

Cambodia Country Strategy

SUMMARY

This strategy provides direction to NZAID's assistance to Cambodia over the 2005-2010 period. It sits within the framework of the NZAID Asia Strategy, and takes into account:

- NZAID's policies, strategies, capacity and comparative advantage
- The Cambodian government's poverty reduction strategy 2004-2006 and National Strategic Development Plan 2006-2010.
- the context of the Greater Mekong Subregion
- the activities of other donors

This strategy is complemented by an implementation plan that details NZAID's activity in country.

The overall **goal** of the strategy is to:

pursue NZAID's mission of eliminating poverty in Cambodia through a focus on sustainable rural livelihoods.

This is consistent with NZAID's Asia Strategy and with the Royal Government of Cambodia's Rectangular Strategy and National Strategic Development Plan.

NZAID will achieve this goal through pursuing the following two inter-linked **objectives**:-

- Reduce poverty and promote livelihoods through building skills, and promoting income-generation and sustainable resource management.
- Empower those in poverty to understand and exercise their fundamental human rights through our partners.

Given its limited resources and reflecting its comparative advantage, NZAID will focus on specific sectors and provinces. Sustainable rural livelihoods will be promoted through core bilateral assistance in natural resource management and pro-poor tourism in Siem Reap province in the north-west and one province in the north-east. This will be complemented by assistance to link poor producers to markets through trade and private sector development, and by a continuation of NZAID's human resource development assistance. This support provides scope to extend the country programme footprint. Human rights and

gender equity will be integrated wherever possible into this sectoral work, and also through discrete activities.

In measuring the performance of the Cambodia Country Strategy, NZAID will focus on development impact. This means that we expect that poverty will be reduced and that communities with which we work will increase their self-reliance. A biennial high-level consultation forum will be established between NZAID and the Royal Government of Cambodia to review implementation of the Strategy. A review of the Strategy itself will be conducted in five years to ensure that it remains relevant to Cambodia's needs and priorities.

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PART ONE – COUNTRY ANALYSIS

CAMBODIA DEVELOPMENT CONTEXT

Cambodia is one of the poorest countries in Asia. The impact of the Genocide on the Khmer people remains to this day. After twenty years of isolation and conflict which resulted in the destruction of much of the country's physical, social and human capital, Cambodia entered a more stable development phase after the signing of the Paris Peace Accords in 1991.

Multiparty elections, held in July 2003, were not marked by the same level of political violence as the past. However, the formation of a new coalition government was a slow process, which resulted in a significant expansion in the size of government in order to secure peace and stability. In recent years Cambodia has made good progress in achieving peace and security, rebuilding institutions and civil society, improving the stability of the macroeconomic environment and a liberal investment climate.¹ Cambodia is, however, still a country emerging from conflict, and remains fragile.

Since the first national elections in 1993, economic growth has averaged over 6% p.a. This growth has been driven primarily by the industrial sector especially garment manufacturing, which contributes about 85% of the country's exports. Tourism led by the attraction of the Angkor Heritage Park has also contributed to growth. Growth in the agriculture sector however has been modest at best, despite considerable input from donors over the years. With the majority of Cambodians living in rural areas and dependent on agriculture either directly or indirectly this is a major cause for concern.

While economic growth has been impressive, it has been narrowly-based, with the result that the poorest people have seen little benefit. Of particular concern is the chronic lack of investment in rural livelihoods, persistently high child mortality rates, the low levels of secondary education of girls, high cost or unavailability of energy, and the unsustainable exploitation of the country's natural resources.² Cambodia's economy remains vulnerable and the economic growth achieved has not translated into the widespread poverty reduction necessary to make a difference for the poor.³ Cambodia's GDP per capita is USD 280 and progress with a number of key social indicators has been slow.

Cambodia has the highest HIV/Aids infection rate in Asia⁴, although progress is being made with the adult prevalence rate falling from 3% in 1997 to 1.9% in 2003. This remains a challenge to the government and the international donor

¹ UNDAF 2006-2010. March 2005

² UNDAF 2006-2010. March 2005

³ Rural Sector Strategy Note. World Bank. June 2005

⁴ UNDAF. 2006-2010 March 2005

community because of the widespread increase in illicit drug use, prostitution, cultural misconceptions of prevention measures, and the lack of community-based treatment and rehabilitation services.

