FINAL PROJECT REPORT

United Nations Development Programme

Cambodia

Multi-Donor Support Program to implement the Strategic Framework for Development Cooperation Management

01/01/2006 – 31/12/2010

Project ID & Title: 00048711

Multi-Donor Support Program for Strategic Framework for Development Cooperation Management

Duration: 1/1/2006 – 31/12/2010

Total Budget: USD 5,764,112

Implementing Partners/Responsible parties: CRDB/CDC

Country Programme Outcome: National and local authorities are better able to manage development effectiveness (Outcome 5)

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Executive summary

The MDSP identified four outputs designed to strengthen national aid management capacity:

1) in CRDB/CDC to ensure that <u>development cooperation activities are nationally owned</u>, are fully <u>aligned</u> with Cambodia's development priorities, and are <u>managed by RGC</u> to achieve targeted results;

2) in CRDB/CDC to effectively <u>engage in policy discussion</u> on aid effectiveness in international forums; and to lead the process to promote harmonized donor practices, promote <u>strengthening of national systems</u> and procedures that meet international standards within an environment of <u>partnership, mutual trust and mutual accountability</u> to maximize aid effectiveness;

3) in line ministries and agencies, to play a <u>leadership role in the work of the TWGs</u>, and to <u>manage their aid coordination</u> and aid management functions; and

4) Strengthened capacity in CRDB/CDC and line ministries and agencies to develop, upgrade and <u>maintain aid information management systems</u> and website(s).

These outputs are associated with the UNDP country programme outcome/outputs as follows:

UNDP Country Outcome 5	UNDP Country Output 5.1
National and local authorities are better able to manage development effectiveness	Improved systems and human resources at CRDB/CDC to coordinate aid

The main output-level results associated with each of the identified outputs can be summarised as follows in the table below.

Key activities linked to MDSP outputs	Results summary
Output 1 • CRDB Capacity Development Strategy formulated • Technical and outreach capacity of CRDB developed • Aid effectiveness Report launched • Performance management arrangements for CRDB implemented	CRDB capacity and outreach significantly improved • Enabled organisational restructuring and full staffing. • Effective aid information management systems, dialogue mechanisms and JMIs • Provides framework for policy-related capacity development, analysis, advocacy • Supported M&E and coaching/mentoring.
Output 2 • Dialogue mechanisms established • Partnerships with civil society created • Global policy work & learning exchanges increased	Stronger mutual accountability and results focus • CDCF & TWG Network established, GDCC & TWG structures improved (on-going work) • Policy and data work well-established with good foundation for future partnership • RGC a valued member of the global aid effectiveness community (DAC / regional)
Output 3 • JMIs are consensus-based and results-oriented • Key sectors and ministries supported • Trainings and support provided in line with CRDB's mandate	Sector work focused on effectiveness and results • JMIs strengthened with 2009 training/revised format • MoWA, MoEYS, MoH, MAFF support provided • TWG Network established for dialogue & training
Output 4 • ODA Database strengthened • NGO Database established • RGC ODA information management improved	Information used to inform policy and M&E • ODA Database seen as global best practice • NGO Database on-line • Aid Effectiveness Report linked to policy work

Consistent with the view of the CPAP MTR (2008) and the MDSP independent review (2009), the project has achieved the output-level results that were envisaged at the project design stage in late-2005. Meaningful aid effectiveness is linked to development outcomes, however, and a successor project ("Partnerships for Development Results") will strengthen the linkages between aid effectiveness work and MDG-related outcomes.

MDSP is considered to have fully contributed to the CPAP outcome and output-level results.

I. Context

Official Development Assistance (ODA) is the major source of financing of development programs of the Royal Government of Cambodia (RGC). Improving effectiveness of ODA has therefore been a high priority of the RGC, in particular in the effort to support the implementation of global agreements on aid effectiveness such as the Rome Declaration (2003) and the Paris Declaration (2005).

The 5-year Multi-donor Support Program was intended to support implementation of the RGC's Strategic Framework for Development Cooperation Management. It was aimed at strengthening RGC's overall capacity to effectively manage and to enhance the effectiveness of development resources targeted at reducing poverty and meeting Cambodia's Millennium Development Goals.

