges and, in alignment with UNDP's own Country Programme Document, formulate a project that is based on a credible Theory of Change.

In preparing a framework of cooperation, the starting point is to take note of global, regional and national development frameworks. These include the Sustainable Development Goals, Financing for Development, climate change financing, ASEAN integration and evolving partnering dynamics involving ODA donors and non-traditional partners from the South (including, for example, the proposed Asian Infrastructure Investment Bank). At national level, Cambodia has its NSDP in place and looks forward to transition towards Lower-Middle Income Country (LMIC) status in the near future. The Royal Government has also recently launched a national Industrial Development Policy (IDP), which includes a resource mobilisation and monitoring role for CRDB/CDC.

### **Contextual factors relevant to the mandate of CRDB/CDC**

<b>Global &amp; regional</b>	<b>National</b>
Increased diversity of development finance sources	Government focus on growth with equity (RS-3)
Reduced &/or targeted (more results-focused) ODA	Increased domestic revenue mobilisation
Increased attention to private sector role/potential	Industrial Development Policy (CRDB role)
Global initiatives: SDGs, FfD, Climate, parallel funds	Social sector development linked to economic sectors
ASEAN integration: competitiveness, readiness	Safety net provision (esp reducing vulnerability)
SE Asia positioning in global value chains	Evolving role for ODA & NGO partners (LMIC status)



Although LMIC status is fast-approaching, Cambodia will likely continue to be classified as a Least Developed Country (LDC) for perhaps another decade. It is also unclear how LMIC status will affect ODA flows as evidence from other countries (see chart opposite) suggests that many LDCs and other countries in the region continue to receive levels at or above their previous level after attaining LMIC status. It is therefore necessary to be vigilant regarding levels and composition of ODA (in terms of both loan/grant mix as well as source of funding).

Global dialogue has also focused on the issue of resourcing for LDCs and

LMICs. The July 2015 Financing for Development conference called for 0.15 - 0.2% of GNI ODA commitments to be allocated to LDCs. It is therefore important that Cambodia uses its continued LDC status, which offers preferential trade privileges and continued access to concessional development finance, to consolidate its recent development achievements and to address both current and emerging development challenges and opportunities.

As the table below shows, the 3 components of LDC status require making progress on priorities that Cambodia has already identified in its own development plans (at national level as well as sectorally and in the IDP). UNDP's own Country Programme Document (CPD) is also based on promoting access to sustainable and equitable economic opportunities. Moving towards LDC graduation is therefore closely aligned with the implementation of Cambodia's existing development framework as well as with the global SDG compact and will include income, human development and economic diversification strategies.

**Three components of LDC graduation**

Income	Human Asset Index	Economic Vulnerability Index
<p>The threshold for graduation is set at USD \$1,242 in 2015 (20% above the inclusion threshold of USD 1,035).</p> <p>A country can also graduate by having twice the GNI threshold. (USD 2,484 in 2015 (even if the other 2 components are not met).</p>	<p>Percentage of population undernourished (25%)</p> <p>Mortality rate (under-fives) (25%)</p> <p>Gross secondary school enrolment ratio (25%)</p> <p>Adult literacy rate (25%)</p>	<p><u>Exposure index (50%)</u></p> <p>Size: population (12.5%)</p> <p>Location: remoteness (12.5%)</p> <p>Economic structure:</p> <ul style="list-style-type: none"> <li>(a) merchandise export concentration (6.25%)</li> <li>(b) agriculture/forest/fish share (6.25%)</li> </ul> <p>Environment: population in low-elevation coastal zones (12.5%)</p> <p><u>Shock index (50%)</u></p> <p>Trade shocks: Instability of good &amp; services exports (25%)</p> <p>Natural shocks:</p> <ul style="list-style-type: none"> <li>(a) victims of natural disasters (12.5%)</li> <li>(b) instability of agricultural production (12.5%)</li> </ul>

Source: [http://www.un.org/en/development/desa/policy/cdp/ldc/ldc\\_criteria.shtml](http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_criteria.shtml) (number in brackets indicates overall index weight)

**National ownership, commitment and capacity in the Theory of Change**

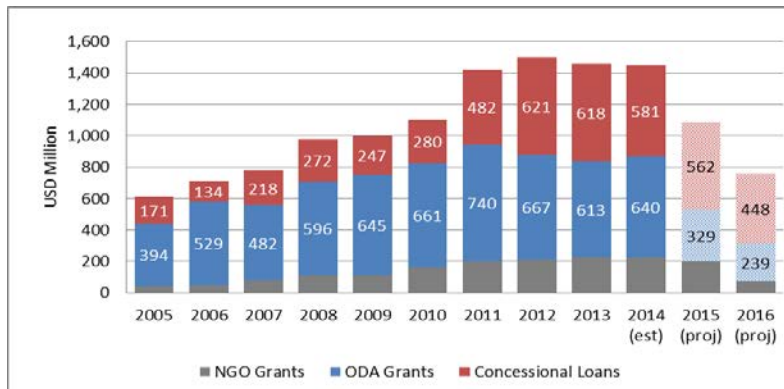
This is a key consideration in the Theory of Change for this project. CDC, the implementing partner for this project, has demonstrated commitment over a long period and has established itself as a credible and committed partner. Previous UNDP support has enabled CDC to develop its organisation and technical capacities and the Development Cooperation and Partnerships Strategy sets out a roadmap for managing all forms of external development finance. The Theory of Change depends on: (i) successful implementation of this approach; and (ii) integration with domestic resource management.



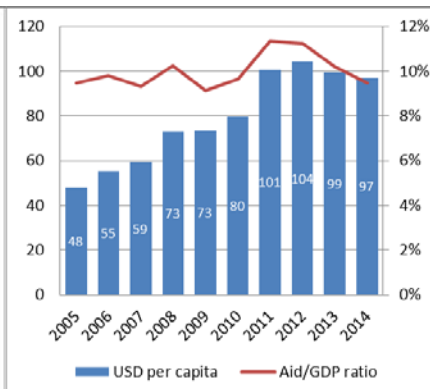
## Development finance is changing

Overall ODA levels have remained stable over the period 2011-2014, although the composition has changed. Total external development financing support amounts to approximately USD 1.45 billion annually (2014), representing 10% of GDP. Increased support from China, in the form of concessional loans, has complemented other forms of traditional ODA grant financing while some partners – notably ADB, World Bank and France – have begun a transition from grant to concessional loan funding. Government cost-sharing is also becoming more common place with implications both for policy alignment as well as for budget commitments.

Disbursements and Projections 2005-2016



Major ODA Trends



Source: Cambodia ODA Database (data extracted April 2015)

Some ODA sources are declining while other new opportunities are being established. Climate change finance is likely to provide an additional opportunity as a funding source that can be applied in a wide-ranging set of sectors related to growth and livelihoods as well as in more established sectors such as natural resource management. Newly-established multilaterals – the BRICS-led (Brazil, Russia, India, China, South Africa) New Development Bank and the Asian Infrastructure Investment Bank – will also increase access to concessional funding while requiring additional Government management capacities. The July 2015 Financing for Development agreement, situated in the context of the Sustainable Development Goals, also identified the need to increase and support the effort to mobilise ODA and other development finance, including domestic resources, NGO funds and South-South support, and to catalyse private sector finance to promote the transformational role of investment in supporting sustainable national development.

In this dynamic global and national context, it is necessary to support Government capacities to mobilise, coordinate and manage these partnerships. It is therefore important to take account of (a) national ownership and capacity; (b) an increasing diversity of development finance sources (both domestic & external); and (c) the rising complexity of Cambodia's own sustainable development challenges associated with coordinating and implementing policy priorities such as the Industrial Development Policy.

## Increasing diversity of development finance

Ownership and capacity underpin the ability to mobilise and manage funds and then deliver results. External cooperation levels have remained quite constant over the last 3 years at about USD 1.45 billion per annum (10% of GDP). This masks a changing profile, however, as China and ADB increase their support, mainly through concessional loans, while some other grant providers have exited. There are new funding opportunities, for example through parallel funds (e.g. the Green Climate Fund) as well as potential new actors on the public and private sides (the Asian Infrastructure Investment Bank,



In Vietnam, ODA is a small share of total development finance. The project will consider scenarios related to the likely future composition of Cambodia's own development financing.

innovative mechanisms such as development impact bonds) that can complement existing private flows such as FDI and increasing domestic investment. Government's own revenues are increasing and coming from a wider range of sources, both tax and non-tax.

