A Review of Aid Information System and Aid Efficiency in Cambodia

Assessing Aid Transparency

Measuring Aid Efficiency [Country Programme Aid]

Phnom Penh, Cambodia
05th October 2013

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List of Abbreviations

AAA	Accra Agenda for Action	
ADB	Asian Development Bank	
AIMS	Aid Information Management Systems	
AusAid	Australian Government Overseas Aid Program	
CDC	The Council of the Development of Cambodia	
CDHS	Cambodian Development and Health Survey	
CPA	Country Programmable Aid	
CRDB	Cambodian Rehabilitation and Development Board	
CRS	Credit Reporting System	
CSO	Civil society organizations	
DAC	Development Assistance Committee	
DP	Development partners	
EC	European Commission	
EMIS	Education Management Information System	
ESWG	Education Sub-Working Group	
FAO	Food and Agriculture Organization	
HIS	Health Information System	
IATI	International Aid Transparency Initiative	
JMIs	Joint Monitoring Indicators	
LM	Line ministries	
MEF	Ministry of Economy and Finance	
MoP	Ministry of Planning	
NEP	NGO Education Partnership	
NSDP	National Strategic Development Plan	
ODA	Official Development Assistance	
PD	Paris Declaration	
PIP	Public Investment Program	
PIU	Project Implementing Units	
SNEC	Supreme National Economic Council	
TA	Technical Assistance	
TC	Technical Cooperation	
TWGs	Technical Working Groups	

Acknowledgement

Executive Summary

The study seeks to provide an update and assessment on both aid transparency and aid efficiency in Cambodia. Firstly, this study seeks to provide an update and assessment on the current aid information management in Cambodia, with a focus on the ODA database. Secondly, based on the available data from the Database, the study, as informed by the international concept and methodology, calculates CPA for Cambodia using the aid information made available in the ODA database. The findings from the study are relevant for key stakeholders, including government agencies, donors, civil society organizations, including NGOs and researchers, whose jobs and interests require using aid information.

In ensuring aid transparency, the Cambodian Government, especially the CRDB/CDC, together with DPs, has worked closely together to make ODA Database a success story at in aid information management. However, a few improvements are still needed, including (i) improving role clarity and better understanding among the key actors particularly in relation to the recording of loans versus grants of the ODA, and (ii) ensuring better inclusion and coordination of aid from emerging non-DAC donors such as China and India. The first point can be addressed if the Task Force on Harmonization of Planning, Public Investment Expenditure and Official Development Assistance which was created in 2009 can be made more active. The second point, however, requires solutions at political, rather than technical level to start with.

For CSOs, the recommendation would be to better use of the current open doors which exist in forms of various TWGs established for various sectors and which include representatives from CSOs. In addition, to be more engaged in aid effectiveness monitoring, CSOs should (i) find and recruit people with appropriate knowledge on aid management to assist the groups, (ii) develop action plan for monitoring aid budget execution and get NGO members to agree on, (iii) identify the needed information that are already available on the ODA database, and (iv) identify the needed information that is not yet available and prepare an advocacy strategy to request for those pieces of information.

Data collection and verification for the ODA Database has also been much improved. The data available can be further improved by including the following data/features:
- Figures on project actual expenditure, in addition to the currently available commitment and disbursement figures,
- More disaggregate data on the TC, to distinguish among, for instance, technical assistance, overhead costs of running the PMU, etc. This will help identify the level of real aid given to Cambodia (see section 9.4). However, the Government and DPs need to consider the workload and capacity implications should the generation and posting of such disaggregate data get implemented.
- More detailed information on project locations – if possible, down to district and commune level, in addition to the currently available information on provincial location. The information is particularly useful in the context of decentralization and for service delivery CSOs who focus on specific geographical areas, and
- Links to project information on the ODA to soft copies of detailed project documents posted on the web. This will be useful for interested users to acquire more detailed information about projects.