The expected outcome/result of the multi-donor support program was a nationally owned and RGC-led development cooperation management process to achieve targeted development results in an environment of partnership, mutual trust, and mutual accountability to maximize aid effectiveness. Four project outputs were identified (see Executive Summary) and associated with the UNDP country programme outcome "National and local authorities are better able to manage development effectiveness" and CPAP output "Improved systems and human resources at CRDB/CDC to coordinate aid".

The key elements of the RGC aid effectiveness effort, to which the MDSP directed support, included: enhanced ownership; alignment of development cooperation activities with national development priorities; harmonization of donor practices; and increased use of Government systems and procedures. MDSP outputs were therefore formulated to support these national policy objectives.

The Program focused on capacity development of CRDB/CDC - as the focal point within the RGC on ODA mobilization and aid coordination functions - as well as the capacity development of line ministries and agencies to effectively manage external assistance. The project therefore directly supported the attainment of the CMDGs and NSDP goals, with both the Rectangular Strategy and its successor Phase II statement recognising and promoting the principles of effective aid.

The Multi-Donor Support Program was managed by CRDB/CDC according to the UNDP National Implementation modality. It was the main counterpart and beneficiary, with significant involvement of other RGC ministries and agencies together with civil society and development partners.

II. Performance review

[This section draws on material used for the 2009 MDSP performance review completed in early 2010]

Progress Review
This section reflects on some of the factors that supported CRDB's capacity development and performance. The 2008 CPAP review showed that MDSP had made "outstanding progress", a conclusion that was supported by a 2009 independent review.

a) Overall progress towards the UNDAF outcomes
The relevant UNDAF outcome is "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 CMDGs". In terms of supporting national planning and budgeting through more effective aid management, CRDB's role is now clearly understood based on revised sub-decrees and acknowledged by government and by most development partners. CRDB is able to perform the administrative, liaison and

coordination tasks required of it, support the GDCC and CDCF meetings (which provide inputs to NSDP monitoring and planning/budgeting) and the nineteen TWG secretariats, provide substantive inputs to TWG meetings on matters relating to aid effectiveness and partnership. CRDB is also able to maintain a functioning aid management information system (ODA and NGO databases) that provides an important source of information for other CRDB work and for national budgeting and aid alignment.

b) Overall progress towards CPAP outcome and outputs
The CPAP output was "Improved systems and human resources at CRDB/CDC to coordinate aid". Both the 2008 CPAP review and the 2009 independent review of the MDSP concluded that the project has played a significant role both in developing CRDB capacity, as well as supporting it to deliver key products and services in areas where it lacks the capacity to do so on its own.

c) Capacity development
Some of the key elements of MDSP capacity development support are as follows:

Capacity Development Strategy (CDS) – MDSP was instrumental in assisting CRDB to prepare its first capacity development strategy. The CDS is a thorough piece of work, offering both a strong conceptual and operational framework to guide CRDB's internal capacity strengthening process. The CDS has contributed to the review of CRDB's organizational structure, determination of an appropriate staffing level, and has set the agenda for various staff development and organizational strengthening activities.

The CDS then identified and delivered the following support:

Performance Management System (PMS) – A key component of the CDS was the introduction of a PMS in 2007. This has helped staff to begin focusing on performance issues and to better understand roles and responsibilities; it has also helped to demonstrate the links between individual, departmental and organizational performance, and in so doing to promote a stronger sense of organizational identity. It has also encouraged departmental heads to better manage their staff through closer supervision and mentoring, a feature that is highly appreciated by staff. There is much scope to enhance the effectiveness of the PMS. Doing so is closely linked to the wider challenge of strengthening the human resources management function across the organization e.g. further developing the leadership and mentoring skills of departmental heads, strengthening the HR unit within the administration department to coordinate the HR function, and further inculcating a performance "culture" across the organization.

Salary Supplementation – The MDSP financed a comprehensive salary supplementation scheme for CRDB that broadly followed the provisions of MBPI, and was therefore consistent with RGC guidelines and policy. In view of the very low levels of basic pay (noted earlier), the supplementation scheme served as an important monetary incentive to boost individual performance.