### Overview of development finance sources

	Public	Private
Domestic	Tax revenues Non-tax revenues (licences, fees) Natural resource revenues/royalties Public-Private Partnerships Borrowing (domestic) Wealth Funds	Bank lending (private borrowing) Equity markets Local NGOs Corporate social responsibility (CSR)
External	ODA grants & loans (incl climate) Other Official Flows (OOFs) Public borrowing (non-concessional) South-South Cooperation International NGOs	Foreign Direct Investment (FDI) Remittances Private borrowing from abroad Philanthropy / CSR

Neighbouring countries, such as Vietnam (see box above) highlight how different sources of development finance become significant considerations in calculating and managing the overall development resource envelope. The table (above) also indicates the diversity of potential development resources available to Middle-Income Countries and highlights the need to manage these resources coherently, either as part of the public purse or through outreach and partnerships with the private sector and other non-state actors.

### Complex development challenges

The effective mobilisation and management of increasingly diverse sources of development finance is necessary to ensure that Cambodia can respond to increasingly complex development challenges. Cambodia's impressive record of achievement in attaining the CMDG targets means that the country is well positioned to address these challenges but will require additional economic management capacities. For example, the Rectangular Strategy identifies strengthening and broadening the economic base to ensure that all people have opportunity to access to decent employment and improve their livelihoods.

From the experience of developing countries that transitioned from LIC to Upper MIC, the transformation is accompanied by a gradual sustained, significant and permanent increase in public spending to support economic growth and deliver the basic necessities to secure a development transformation.<sup>1</sup> International experience show a gradual and sustained increase in public spending to 14%-15% of GDP. Cambodia's performance is at 5.5% of GDP, which is lower than Lao PDR, Thailand, and Malaysia. For now, such an increase will be challenging given the current dependence of public revenues and domestic resource mobilization on low value-added industries, vulnerable employment and subsistence farming, and the large informal economy.

Cambodia's open economy also means there is a need to strengthen the country's links to the global trading system and Cambodia is, accordingly, seeking to move up the value chain as a strategy for maintaining growth while increasing productivity and competitiveness and diversifying products and markets. The Industrial Development Policy identifies the role of Government in supporting the trade and business environment and includes a number of areas that development partners can proactively contribute to in order to strengthen, complement and catalyse investment and industrialisation (see table below). The transformation of Cambodia's economic structure to

<sup>1</sup> Roy, R., Heuty, A., and Letouze, E. (2007) Fiscal Space for What? Analytical Issues from a Human Development Perspective, Paper for G20 Workshop on Fiscal Policy, Istanbul 30 June -2 July 2007.

higher value added production will be critical not only for generating decent employment, but also strengthening domestic resource mobilization.

A wide range of Government programmes, many requiring resourcing or partnering with non-Government actors, have been established. The important contribution of NGOs and civil society organisations has also been fully acknowledged by Government. NGO support – technical, community-based and humanitarian – emphasises their important contribution as well as the need for effective coordination and monitoring of resources and impact. CRDB/CDC serves as an important facilitator of the NGO relationship with Government.

**Potential role of external development cooperation in promoting the IDP**

<p><b>Support to public infrastructure &amp; logistics development</b></p> <ul style="list-style-type: none"> <li>• Transport infrastructure &amp; logistics</li> <li>• Power generation and distribution</li> <li>• Water and irrigation services</li> <li>• Economic corridor development and promotion of Special Economic Zones</li> <li>• Opportunities to use ODA infrastructure loans to leverage private-sector financing</li> </ul>	<p><b>Direct partnerships with the private sector</b></p> <ul style="list-style-type: none"> <li>• Direct support to the micro-finance sector</li> <li>• Promoting corporate social responsibility initiatives</li> <li>• Partnering on private sector philanthropy initiatives (using ODA as venture)</li> <li>• Supporting the private sector to be effective development actors.</li> </ul>
<p><b>Strategic investments in trade facilitation and the promotion of economic competitiveness</b></p> <ul style="list-style-type: none"> <li>• Supporting established policy dialogue between the Government and private sector to understand and identify opportunities for engagement.</li> <li>• Facilitating business and commercial ties between Cambodia and its partners.</li> <li>• Investing in social sectors, including vocational education, that promotes improved opportunity, livelihoods and productivity.</li> <li>• Ensuring that ODA aligns with Government actions to promote urban-rural linkages and climate change adaptation to ensure balanced, equitable and sustainable development.</li> <li>• Supporting knowledge transfer on innovative approaches to partnering with the private sector and engaging with private sector actors.</li> </ul>	<p><b>Support to Government efforts to enhance the enabling environment &amp; promote investment</b></p> <ul style="list-style-type: none"> <li>• Support to the development and regulation of the financial sector, including for micro &amp; SMEs.</li> <li>• Human capital development, labour law &amp; relations and improvements to the working environment.</li> <li>• Policy advice on legal matters such as financial sector regulation, contract law, registration and regulation of businesses, taxation &amp; investment codes.</li> <li>• Capacity development on trade facilitation, diversifying production and accessing markets.</li> <li>• Continued support to government reforms and institution building that provide quality public services and environmental protection (e.g. EIA capacities).</li> <li>• Access to knowledge and technology transfer (including South-South) on innovative technologies.</li> </ul>

CDC has been given significant responsibilities related to IDP leadership, management and monitoring. Specifically, section 7 of the IDP states that the Royal Government of Cambodia (RGC) “will initiate a set of comprehensive institutional reform measures by providing full mandate and delegating the necessary functions to CDC in terms of policy decision-making, designing and implementing plans, and addressing challenges in the industrial sector with the aim at transforming this institution into an effective mechanism to lead, coordinate and enhance the implementation of the IDP”.

According in to section 7 of the IDP, CRDB is to “act as the operation arm of the CDC to lead, facilitate and implement the industrial development policy vis-à-vis public investment” including to “support the development of manufacturing industry and SMEs; strengthen dialogue coordination with development partners”. Further, CRDB is to lead resource mobilization efforts with development partners in the following areas: “mobilize technical resource, investment and financing to promote

trade facilitation and enhance investment environment; to ensure transport, logistics infrastructure and digital connectivity; to develop human resource and skills; to develop technology and innovation; to manage industrial related environmental impacts; and to provide public utilities”.

To complete these tasks CRDB/CDC is to prepare “a strategic plan for managing public investment aimed at promoting industrial development; improving and strengthening the approval process and facilitating the implementation of public investment projects; promoting and attracting investment from development partners; and strengthening project facilitation or public investment programs for promoting industrial development.” CRDB is tasked with re-structuring its systems and staffing in order to ensure these tasks are accomplished.

### ***Regional and global factors that drive results***

The Theory of Change also takes account of regional and global initiatives that will impact on Cambodia’s development management. In addition to attaining LMIC status and looking towards graduation from the LDC category of countries (see above), there are a number of additional relevant regional and global factors. First, at a regional level, is the forthcoming ASEAN Economic Community which offers opportunities as well as challenges for businesses and the labour force. Second, is the opportunity afforded from being located in a ‘dynamic neighbourhood’ that can provide access to investment, technology and the start-up of new industries attracted by Cambodia’s low wage levels and demographic dividend.

At the global level Cambodia continues to be an active and committed member of the Global Partnership for Effective Development Cooperation. The Global Partnership’s work in convening a wide range of development actors – partner countries, donors, NGOs, South-South providers, private sector and parliamentarians – provides a useful forum for learning and exchange. Linked to this is the July 2015 Financing for Development (FfD3) Conference (and follow-up) that focused on establishing broader partnerships for development, looking beyond ODA to include South-South Cooperation, private sector partnerships. The FfD3 placed an emphasis on domestic finance (especially tax policy), international finance (welcoming new multilateral actors and specialized funds), ODA (maintain ODA support to newly-classified Middle Income Countries and providing dedicated support to LDCs), trade and private business (investment, partnerships and philanthropy) and technology transfer.

Two UN sponsored initiatives will also provide significant opportunities for Cambodia and will require a concrete and strategic response from policymakers. First, the Sustainable Development Goals (SDGs) were agreed in September 2015 at the UN General Assembly; these Goals will require localisation and adaptation to ensure that they are well aligned with planning and financing frameworks. The SDGs will also introduce key development priorities such as inequality, gender, and economic, social and environmental sustainability into the dialogue on partnerships and resources. Second, the UN Framework Convention on Climate Change at the end of 2015 has also resulted in new funding opportunities. As Cambodia moves to manage all development finance flows, policy-based programming must take account of all of these issues.

### ***Setting project goals***

The Theory of Change for this project establishes 3 main goals that will inform the key deliverables and activities of the project:

- i) **Institutional strengthening of the RGC.** This will ensure the effective use of all sources of development finance, including but looking beyond ODA, during the LMIC transition. Emphasis is placed on mobilising and managing resources in a results-based approach in a coherent and comprehensive framework that is aligned with national development priorities;
- ii) **Support to RGC reforms and economic management.** Successful implementation of reforms and initiatives, specifically the Industrial Development Policy and supporting CRDB/CDC’s role in mobilising, managing and monitoring public finance inputs.
- iii) **Implementing development effectiveness practices.** Ensuring that the Development Cooperation and Partnerships Strategy maximises new sources of development finance

including concessional funding and yields development results. This output area includes managing development partnerships and resources (as per the Development Cooperation & Partnerships Strategy) in line with: (a) national & global development effectiveness commitments; (b) LMIC transition; and (c) prospective LDC graduation.