The ODA Database has been used for different purposes, including planning and budgeting of the government and donors, and for the monitoring the PD indicators. However, it is important to note that ODA database alone is not sufficient to improve the planning and budgeting process of a sector. Instead, the improvement depends more on the quality of the aid coordination system in the sector, especially the presence of SWAp. The comparison between the education and agricultural sector shows this clearly. In addition, the current ODA Database should not be expected to generate all needed data for M&E purposes either.

Instead, the M&E information can be found from other sources such as project evaluation reports, sectoral assessment, country assessment reports, etc.

For CSOs interested in engaging in monitoring aid effectiveness, first, it is recommended that they familiarize themselves with aid delivery systems in specific sectors, and with the standard reporting mechanisms around aid effectiveness issues. Second, interested CSOs should pay close attention to the ongoing effort headed by the MoP to create a national M&E framework for measuring the NSDP progress and which is being tested in agriculture, rural development and social affairs. The familiarity with the new M&E system will allow CSO to better participate in aid monitoring.

For the Government and DP, the following recommendations can be offered. First, for the Government, to ensure better use of aid information for the purposes of planning and budgeting, it should put effort into activating the 2009 Taskforce on Harmonization of Planning, Public Investment Expenditure and Official Development Assistance. Second, when designing the National M&E Framework, the Government (MoP in particular) should pay attention to integrating the new national M&E system with other monitoring mechanisms, aid effectiveness and aid database management included.

Using CPA as a measure, Cambodia has performed comparably well in term of aid efficiency, with the share of CPA in 2012 accounted for 62% of total net ODA (compared to international average of around 50%). The study however presents the CPA results with cautions, given the limited disaggregate data especially on TC. Should specific additional disaggregate data items on TC be included in the ODA database (see above), the accuracy of the calculated CPA at the country level can be improved.

However, the limitation of the CPA as a measure of aid efficiency should be recognized. First, partly due to data problems (e.g. inconsistent classification, lack of disaggregate data) not just at country but international level, the CPA figure is more useful in showing the trends, rather than the exact levels, of aid efficiency in a country. Second, while CPA is an informative quantitative indicator of aid efficiency, to really comprehend the level of aid efficiency and effectiveness, qualitative information is equally important. Those qualitative dimensions are represented by the key indicators included in the PD. Cambodia, under the leadership of the CRDB/CDC, has facilitated the production of regular PD monitoring reports. It is recommended that interested CSO pay close attention to the information made available in those reports.

A Review of Aid Information System and Aid Efficiency in Cambodia

1. Introduction

1.1. Background and Focus of the Study

Aid transparency and efficiency are the two important issues that need to be addressed in order to ensure aid effectiveness in development[1]. Aid transparency refers to the availability and public accessibility of information on development cooperation and other development[2]. Practically, promoting aid transparency requires proper aid information management systems (AIMS) at both international and country levels[3]. In the case of Cambodia, a process has been put in place to collect, maintain and use available aid data for assisting key decision-making processes. Among these efforts, the most noticeable achievement has been the establishment and maintaining of the Cambodia Official Development Assistance Database (hereafter referred to as the Cambodia ODA Database).

The concept of aid efficiency, on the other hand, is closely related to the notion of 'real aid' which is in turn defined as the share of aid that directly contributes to a development programme of a country. Recently, in an attempt to assess aid efficiency (or real aid), a new concept and measure called Country Programmable Aid (CPA)[4] has been developed and used internationally. As a definition, CPA is the portion of aid donors program for individual countries, and over which partner countries could have a significant say. In this sense, it is a subset of ODA outflows. It takes as a starting point data on gross ODA disbursements by recipient but excludes spending which is: (1) inherently unpredictable (such as humanitarian aid and debt relief); or (2) entails no flows to the recipient country (administration, student costs, development awareness and research and refugee spending in donor countries); or (3) is usually not discussed between the main donor agency and recipient governments (food aid, aid from local governments, core funding to international NGOs, aid through secondary agencies, ODA equity investments and aid which is not allocable by country). Finally, (4), CPA does not net out loan repayments, as these are not usually factored into aid allocation decisions[5].