Non-monetary incentives - such as opportunities for training, and the provision of a conducive working environment have proven equally important for motivating staff and were highlighted as significant during the 2009 staff survey and consultation phase of the independent review.

Staff Development – MDSP has offered a variety of staff development opportunities, targeting in particular younger staff recruited during MDSP implementation and the need for effective staff induction.

- Training - Various short and long term training opportunities have been offered, covering a wide range of technical fields, English language proficiency, as well as soft skills.

Increasingly, training needs are being linked to the performance management system and the appraisal of individual performance.

- The organization of monthly staff seminars is particularly valued by staff. These have been used as a mechanism to inform staff of emerging issues and debates, to encourage more critical analysis and to build confidence among staff in presentation and related skills. It has also stimulated cross-organizational learning, which has helped broaden staff engagement around aid effectiveness issues. On occasions, outside speakers have been invited to make presentations to staff.

- CRDB management together with MDSP staff has taken various other ad hoc staff development initiatives. Noteworthy is the 2009 effort to prepare a mock evaluation of progress on implementation of the Paris Declaration. Other initiatives include the organization of regular staff retreats to encourage a more participatory approach to decision-making and information exchange.

d) Impact on direct and indirect beneficiaries

This section considers how far the outputs generated by CRDB (with MDSP support) have had an impact at the outcome level. Any entity, such as CRDB, can reasonably expect to control the level of its output, as this is within its direct sphere of control. However, the extent to which those outputs can influence broader outcomes, such as aid effectiveness practice, is less certain. Whilst the outcome level might well fall within the entities "sphere of influence", there are many other factors and groups that are likely to shape outcomes.

Through its outreach work, CRDB has begun to broaden awareness among the large and fragmented NGO community that was hitherto peripheral to the main forums of discussions on aid effectiveness. CRDB has also developed closer working relations with core central agencies that provide an opportunity to link the aid effectiveness agenda to broader institutional reform processes such a public financial management reform. Through its secretariat function, CRDB has been instrumental in ensuring that TWG meetings take place and that the necessary actions and processes are followed up on in terms of feeding GDCC and CDCF meetings.

Such contributions to knowledge exchange, awareness raising and promotion of dialogue are important facets of any change management strategy. Building relationships with groups that one is seeking to influence and gaining their respect is equally important. In this regard, CRDB has in a comparatively short period of time recorded some important achievements, as described in this report.

To achieve successes at the outcome level changes need to take place at sector/ thematic level, led by the respective actors involved. In this regard, CRDB recognizes the limits of its own influence, which in the final analysis is largely of a technical nature. Real change in practices requires political leadership and commitment among the actors involved at the sector/ thematic level. The comparative progress made in some sectors such as health and education bear testimony to this. Change will thus happen at different speeds and in different ways across different sector/ thematic areas. Progress on aid effectiveness also depends largely on advances made in implementing key reforms such as public financial management and public administration reform. Both reforms are complex, are politically sensitive and will take time to show results. Such reforms do not fall under the direct influence of CRDB and their progress depends on strong leadership at the highest levels of government.

These issues fall under the remit of the successor project, "Partnerships for Development Results".

Implementation strategy review

a) Participatory/consultative processes

For each year of the MDSP's implementation the Project Board met to discuss progress, agree strategic direction and to agree the workplan and budget. As a NIM project the Chair of the Board was the CRDB/CDC Secretary General. The Government's aid effectiveness priorities were discussed and agreed in much broader dialogue meetings, including the CDCF, the P+H TWG and the regular TWG Network meetings that were established in 2007 with MDSP support. This ensured close alignment of the project with the perspectives of national aid effectiveness stakeholders. It is noteworthy that MDSP support facilitated much of the national dialogue, including within and between civil society.

b) Quality of partnerships

MDSP's primary counterpart and partner was CRDB/CDC. The NEX modality gave program management responsibility to the Secretary-General CRDB so that MDSP became an integral part of the CRDB organizational landscape. This close relationship has contributed to a high degree of ownership of MDSP by CRDB and close alignment of the program behind CRDB organizational priorities. Due to NIM and the efforts of the project team, the partnership is close and effective. Many of the project staff have worked with RGC and CRDB/CDC for some years and this highlights the importance of relationships and trust to getting things done in the Cambodia context. A major activity in 2007 and 2008 was the residential training of CRDB and other RGC staff from key ministries and TWGs. This helped to establish good partnerships between CRDB and RGC counterparts that were invaluable during the remaining implementation period of MDSP.

