



ANNUAL REPORT 2008

**United Nations Development Programme
Cambodia
INSIGHTS FOR ACTION (IFA) INITIATIVE
01-01-2008 – 31-12-2008**

<p>Project ID: 0000042787 Duration: 2005-2010 Component (MYFF): Goal 1: Achieving the MDGs and reducing human poverty Total Budget: Unfunded: Implementing Partners/Responsible parties: Direct Implementation by UNDP</p>
--

Table of Content

Table of Content	2
Executive summary	3
I. Context	4
II. Performance review	4
Progress review	4
1. Overall progress towards the CPAP outcome and output(s) relating to your project	4
2. Capacity development	4
Implementation strategy review	5
1. Participatory/consultative processes	5
2. Quality of partnerships	5
Management effectiveness review	6
1. Quality of monitoring	6
2. Timely delivery of outputs	6
3. Resources allocation	Error! Bookmark not defined.
4. Cost-effective use of inputs	Error! Bookmark not defined.
IV. Implementation challenges	7
Project risks and actions	7
Project issues and actions	8
V. Lessons learnt and next steps	8
VI. Financial status and utilization	8
Financial status	8
Financial utilization	9
Mandatory Format:	10
Annexes	11

Executive summary

(minimum half a page, maximum 2 pages)

The Insights for Action Initiative had a very successful 2008 with highlights included:

- **CPAP review** - 'exceeded expectations' rating
- **Broad-based policy dialogue on oil and gas** - Highly successful international oil/gas conference that resulted in:
 - 1) Common understanding of petroleum development among Government, development partners, NGOs, media,
 - 2) Increased media coverage and accuracy,
 - 3) Greater NGO engagement
- **Partnerships** - substantially deepened and broadened with Government, development partners and the private sector. Notable examples included:
 - 1) Oil/Gas conference with partnerships extending to other countries throughout the world, including Indonesia, Japan, Malaysia, Mongolia, Papua New Guinea, Sao Tome et Principe, Thailand, Timor Leste, Uganda, US, Canada and various European countries
 - 2) Cambodia Economic Forum partnering with ADB and World Bank for preparation, and
 - 3) Competitiveness Study consultative workshops with 9 Ministries and more than 40 development partners and private sector representatives
- **Capacity Development** – capacity improved on petroleum issues with active participation of CNPA, SNEC and MEF Government in petroleum conference and study tour/training. Research capacity of SNEC MoP and other ministries enhanced through work on Competitiveness study.
- **Gender mainstreaming** – all research includes gender disaggregation and analysis
- **National Ownership** – Ministry of Planning has assumed full ownership of the NHDR and is taking the lead in dissemination and discussion at the Provincial, District, and Commune level

I. Context

In support of the implementation of the Government Rectangular Strategy on Growth, Employment, Equity and Efficiency, HE Prime Minister requested that UNDP provide innovative ideas to help implement the strategy, particularly for achieving progress towards the Millennium Development Goals (MDGs). Knowledge sharing was identified as critical for raising public awareness and developing common understandings and support among the people for the needed actions.

This input from UNDP is part of the wider UN effort in Cambodia and is directly related to the United Nations Development Assistance Framework (UNDAF) for the period 2006-2010. The knowledge sharing platform is available for use by other UN agencies to spotlight their input and studies related to the Rectangular Strategy and the CMDGs.

In 2006, a Cambodia UN Development Assistance Framework (UNDAF) was introduced with the concomitant Country Programme Action Plan (CPAP), a logic framework defining priorities, outcomes and outputs. The IFA Initiative supports:

UNDAF Priority 4: The national development plan and its implementation serve as an effective guide for sector plans and related budgets, as well as reflecting Cambodia's obligations in relation to human rights and the country MDGs.

CPAP Outcome 5: National and local authorities are better able to manage development effectiveness and more specifically.

Output 5.3 - Policy options on managing sustainable development provided.

In compliance with UNDP's emphasis on results-based management, IFA merged with the Poverty Unit in 2008 for greater alignment and project assurance. Due to IFA's cross-cutting nature, further alignment continues with UNDP Programme and UNCT to maximize focus and impact.