The study seeks to provide an update and assessment on both aid transparency and aid efficiency in Cambodia. In the first part, this study seeks to provide an update and assessment on the current aid information management in Cambodia, with a focus on the ODA database. In second part, based on the available data from the Database, the study, as informed by the international concept and methodology, calculates CPA for Cambodia using the aid information made available in the ODA database.

The findings from the study are relevant for key stakeholders, including government agencies, donors, civil society organizations, including NGOs and researchers, whose jobs and interests require using aid information. Based on its finding, the study provides specific recommendations for relevant government agencies, development partners, and civil society organizations (CSOs) who seek to play more active roles in aid management in the country.

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[1] (OECD 2011; OECD 2011)
[2] (OECD 2011)
[3] (Nadoll 2006; OECD and UNDP 2006; AITI 2010; Anderson 2010)
[4] (OECD 2012)
[5] (ActionAid 2005)

1.2. Research Questions and Key Findings

Reflecting the above stated objectives, the following concrete research questions are put forward:

- What have been international practices around aid transparency and AIMS and what assessment criteria that can be used to assess an AIMS at a country level like Cambodia?
- Based on the identified assessment criteria, what have been the key progress and challenges in the current Cambodian AIMS, particularly, the ODA Database?
- Based on the international methodologies, what is the current CPA for Cambodia? What does it say about aid efficiency in Cambodia?
- Based on the findings, what are the key recommendations for the key government institutions, development partner agencies and CSOs who are involved in aid management issues in Cambodia?

The first and second questions are answered in Part A of the report, and the third in Part B, and the last question is addressed in the conclusion and recommendation section. The following are the key findings (or arguments) that the study wishes to present upfront.

Finding 1: In the last few years, there has been good progress in aid information management in Cambodia. The ODA Database of the CRDB/CDC has become more reliable and used especially by key government agencies including the Ministry of Planning (MoP), Ministry of Economy and Finance (MEF) and line ministries (LMs). In addition, to ensure full transparency, this on-line viewing database has been recognizing by RGC and Development Partners as a single system to record the Official Development Assistance to Cambodia. However, it is found that the Database is more relevant for planning and budgeting purpose, and much less so for aid performance monitoring and evaluation (M&E) purposes. To address this limitation, however, the answer lies not with improving the ODA Database, but in creating a more coherence national development M&E framework and process.

Finding 2: Cambodia's CPA has gone up especially since 2006 when it accounted for more than 50% of total net ODA and kept increasing to roughly 60% in 2012. However, given the still debatable nature of the CPA concept and calculating methodology, compounded by the lack of disaggregate aid data needed for the calculation, the CPA result *per se* should not be taken as exact representation of aid efficiency. Yet, the trend as indicated by the CPA value over time, suggests that aid efficiency in Cambodia has been improving and fared well in international comparison.

Finding 3: Based on the findings, for CSOs to be more engaged in aid information management in Cambodia, at least in immediate term, what needed is not more aid information made publicly available, but, more interest and capacity from the relevant CSOs themselves to explore and make use of the vast amount of aid data already posted in the ODA Databases, donors' websites, and international aid databases such as the Development Assistance Committee (DAC)'s aggregate aid databases and the Creditor Reporting System (CRS) and the International Aid Transparent Initiative (IATI).

1.3. Methodology

To come with the above findings, this study uses three different methodologies in order to answer the above research questions.

(i) A review of relevant international practices and methodologies: This is done to create an analytical framework and methodology which can be used to assess aid information management and calculate the CPA. Key literature consulted for this section includes those published by the OCED and Action Aid, among other agencies.

(ii) The use of secondary data. The secondary data comes from a number of sources. The first is the existing studies on aid effectiveness, aid information flows, and aid transparency in Cambodia. These studies include both those produced in the country[6], and those produced by the OECD as a part of the global effort to monitor the implementation of the Paris Declaration. The second is the various guidelines, manuals, and legal framework relating to aid coordination adopted by the CDC. The third is the ODA database itself.