Support to CRDB work at the SNEC also provided the basis for effective relations with central agencies, including to utilize the appointment of D/PM and Minister of Economy and Finance as First Vice-Chairmen of CDC. Through the TWG Network meeting these relationships were then further strengthened and applied to sector work, leading to agreement to establish and implement PBAs at the 2010 CDCF meeting.

MDSP work also included collaboration with CSOs, notably the Cooperation Committee for Cambodia (CCC). Cooperation with other UN agencies was emphasised especially with regard to CRDB's role in UNDAF coordination and in cooperation with key sectors and the UN agencies present there (education, agriculture, gender, health). South-South partnerships grew in significance and the context of the Paris Declaration provided a framework for a number of learning exchanges with countries in the region (Nepal, Vietnam, Laos, Philippines, PNG, Timor Leste, Indonesia).

c) National ownership

At a technical level, CRDB has been able to broaden ownership of the aid effectiveness agenda and to broaden knowledge and awareness of aid effectiveness principles across government. CRDB is increasingly looked upon by government agencies, and to a growing extent by development partners, as a source of technical expertise and knowledge on matters pertaining to aid effectiveness. Through its work with the TWG Secretariats, CRDB has broadened general awareness and understanding of aid effectiveness issues and principles at the sector and thematic levels. A number of TWG secretariats are now taking steps to broaden knowledge and awareness within their respective working areas. In a number of sectors, basic capacity is in place to take forward aid effectiveness principles.

d) Sustainability

The focus on capacity development was emphasised at the outset to ensure that each activity would be implemented with CD as the over-arching objective for MDSP support. Significant coaching and mentoring was incorporated in each project activity and project staff ToRs were designed and monitored according to their CD contribution.

By the end of the project, CRDB staffing complement was relatively complete (although adversely affected by MBPI cancellation in late 2009) and basic training was complete to the extent that the 2009 review found that "CRDB is, today, substantially able to fulfil its mandate as the national aid coordination focal point". The main approaches to CD, detailed in an earlier section, were as follows:

- Capacity Development Strategy (CDS) to agree and establish priorities and implementation/M&E arrangements
- Performance Management System (PMS) and coaching/mentoring
- Salary Supplementation
- Non-monetary incentives (representation opportunities, career development)
- Staff Development (training opportunities, seminars, mentoring)

Sustainability is often a moot point in developing countries that are aid dependent. While CRDB is seeking to obtain a larger RGC subvention from the national budget it is likely that CRDB will be in a similar position to many other public sector organizations for some years to come, i.e. dependent on external resources. The "exit strategy" is therefore to develop CRDB management capacity so that it can provide its own management and strategic leadership, together with core functions in administration, policy and information management, in each case largely free of foreign/expatriate technical assistance. As for the public sector function in any country, resources from the national budget – domestic or external – will be required to finance the organisation's work so external reforms, principally in PFM and revenue management, together with broader economic growth, will determine the timing of exit as much as the project's own work with CRDB.

Management effectiveness review

This section assesses the effectiveness of the project management structure in terms of cost-effectiveness, timeliness, and quality of monitoring.

a) Quality of monitoring

Project M&E was an integral part of the MDSP's work, managed by the project team, supported by the CO and subject to the oversight of the Project Board. The close alignment between CRDB and MDSP priorities, as well as the NIM arrangement, ensured day-to-day collaboration between CRDB and MDSP in setting goals and measuring progress, guided by either the Capacity Development Strategy or the RGC's policies related to the NSDP and external resource management. More broadly, Government and development partners were involved as the MDSP's work was closely associated with the P+H TWG's work and the JMI on aid management.

b) Timely delivery of outputs

All MDSP project outputs – both annual and for the project as a whole - were delivered in accordance with the schedule in the Project Results and Resources Framework. Project Board meetings were presented with full and accurate information on activities and resource use while quarterly reporting provided information on implementation that demonstrated the timely execution of the workplan.

c) Resources allocation

The total project resources used in the period 2006-2010 was USD 4,900,577.94. Development activities costs (USD 2,341,237.34) represented 47.77% of the total expenditure, and project administrative cost (USD 2,559,340.60) represented a 52.23% of the total expenditure.