Macroeconomic development has been accompanied by new opportunities in regional and global integration through membership in ASEAN and the WTO. WTO membership and integration with ASEAN require significant investments in human resource development and capacity building, as well as reform of border control, improved trade facilitation and the creation of an enabling environment for private sector development.

Concerted effort is required from the Government to reduce corruption and undertake key social, political and economic reforms, combined with appropriate and coordinated assistance from the international donor community. Of particular importance is the rapidly increasing dislocation of rural households from their land resulting from encroachment by large-scale commercial interests.

CAMBODIA'S DEVELOPMENT PRIORITIES

The Government's development priorities are reflected in the "Rectangular Strategy" developed to address Cambodia's Millennium Development Goals. The Strategy draws on the Socio Economic Development Plan and the National Poverty Reduction Strategy and is a synthesis of the priorities of these documents. The Strategy includes four key priorities for growth: enhancement of the agriculture sector; improvement of physical infrastructure; private sector development and employment generation; and capacity building and human resource development. The core of the strategy is good governance, which is to be focused on four areas of reform: fighting corruption, legal and judicial reform, public administration reform, and reform of the armed forces and demobilisation. The Strategy provides the basis for the preparation of the National Strategic Development Plan (NSDP) that the Government has endorsed as the single development plan for 2006-2010. NZAID will draw on the Rectangular Strategy and NSDP, as well as its own strategies and policies, to respond to the development needs of Cambodia.

Strengthening the Government's capacity and effectiveness in aid management linked to the MDGs is a key priority. Aid coordination is the mandate of the Council for the Development of Cambodia (CDC) and there is a need for donors to strengthen their links and harmonize procedures with other key agencies such as the Ministry of Planning and the Ministry of Economy and Finance. There is also an imperative to improve aid coordination to enhance development effectiveness. A number of initiatives are underway, particularly since Cambodia became an OECD pilot country on harmonisation and alignment under Rome Declaration on Harmonisation. The creation of a high

level Government Donors Coordination Committee and the establishment of eighteen technical working groups are significant achievements.

Given Cambodia's substantial development and financial needs it will continue to depend heavily on ODA in the medium term. NZAID will play its part in contributing to this development by aligning its initiatives with the Government's priorities and harmonising activity with other donors wherever possible.

POVERTY IN CAMBODIA

By any indicator Cambodia remains one of the poorest countries in Asia. The HDI for Cambodia is 0.568, which ranks the country at 130 out of the 177 countries (UNDP 2004). Approximately 40% of its population have expenditure levels below the income poverty line with 15-20% in extreme poverty. Poverty in Cambodia is overwhelmingly a rural phenomenon as 85-90% of the population lives in rural areas while growth has been concentrated in the manufacturing and tourism sectors of urban and peri-urban areas. The rural poor have limited access to the sources of growth or linkages to the domestic economy and landlessness and environmental degradation worsen their condition. As a result the rural-urban income gap is widening. With continued high population growth and weak absorption of labour in the broad agricultural sector, poverty in the rural areas will continue to be a major challenge.

While some progress has been achieved in reducing overall income poverty levels especially in the urban areas, progress in key social poverty indicators is mixed. Education plays an important role in determining poverty. The net primary school enrolment rate has increased from 76% in 1997 to 91% in 2003 and the quality of education has also improved overall. But there remains significant gender inequality in education with only 16% of girls currently enrolled in lower secondary education and experiencing a high drop-out rate. Of the adult population, only 37 % are functionally literate.⁵ Gender imbalance is also severe – while 47.6% of adult men are literate, only 22% of women can read and write.

Basic health statistics reveal that child mortality is estimated at 115 per 1000 live births and a maternal mortality rate of 437 per 100,000 live births. Approximately 85% of babies are delivered at home and skilled health practitioners are present at only one third of all births indicating limited access to health services especially in rural households. Access to basic health services, especially for the rural poor, is limited. HIV/Aids infection rates are the highest in Asia and human trafficking is an increasing problem.

While Cambodia will meet some of its MDGs, for example the target for universal primary education, attaining a number of other targets will be difficult.