(iii) Interviews with key stakeholders. Key stakeholders in this case include government officials at the CDC, selected ministries, donor agencies, and NGOs. To limit the scope, only two sectors are selected as cases, namely, education and agriculture[7]. The two sectors are selected because (i) both are considered as priority sectors of the RGC, but (ii) they represent two contrast cases in term of level of aid coordination[8]. Within this scope, the following actors are selected for interviews.

- Government officials: including those working at CDC/CRDB, Ministry of Education (Planning and International Cooperation Department), Ministry of Agriculture (Planning and International Cooperation Department), and Ministry of Planning (Planning General Directorate).[9]
- Donor agencies: including aid to education and agriculture sector will be selected. In addition, in interviewing these donors, a few projects will be selected to represent different types of aid modalities, including: loan, grant, budget support, basket fund, and standalone projects.
- NGOs: including Selected lead NGOs working in education and agriculture sectors.

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[6] e.g. the Cambodia Aid Effectiveness Reports for various years, the NGO Forum's Cambodia Aid Information Transparency, the IFAPER report, and sector specific reports such as those on education and agriculture
[7] Note for NGO Forum team: depending time availability, the research team is willing to include infrastructure sector later on, again, depending on the workload.
[8] Please see IFAPER (2011), or CDC draft (2010)
[9] The team was not able to meet with the Department of International Cooperation of the Ministry of Economy and Finance despite request and follow up.

2. Promoting Aid Transparency: International Practices

2.1. International Practices on Aid Transparency

The Accra Agenda for Action (AAA) recognized that increased transparency is central to the objectives of the Paris Declaration. In the AAA, donors agreed to support efforts to increase the capacity of *all* development actors to play an active role in policy dialogue. The AAA committed donors to "disclose regular, detailed and timely information about our aid flows" and to "support information systems for managing aid"[10].

In the Busan Partnership for Effective Development Co-operation in December 2011 (Statement 23), donors made similar statements and commit themselves to: (i) making publicly available the full range of information on their aid, terms and conditions, and contribution to development results; (ii) establishing transparent public financial management and aid information management systems at country level, and strengthening the capacities of all relevant stakeholders to make better use of this information in decision-making and to promote accountability, and (iii) implementing a common, open standard for electronic publication of timely, comprehensive and forward-looking information on resources provided through development cooperation[11].

There are many people and organizations with diverse, legitimate and important needs for information about aid. Developing country governments need information about how aid is being spent in their country. Parliamentarians in developing countries and in donor countries want to hold their government to account. Communities in developing countries need to know what resources are available for their development priorities and in what way they can influence how those resources are used. A village council wants to know what aid is available to improve water in its area. Researchers need better data to understand how aid can be more effective. Taxpayers want to know how their money is being spent[12].

To meet these needs for aid information, a number of mechanisms and databases have been put in place. Although no single database can meet the needs of all the potential users, they represent significant progress in the effort to promote aid transparency. The following provides a brief summary on some of them[13].

- **OECD statistical system**. All OECD/DAC members and a number of non-DAC report to the OECD's DAC database, and the Credit Reporting System (CRS) on the full range of their resource flows for development. In addition to information on the sector allocation of aid, the CRS allows for reporting of aid flows according to policy objectives, for example, gender equality, maternal, new born and child health, climate changes, etc.
- **The International Aid Transparency Initiative (IATI).** The IATI was launched at the Accra High Level Forum on Aid Effectiveness in 2008, and is perhaps the most significant initiative at the global level aiming to improve the accessibility of information on aid. Based on the OECD's CRS standards, IATI has in 2011 developed additional features such as more timely data (quarterly), information on forward spending plans, and documentary information (e.g. country strategies;

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[10] (OECD 2011)

[11] (OECD 2011)

[12] Please note that, according to AAA (2008), to promote ownership over aid, it is just the ownership of the recipient governments, but also of these other actors, including parliamentarians, CSOs, academics, the media and citizens. According to the AAA then, it is important that aid information is made available in a manner that is useful to these other actors as well.