Given the capacity development nature of this project it has to be taken into account that the technical cooperation is an input to development activities, however it is accounted as a

project administrative cost due to the classification of cost. The project team performed important capacity support and facilitation roles-training IT staff, supporting policy staff develop their critical thinking skills, which were critical for the success of MDSP.

d) Cost-effective use of inputs
On a "value for money" basis the project performed well. The recent Evaluation of the Paris Declaration, together with the 2008 CPAP review and 2009 independent review, all highlight the important contribution and leverage of the MDSP and its resources. Given the important coordinating role that CRDB plays in aid management and partnerships, the MDSP represents good value for development partners as a whole and provides UNDP with valuable exposure.

III. Project results summary

This section reports progress against project specific outputs and makes an assessment of the project's contribution to the RGC's development goals and to the respective UNDP country programme output. In summary, MDSP fully achieved each of its project outputs and made the anticipated contribution to the UNDP country programme output. At the Project Board meeting in September 2010 the National Programme Director, H.E. Chhieng Yanara, Secretary General CRDB/CDC, informed the Board members that "We can be rightly proud of the results we have achieved at CRDB. The project evaluation prepared at the end of 2009 records this progress and demonstrates that great credit must be given to the MDSP for the work it has done. Our discussion of work undertaken to date in 2010 will show further good progress in implementing CRDB's work with important support from MDSP." As mentioned in earlier sections of this report, the MDSP also stayed within its agreed annual and aggregate budget and met all critical deadlines for programme implementation.

The respective UNDP Country Programme Output was "Improved systems and human resources at CRDB/CDC to coordinate aid". Progress in each of the four project outputs can be summarized as follows:

Output 1 - in CRDB/CDC to ensure that development cooperation activities are nationally owned, are fully aligned with Cambodia's development priorities, and are managed by RGC to achieve targeted results

The first major piece of MDSP work was to facilitate the CRDB capacity assessment and production of the 2006-2010 Capacity Development Strategy. This established the principles for effective CD at CRDB, supported a functional review of staff and departments, identified a strategy for CD and set out implementation and working arrangements. It has been the core of the MDSP's, as well as the main source of guidance, during the implementation period. Together with the performance management System established by CRDB, it has provided the main roadmap for CRDB's own CD and training initiatives, including highly effective coaching and mentoring of staff in a supportive organizational environment for learning ad personal growth (see 2009 independent evaluation).

The introduction of the Aid Effectiveness Report has been an effective touchstone for CD activities as this is CRDB's "flagship" product and process. It provides an opportunity to guide and apply CD initiatives by bringing together different departments and staff in data collection and validation; information management, analysis and critical thinking; and formulating and communicating policy initiatives.

As a result of these activities CRDB capacity to perform its core functions together with its outreach to other Government agencies, CSOs and development partners is significantly improved.

<u>Output 2 - In CRDB/CDC to effectively engage in policy discussion on aid effectiveness in international forums; and to lead the process to promote harmonized donor practices, promote strengthening of national systems and procedures that meet international standards within an environment of partnership, mutual trust and mutual accountability to maximize aid effectiveness</u>

Combined with the foundations of capacity established under Output 1, the work in this Output area has had the overall effect of strengthening mutual accountability and the results focus of aid management efforts.

Coordination and dialogue mechanisms were the initial focus of MDSP support to CRDB. This supported the transition from CG to CDCF in June 2007 and the production of TWG Guidelines to guide their work. Specialised training for TWG officials and CRDB staff, via a tailored two-week training course developed by MDSP and CRDB and delivered by University of Philippines (National College of Governance and Public and Public Administration) provided the opportunity to promote expertise in aid management as well as to form and strengthen partnerships between CRDB and their sector counterparts. These relationships would prove to be invaluable during the remaining MDSP implementation period. In 2009, CRDB established a "Making Partnerships Effective" initiative that focused on the behavioral aspects of multi-stakeholder groups and attempted to focus on non-technical in partnership effectiveness. Many TWGs reported that this had offered a new and valuable perspective for their work (see PD Evaluation 2010). In sum, these activities have had beneficial effects on the dialogue mechanisms though further efforts are still required to ensure the effectiveness of these consultation and dialogue mechanisms.