II. Performance review

Progress review

1. Overall progress towards the CPAP outcome and output(s) relating to your project

The CPAP team concluded that Insights for Action '**exceeded expectations**' in the 2008 CPAP review, and external consultants conducted a mid-term review that is now being finalized. The outputs in Section I support wider discussion of priority issues relating to CMDG development in partnership with development partners and Government counterparts.

Select Impact

- **NHDR** – a number of NGOs stated that they are using NHDR for planning. Also requests by MoP to share in other provinces shows strong ownership and increased possible impact
- **Competitiveness** - There have already been strong policy statements by the PM to increase competitiveness at the CEF, CDRI Outlook Conference and other media such as radio. SNEC has also requested UNDP/IFA to provide follow-up on the CCC study for its first

Mid-term Economic Review in July/August (with emphasis on most vulnerable sectors, specifically garments, tourism, and construction).

- **Oil/Gas Conference Proceedings** - SNEC Chairman stated that proceedings useful for policy formulation. Positive comments and requests for copies from HQ and other COs, which supported South-South collaboration.

2. Capacity development.

The IFA Initiative provided capacity development through partnering with SNEC, CNPA MIME, and MoP on research and training. Highlights included:

- **Research**
 - 1) Cambodia Competitiveness Study - successfully completed preliminary research, including mission of international consultants and work by national counterparts, including SNEC, MIME, and other national researchers.
 - 2) Labour Market and Youth Unemployment – provided financial and substantial support for SNEC.
- **Refresher Course on Capital Expenditure Decisions** - in follow-up to the two previous intensive training courses conducted in 2007, held two-week refresher course with 60 participants in cooperation with Economics and Finance Institute, (Ministry of Economics and Finance). The participants are the senior official from central government agencies and province. The refresher courses focused on the review of the fundamentals and financial and economic cost/benefit analysis and identify the key emerging issues from applying knowledge of the last two courses in the real practice. Such further training better developed the capacity of policymakers as provinces receive increasing revenues in the future from petroleum, mining, and commune/ Sangkat funds (D&D).
- **Norway Petroleum Study Tour** - Shortly following the conference, UNDP facilitated a Norway funded study tour for officials from MEF, SNEC, CNPA, and UNDP on "Competence building on Petroleum Fund" including discussion of EITI. Deputy Prime Minister/ Chairman CNPA and SNEC Senior Management received briefing from respective teams on lessons learned from a leading petroleum producer, and the report included follow-up activities.

Implementation strategy review

1. Participatory/consultative processes

In spirit of partnerships and participatory process, IFA actively employs very thorough engagement with stakeholders from concept phase to completion.

2. Quality of partnerships

Excellent quality of partnerships and much improved from previous years. Partners include Government, development partners and the private sector. Notable examples included 1) Oil/Gas conference with partnerships extending to other countries throughout the world (South/South), and 2) Cambodia Economic Forum partnering with ADB and World Bank for the first time, as well as consultative workshops with 9 Ministries and more than 40 development partners and private sector representatives. The consultations also included meetings with more than 50 companies.

Management effectiveness review

1. Quality of monitoring

CPAP and Mid-Term review in 2008. After three years of implementation, IFA carried out its first mid-term IFA review with the main focus on knowledge management strategies and suggestions for improved efficiency and impact for the future.

IFA has monitoring indicators further developed to measure impact for CPAP.

2. Timely delivery of outputs

All activities were either completed or near finalization in-line with the 2008 AWP. Activities in the finalization stages, included the Socio-Economic Oil/Gas Study due to health and availability reasons and the CEF since the PM requested a date change.

Knowledge Generation

- 1) Research on Labour Market and Youth Employment in Cambodia – SNEC finalizing as study including more detailed econometric analysis
- 2) Research on Competiveness of Cambodian Economy – on schedule
- 3) Analytical Study on Socio-Economic Implications of Oil and Gas for Cambodia – finalizing, though delayed as researcher became ill
- 4) International Conference Proceedings – complete, positive feedback from SNEC Chairman/ Advisor to PM as well as other COs
- 5) International conference papers: 12 papers of 10 to 15 pages each – finalizing
- 6) Socio-economic Briefing papers – IFA supported the national policy process by preparing and presenting a number of policy briefs for the Deputy Prime Minister and development partners as requested. Examples include a paper on petroleum development for the Deputy Prime Minister, impact of the economic/ financial crisis for the UNDP Administrator and ILO Regional Economist, briefings as requested by CD and RR/ RC