⁵ Macroeconomics of Poverty in Cambodia. UNDP March 2004

Meeting the target for secondary education, including increased female participation, is unlikely as is meeting health related goals. The United Nations Development Assistance Framework (UNDAF) concludes that “....Meeting the CMDG of halving the population in poverty by 2015 will require considerably faster economic growth and a more pro-poor orientation to that growth. A number of governance reforms to create an enabling environment for poverty reduction will also be essential.”⁶

NZAID believes that tourism, natural resource management, trade and private sector development have an important role to play in achieving a pro poor orientation to growth. They present good opportunity for strengthening rural livelihoods through income generation, employment creation and economic growth. Tourism in particular is receiving little donor support and Cambodia’s experience to date in protecting the interests of the poor in its development is not good. Although tourism is an important part of Cambodia’s private sector development and it already provides Cambodia with its second highest source of hard currency after textiles, the benefits have been limited to a small minority. More than 60% of visitors to Cambodia limit their visit to Siem Reap and the Angkor Heritage Park, where tourism development over the last decade has marginalised the local communities in and around the Park. Tourism poses both opportunity and threats for the poor. Greater pro poor investment in the industry is essential if the benefits of tourism development are to be realised by the rural majority, particularly Cambodia’s poor and vulnerable.

Natural Resource Management, and in particular access to land, has become a significant issue for Cambodia over recent years, particularly given that the majority of Cambodia’s poor live in rural areas and rely on agriculture and natural resources for income and food. The resource management framework has not led to rural growth and poverty reduction and there are increasing indications of a decrease in the availability of resources especially to the rural poor. An increasing percentage (currently estimated at 12-13 percent) of the rural population is becoming landless and dislocated from the basic means to a livelihood.⁷ This is thought to be as high as 21 percent among families headed by single women.⁸ The government has taken some steps to transfer use rights from large-scale commercial interests to either government or community control but this is yet to be matched by the establishment of effective management systems to ensure the access of rural households to these resources.⁹ Neither has there been much success in controlling the activities of commercial interests as they increasingly encroach on the land and resources of rural communities.

⁶ UNDAF. 2006-2010 March 2005

⁷ Rural Sector Strategy Note. World Bank. June 2005

⁸ Interim Report on Findings of Landlessness and Development Information Tool (LADIT). Oxfam. 2000

⁹ Rural Sector Strategy Note. World Bank. June 2005

REGIONAL CONTEXT

Cambodia is at the centre of the Greater Mekong Subregion (GMS) that also includes the Lao PDR, Vietnam, Thailand, Myanmar and China's Yunnan province. The countries of the region, including Cambodia, have articulated their priorities in a number of strategies including the GMS Economic Cooperation Programme, the ASEAN community's Vientiane Action Plan (VAP) and Initiative for ASEAN Integration (IAI).

The Government of Cambodia sees regional and international integration as one of the key pillars of its development agenda. Regional cooperation will provide Cambodia with the economies of scale and opportunities to attract investment, create employment, generate income and reduce poverty. Key to Cambodia's commitment to enhance regional links has been its active role in the GMS and its membership of ASEAN since joining in 1999. Cambodia is also pursuing other efforts to harmonize trade and investment policies in the context of ASEAN and the ASEAN Free Trade Area. In joining the WTO and through efforts to enhance regional trade, the Government recognises the need to accelerate legal and judicial reforms and clarify market rules for the private sector. This will strengthen governance and the private sector's demands for transparency.

PART TWO

NZAID's Response to the Development Challenge in Cambodia

Goal

The overall **goal** of the strategy is to:

pursue NZAID's mission of eliminating poverty in Cambodia through a focus on sustainable rural livelihoods.

This is consistent with NZAID's Asia Strategy and the Rectangular Strategy and National Strategic Development Plan of the Royal Government of Cambodia.

Objectives

NZAID will achieve this goal through pursuing the following inter-linked **objectives**:-

Objective One: Reduce poverty and promote livelihoods through building skills, and promoting income-generation and sustainable natural resource management.

Objective Two: Empower those in poverty to understand and exercise their fundamental human rights through our partners.

SECTORAL FOCUS

New Zealand's development cooperation with Cambodia comprises support through a range of NZAID programmes. Our principal involvement is through NZAID's Cambodia country programme for which this strategy provides direction. Other NZAID programmes providing support to Cambodia include a range of regional and contestable funds as well as funds to voluntary agencies. Through the implementation of this country strategy NZAID will seek to maximise the synergies between each of these assistance options and the prospective activities of other New Zealand Government departments. However this range of engagements does present an opportunity for a wider footprint than outlined in the strategy.