### ***Defining the project approach***

The approach that has been identified involves: (i) building on UNDP project support with CDC and the partnerships that have been established over the course of the Partnerships for Development Results (2011-2015) project; (ii) convening stakeholders and partnerships that can, both individually and collectively, influence the mobilisation of resources and implementation of activities consistent with attaining the desired project results; and (iii) embracing the policy-led programming approach that has been agreed between the RGC and UNDP and factors in opportunities for participatory learning, review and adaptation so that activities and approaches can be modified based on experience and lessons learned.

The approach mainly concerns continued support to CDC's implementation of the Development Cooperation and Partnerships Strategy and management of the dialogue and partnering arrangements, both bilateral and multi-stakeholder. Recent efforts to strengthen TWG effectiveness will be consolidated as a principal mechanism for discussing resourcing and financing of priority development effectiveness included in the Rectangular Strategy, the NSDP and sector plans. Bilateral consultations will also be given increased emphasis, especially as a means of aligning external support with the Industrial Development Policy. This will ensure that well-established ODA relations with Cambodia's donors are the foundation for supporting Government efforts related to the SDGs and other global commitments such as climate finance, as well as responding to national initiatives such as the NSDP, the Industrial Development Policy and sector/thematic plans.

Partnerships with non-ODA providers of external assistance will also be strengthened. From the perspective of external cooperation, this will include working more closely with China and maximising opportunities related to Cambodia's membership in the Asian Infrastructure Investment Bank, which offers significant financing opportunities for Cambodia. Private sector actors and NGOs will also be key stakeholders and relationships will be maintained and strengthened in line with the principles and tools set out in the Development Cooperation and Partnerships Strategy. This focuses, in particular, on results-based approaches, resource transparency and improved partnership dialogue, for example through dedicated dialogue meetings with both the private sector and NGOs.

## Theory of Change

<b>Challenges</b>	<p>The project must support RGC to produce data and evidence that can inform resource allocation and programme implementation to ensure increased support to targeting of expenditure towards programmes that promote poverty reduction and inclusive sustainable growth. Challenges are as follows:</p> <ol style="list-style-type: none"> <li>1. Government requires institutional strengthening to manage LMIC transition and to align diverse development finance sources with the national budget, the NSDP &amp; SDGs.</li> <li>2. Capacity to implement reforms (including the CDC-led public sector component of the Industrial Development Policy) requires support to ensure that mobilisation of public resources complements private sector activity in accordance with the IDP objectives.</li> <li>3. Implement the Development Cooperation &amp; Partnerships Strategy, including to manage resources in line with broader development objectives and prospective LDC graduation.</li> </ol>		
<b>Root causes</b>	<p>Increased complexity and a rapidly changing development context – and resource base – require enhanced leadership &amp; technical capacity in Government to ensure effective resource management, programming of funds to priority programmes and links to development results. Capacity to establish, maintain and strengthen multi-stakeholder partnerships in an integrated manner is also a requirement in a more complex development setting.</p>		
<b>Project strategy</b>	<p>Working with CDC, the project will strengthen national capacity to mobilise and manage development finances and partnerships. The project will build on existing RGC frameworks, including the Development Cooperation &amp; Partnerships Strategy and the Industrial Development Policy, and will support on-going public sector reforms and partnerships with all development actors. ODA management and strategy will evolve to emphasise the role of ODA as a catalyst, as a complement and as a niche source of finance for supporting priority national development programmes.</p>		
Inputs (activities)	Deliverables	Project Goals	Outcomes (link to UNDAF and CPD)
<ul style="list-style-type: none"> <li>• Conduct an Integrated Resource Mapping study to evaluate all sources of development finance, their availability and use.</li> <li>• Review global commitments arising from FfD, Global Partnership, SDGs &amp; Climate convention.</li> <li>• Support CDC institutional strengthening to manage public resources in a strategic and complementary manner.</li> </ul>	<p>Resource Mapping report Integrated Dev't Finance Study Capacity Assessment / Strategy</p>	<p><b>Institutional strengthening of the RGC.</b> This will ensure the effective use of all sources of development finance, including but looking beyond ODA, during the LMIC transition. Emphasis is placed on mobilising and managing resources in a results-based approach in a coherent and comprehensive framework that is aligned with national development priorities</p>	<p>UNDAF: By 2018, people living in Cambodia, particularly youth, women and vulnerable group are enabled to actively participate in and benefit equitably from growth and development that is sustainable and does not compromise the well-being, natural and cultural resources of future generations</p> <p>CPD Output 3.3: Institutional mechanisms in place to manage the transition in composition of ODA and to expand access to other sources of global development financing.</p> <p>Indicator 3.3.2: Effective mechanism in place to access, monitor, report on and verify use of national budgets, official development assistance and other sources of global financing for achievement of the Sustainable Development Goals.</p>
<ul style="list-style-type: none"> <li>• Research into the public investment requirements of IDP</li> <li>• CRDB/CDC to produce a Concept Note, to support IDP implementation &amp; setting out its role and capacity needs.</li> <li>• Review and strengthen CRDB/CDC organisation and structure (incl ODA Database amendments)</li> <li>• Link CDC institutional/capacity strengthening work with wider development finance management</li> </ul>	<p>Public investment study IDP Concept Note Organisational review Capacity Assessment (above) Capacity Strategy (above)</p>	<p><b>Support to RGC reforms and economic management.</b> Successful implementation of reforms and initiatives, specifically the Industrial Development Policy and supporting CRDB/CDC's role in mobilising, managing and monitoring public finance inputs</p>	
<ul style="list-style-type: none"> <li>• DCPS progress review and consultation meeting</li> <li>• TWG strengthening based on revised Guideline and application of DCPS tools (PBAs, ODA data transparency, JMIs &amp; results frameworks)</li> <li>• Maintain ODA/NGO Databases and expand database system (including new GIS functions) to record all sources of development finance and results linkages</li> <li>• SDG dialogue/consultation (DP/NGO/PS &amp; Global Partnership)</li> </ul>	<p>DCPS progress report ODA analysis South-South evaluation DCPS evaluation (2016) TWG Network meetings JMI monitoring &amp; review Global Partnership monitoring s</p>	<p><b>Implementing development effectiveness practices.</b> Ensuring that the Development Cooperation and Partnerships Strategy maximises new sources of development finance including concessional funding and yields development results. This output area includes managing development partnerships and resources (as per the Development Cooperation &amp; Partnerships Strategy) in line with: (a) national &amp; global development effectiveness commitments; (b) LMIC transition; and (c) prospective LDC graduation</p>	
Means of verification & review (monitoring & evaluation)	Board meetings and quarterly reports. DCPS evaluation (2016)		UNDAF and CPAP monitoring

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### III. ACTIVITIES, RESULTS AND PARTNERSHIPS

#### ***Project activities***

Project activities are based on the policy-based programming approach. This will include: (a) an analysis of all forms of development finance in Cambodia and the manner in which they are coordinated and complementary; (b) a review of results and implementation to date of the Development Cooperation & Partnerships Strategy; and (c) exploring and understanding the financing policies and practices of other countries in the region (especially countries such as Sri Lanka, which has a highly-regarded resource management framework, and Asia-Pacific LDCs such as Lao PDR, Bhutan, Timor Leste, and Solomon Islands that are now LMICs).

Initial activities, beginning 2016, are therefore structured around the following key deliverables:

#### ***Project key deliverable 1. Institutional strengthening of CRDB/CDC***

- Conduct an Integrated Resource Mapping study to evaluate resource availability and use (including cross-country comparison). This will examine trends in all sources of development finance in order to identify opportunities for enhanced resource mobilisation and coordination (especially in key areas such as climate change, gender mainstreaming across ministries and the IDP).
- A capacity review to strengthen and support RGC institutional strengthening to manage all public resources in a strategic and complementary manner. The resource mapping may identify coordination and institutional capacity issues while the IDP also mandates new tasks and organisational responsibilities across Government, including CDC.
- Maintain ODA Database and establish information systems to capture all sources of development finance, and enhance analytical capacity at CDC. As stated above, the need to improve tracking and on-budget recording of cross-sectoral investments will require amendments to the ODA Database. There is also scope to introduce GIS mapping to provide improved reporting and ease of access to the data for a wider audience.