[13] For more information, please see (OECD 2011), Chapter 5 (p. 77-79).

conditionality and results frameworks). Currently, there are 100 donors who sign up to the IATI.

- **Aid Information Management System (AIMS) in partner countries**. In 2009, 32 out of 70 countries taking part in a UN survey reported that they had an aid information system in place. While 19 of these countries indicated that their system monitors provider and recipient progress on aid effectiveness targets, tracking of targets tends to be limited to a narrow subset of the Paris Declaration indicators.

2.2. Criteria for Assessing an AIMS at Country Level

The last mentioned mechanism, i.e. AIMS in partner countries, is relevant to this study as it focuses on aid information management at country level, and thus serves as a framework for discussing the ODA database in Cambodia. This section therefore reviews relevant literature to come up with an analytical framework which can be used to assess the strengths and limitations of the ODA database.

An important prerequisite for the effective coordination & management of aid is the easy and timely availability of up-to-date information on planned and ongoing aid flows by funding agency, sector and geographic location. Consequently, many governments have taken efforts to set up databases, websites and other information management systems and tools to track, document and analyze aid flows to their countries more effectively[14]. Cambodia is one of those countries, who designed the ODA database.

Depending on the institutional frameworks, different government departments can be involved in aid coordination & management in a given country. In many cases, functions related to managing external resources are residing within the Ministry of Finance. However, departments within the Ministry of Foreign Affairs or the Ministry of Planning, as well as line ministries might also be involved in negotiating and/or managing parts of the foreign assistance. While information on foreign assistance should be easily accessible to different stakeholders, an information management system to collect and process related data should be established within the department with the most comprehensive mandate on aid coordination & management and a genuine role in gathering respective data. In principle, only one central aid management entity and database should cover all external assistance, including technical assistance[15]. The AIMS is supposed to play this central role[16].

AIMS are IT applications, usually databases, which record and process information about development initiatives and related aid flows in a given country. AIMS have been in existence, at varying levels of capabilities and sophistication, for the past ten years. Besides recording aid activities, AIMS have also proven to be extremely useful in planning and decision making. The advantages of implementing AIMS have been evident in stable countries as well as in emergency situations, where project management was vital due to specific circumstances, such as conflicts or disasters, as in the case of Afghanistan, Sudan, the Asian Tsunami, etc.

Most of existing AIMS have been project-based. Their primary focus is to track activities, to which aid flow amounts are attached. This allows monitoring and reporting on development initiatives within the country by calendar, sector, donor, type of initiative, or other criteria. AIMS also allow tracking key information on each activity, from documentation to project status and implementation deadlines, type of aid, implementing agencies and beneficiaries, as well as financial issues including amounts pledged, committed and disbursed by donors and, in some case, tracking amounts up to the final expenditure.

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[14] (Nadoll 2006; AITI 2010)
[15] (Nadoll 2006)
[16] (CDDB/CDC 2009)

Various reports suggest different criteria for assessing the usefulness of an AIMS[17]. Based on these suggestions, this study comes up with a synthesized framework (which in turn informs the development of questionnaires) for assessing the usefulness of the ODA database in Cambodia. Firstly, while there are many specific areas that are required to make an AIMS such as the Cambodia's ODA database work, two requirements lay the foundation:

- Governments providing leadership; applicable policies for information disclosure and exchange; complete and verified development data; classification systems that are in line with accepted standards; and adequate staff; and
- Donors providing complete, reliable, comprehensive, and timely project data, including full disclosure of financial assistance; mid-term projections of assistance delivery including disbursement schedules; validated data across reporting sources and well defined conditionalities; as well as resources and training for setting up an AIMS.