New Zealand's response to the development challenge in Cambodia is guided by NZAID's Policy Framework, the Asia Strategy, and other thematic policies. The Asia strategy acknowledges the importance of aligning NZAID's programme to partner country development priorities, and the need to

harmonize activities with the international donor community. The Asia Strategy and Cambodia strategy recognise that NZAID has limited resources and capacity. This makes it imperative that NZAID focus on sectors in which New Zealand has comparative advantage, and can add value to development assistance provided by others.

While improving education and health is of critical importance to Cambodia, there is already extensive donor activity in these two sectors. NZAID will therefore focus its attention on other sectors of need and maintain its long-standing contribution to human resource development consistent with the poverty reduction priorities of the Cambodian government. This will involve a balanced investment in both the public sector and civil society.

Consequently, in line with NZAID's Asia Strategy goal to eliminate poverty through a focus on sustainable rural livelihoods, NZAID will concentrate its bilateral assistance on the development of pro-poor tourism and natural resource management. This will be complemented by regional and thematic programme assistance for trade and private sector development, and human resource development. This Sector focus is consistent with the Cambodian Government's Rectangular Strategy and National Strategic Development Plan. Underpinning this sector focus is the recognition that the protection of human rights, especially for the poor, is pivotal to addressing poverty. NZAID's policy to mainstream human will be achieved through ensuring a rights perspective in all development programme planning and implementation.

Over the life of the strategy, NZAID will progressively focus the programme to concentrate on one primary sector, selected on the basis of strong and successful partnerships that deliver greatest development benefit to the poor.

Pro-poor Tourism

New Zealand and NZAID have particular experience and expertise in promoting sustainable, social, cultural and environmental tourism through its support for ecotourism in the Asia Pacific region. This provides scope for a useful contribution to the development of a strong and well-managed tourism industry in Cambodia that maximises benefits for the poor. The protection of local community livelihoods and interests is pivotal to this development if the hard lessons of Angkor's poor in Siem Reap are not to be replicated around the country. NZAID recognises the risks which tourism development can have, in particular on women, children, minorities and other vulnerable people. NZAID will therefore target activities that protect the interests and participation of these groups to ensure they benefit from the development of tourism. In particular, activities will be designed and implemented to ensure that girls and boys are not obliged to terminate their formal education prematurely.

In particular, NZAID intends to contribute at a strategic level to the development of pro-poor provincial tourism plans that will mitigate against the negative impacts of large scale commercial tourism. Its aim is to demonstrate the benefits of responsible tourism development that safeguards the interests of the poor and vulnerable as well as protects the natural environment.

Bearing in mind the risks involved, NZAID will undertake a mid term review of its contribution in order to assess progress in developing the pro poor approach to tourism and the benefits generated for the poor.

Natural Resource Management

NZAID will support community access to and sustainable management of natural resources. This will build on existing NZAID support for community tenure, particularly minority groups in the northeast and local communities in Siem Reap. In the absence of recognised tenure rights, particularly for community groups, the competition for land by commercial interests is dislocating rural households and in some cases whole communities from their land and access to a sustainable livelihood.

However, the establishment of a new land law (2001) and subsequent legal framework now provides for community title to land. While this improves the prospects for community forestry in Cambodia, particularly in Siem Reap, the number of donors in the forestry sector has decreased. NZAID will support the ongoing establishment of community title and the community management of natural resources, including forestry. In the short to medium term in Siem Reap this will build on the work of the Forest Administration and FAO and consider the prospects for collaboration on the new Tonle Sap Initiative in the future.

A strong link exists between tourism development and natural resource management. NZAID will seek to promote a holistic approach to addressing the interests of both to ensure maximum access and sustainable use of resources for the poor and the opportunity to generate income, employment opportunity, and access to markets for local goods.

Trade and Private Sector Development

Trade and private sector development are key elements of the Rectangular Strategy. For Cambodia to achieve significant poverty reduction, broad-based economic growth is required. This will only be achieved if the country can enhance agricultural productivity and diversify into other products beyond rice. It requires support to micro and small and medium sized enterprises (SMEs), particularly in pro-poor sectors such as agribusiness and labour-intensive manufacturing. And it requires an enabling environment that reduces the cost of doing business, while simultaneously protecting labour rights and improving industrial relations.