#### ***Project key deliverable 2. Support to IDP implementation and economic management***

- Support the CDC to do research into the public investment requirements of the IDP
- Support CDC in applying its capacity review to address new work functions, including to develop an IDP Concept Note and to support NGO transparency initiatives. This will address issues such as resource mobilisation and planning, dialogue and consultation, and monitoring.
- Support CRDB/CDC organisation and structure (including ODA/NGO Database amendments). New responsibilities and a changing development context will present new challenges for CRDB. These include staffing and structure but also to adapt tools such as the ODA/NGO Database to make it compatible with the national budget with a view to supporting the programme budget initiative being rolled out as part of PFM reform.
- Link CDC institutional/capacity strengthening work with wider development finance management. This will link IDP-related resource mobilisation work with wider efforts to mobilise and manage climate funds and private sector resources. Coordination capacity is required to support the lead ministries in leading the development effort with respect to cross-sectoral issues.

#### ***Project key deliverable 3. Implementing development effectiveness practices***

- Review global commitments arising from the Financing for Development conference (FfD3), the Global Partnership, the SDG launch & the CAP 21 Climate convention. This will ensure that Cambodia adapts and implements global commitments and can seize any new opportunities. CRDB leadership in building partnerships around the adoption and adaptation of the SDGs will be strengthened, especially in establishing strong links with the

monitoring role performed by the Ministry of Planning. A key part of this analysis concerns two priority cross-cutting areas: climate change and gender equity.

The Royal Government has fully acknowledged that continued social and economic progress in Cambodia requires making further advances towards women’s empowerment and gender equality. As a cross-cutting issue, it can, however, be challenging to identify all of the actors and resources engaged in gender equality activities. This, in turn, can make planning, implementation and monitoring challenging

To support MOWA in effective coordination and establishing programme-based approaches, information has been extracted from the ODA Database (see table below). The numbers are quite startling: projects with a value of more than USD 250 million of ODA are recorded as having made some form of contribution to gender equality in 2014. MOWA manages just USD 1.8 million while a further USD 4.7 million of resources are provided by development partners to non-government actors. Only 18 in total were classified as having gender as the principal ‘sector’; the remainder included gender equality as a thematic issue. This means that while all of these projects were expected to contribute to the gender equity effort, not all were dedicated wholly to gender-specific activities.

**Support to Gender Equality in 2014 (USD 000s)**

Implementing agency	Gender as principal sector	Gender as Thematic Marker or through TWG	Grand Total
<b>MOWA</b>	1,755 (MOWA alone)	15,553 (MOWA & other ministries)	<b>17,309</b>
<b>Other ministries (non-MOWA)</b>	0	169,599	<b>169,599</b>
<b>Non-RGC (NGO / DP)</b>	4,657	65,704	<b>70,360</b>
<b>o/w major DPs</b>	Australia 1,601 UN 1,582 Spain 1,473 EU/EC 753 Japan 714	ADB 50,672 France 33,688 UN 32,492 Australia 29,949 USA 26,748	
<b>Grand Total</b>	<b>6,412</b>	<b>250,856</b>	<b>257,268</b>

The data indicates that a significant share of ODA resources (almost 20% of total funding) contributes to gender equality in Cambodia. While gender-specific projects implemented by MOWA make up a very small fraction of the resources and actors involved in gender equity work, the truly cross-cutting nature of funding and engagement is demonstrated by the wider resources being deployed. MOWA’s role in coordination and advocacy, as opposed to implementation, therefore cannot be over-stated and CRDB/CDC has an important role to play in providing data and evidence that can inform programming and implementation for gender equity (and similarly for climate change).

- DCPS independent evaluation and consultation meeting. An independent evaluation in 2016 is provided for in the DCPS and the project will support CDC in leading this effort in establishing a linkage between resources and results. It will also be able to build on the resource mapping work to provide a fuller picture of the financing landscape and the priority areas for partnering. A complementary South-South evaluation is also a timely intervention in order to understand more about this important but under-utilised resource. NGO mapping work will also be conducted to support transparency in programming and monitoring of results.
- TWG strengthening based on the revised TWG Guideline and application of DCPS tools (PBAs, ODA data transparency, JMIs & results frameworks). This will consider opportunities for working more closely through established mechanisms with partners

While the first year of activities can be identified in line with the project goals, the project incorporates a sufficient level of flexibility that enables learning and adaptation. Policy-led



programming will ensure that project work is strongly linked to evidence and makes a strong contribution to the RGC development agenda.

### **Expected Results**

The relevant UNDP Country Programme Output requires that Cambodia establishes “institutional mechanisms ... to manage the transition in composition of ODA and to expand access to other sources of global development financing”. This is linked to the UNDAF Outcome associated with achieving equitable and sustainable growth.

The project approach fits squarely with the UNDP Country Programme Output in that it aims to support CRDB/CDC – and the Government more broadly – to establish mechanisms, work processes and data systems that can support resource mobilisation, management and coordination that extends beyond traditional ODA relationships. The following results are anticipated for each of the project key deliverables:

*Result 1 – RGC institutions and capacities are strengthened to manage and align diverse development finance sources with the national budget, the NSDP & SDGs (including to support LMIC transition).*

Activities supporting this result include conducting a Resource Mapping report and Integrated Finance Study followed by a Capacity Assessment and Strategy to address management needs associated with resource mobilisation and partnership.

*Result 2 – CDC capacity is strengthened to support implementation of reforms related to the Industrial Development Policy and mobilisation of public resources that complement private sector activity in accordance with the IDP objectives.*

Activities include a Concept Note outlining CRDB/CDC’s role and functions in implementing the Industrial Development Policy (IDP) and organisational review linked to the capacity work scheduled under Result 1, above. Capacity in this result area will include attention to outreach and partnering functions (soft skills) related to CRDB/CDC’s IDP convening role.

*Result 3 - The Development Cooperation & Partnerships Strategy is implemented including to manage resources in line with broader development objectives and prospective LDC graduation.*

This result area continues support to DCPS implementation and monitoring, including an independent evaluation scheduled for 2016. It includes ODA analysis and support to monitoring of the Global Partnership, which is scheduled to take place early in 2016 as part of the global Busan commitments. Current support activities provided by UNDP to CDC, including TWG Network, JMIs and Partnership & Harmonisation TWG work, will continue. CRDB’s coordination role will also extend to supporting localisation of the SDGs and the establishment of processes that can track the resources-results linkage.

The combined changes that are expected to result from these activities concern the capacity of Government to mobilise, manage, coordinate and monitor resources from a diffuse range of sources. This, in turn, will contribute to enhanced resource allocation and accountability for delivering development results that support equitable and sustainable economic growth.

### **Partnerships**

The project will work most closely with, and will be implemented by, CRDB/CDC. CDC is uniquely-positioned to establish, strengthen and guide partnerships comprising all development actors: domestic and foreign; public and private. The principal partnership with the project’s development partner funders, who will also offer guidance and technical inputs through the Project Board as well as through existing dialogue mechanisms.

Partnerships with Government agencies are central to attaining the objective of managing resources and aligning them with sustainable growth objectives. Key partners include central ministries/agencies (MEF, MoP, SNEC), line ministries/agencies of the Royal Government. These

ministries and agencies will be provided with the evidence and data produced by CRDB/CDC based on project support and, with strengthened capacities and outreach functions, will be able to advocate for improved resource-results linkages. Existing key partnerships in cross-cutting issues, especially gender (Ministry of Women's Affairs) and climate change (Ministry of Environment) will continue to be prioritised, especially in promoting programme-based approaches and improved data analysis that supports development effectiveness and partnering in those cross-cutting areas.

Partnering with Government and development partner counterparts will mainly take place through the mechanisms provided for in the Development Cooperation & Partnerships Strategy: CDCF, GDCC and TWGs. The TWG Network provides for a peer review and learning mechanism while Government-led bilateral consultations with development partners provide additional opportunities for intra-Government coordination on policy and resourcing issues.

CDC's mandate concerning the Industrial Development Policy will also position CDC to coordinate and establish effective dialogue arrangements related to industrialisation, primarily related to resource mobilisation and alignment. This will serve as a further link to non-state and private development actors.

The arrangements for dialogue and partnering with domestic non-state actors will be strengthened and put to further use. These relationships include private sector actors, with coordination through the on-going Government – Private Sector Forum, and with NGOs, for whom the NGO Consultation Meeting has been proposed. In tandem with Cambodia's development partners, these actors will also participate in TWGs and GDCC meetings while the CDCF is, over an extended period, slated to be succeeded by a more nationally-focused and expanded Cambodia Development Forum. Development partners will also continue to access bilateral dialogue mechanisms with the RGC, which are chaired by CDC.

All of these actors play an important role in implementing the activities set out above and in attaining the results identified in the Theory of Change. Roles include the source of development finance, managers of development finance, or implementers of development projects. In all cases, the importance of designing policy-relevant dialogue forums for sharing ideas and information on the mobilisation and use of development finance is central to the success of the project.