Knowledge Sharing

- 1) **International Petroleum Conference – “Fuelling Poverty Reduction with Oil and Gas Revenues: Comparative Country Experiences”** - more than 500 participants from throughout world, objective successful of increasing national and international technical knowledge and participation in petroleum development.
Select outcomes
 - a) Cambodia officials stated that they are using materials for policy debate and development.
 - b) Policymakers in other countries using materials, including Timor Leste, Mongolia, UNDP HQ.
 - c) Requests from international media outlets, such as Financial Times and Wall Street Journal
 - d) Increased knowledge of National Assembly as result of presentations on requested 4 topics
- 2) **5 NHDR dissemination workshops** – 2 regional, 1 district, 1 NGO, 1 UNDP Learning Session
- 3) **CEF and IFA websites** - UNDP/ IFA website updated, CEF update in progress by SNEC
- 4) **Communication and Publication** (see annex for details):
 - NHDR (Khm & Eng) & CD – More than 2,500 reports distributed
 - Oil & Gas Conference Proceedings - complete
 - Resource Blessing/Curse –translation and printing of Dr. Stiglitz book - complete
 - IFA communications strategy – strategy to further support knowledge sharing and Knowledge into Action - complete

- IFA Discussion Paper Distribution – a number of discussion papers were distributed to government institutions, development partners, UNCT, NGOs, academia, civil society and individuals.
- 5) **Oil/Gas Information Sharing with UNDP and Media**
- UNDP Oil/Gas Briefing - petroleum briefing for Senior management and BDP Deputy Assistant Administrator/Deputy Director – included sector overview, updates, steps forward
 - Media requests – prepared responses for oil/gas national and international media requests, including newspapers, magazines, and radio

Knowledge in Action

- 1) Norway Petroleum Study Tour - complete
- 2) Capital expenditure decision making refresher – complete

UNCT Support Activity/Initiative:

1. Food Price Crisis Study – complete
2. Socio-economic Implication of HIV in Cambodia – operations support ongoing

Management - doubled staff from three to six due to high demands, which required significant time (Communications, National Economist, Research/ Project Assistant)

IV. Implementation challenges

Project risks and actions

Operational Risks

- Work on new policy issues that are sometimes sensitive in nature, such as extractive industries → Mitigation Action - Regular meetings with government partners maintain open dialogue and determine best approach
- Objective of widening debate on sensitive issues often difficult to measure → Mitigation Action - Monitor media, NGO, government response to issues and adjust approach accordingly

Organizational Risks

- Nature of IFA work where each activity similar to initiating new project and therefore very time intensive and requires significant operational cooperation → Mitigation Action - Need for streamlined approach that ensures transparency, accountability, quality and efficiency. Also increasing staff focusing on operational issues

Political Risks

- Political economy may constraints implementation of policy advice → Mitigation Action – Carefully communications, partnerships with Government and development partners for consensus building

Regulatory Risks

Government counterpart staff lack motivation due to incentive rules → Mitigation Action - Possible review of incentive policy or other possible solution

Project issues and actions

- Capacity of some national counterparts sometimes limited and slows work/lower quality
→ Mitigation Action - Adjust expectations and timeline accordingly
- Time intensive nature of work relative to traditional development project
 - Each time we start new initiative/research, we are to start zero ground, e.g. ToR (Int'l and Nat'l Consultant)
 - Recruitment
 - Build relation with the government counterparts
 - Translation documents/publication
- Expanding and training new staff consuming → Mitigation Action -New staffing near completion
- Using outsources: spend a lot of times on editing, used different terms, often loss the original concept → Mitigation Action – Possible greater use of staff and national researchers

V. Lessons learnt and next steps

General Lessons Learnt

- An issue common to all IFA work for 2007 was that the initiative was significantly understaffed. While recruitment has now increased internal capacity, the recruitment process was time consuming.
- The continued success of IFA in 2008 can be attributed to the commitment and perseverance of the staff, which has increased from three based in Cambodia at the beginning of the year to six at the end of the year. IFA has shifted from being light on staff to having more employees, and so a major challenge will be most effectively managing the larger team. The main lessons learned were that while the IFA had great impact given its size, a larger team will help support work/ life balance and focus on responding quickly with policy support to emerging development issues.
- High-level Advocacy work by Senior Management important to maximize policy impact