For these reasons, NZAID will support entrepreneurial and SME development in pro-poor sectors such as agribusiness. Through its trade and development programme, NZAID will assist rural producers to improve their skills, diversify production, move into more value-added agribusiness activities and link up with more rewarding national and international markets. It will also work with partners to improve labour relations and promote core labour rights in sectors of significance to employment and the economy, notably the garments sector. NZAID will also build government capabilities in the agricultural sector, so as to facilitate Cambodian producers' access to local, national and international markets. Finally, the Trade and Development programme will look for spin-offs and innovative opportunities arising from the bilateral programme's engagement in pro-poor tourism and natural resource management.

Human Resource Development

NZAID's long tradition of supporting Mekong-wide human resource development programmes is recognised and appreciated in the region. This includes developing the English language, technical and development management capacities of staff from key government partners through the English Language Training for Officials (ELTO) programme and through programmes offered by regional institutions such as the Mekong Institute. It also includes the recently established New Zealand Development Scholarships (NZDS) for candidates from both government and civil society.

NZAID will continue to support these initiatives from its country and GMS programmes. The choice of programmes, candidates and curriculum will be influenced by their alignment with the sectoral and thematic priorities of this strategy, Cambodia's poverty reduction strategy, and a commitment to support for both the public sector and civil society.

CROSS-CUTTING THEMES

In all programme planning and implementation in Cambodia, NZAID will emphasise a number of cross cutting issues as follows:

Promoting human rights

New Zealand believes that sustainable poverty reduction and human development demand respect for all human rights at all levels of government and civil society. The Royal Government of Cambodia has signed up to nine human rights instruments as part of its international commitments (see annex 2). Furthermore, good governance and human rights are at the core of Cambodia's Rectangular Strategy. While there have been some achievements since relative peace and stability was restored in 1993, weak governance

remains an issue and corruption a major challenge. Legal and judicial reform is a priority if improvements in human rights are to be achieved.

NZAID will encourage the RGC to improve its adherence to human rights instruments. We will support processes that facilitate greater access of citizens and the poor to justice and that enable communities to exercise their rights, including continued commitment to legal and judicial reform. We will also work with the government and others to ensure that the interests of the poor are reflected in government strategies related to the two priority sectors of pro-poor tourism and natural resource management.

This means ensuring that there is an incountry ownership of the strategies and that the poor are empowered to benefit from their implementation. One way of achieving this is to establish strategic partnerships with NGOs and civil society groups. The adoption of a rights perspective to development will mean that poor people are not seen only as recipients of aid, but people with a right to make choices and the capacity to improve their lives.

Promoting gender equity

Cambodia has among the lowest gender equity in Asia as measured by the gender-related development index and the gender empowerment index. This is clearly evident in the gender inequities in educational attainment, levels of literacy, rates of child labour, access to services and representation in decision-making positions.

NZAID will support initiatives, which strengthen the rights and voice of the poor, paying special attention to achieving gender equity and empowering women and girls.

Addressing vulnerability

As we develop initiatives in pro-poor tourism, natural resource management, and trade and development, NZAID will support initiatives that mitigate the impact of HIV/AIDS, human trafficking, dislocation from land, potential or existing conflict, and mine contamination. Particular consideration will be given to impact on minority groups, indigenous peoples and those living with disabilities. We will support discrete anti-trafficking activities, in particular those protecting women and girls.

Cambodia has suffered prolonged periods of conflict over recent decades. Recognising that the poor are often most vulnerable and conflict can hinder their efforts to escape poverty and wipe out hard-won development gains NZAID will ensure that the risks of conflict have been assessed and programmes are designed and implemented to prevent conflict and build peace.

Protecting the environment

In its natural resource management and tourism programmes, environmental protection to ensure sustainable livelihoods is paramount.

GEOGRAPHIC FOCUS

As a small donor with an imperative to focus in order to maximise development impact, NZAID will concentrate on two main geographic areas – Siem Reap province in the north-west and targeted assistance in the north east.

Siem Reap province, despite receiving the second highest amount of ODA after Phnom Penh, remains one of the poorest provinces in Cambodia. NZAID will build on its existing relationships in Siem Reap province, with a view to supporting pro-poor tourism, natural resource management and linking producers to markets.

The north-eastern provinces, while rich in natural resources, have high levels of poverty. Relatively few donors are currently active in this region of the country. NZAID feels that it is important to engage early on in this part of Cambodia in order to add a pro-poor dimension to development.