Partnerships with civil society were also an important focus of CRDB work and MDSP support. The principal motivation for CRDB has been to work with CSOs to support their role in aid effectiveness initiatives, especially with regard to their advocacy role as well as supporting NGOs themselves to adhere to the spirit and letter of the global and national commitments. MDSP therefore supported a number of sub-national and national consultations, for NGOs individually as well as with Government and development partners. This work informed their reporting to, and participation in, some the global fora associated with the Accra Agenda for Action. The establishment of the NGO Database in 2009 also provided the opportunity to conduct outreach with NGOs at sub-national level in order to understand more about their work and to train them in the use of a tool that can support their own coordination efforts.

At the regional and global level, CRDB was a valued member of the OECD/DAC-sponsored Working Party on Aid Effectiveness and participated in numerous related initiatives. In the lead-up to the 2008 High-Level Forum, for example, CRDB/CDC officials were invited to participate in meetings and studies related to aid effectiveness and their links to: gender; human rights; civil society; Beyond Aid (migration, trade, partnership); health tracking tracer studies; technical cooperation; capacity development; the monitoring survey; the first phase of the evaluation of the Paris Declaration; three regional workshops to support the High-Level Forum; three meetings on South-South cooperation and one on trilateral assistance; a DAC sub-group on Complementarity and Division of Labour; a Brookings Institute health study and other civil society studies and meetings rooted in global mandates; the EU Roadmap; the International Health Partnership; the Hanoi Roundtable on MfDR; two ECOSOC meetings to gather views on aid effectiveness; a sub-regional study on mutual accountability; and other assorted joint ventures, contact groups, working parties, focus groups, pulse groups, and committees. Currently CRDB is active in groups supporting the Paris Declaration Evaluation and Monitoring Survey, Managing for Development Results and has also participated in regional work on climate change.

<u>Output 3 - In line ministries and agencies, to play a leadership role in the work of the TWGs, and to manage their aid coordination and aid management functions</u>

CRDB recognizes that the results of its aid management and partnership efforts must be realized at the sector level if it is to have a meaningful impact on development results.

Sector work focused on partnerships, effectiveness and results. Specialised training for TWG officials and CRDB staff, discussed under Output One, was delivered via a tailored two-week training course developed by MDSP and CRDB and delivered by University of Philippines (National College of Governance and Public and Public Administration). After the first such event a TWG Network was established to provide an opportunity to bring together all TWG Chairs and secretariats two or three times a year, either for training or for consultation and discussion. Trainings have included a focus on issues such as Programme-based Approaches and Managing for Development Results. In both cases this led to the development of new policy positions (PBA Concept Note of 2010 and the revised, results-based JMI template prior to the third CDCF meeting in June 2010).

There has been a focus on key sectors: MoWA, MoEYS, MoH, MAFF. In all cases the starting point was to develop and link information systems (see Output Four) so that planning and budgeting could advance I the context of the respective strategic plans established in each sector. This support then moved forward to supporting consultations on sector programmes and partnerships and the use of technical cooperation (this ed to the development of the Guideline of the Management and Use of Technical Cooperation in 2008).

<u>Output 4 - Strengthened capacity in CRDB/CDC and line ministries and agencies to develop, upgrade and maintain aid information management systems and website(s).</u>

The Cambodia ODA Database was seen as a significant capacity development opportunity to support transparency, accountability, planning/budgeting and policy development. It has therefore been developed as an important on-line tool and has established itself as the single data platform for providing development partner information on aid to Cambodia. This work has also been the basis for taking forward a number of other initiatives, including the Aid Effectiveness Report, data management training for CRDB, sector support work (see Output 3) and the monitoring of the Paris Declaration in Cambodia. The ODA Database has also come to be acknowledged as a global best practice in aid information management systems, with visits and requests for technical support and advice from a large number of countries in Asia, Africa and Latin America. Cambodia has therefore participated in some of the work of the International Aid Transparency Initiative (IATI) and has received missions from their HQ in the UK. In 2009 the establishment of the NGO database supported outreach work with CSOs and enabled them to better coordinate their activities, especially at sub-national level where they are constrained in their planning and resource mobilisation efforts.