Research – lessons learned

- **National ownership increased through early engagement** - Broad-based discussion with line ministries during research increased national ownership and demand, as felt as part of the process. There is still much interest in the study, as due to time constraints most of the line ministries had prepared comments, however did not have time to discuss their points during the CEF. There is therefore a demand and mandate for further engagement with SNEC and the 9 line ministries, which could increase the speed of policy formulation.
- **Stronger approach/withholding of funds may be needed when consultants partially incorporate comments as increased UNDP review time demands** – found out that the size of the research team, which had additional projects and frequent overseas travel was a major reason. Stronger wording and/or withholding of payment could be a possible remedy.

VI. Financial status and utilization

Financial status

The 2008 budget allocation was **\$872,822.51** and the total actual expenditure was **776,601.62**, with a delivery of **89%**.

Table 1: Contribution overview (2005-2010)

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
UNDP	3,213,600	3,213,600	-
Norad	610,935	450,935	160,000
NPD	57,970	57,970	-
TOTAL	3,882,505	3,722,505	160,000

(Note: Figure are from Project Budget for 2005-2010 in spreadsheet)

Table 2: Funding status (as of 31 December 2008)

DONOR NAME	RECEIVED*	EXPENDITURES			PROJECT BALANCE	EARMARKED**	AVAILABLE FUNDING (as of 1 Jan of the next year)	REMARKS
		Period Prior to the Reporting Year	Reporting Year Only	TOTAL				
UNDP	3,213,600	1,019,417	515,614	1,535,031	1,678,569	-	1,178,569	
Norad	450,935	112,505	203,046	315,551	135,384	-	295,385	
NPD	57,970	-	57,941	57,941	29	-	29	
TOTAL		1,131,922	776,602	1,908,523	1,813,982	-	1,473,982	

(Note: Figure are from Project Budget for 2005-2010 in spreadsheet)

*The *Received* column in this table should match the figures in the column (of the same title) in the Resource Overview table.

**The *Earmarked* column should specify if any donors have earmarked their funding to a specific activity or other requirement.

Financial utilization

The figures in this section (budget, expenditure, and balance) can refer only to the reporting period (i.e. one year).

Table 3: Annual expenditure by activity [1 January – 31 December]

Activity	BUDGET [year]	EXPENDITURES ¹	BALANCE	DELIVERY (%)
Activity 1: Project Management	245,271	186,179	59,092	21%
Activity 2: Knowledge Generation	180,000	176,014	3,986	20%
Activity 3: Knowl. Sharing/Into Action	336,524	289,426	47,098	33%
Activity 4: Publications	43,548	49,458	(5,910)	6%
Activity 5: UNCT Joint Activity	49,638	58,388	(8,750)	7%
UNDP GMS (based on donor agreements)	17,841	17,070	771	2%
Realized Gain/Loss	0.00	67	67	0%
Total	872,822	776,602	96,220	89%

(Note: Activity are from Project WP and Details Expenditure in Atlas checked against Project WP)

¹ The expenditures for the year may be further broken down by quarters (four additional columns for quarters 1-4).

Table 4: Annual expenditure by donor [1 January – 31 December]

DONORS	ACTIVITY (as in ATLAS)	BUDGET [year]	EXPENDITURES*	BALANCE	DELIVERY RATE (%)	REMARKS*
TRAC	Activity 1: Project Management	235,363	185,245	50,118	59%	
	Activity 3: Develop a system for high priority	9,908	7,917	1,990		
	Activity 4: Research Activity	195,000	191,595	3,405		
	Activity 5: Knowledge Sharing	81,649	51,006	30,643		
	Activity 6: Publication & Printing	43,549	36,235	7,313		
	Activity 11: Socio-economic Implication of HIV	34,637	43,616	-8,978		
GMS [insert %, see donor agreement]		-	-	-		
Subtotal [TRAC]		600,106	515,614	84,492		
NORAD	Activity 8: Intl Conference and Training	200,308	189,700	10,608	23%	
	Activity 9: Oil and Gas Implication Study	390	-	390		
GMS [7 %, see donor agreement]		14,049	13,279	770		
Subtotal [Norad]		214,746	202,979	11,767		
NPD	Activity 12: Intl Conference	54,178	54,151	27	7%	
GMS [7 %, see donor agreement]		3,792	3,791	2		
Subtotal [NPD]		57,970	57,941	29		
Realized Gain/Loss		-	67	-67	0%	
TOTAL		872,822	776,602	96,221	89%	

*Remarks provided in the last column of this table should pertain to any notable aspects of utilization/delivery % vis-à-vis the relevant donor(s).