Based on the two requirements, the following areas should be looked at:

(i) Political commitment and institutional set-ups: The following points are of importance:
- The recipient governments and donors need to commit to mutual accountability and transparency.
- There needs to be clear and realistic expectations from the AIMS, the entity to be responsible for its implementation and maintenance, and capacity, both human and infrastructure, required to make it work.
- Most governments establish an Aid Management Unit within a core Ministry, usually the Ministry of Finance or Ministry of Planning. The institutional location and capacity of the team responsible for the aid information management system is critical in determining its effectiveness.
- Clear inter-ministerial and inter-departmental responsibilities and reporting lines are also essential.

(ii) Data collection issues and user-friendliness of the system: Data collection must be jointly conducted by both donors and partner country governments and the data collected needs to be reliable, transparent, and timely. To achieve these, the following are critical:

- The data should be provided in a coordinated manner by donors agencies and line ministries.
- Frequent communication between governments, donors and implementers is helpful for the data collection process,
- Key stakeholders should also be clear about the types of questions that shall be answered, the type of data that needs to be collected, the method of data collection, availability of data, and
- Required capacity need to be assessed to ensure effective data collection and analysis, as well as to communicate findings.

Government agencies and donors should routinely validate project data and financial information entered. The process of verification is critical to ensure that all data entered are reliable and capture the entirety of activities and funding sources available.
- The data provisions should be simple and time efficient.
- Consideration should be given to data aggregation, the forms and financial years to avoid confusion in interpretation.
- Questionnaire/survey should be designed with expert knowledge.
- Data needs be requested in a way that it comes back structured and categorized in order to ensure that the data can be processed and analyzed.

To ensure user-friendliness of the system, the following should be considered:

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[17] The key documents used are: (Nadoll 2006; OECD and UNDP 2006; AITI 2010; Anderson 2010)

- The number of data entry fields should be kept limited and find efficient ways to obtain and enter the data into the system,
- As AIMS is a web-based system, it is important to be stable enough especially when combined with a high number of features and functionalities that might work well as a desktop application,
- The system's connectivity needs to be also of high hosting capacity, in particular regarding up-load and down load speed. To ensure user-friendliness, a regular user feedback can be helpful.

(iii) The use of AIMS and its linkages with key decision-making process. The AIMS is useful only to the extent that it can contribute to better decision-making processes in some related areas[18], including:
- National planning process,
- National budgeting process (e.g. multi-year budget forecast, annual budget plan, budget implementation),
- Monitoring and evaluation at the project output level as well as the broader sectoral and national development level, and
- The implementation the Paris Declaration and the Busan Global Partnership for Effective Development Cooperation.

Of equal importance, it is important that AIMS also serves information needs of non-governmental actors. What this suggests is that one way to assess the usefulness of an AIMS is to see how data that comes from it has been used by different actors for different purposes and from there identify the gaps that still need to be addressed in order to meet various actors' data needs.

In the following section, this report applies the key criteria (namely, (i) political commitment and institutional setups, (ii) Data collection issues and user-friendliness of the system, and (iii) The use of AIMS and its linkages with key decision-making process) to the case of Cambodia.

3. AIMS in Cambodia: Political Commitment and Institutional Setups

As a signatory of the Paris Declaration on Aid Effectiveness and a member of the OECD/DAC, the RGC has committed to promoting effective aid management through improvement in the availability and public accessibility of information on development cooperation and other development resources. These commitments have been reflected in various policy and strategic documents including the Strategic Framework for Development Cooperation Management (SFDCM) (June 2006), the Paris Declaration on Aid Effectiveness (March 2005), the Accra Agenda for Action (2008), the Cambodia Declaration (October 2006), the RGC Action Plan on Harmonization, Alignment and Results (H-A-R Action Plan), the Busan Partnership for Effective Development Cooperation (December 2011) and the RGC's Development Cooperation and Partnership Strategy[19].