### **Stakeholder Engagement**

Key stakeholders include the following:

*Development partners* – who will be engaged through bilateral negotiations, TWG, GDCC and CDCF meetings. The Partnership & Harmonisation TWG will have an important role in taking forward the discussion related to management of development finance and LDC graduation.

*Central ministries* – MEF and SNEC will play an important role in integrated resource management. Actions will be identified based on policy research conducted through the SNEC – with project support – with CDC as an established key member. To support SDG outreach, especially related to incorporation into sector plans and monitoring frameworks, CRDB/CDC will strengthen its partnership with MoP regarding data management and the effort to link resources and inputs with development outcomes.

*Cross-cutting ministries* – as development finance addresses complex and cross-cutting challenges the engagement of MOWA and MOE, for example, becomes more crucial. These ministries already seek to maintain close relations with CDC. Other ministries playing an important role in South-South Cooperation, e.g. MAFF, will also be important stakeholders and will be engaged through the respective TWGs.

*Private sector & NGOs* – as the source and/or managers of growing shares of development finance, these actors will be engaged in information sharing as well as coordination and monitoring of development impact in order to identify opportunities for further cooperation based on mutual interest. Following the passing of the Law on Associations and NGOs in July 2015, CRDB will collaborate with NGOs to support new initiatives related to transparency and reporting. To ensure

that the project acts as a hub for knowledge management, and building on the agreements reached at the July 2015 Financing for Development conference, this will include the identification of a number of private companies and NGOs engaged in innovative forms of development finance with lessons that can be shared more widely. Existing consultation and policy dialogue mechanisms will be used and strengthened to the fullest extent possible.

### ***South-South and Triangular Cooperation***

CDC currently promotes South-South and Triangular Cooperation through the Development Cooperation & Partnerships Policy. Key partners include line ministries such as MAFF as well as development partners: UNDP, Japan and KOICA. A necessary intervention at this stage, especially for policy-relevant programming, is to conduct an evaluation to assess the scope and scale of current South-South activities with a view to learning and scaling up. The project objective should be to facilitate a significant increase in the adoption and utilisation of South-South and Triangular Cooperation opportunities as they currently are felt to have significant unfulfilled potential.

### ***Sustainability and Scaling Up***

CDC has been the champion of national systems strengthening and use. Its pedigree in leading this effort dates back to the Paris Declaration in 2005. The work beginning with this project builds on previous experience and, through the Development Cooperation and Partnerships Strategy, embraces monitoring of indicators and ambitious targets for strengthening capacities and systems. The table below highlights the extent of the challenge.

**Progress towards DCPS indicators (2014 data)**

	2014 value	2018 target	2010 (reference)	2007 (reference)
1a) Use of results frameworks	17.5%	tbc	---	---
1b) Use of PBAs	25.7%	50%	35%	28%
1c) Share of untied aid	58%	> 60%	59%	52%
2a) Use of PFM systems	28.3%	50%	21%	12%
2b) Use of procurement systems	28.9%	35%	24%	16%
3a) Aid on-budget	73.7%	90%	114%	85%
Predictability	116.9%	95%	91.3%	104%
3b) Mutual assessments of progress (JMIs)	JMIs established for 2014-2018	1 <sup>st</sup> monitoring report produced	Yes	Yes

The strategy to be adopted involves working with the on-going RGC public service reforms and promoting the use of the TWGs as venues for learning and sharing experience related to capacity development and lesson learning.

The 2016 evaluation of the Development Cooperation and Partnerships Strategy, to be supported and facilitated by this project, will provide important insights into progress made and the next steps to be taken. Work will then be taken forward through implementation of the TWG Guideline, revised in mid-2015 to address capacity challenges and to consider issues related to the management and alignment of development finance.

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## IV. PROJECT AND RISK MANAGEMENT

### ***Risk Management***

The project's key risks relate to UNDP's ability to convene the multi-partner processes that are required to maximise project results and to RGC implementation capacities. Social and environmental risks<sup>2</sup> are not considered to be of significant concern in this project given its technical/advisory focus that does not involve any field work, engagement with communities or natural resource use.

#### Risk 1. Ability to convene multi-partner dialogue and implementation

The project outputs require collaboration across Government as well as with non-RGC actors. It is understood that this can be challenging, especially for activities related to: (a) information systems (b) cross-cutting issues and (c) the establishment of results linkages. To mitigate this, the project will work closely with the RGC authorities, including CDC through its SNEC membership and leadership of the TWG mechanism that provides for high-level access to central and line ministries. The project will also be closely associated with the UNDP policy support project that will convene and strengthen relationships with both RGC and non-government actors. Cambodia's participation in, and commitment to, the Global Partnership for Effective Development Cooperation can also be used as an opportunity to access partners at the regional and global level while offering guidance for establishing and strengthening relationships at national level.

#### Risk 2. Ability to translate activities into meaningful results

The project anticipates a number of intensive activities that focus on institutional strengthening, capacity development, partnership brokering, and knowledge management. None of these activities will, in themselves, assure the project of attaining its higher level results. Knowledge management and communications capacities will be key complements to technical skills that ensure that data and evidence are presented to the right audience in a meaningful way to inform policy making processes and resource allocation. To mitigate this risk the project has secured high-level political leadership at Board level. The knowledge management and communications strategy will be developed to foster understanding of policy makers and the public of the critical issues, policy options, and solutions involved in navigating the changing development finance landscape. The Theory of Change has also been carefully prepared to identify potential bottlenecks that can be addressed during project formulation. Monitoring (and mid-term evaluation if deemed necessary by the Board) will also guide the project towards results.

#### Risk 3. Government implementation capacity compromises results

This risk is explicitly addressed in project formulation by treating capacity development as a key activity in its own right. The project builds on previous capacity support work that leaves UNDP well-positioned to understand context and work constructively with RGC to identify both old and new capacity challenges associated with development cooperation management as well as with the organisation required for implementing the new Industrial Development Policy.

#### Risk 4. Reduced ODA and donor influence will marginalise the project and reduce influence

As RGC domestic resource mobilisation increases and other non-ODA sources of development finance are secured, there is a risk that CDC's work located in aid management becomes less potent in terms of ability to convene and broker development partnerships. The project therefore leverages on global commitments made at the Financing for Development meeting to position aid as a catalyst and complement to other forms of development finance in order to ensure its continued relevance. Using the resource mapping study and IDP as entry points, the project will also build on these opportunities to position ODA providers at the centre of a RGC policy that commands high-level commitment and support.

### ***Cost Efficiency and Effectiveness***

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<sup>2</sup> This project will not be screened against the Social and Environmental Screening template as outputs comprised solely of report preparation, coordination of event/training/workshop/meeting /conference, or development of communication materials.

The project's budget is informed by previous experience in working closely with CRDB/CDC. There are also well-established relationships and synergies with other development partners and dialogue processes, e.g. the TWGs. The project budget is therefore felt to represent a realistic assessment of costs and will offer value for money based on benefiting from and utilising the capacities, processes, systems and mechanisms that have already been established by RGC and CDC in the past using the support of UNDP and its co-financing partners. For example, the 2015 budget for support to CDC and its outreach functions comes to less than USD 700,000. This is about half the sum provided to CDC by predecessor projects in the period 2006-2010 that is made possible by ability to use the systems and structures that previous support helped to build.

The strategy set out in the document is based on the Theory of Change that includes drawing from good practice established during the predecessor phase of UNDP (and co-funders) support to CRDB/CDC. These practices include: (i) the application of the national implementation modality that delegates much of the project's planning, implementation and financial management to CRDB/CDC; (ii) use of the RGC DCPS progress review in 2016 to gather lessons; and (iii) the use of the TWG mechanism and related consultation/discussion processes as well as the ODA/NGO Databases. This approach is cost effective while making maximum use of country systems and established processes to promote sustainable capacity.

New activities, such as the proposed Integrated Resource Mapping, will provide the basis for identifying any new RGC management processes that can add further efficiencies to the public financial management and partnership management process. Similarly, the capacity assessment work will build on previous capacity work to ensure that existing systems are further developed and applied so that efficient and effective use of resources is assured into the future. Finally, collaboration with the UNDP policy project will provide synergies – in the form of effectiveness and efficiency – by building relationships between all of the partners involved in both of these UNDP-supported initiatives to promote complementarity in implementation and application.

### ***Project Management***

The project will adopt a National Implementation approach and will be managed under the authority of the National Programme Director, HE Minister attached to the Prime Minister and Secretary General CRDB/CDC.

The project will be based at the offices of CRDB/CDC in Phnom Penh where all activities will be planned, coordinated and monitored. Project staff positions of Senior Technical Advisor and Operations Manager will combine to ensure that high-quality technical and administrative support is provided. These staff will also provide the principal means for communications with the UNDP Country Office. The project also provides for service contract staff to be recruited by the project to complement and support management of capacity development functions.