OPERATING PRINCIPLES

In implementing this strategy NZAID will apply the following operating principles:

Alignment

New Zealand's ODA in Cambodia is aligned with the Royal Government's Rectangular Strategy, the National Strategic Development Plan and strategies for pro-poor tourism and natural resource management. NZAID will contribute through Technical Working Groups and will participate as appropriate and consistent with our limited human and financial resources.

Harmonisation

Through participation in the Government-Donor Coordination Committee and Technical Working Groups, and through working closely with civil society, NZAID will seek opportunities to harmonise our ODA with that of other development partners

Policy Engagement Informed by Lessons Learned

NZAID's engagement in Cambodia will focus on policy issues as well as on grass-roots programme activities. Engagement in policy dialogues will contribute to enhanced programme delivery at the grassroots. Similarly, NZAID's experience of supporting programme activities at the grassroots will inform our inputs to national policies, strategies and regulatory frameworks.

Programme Learning

The lessons we learn from NZAID's engagement in Cambodia will be integrated with those learnt from our engagement across the Greater Mekong Subregion, Southeast Asia and other areas of the world. Our experience in Cambodia will inform, and be informed by, our engagement with bilateral, regional and multilateral development partners. In particular, we will apply lessons learned from our eco-tourism programmes in Lao PDR, Indonesia, the Philippines and the Pacific and from value-chain interventions in Papua New Guinea. We will also use our learning to contribute to national, regional and international fora and vice-versa.

Complementarity and Coherence

NZAID will maximize the synergies between programmes funded from the Cambodia bilateral allocation and those funded under regional and multilateral allocations. We will also maximize synergies with contestable funding through New Zealand NGOs and the private sector. Where other New Zealand government agencies are involved in Cambodia we will promote good development practice based on the poverty reduction priorities of the Royal Government of Cambodia.

MODALITIES

NZAID's position as a non resident donor makes the implementation of the country strategy challenging. Engagement in donor coordination and policy dialogue is constrained without a full time presence in-country. In planning the implementation of the strategy NZAID will establish a Forward Assistance Programme outlining the key components of the country programme and the modalities to be used in their implementation.

In general NZAID will commit to a long term programme planning approach and larger and more comprehensive contributions than has been characteristic of the Cambodia programme in the past. The modalities used for NZAID engagement in-country will comprise:

- Strategic partnerships with government agencies, bilateral, regional and multilateral donors. The aim of these partnerships will be to forge long term and significant relationships in order to maximize synergies between programmes and leverage the size and impact of the NZAID contribution.
- Strategic long term partnerships with selected NGOs and other civil society groups that hold common goals and interests. This cooperation will give scope to pursue more dynamic three way partnerships between NZAID, partners and government, and in so doing more effectively bring the NGO

partner into dialogue with government on its contribution to Cambodia's development.

- The level of NZAID engagement with its partners will vary according to the mechanisms used for the disbursement and management of funds. Ideally NZAID will seek an active engagement at a strategic level, contribute to programme planning, monitoring and evaluation, and help represent issues and learning arising from programme work in the government and donor policy dialogue.

RESOURCES AND MANAGEMENT

NZAID's programme in Cambodia is constrained by limited human and financial resources. We are aware that we cannot do everything and that our resources need to be used in the most efficient way possible to achieve development impact. Therefore, we will support fewer and larger programme activities, with longer time frames, managed by development partners based in Cambodia, including a small number of civil society groups. Our intention is to focus our human resources on programme learning and policy engagement in Cambodia.

Programme Allocation

The Cambodia country programme allocation is \$3.5m in the 2005-2006 financial year and is expected to grow to an annual allocation of \$5.0m by 2008. In addition Cambodia will benefit from funding from regional, thematic and multilateral sources including the Voluntary Agency Support Scheme, the Trade and Development Programme, the Asia Development Assistance Facility, and support for the Mekong Institute and the Phnom Penh Plan for Development Management. There is scope for the footprint of NZAID's country programme in Cambodia to be expanded through these mechanisms.

MEASURING PERFORMANCE

NZAID's performance under this strategy will be measured according to the extent to which our assistance has achieved development impact:

Development Impact – our development partners have reduced poverty and those in poverty have increased self-reliance.

- The social and economic outcomes of those in poverty have improved as a result of our support.
- The poor in areas where NZAID is active have increased their income and are exercising greater control over their natural resources.

- People living in rural communities where NZAID is active have increased opportunities to achieve their rights and to participate in their own development.