Interviews with key government and donor officials indicate consistently that, the RGC has overtime shown increasing leadership in key mechanisms including the Cambodia Development Cooperation Forum-CDCF, the Government-Development Partner Cordination Committee Meeting-GDCC, and the Technical Working Groups (TWGs). Furthermore, RGC agencies have led the preparation of Joint Monitoring Indicator-JMIs and the ODA Databases. As later section will further elaborate, the RGC, especially the CDC, has not only showed stronger leadership but also technical capacity in maintaining and promoting the quality of the ODA database[20].

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[18] Please see Andersen (2010)
[19] This document remains a draft which is expected to be adopted in the next term of the Government.
[20] Please see the list of interviewees in the Annex section of the report.

Donor agencies have also committed to sharing information to the Government. At least among those interviewed, the study argues, the donor agencies do not intend to hold back any piece of information requested by the Government, especially for the purpose of updating the ODA Database. Actually, all the donor agencies in Cambodia, especially the big ones, are obliged to supply on regular basis information on aid allocation and disbursement to their headquarters and a number of international aid databases such as the OECD's DAC and CRS, or the IATI[21]. However, as shown later, a few minor administrative issues still persist in data collection and verification process.

Figure 1: Aid Information Flows in Cambodia
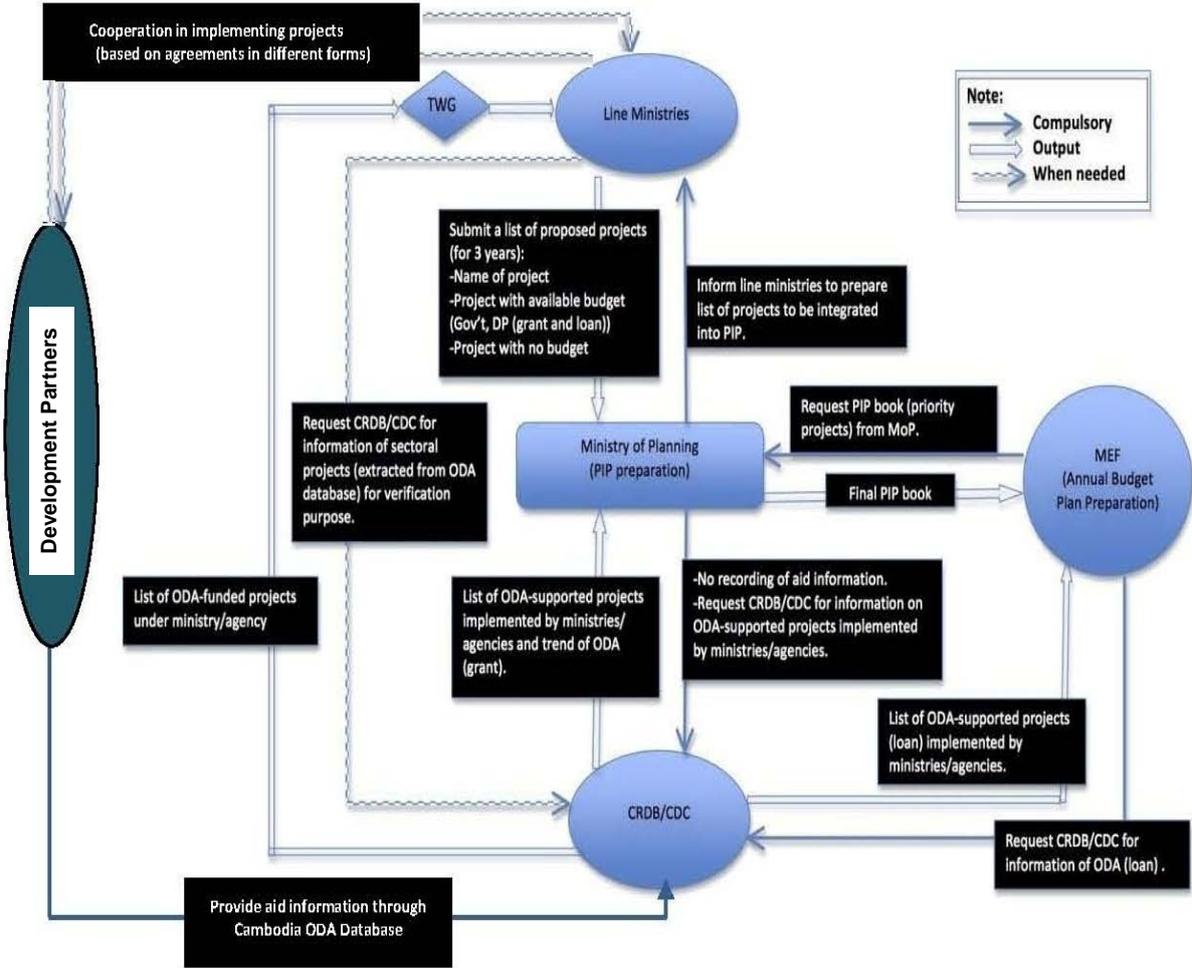
Note: The authors draw the diagram based on existing key research studies[22] and interviews with key informants