UNDP senior management have established open communications with the CDC management and, in combination with the Senior Technical Advisor and Operations Manager, will ensure that project management and Quality Assurance are maintained at a high level. A Direct Project Cost (DPC) will be applied to the project while partial cost of the quality assurance team will be charged to the project.

Particular attention has been paid at the formulation stage to coordinating this project with the broader UNDP policy effort and this close collaboration will continue throughout the implementation phase. On-going collaboration with projects/initiatives working on climate change finance and gender equality will be maintained.

**V. RESULTS AND RESOURCES FRAMEWORK** (project level outputs are linked to the UNDAF & CPD & derived from national results frameworks)

**Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:** By 2018, people living in Cambodia, particularly youth, women and vulnerable group are enabled to actively participate in and benefit equitably from growth and development that is sustainable and does not compromise the well-being, natural and cultural resources of future generations.

**Output indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:**

**Indicator 3.3.2:** Effective mechanism in place to access, monitor, report on and verify use of national budgets, ODA and other sources of global financing for the achievement of SDGs

- **Baseline:** Not effective (scale: not effective, somewhat effective, effective)
- **Target:** effective
- **Data source, frequency:** CDC Database, annually

**Applicable Output(s) from 2014-17 Strategic Plan: Outcome 7. Development debates and actions at all levels prioritize poverty, inequality and exclusion, consistent with our engagement principles.**

<b>Output 7.4.</b> Countries enabled to gain equitable access to, and manage, ODA and other sources of global development financing	<b>7.4.1</b>	Amount of global development finance accessed by programme countries, disaggregated by country and typology
	<b>7.4.2</b>	Number of countries that have effective mechanisms in place to access, deliver, monitor, report on and verify use of ODA and other sources of global development financing
<b>Output 7.5</b> South-South and Triangular cooperation partnerships established and/or strengthened for development solutions	<b>7.5.1</b>	Number of South-South and Triangular cooperation partnerships that deliver measurable and sustainable development benefits for participants (national, regional, sub-regional, inter-regional entities)
	<b>7.5.2</b>	Extent (number) and scope (type) of UN system participation in south-south and triangular partnerships (at national, regional, sub-regional, inter-regional levels)
	<b>7.5.3</b>	Evidence of harmonization of policies, legal frameworks and regulations across countries for sustaining and expanding South-South and triangular cooperation that maximises mutual benefits
<b>Output 7.6.</b> Innovations enabled for development solutions, partnerships and other collaborative arrangements	<b>7.6.1</b>	Number of new public-private partnership mechanisms that provide innovative solutions for development
	<b>7.6.2</b>	Number of pilot and demonstration projects initiated or scaled up by national partners (e.g. expanded, replicated, adapted or sustained)
<b>Output 7.7</b> Mechanisms in place to generate and share knowledge about development solutions	<b>7.7.1</b>	Evidence (e.g. number of citations, downloads and site visits) of Human Development Reports contributing to development debate and action
	<b>7.7.2</b>	Existence and access (user base) of an expanded platform with data on the who, what and where of South-South and Triangular Cooperation
	<b>7.7.3</b>	Evidence (e.g. user survey results) of the relevance of development solutions to national partners that are shared over the knowledge platform

Project title and ID : Partnerships for Development Results – phase 2 (ID: 00095080)				
PROJECT KEY DELIVERABLE AND TOC	KD INDICATORS	ACTIVITIES, RISKS AND ASSUMPTIONS	ROLE OF PARTNERS	INPUTS (Exclusive of project overheads/salaries)
<p><b>KD 1:</b> RGC institutions and capacities are strengthened to manage and align diverse development finance sources with the national budget, the NSDP &amp; SDGs</p> <p>(derived from national results framework and linked to UNDP global outputs 7.4 &amp; 7.5)</p>	<p><b>Results Indicator 1.1</b> <b>Resource mapping study completed</b> Data Source: CDC Frequency: Once (2016) Baseline (year): --- (2015) Target (year): Completed (2016)</p>	<p>1.1 Activity – resource mapping study 1.2 Activity – capacity assessment 1.3 Activity – information system design</p> <p>CDC will lead and manage delivery with support from the project team based at CDC.</p>	<p>An external consultant may be engaged to support the resource mapping work. They will be teamed with CDC staff to ensure skills transfer.</p> <p>CDC IT capacities (supported by the project) are sufficient to support the establishment of an information system but outreach and analytical functions need to be strengthened.</p>	<p>Project – USD 427,738 and technical/advisory support</p> <p>CDC in-kind: Management &amp; staff collaboration, office and logistical support.</p>
	<p><b>Results Indicator 1.2</b> <b>Capacity Assessment updated</b> Data Source: CDC Frequency: Once (2016) Baseline (year): 2011 Strategy Target (year): Completed (2016)</p> <p><b>Results Indicator 1.3</b> <b>Development Finance tracking system established</b> Data Source: CDC Frequency: Annual progress Baseline (year): --- (2015) Target (year): Completed (2018)</p>	<p>Key risks relate to information availability (1.1) and an ability to move beyond a focus on the individual during the capacity assessment to focus on organisational performance issues.</p> <p>Information systems can be high-risk in that multiple actors are required to collect and collate data. Partnerships will be key to establishing and maintaining a viable system.</p>	<p>The capacity assessment will be conducted in 2 stages: (i) internal review – to maximise knowledge and perspective within CDC; and (ii) independent validation – to ensure objectivity and to allow additional perspectives to be provided.</p>	<p>Monitoring Costs: Included in routine project support and back-up</p> <p>Evaluation Costs: can be parcelled with the DCPS evaluation in 2016 to enable a forward-looking perspective.</p>
<p><b>KD 2:</b> CDC capacity is strengthened to support implementation of reforms related to the Industrial Development Policy and mobilisation of public resources in accordance with the IDP objectives.</p> <p>(derived from national results framework and linked to UNDP</p>	<p><b>Results Indicator 2.1</b> <b>IDP Concept Note finalised leading to organisational review</b> Data Source: CDC Frequency: Once (2016) Baseline (year): --- (2015) Target (year): Completed (2016)</p>	<p>2.1 Activity – research into the public investment requirements of IDP 2.2 Activity – IDP Concept Note 2.2 Activity – CDC reorganisation 2.3 Activity – resource mobilisation plan</p> <p>CDC will lead and manage delivery with support from the project team based at CDC.</p>	<p>CDC will engage with a wide range of partners – RGC, DPs, private sector representatives, NGOs, South-South partners – to confirm its role in IDP implementation and to initiate resource mobilisation functions.</p>	<p>Project – USD 103,960 and technical/advisory support</p> <p>CDC in-kind: Management &amp; staff collaboration, office and logistical support.</p> <p>Monitoring Costs: Included in routine project support and back-up</p>

global outputs 7.6)		Key risks relate to: (i) linking CDC capacity work to IDP-related functions; and (ii) to ensuring at the IDP gathers momentum with RGC and partners.		Evaluation Costs: can be parcelled with the DCPS evaluation in 2016 to enable a forward-looking perspective.
<p><b>KD 3:</b> The Development Cooperation &amp; Partnerships Strategy is implemented resulting in enhanced development results (relevant to LDC graduation) as measured through the NSDP and DCPS results framework.</p> <p>(derived from national results framework and linked to UNDP global outputs 7.4 &amp; 7.5)</p>	<p><b>Results Indicator 3.1</b>  <b>DCPS monitoring report</b>  <b>(link to Global Partnership)</b>  Data Source: CDC  Frequency: Annual  Baseline (year): --- (2015)  Target (year): Completed (annual)</p> <p><b>Results Indicator 3.2</b>  <b>DCPS evaluation</b>  Data Source: CDC  Frequency: Once in 2016  Baseline (year): --- (2015)  Target (year): Completed (2016)</p> <p><b>Results Indicator 3.3</b>  <b>Results linkage study</b>  Data Source: CDC  Frequency: Annual  Baseline (year): --- (2015)  Target (year): Completed (2016)</p>	<p>3.1 Activity – DCPS M&amp;E  3.2 Activity – South-South review  3.3 Activity – Results assessment  3.4 Activity – Knowledge Management and Communications strategy</p> <p>CDC will lead and manage delivery with support from the project team based at CDC. A range of partners (NGOs, DPs, RGC ministries) need to engage with the process. CDC will also have an important role in SDG localisation and adaption, which will require additional outreach work, principally with MOP and DPs but also with other development actors.</p> <p>Key activity risks relate to outreach and engagement with partners, availability of data and other evidence. Output risks relate to the ability of RGC to embrace M&amp;E findings and incorporate into policy and action.</p>	<p>DCPS partnerships are well-established. CDC will continue to support partnerships and results, especially at TWG level (RGC, DPs, NGOs, South-South partners).</p>	<p>Project – USD 275,000 and technical/advisory support</p> <p>CDC in-kind: Management &amp; staff collaboration, office and logistical support.</p> <p>Monitoring Costs: Included in routine project support and back-up</p> <p>Evaluation Costs: DCPS evaluation in 2016 to cost appx USD 25,000</p>



## Indicative Budget Framework

The proposed budget in the table below is for indicative purposes only. A detailed budget and workplan for 2016 will be presented to the first meeting of the Project Board in November 2015. Resources will be further disaggregated to show those funds managed by CDC and those managed by UNDP.