(Note: figure are from PBB and CDR in Atlas)

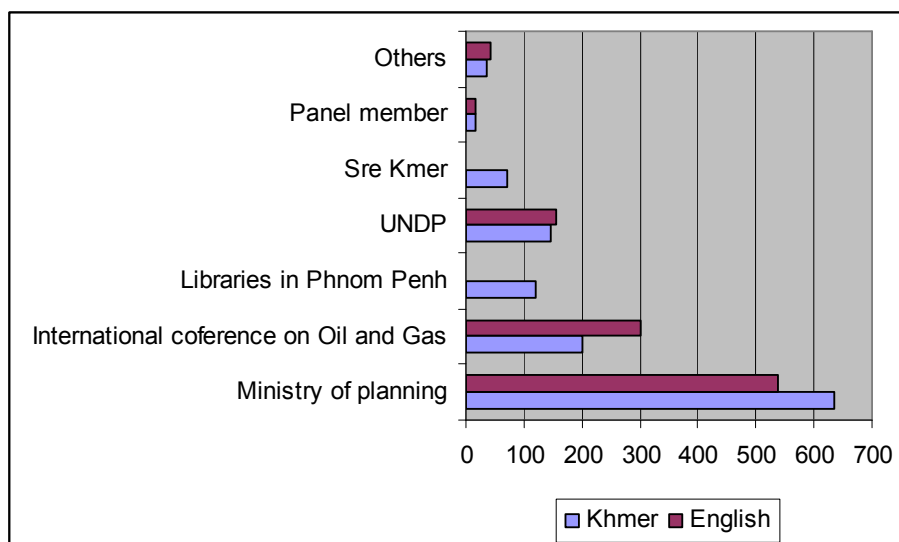
Mandatory Format:

- 1) **Titles.** Expenditure tables under the 'Financial utilization' part of this section must spell out the activity description titles as specified in the project budget and the names of donors. ATLAS codes can be included as well but are not sufficient.
- 2) **Figures.** All figures must be in USD, and should be rounded to whole numbers. No decimals.
- 3) **General Management Support (GMS).** All figures must be inclusive of UNDP GMS %. When the draft is submitted to UNDP CO via email, please specify whether or not the draft includes GMS. If not, UNDP CO finance will insert it.

Annexes

Publication Distribution

Cambodia Human Development Report 2007: Expanding Choices for Rural People (Overview)



Cambodia Human Development Report 2007: Expanding Choices for Rural People (Overview)