In other information management fields, CRDB has attempted to embrace the principles of effective knowledge management, principally through its website but also in the production and dissemination of information through the TWG Network.

In all cases the quality of implementation has been very high, reflecting the strong ownership and growing capacity and confidence of CRDB. The chief constraint has been to advance the link between project outputs and development outcomes. The 2009 independent project evaluation observed that "A key challenge has been to build relationships with other organizations, and to strike the right balance between being directive and facilitative. In a context where government departments tend to operate in silos and where there is little tradition of cross-departmental cooperation, relationship building takes on a particular importance." Relationship building has made significant advances but CRDB still has limited influence over the actual implementation of aid effectiveness work at sector level while it

must also be recognised that aid effectiveness as a topic competes for political space in an environment that is capacity constrained and subject to interests and objectives that are not always consistent with god aid management practice.

IV. Implementation challenges

The 2009 independent evaluation of MDSP, finalised in 2010 and presented to the Project Board observed that "CRDB is not yet able to fully lead the policy process and outreach work with respect to implementing the aid effectiveness agenda, and continues to rely heavily on MDSP support. Together with MDSP advisory support, CRDB has been able to engage in a number of activities that have contributed to broadened awareness and ownership of aid effectiveness principles across government." Examples cited included production of the Aid Effectiveness Report (produced in 2007, 2008 & 2010 for the CDCF meeting); commissioning of policy research studies (technical cooperation, climate change, evaluation of aid effectiveness) and the development of associated policy guidance such as on technical cooperation; participation in international and regional forums and contributions to DAC/Working Party on Aid Effectiveness work streams, associated with the implementation of Paris Declaration and the Accra Agenda for Action.

Outreach work aimed at raising the capacity of TWG secretariats to carry forward aid effectiveness at the sector/ thematic level has included the organisation of training events, the establishment of TWG "networks", the provision of block grants. For CRDB, this has meant learning to work in a way that differs from bureaucratic routine. A key challenge has been to build relationships with other organizations, and to strike the right balance between being directive and facilitative. In a context where government departments tend to operate in silos and where there is little tradition of cross-departmental cooperation, relationship building takes on a particular importance. It is also important to recognize that there is no legal framework to guide CRDB's relationship with TWG secretariats, and therefore these relationships need to be developed on the basis of trust and mutual respect. In this regard, members of TWG secretariats expressed their appreciation of CRDB's TWG "network" initiative that provides opportunities for different secretariats to meet informally to exchange experiences, and to participate in formal training events.

Project risks and actions
This section identifies and analyses project risks and project issues which had an impact on the completion of outputs, and how they were addressed by the project.

<u>Project Risk 1 Staff positions are not established, so that seconded and contract staff are not made permanent and additional permanent staff cannot be retained. Further, suspension of MBPI and other forms of supplements has adverse impact on performance and retention.</u>

Actions taken: While dialogue with the government for the creation of a permanent staff establishment has continued throughout the programme, most junior staff continue to be engaged on contracts and senior staff are seconded. Evidence from 2006 onwards shows very clearly, however, that staff attrition is not a significant concern (unless exogenous factors such as MBPI termination affect incentives). This risk has been well mitigated by effective CRDB management of staff and the CD work of the project that promotes motivation and staff retention. The successor project must continue to use existing mechanisms such as training and the performance management scheme to motivate, build confidence and to strengthen the sense among staff that they are working in a team in which their contributions are important and appreciated.

<u>Project Risk 2: GDCC and TWG performance requires an on-going effort to strengthen partnerships and ensure that their potential is realised.</u>

Actions taken: Block grant support was introduced as an innovative attempt to address incentives and resource concerns, however it did not produce the hoped-for results. It was replaced with on-demand requests submitted jointly by TWG chairs and DP facilitators to ensure it is effective and accountable, together with the inclusion of development partners in the TWG Network meeting in order to provide a networking and relationship-building opportunity.