	2016	2017	2018	Total
<b>Project key deliverable 1. Institutional strengthening of CRDB/CDC</b>				
<b>Integrated Resource Mapping study and tracking:</b>				
1. Int'l consultant for resource mapping work and implement the results,				
2. Develop the Development Finance Information System (establish and maintain Information System with outreach and analytical functions),	82,317	54,400	54,000	190,717
3. Update and maintain the IT infrastructures				
<b>CRDB/CDC Capacity review and implementation</b>				
1. Internal review to maximize knowledge and perspective within CDC;	76,650	79,993	80,378	237,021
2. Independent validation-to ensure objectivity & to allow additional perspectives to be provided.				
<b>Sub-total KD1</b>	<b>158,967</b>	<b>134,393</b>	<b>134,378</b>	<b>427,738</b>
<b>Project key deliverable 2. Support to IDP implementation and economic management</b>				-
<b>IDP Strategy for CRDB (Resource mobilization &amp; Planning, dialogue &amp; consultation, M&amp;E)</b>				
Engaging with a wide range of partners - RGC, DPs, Private Sector Representatives, NGOs, SS Partners - to confirm its role in IDP implementation and to initiate resource mobilization functions. Reorganize structure and strengthen CRDB/CDC as per IDP & Capacity Review.	18,480	20,000	21,000	59,480
<b>Adapt ODA/NGO Database for IDP compliance and analysis</b>				
Strengthen CRDB/CDC development finance management (resource mobilization capacities).	13,480	15,000	16,000	44,480
<b>Sub-total KD2</b>	<b>31,960</b>	<b>35,000</b>	<b>37,000</b>	<b>103,960</b>
<b>Project key deliverable 3. Implementing development effectiveness practices</b>				
<b>DCPS implementation (PBA, ODA, JMIs &amp; results frameworks, TWG strengthening)</b>				
1. DCPS M&E (independent evaluation, 2016 & implementation - linkage between resource and results				
2. Review/implementing global commitments (EfD3, SDGs, Global Partnership, CAP 21)				
3. NGO Transparency Initiatives	91,000	93,000	91,000	275,000
4. SDG Partnerships (localization, adoption and adaptation)				
5. ODA & NGO Database (cross-cutting areas: climate change and gender equity, GIS)				
6. South-South evaluation/supports				
<b>Sub-total KD3</b>	<b>91,000</b>	<b>93,000</b>	<b>91,000</b>	<b>275,000</b>
Project staff (UNDP 4 national, 1 international; CRDB 2 national) & UNDP Quality Assurance	511,610	507,500	507,526	1,526,636
UNDP General Management Service (8%)	55,483	53,591	57,592	166,666
<b>Sub-total</b>	<b>567,093</b>	<b>561,091</b>	<b>565,118</b>	<b>1,693,302</b>
<b>GRAND-TOTAL</b>	<b>849,020</b>	<b>823,484</b>	<b>827,496</b>	<b>2,500,000</b>

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## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following:

### Within the annual cycle (quarterly)

- **Track Progress.** Quarterly project reporting will be undertaken, including to track progress against the results indicators. Data will be collected and analysed to assess the progress of the project in achieving the agreed outputs. National data sources will be used based on the results that have been extracted from national results frameworks (NSDP, DCPS). Progress will be reviewed by the project management based on quarterly reporting and other indications of progress related to project implementation and the work of CDC. Beneficiary feedback will be part of regular data collection and performance assessment. Particular effort in reporting will be made to demonstrate progress in the project's efforts to show the link between development finance and results at the national level.
- **Track Management Priorities.** An Issue Log shall be activated in Atlas and updated by UNDP to facilitate tracking and resolution of potential problems or requests for change. Any management actions prompted by the Project QA system will be automatically entered into the project Issue Log.
- **Monitor and Manage Risk.** Based on the initial risk analysis, a risk log shall be activated in Atlas and regularly updated, including by reviewing the external environment that may affect the project implementation. Risk management actions will be identified and monitored using the risk log. This includes monitoring social and environmental management measures and plans that may have been required as per UNDP's Social and Environmental Standards.
- **Evaluate and Learn.** Evaluations shall be conducted in accordance with the evaluation plan. Knowledge, good practices and lessons should be captured and shared, as well as actively sourced from other projects and partners, and integrated back into the project.
- **Review and Make Course Corrections.** The project management will review the data and evidence collected (through all of the above) on a regular basis within the annual cycle, and make course corrections as needed, including through dialogue with Board members. The frequency of review depends on the needs of the project, but an internal review of the available progress data against the results indicators will take place at least quarterly. Any significant course corrections that require a decision by the Project Board will be raised at the subsequent Project Board meeting.

### Annually

- **Annual Project Quality Rating.** On an annual basis and at the end of the project, the quality of the project will be rated by the QA Assessor against the quality criteria identified in UNDP's Project Quality Assurance System. Any quality concerns flagged by the process will be addressed by project management.
- **Annual Project Review and Report.** The Project Board shall hold a project review at least once per year to assess the performance of the project and appraise the Annual Work Plan for the following year. An annual report will be presented to the Project Board for the review, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period. Any quality concerns or slower than expected progress will be discussed by the project and management actions agreed to address the issues identified. This review is driven by the Project Board.
- **End of Project Review:** In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up.

## VII. MULTI-YEAR WORK PLAN

EXPECTED KEY DELIVERABLES & RESULT INDICATORS	PLANNED ACTIVITIES	TIMEFRAME			RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018		Funding Source	Budget Description	Amount
<b>KD 1</b>  <b>Results Indicator 1.1</b> <b>Resource mapping study completed</b> Data Source: CDC Frequency: Once (2016) Baseline (year): --- (2015) Target (year): Completed (2016)  <b>Results Indicator 1.2</b> <b>Capacity Assessment updated</b> Data Source: CDC Frequency: Once (2016) Baseline (year): 2011 Strategy Target (year): Completed (2016)	Activity 1: Integrated Resource Mapping study & tracking	x	x	x	CDC			190,717
	<b>Results Indicator 1.3</b> <b>Development Finance tracking system established</b> Data Source: CDC Frequency: Annual progress Baseline (year): --- (2015) Target (year): Completed (2018)	Activity 2: CRDB/CDC Capacity review and implementation	x	x	x	CDC		
<b>KD 2</b>  <b>IDP Concept Note finalised leading to organisational review</b> Data Source: CDC Frequency: Once (2016)	Activity 3: IDP Strategy for CRDB (Resource Mobilization and Planning, Dialogue and consultation, M&E)	x	x	x	CDC			59,480

EXPECTED KEY DELIVERABLES & RESULT INDICATORS	PLANNED ACTIVITIES	TIMEFRAME			RESPONSIBLE PARTY	PLANNED BUDGET		
Baseline (year): --- (2015) Target (year): Completed (2016)	Activity 4: Adapt ODA/NGO Database for IDP compliance and analysis	x	x	x	CDC			44,480
<b>KD 3</b>  <b>Results Indicator 3.1</b> <b>DCPS monitoring report (link to Global Partnership)</b> Data Source: CDC Frequency: Annual Baseline (year): --- (2015) Target (year): Completed (annual)  <b>Results Indicator 3.2</b> <b>DCPS evaluation</b> Data Source: CDC Frequency: Once in 2016 Baseline (year): --- (2015) Target (year): Completed (2016)  <b>Results Indicator 3.3</b> <b>Results linkage study</b> Data Source: CDC Frequency: Annual Baseline (year): --- (2015) Target (year): Completed (2016)	Activity 5: DCPS Implementation (PBA, ODA, JMIs and Result Frameworks, TWGs Strengthening)	x	x	x	CDC			275,000
	Activity 6: Project Staff and Quality Assurance	x	x	x	CDC/UNDP			1,693,302
<b>TOTAL</b>								<b>2,500,000</b>