1174 copies were distributed by the Ministry of planning for launch events

500 copies were distributed at the Oil and Gas Conference

120 copies were sent to libraries in Phnom Penh

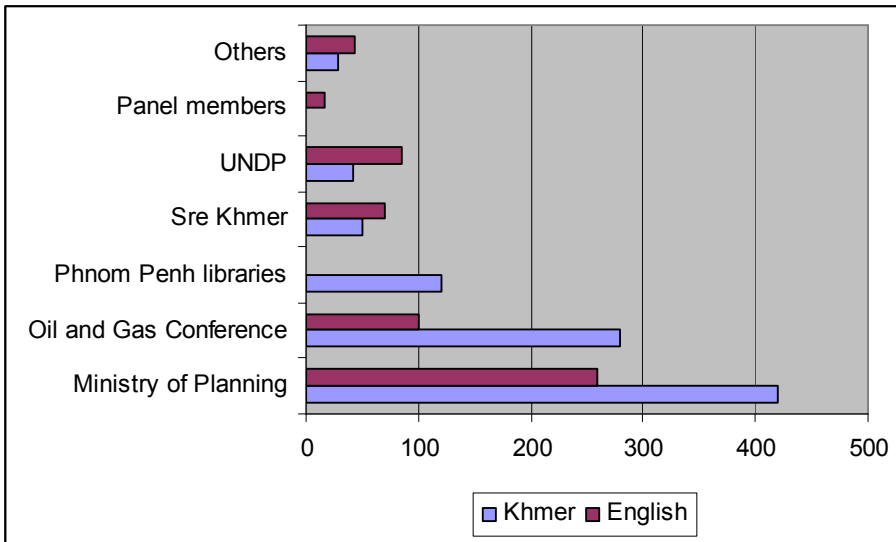
303 copies were sent to UNDP

70 copies were sent to Sre Khmer Sre Kmer

34 copies were sent to Sre Khmer Advisory Panel members

78 copies were sent to individuals and organisations requesting them, including academics, NGOs and CSOs

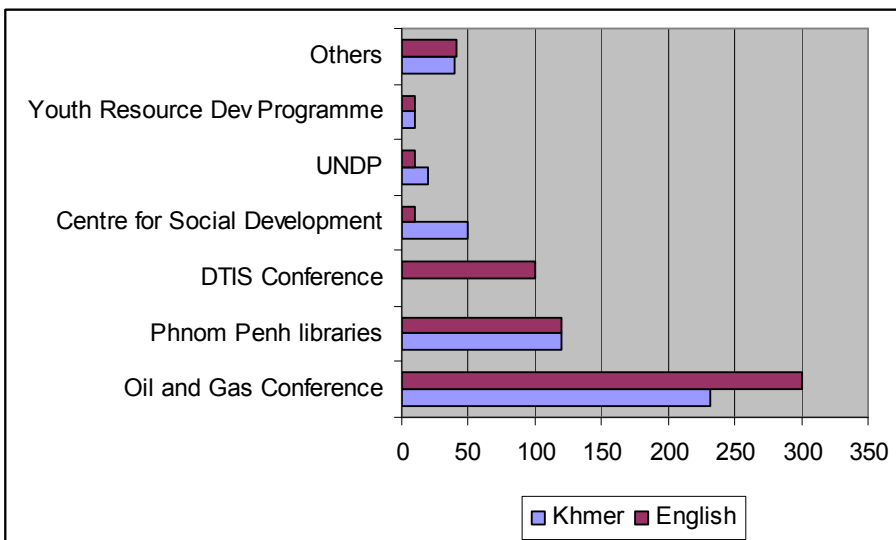
Cambodia Human Development Report 2007: Expanding Choices for Rural People



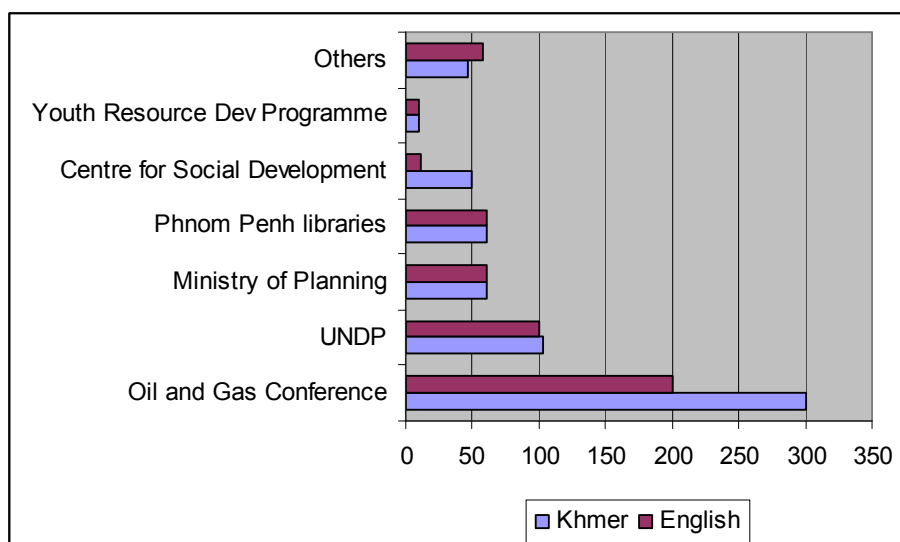
Cambodia Human Development Report 2007: Expanding Choices for Rural People