Project Risk 3: Incentives that run counter to aid effectiveness priorities (fiduciary constraints, "donor fatigue", RGC dependence on projects that support recurrent funding or substitute capacity, accountability to donor capitals rather than to national stakeholders for results) may deflect attention away from actions and reforms required to strengthen the linkage between aid effectiveness and development results.

Actions taken: Recent policy developments by CRDB, notably the PBA endorsement, have also been directed at identifying relevant and prioritised actions that are likely to have the support and commitment of all stakeholders. The project's efforts during 2010 were directed towards the extension and strengthening of these programme-based approaches that appear to be the most credible approach for strengthening ownership and coherency of aid, as well as continuing with efforts such as the "Making Partnerships Effective in Cambodia".

Project issues and actions
Project Issue 1: Suspension of MBPI, PMG and other supplements has had an adverse effect on the staffing complement (almost half of the contract personnel resigned in 2010) so that capacity gains were undermined.

Actions: MBPI was a centrepiece of the CDS. The project aligned with the decision taken by the government to terminate MBPI and no monetary incentives were paid in 2010. Activities to motivate contract staff in order to safeguard capacity gains were made but half the staff resigned. The project team was required to switch towards capacity substitution to support core CRDB activities, which was an unfortunate reversal of gains previously made.

Project Issue 2: Continuation of support beyond 2010 is required (and agreed between CRDB and UNDP)

Actions: the MDSP review identified the likely need for further support beyond 2010. Negotiations with CRDB and development partners (those supporting MDSP and others who may be interested to provide support in the future) began in the latter part of 2010 to ensure that continuity (e.g. in project staffing) is assured and that CRDB can give due consideration to the type of support it requires in the period 2011-2015.

V. Lessons learnt and next steps

This section is an analysis of lessons learnt that can be usefully applied to other projects in this sector/area. Key lessons relate to:

Capacity development has been effective as it formed the centrepiece of the project and has been internally-led by CRDB/CDC. A capacity needs assessment was conducted at start of the project, with a Capacity Development Strategy providing the framework for support over the project period.

Exposure to international good practice and application of emerging capacity. By the end of project, capacity was demonstrably stronger and best practice information systems had been established. There was positive evidence of the project outputs (capacity) being linked to outcomes (development results) but the link was still tentative and requiring consolidation and extension (i.e. to ensure good aid management practices at sector level are associated with achieving MDG-related outcomes).

Trust with the national counterpart complemented by respect for national ownership and decision-making. Effective working relationships between CRDB/CDC, project team and UNDP CO. Strong leadership of national counterpart to lead and reform the organisation as well as to transform working relations with donors and other Government agencies. Relationships matter; more than just about anything else.

A highly-skilled project team that combined technical know-how in the substantive field with expertise in organisational reform, change management and capacity development.

Aid effectiveness and partnership is more than a technical issue; it requires attention to building partnership and creating incentives for all stakeholders to collaborate. This has proved to be quite challenging and behaviour change (e.g. moving away from project dependence and use of capacity-substituting TA) will be a long-term undertaking.

Recommendations

A successor phase of the project is recommended (and was agreed in the second half of 2010 during CPAP negotiation).

VI. Financial status and utilization

This section includes a 'financial status report' covering all funding donated to the project (core and non-core resources)and a 'financial utilization report', which presents project disbursements vis-à-vis the project budget. This summary is presented by a) ATLAS Activity (or major budget line) and b) by donor.

Financial status

Table 1: Contribution overview 2006-2010 – CO pls check

DP Name	Contributions		Contribution Balance
	Committed	Received (USD)	
UNDP	828,053	828,053	0
Australia	348,837	348,837	0
Canada	1,059,080	1,059,080	0
New Zealand	2,070,864	2,070,864	0
United Kingdom	1,106,408	1,106,408	0
Total	**5,413,242**	**5,413,242**	**0**

Financial utilization

DP Name	Funding Utilization		Balance
	Funding Received	Disbursement	
UNDP	828,053	828,053	0
Australia	348,837	348,837	0
Canada	1,059,080	1,007,298	51,782
New Zealand	2,070,864	1,609,982	460,882
United Kingdom	1,106,408	1,106,408	0
Total	**5,413,242**	**4,900,578**	**512,664**