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

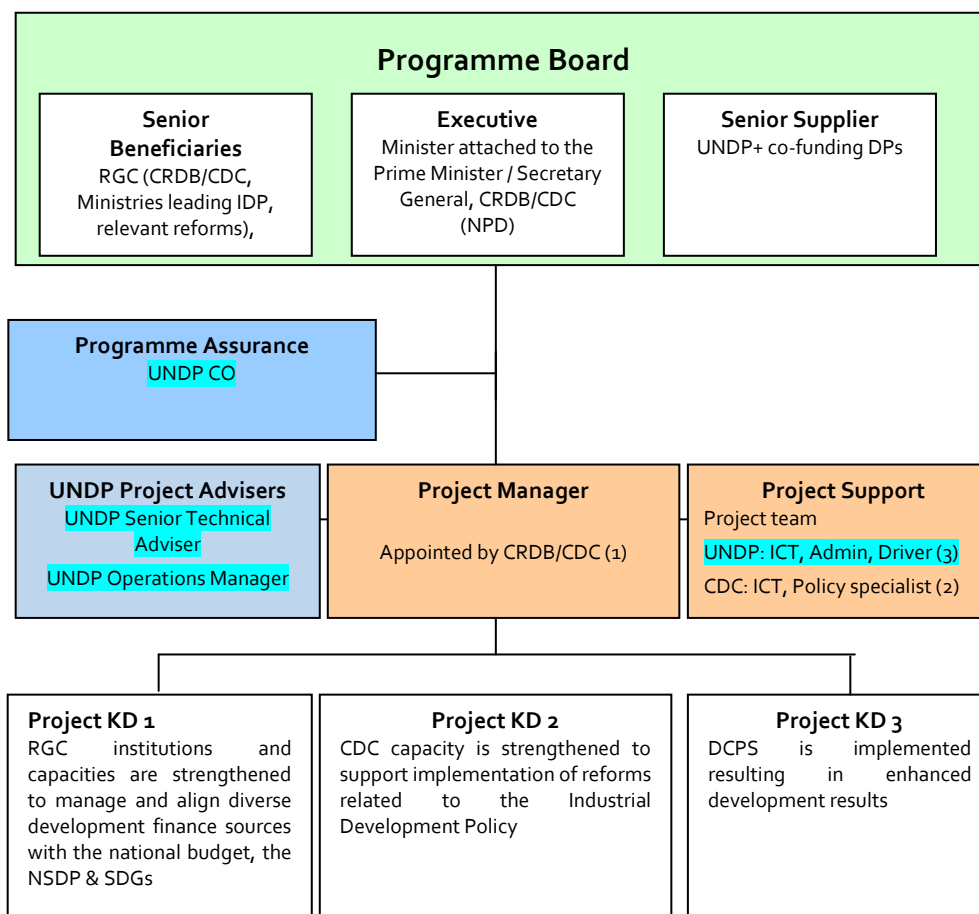
The management arrangements and staffing of this programme are guided by UNDP corporate guidelines, the experience of PfDR implementation and recommendations of the UNDP mid-term review. The Project Board is the group responsible for making decisions on overall strategic direction and resourcing.

The Programme Board comprises of the following three roles:

- An Executive: Minister attached the Prime Minister, Secretary General, CRDB/CDC.
- Senior Supplier: UNDP and Partnership for Development Results co-funding development partners
- Senior Beneficiary: RGC (CRDB/CDC, other ministries leading on development finance mobilisation and monitoring).

The Board shall meet at least once per year to agree the workplan and budget as well as to review results and progress to date. Project Board decisions should be made to ensure results, sustainability, efficiency in resource use, fairness, integrity and transparency. Oversight of the programme will be provided by the Project Board that will be chaired by the National Programme Director. Members will include representatives of the RGC (CRDB and others engaged in programme activity) and co-funding development partners. Annual reviews, work plans and budgets will be prepared and presented by the Project Manager to the Executive (National Programme Director) and other members of the Project Board for review and approval.

### Project organisation structure



The Secretary General of CRDB/CDC will be the Executive/National Programme Director and will be responsible for the guiding overall management of programme activities, ensuring that they are consistent with the signed Project Document and complementary to the work plan of CRDB/CDC and consistent with prevailing RGC policies. The Project Manager, working with the Project Advisers, is responsible for ensuring that the project is managed in an effective and accountable manner. Day-to-day management of project activities will be delegated to CRDB/CDC Heads/Deputy Heads of Department at the discretion of the National Programme Director.

Project activities will be managed by CRDB/CDC in accordance with UNDP's national implementation modality. Quarterly reports are prepared by the Project Manager, under the guidance of the National Programme Director, while the project support team manages and reports on financial activity to UNDP (who shares narrative and financial reports with co-funding development partners). An evaluation may be scheduled at the mid-term point at the discretion of the Project Board, to review project implementation and the requirement for further support. UNDP's own Quality Assurance and reviews of the country programme will also feed into project reviews and monitoring.

### ***Project management and implementation structure***

Project staff will be integrated with their CRDB counterparts and will be explicitly tasked with capacity development activities related to CRDB/CDC mandated functions across each of the Departments. There are therefore no direct one-to-one programme-CRDB/CDC counterparts as the programme takes an organisational approach to capacity development, avoiding the risks of working with nominated individuals who may then leave CRDB/CDC or be reassigned to other Departments. The focus on knowledge products, systems and strengthening the workflow is therefore intended to promote sustainable capacity above the level of the individual, continuing the previous approach that has been acknowledged as successful by CRDB management.

Project staff positions are to be negotiated with CRDB/CDC based on their own identified capacity development needs, with full job descriptions prepared for each post. Positions are expected to comprise the following:

#### ***Senior Advisor (UNDP)***

Support to the National Programme Director and Project Manager in developing project activities and providing substantive technical and policy advice on implementation. Over-seeing all capacity development activities of the project and its staff, the Senior Adviser will advise CDC senior officials (Secretary General, Deputies and heads of Department) on all matters related to project implementation as well as support to planning and monitoring.

#### ***Operations Manager (UNDP)***

Leads on capacity development of the CRDB/CDC Administration Unit, working primarily with the Director, Administration Department (who leads on CRDB operations management) and the CRDB/CDC Deputy Secretary General. Responsible for providing advisory support for all finance and administration functions and preparation of project work plans and financial reports. The Operations Manager will lead on establishing and strengthening national systems within CRDB/CDC so that programme activity makes full use of RGC systems over a phased period (while maintaining UNDP oversight, assurance and audit arrangements).

#### ***National Professional Policy Officer (CDC)***

One policy officer will support the Secretary General CRDB/CDC, working closely with the Senior Advisor to augment capacity of the Policy Department. The Policy Officer will work directly with Policy Department staff, under the guidance of the Secretary General of CRDB/CDC, to provide policy advice as well as support the capacity development of the department, delivering seminars and trainings and providing coaching in a task environment.

#### ***ICT Expert (UNDP)***

To provide capacity development assistance and advice to CRDB/CDC, working closely with the Information Management Department to maintain the Cambodia ODA and NGO Databases, on-line portal, and the development of knowledge management products as well as IDP and

development finance management systems and GIS. Responsible for leading the training of all CRDB/CDC staff, RGC officials and development partners in ODA and NGO Database use.

***ICT Officer (CDC)***

To be embedded in the Information Management Department to support CRDB/CDC staff in maintenance and security of the organisation's ICT hardware and software. To support capacity development through coaching of staff on ICT and network maintenance while also providing an alternative source of expertise to private sector outsourcing of ICT support services.

***Project Assistant (UNDP)***

To assist the Operations Manager and serve as liaison to CRDB/CDC staff in capacity development activities related to the management of operational/administrative aspects of the programme. To work with all Department heads to ensure staff training plans are prepared and implemented.

The services of other short-term experts (national and international) will be retained as required based on the agreed work plan and budget each year. The programme team is, however, expected to provide sufficient expertise to support all technical and operational roles; the retention of additional experts is usually associated with exercises that require an independent or impartial perspective (e.g. audits and evaluations) or are highly specialised (e.g. GIS training).

The size, function and cost of the programme support team may be reviewed by the Programme Board on annual basis. The capacity assessment work supported by the project will provide the framework for ensuring the programme team supports CRDB/CDC capacity development and outreach efforts, providing a tool for monitoring progress through the established practice of CRDB/CDC quarterly retreats. Many activities included in the workplan will have their costs off-set by support by the project team.

UNDP, as part of its Quality Assurance function, shall be responsible for arranging the annual external audit of this programme, including interim audits or spot check in between. The terms of reference for such audits shall follow UNDP requirements. The UNDP Country Office will draw up an annual audit plan for nationally implemented projects each year and inform the respective Implementing Partner. Findings are referred to the programme team for response and appropriate remedial action.

Project Assurance is the responsibility of each Project Board member, however, the role can be delegated. The project assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager, therefore, the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Analyst typically holds the Project Assurance role.

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## IX. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated herein by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA); as such all provisions of the CPAP apply to this document. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner”, as such term is defined and used in the CPAP and this document.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner’s security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document”.



## ANNEX 2 – INDICATIVE BUDGET FOR THE ACTIVITY

1. Program Activity: Contribution to activity to improve Royal Government of Cambodia to capacities and systems for managing multiples sources of development finance.	\$192,496.06
2. Administrative fee (General management support services 8%)	\$16,738.79
Total	\$209,234.85