680 copies were distributed by the Ministry of Planning at launch events
 380 copies were distributed at the Oil and Gas Conference
 120 copies were sent to libraries in Phnom Penh
 120 copies were sent to Sre Khmer
 102 copies were distributed by the Communication Unit
 17 copies were sent to Advisory Panel Members
 14 copies were distributed at an IFA learning session on the NHDR
 83 copies were sent to individuals and organisations requesting them, including academics, NGOs and CSOs

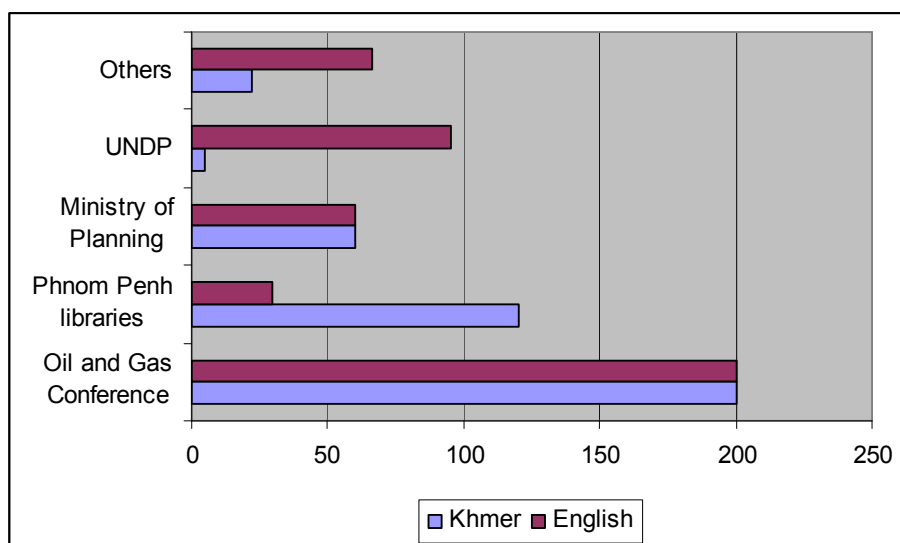
Discussion Paper No. 1: Strengths, Weaknesses, Opportunities, and Threats (SWOT)



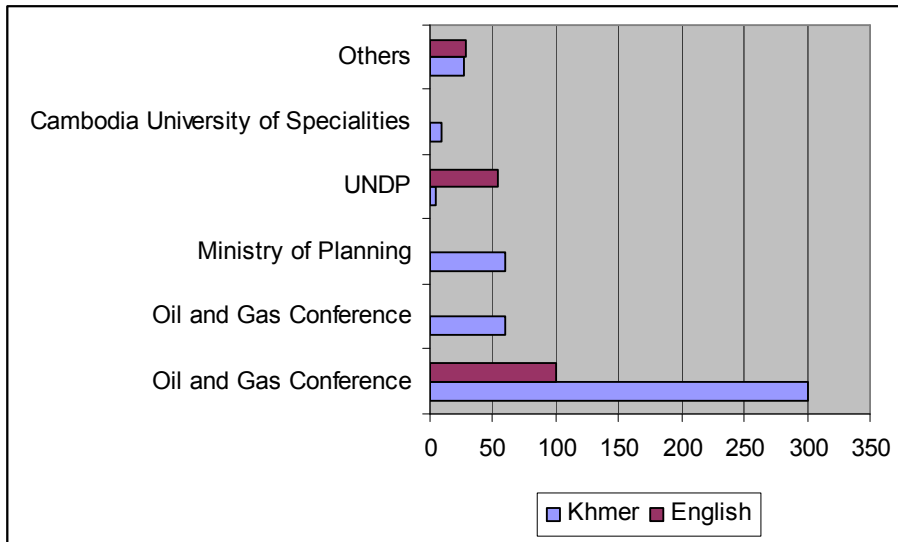
Discussion Paper No. 2: Review of Development Prospects for the Cambodian Oil and Gas Sectors



Discussion Paper No. 3: Meeting the Challenge of the Resource Curse



Discussion Paper No. 4: Raising Rural Incomes in Cambodia



Discussion Paper No. 5: Land and Human Development in Cambodia