We aim to achieve development impact through enhancing both our engagement with various stakeholders and our agency capability:

Engagement – New Zealand has added value to the efforts of the Royal Government of Cambodia and the international community.

- New Zealand's ODA is aligned with the Cambodian government's Rectangular Strategy, its National Strategic Development Plan 2006-2010 and other sectoral strategies.
- NZAID's engagement in the Technical Working Groups has led to improvements in sectoral policies and in the practices of the international community and our Cambodian partners.
- NZAID is perceived as making a positive contribution to processes of engagement with our development partners in New Zealand and in Cambodia.

Agency Capability – NZAID's development assistance in Cambodia is efficient, effective and responsive.

- NZAID has achieved synergies across the range of programmes that make up New Zealand's official development assistance to Cambodia.
- NZAID is perceived to have listened and responded to the voices of the poor in the delivery of its official development assistance to Cambodia.
- New Zealand's Official Development Assistance focuses on pro-poor tourism and the management of natural resources, and is complemented by activities that harness trade for development and build government capacity.
- New Zealand's Official Development Assistance protects and promotes rights and gender equity, addresses vulnerability, and is primarily delivered in Siem Reap province and, selectively, in the north-east.
- NZAID is learning from engagements with, and adding value to, our development partners and this is leading to more effective development assistance in Cambodia

NZAID will undertake and support monitoring, reviews and evaluations to assess the performance and effectiveness of activities supported in its Cambodia Programme. Evaluation activities are expected to provide information for three key purposes: accountability, learning and improvement. The core values that guide other NZAID work will also underpin these evaluation activities. It is intended that participatory approaches to measuring performance are used wherever possible. NZAID will seek to support joint monitoring, review and evaluation with other development partners and donors. Over time, we intend to make a positive contribution to the evaluation capability and capacity of our partners.

Data gathered in reviews, monitoring and evaluations of individual programme activities will contribute to assessing development impact outcomes. Reviews of the functioning of the Technical Working Groups and reviews of New Zealand-Cambodia development cooperation will provide input into assessment of engagement outcome and of agency capability outcomes above.

The results will inform decisions about the future allocation of NZAID resources. Such decisions will be taken in light of our wish to promote mutual openness, trust, respect and accountability between NZAID and our development partners.

A biennial high-level consultation forum will be established between NZAID and the Royal Government of Cambodia to review implementation of the Strategy. The Strategy itself will be reviewed after 5 years to ensure that it remains appropriate to Cambodia's needs and priorities. The results of regular monitoring will be fed into the wider review process for the NZAID Asia Strategy.

ANNEX 1

Key Development Indicators

<i>Indicators</i>	<i>Value</i>	<i>Year</i>
Total Population	13.6 million	2004
Population growth (% p.a)	1.7	2004
Incidence of Poverty (%)	36.1	2000
GDP per capita (US\$)	280	2002
HDI	0.571	2003
Infant Mortality Rate	97 deaths/1,000 live births	2003
Life Expectancy	54 years	2003
Under 5 mortality rate	140 deaths/1,000 live births	2003
Births attended by skilled health staff (% of total)	31.8	2000
Literacy rate, adult male (%)	84.7	2004
Literacy rate, adult female (%)	64.1	2004
Net Primary enrolment	84.7 %	2000
Net Secondary enrolment	16.1 %	2000

Source: World Development Indicators database, August 2005
Cambodia Millennium Development Goals Report 2003

ANNEX 2

Human Rights Instruments to which Cambodia has agreed or has signed

International Convention on the Elimination of All Forms of Racial Discrimination (ICERD)	28 Nov 1983
International Covenant on Civil and Political Rights (ICCPR) [Optional individual complaints procedure signed 27 September 2004 – (not ratified)]	26 May 1992 (a)
International Covenant on Economic, Social and Cultural Rights (ICESCR)	26 May 1992 (a)
Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (CAT)	15 Oct 1992 (a)
Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) [Optional Protocol to CEDAW for individual complaints signed 11 November 2001 (not ratified)]	15 Oct 1992 (a)
Convention on the Rights of the Child (CRC)	15 Oct 1992 (a)
Optional Protocol to CRC on the sale of children, child prostitution and child pornography	30 May 2002
Optional Protocol to CRC on the involvement of children in armed conflict	16 July 2004
International Convention on the Protection of the Rights of All Migrant Workers and members of Their Families (MWC)	signed 27 Sept 2004