To ensure that aid information is made publicly available and useful for the state planning, budgeting, and monitoring and evaluation process, a system of aid information flow has been put in place involving key actors in aid management system, including[23]:

- The Cambodian Rehabilitation and Development Board (CRDB) of the CDC is the national aid coordination focal point.
- The Ministry of Planning (MoP) whose main task is to prepare overall national development plans and the 3 Year Rolling Pubic Investment Plan (PIP),
- The Ministry of Economy and Finance (MEF) who prepares the macroeconomic framework, prepares national budget, and oversees its implementation. In addition,

[21] Please see the interviewee list.
[22] See for instance (CRDB/CDC 2010- Please refer the name of document of CDC? ; EIC 2011)
[23] (CRDB/CDC 2010). For more information about each actor's roles, please see CRDB/CDC (2010; EIC (2011).

MEF, under the Department of International Cooperation, also maintains the loan databases,

- Line ministries who prepare sector-wide PIP by working closely with the MoP and the CRDB/CDC, and implement their sectoral policies and plans.
- DPs (DPs) who provide financing either in form of grants or loans to the government and participate in and oversee the implementation of their funded projects.

As illustrated in Figure 1 above, the information flows back and forth among these key actors. Interviews with key government officials indicate that, in the last few years, both the central ministries such as the MoP and LMs such as the MoEYS have come to rely more on the ODA Database when developing of the PIP and respective planning and budgeting. That the ODA Database has increasingly become a central source of data has minimized data inconsistencies among the different databases or policy documents, e.g. PIP, ODA Database and LM's budget document. For instance, inconsistencies in project names and number of projects have been reduced, although a few remains due to difference in reporting time from donors on the newly approved projects. These remaining challenges, however, as Section 4.3 will show, relates more to the data collection and verification process.

Interviews however point out to two areas of institutional setups (and political commitments) that need further improvement. Firstly, some amount of confusion was detected among key informants as to the labor division among the central agencies (i.e. MoP, MEF, and CDC) when it comes to the recording of loans versus grants of the ODA. As section 5.2 will show, a Task Force was established among these three actors to better harmonize planning, budgeting (especially for public investments) and ODA process. However, the work has been slow. Secondly, it is un-clear how aid from the non-DAC donors (or, referred to also as 'emerging donors' including China and India) have been recorded. Interviews and existing studies indicate that these donors do not always behave as their DAC counterparts, a practice that post challenges to aid transparency in Cambodia[24].

4. ODA Database: Data Collection and Verification

As indicated earlier, ODA database has become a prime source of aid information in Cambodia. This section takes another step, looking how data is collected and verified before it gets included in the Database. Before that, a brief description on the history of the Database and what data it contains is presented.

4.1. The ODA Database: Evolution and Main Features

The ODA database was established in 2006 and has its roots in the UNDP Development Cooperation System (DCAS) (1996-2001), which evolved into an Excel-based system when it was taken over by RGC in 2002. It was set up to support a single data-entry point for all development assistance in Cambodia and is considered as a practical tool to promote and monitor the alignment of ODA with the priorities of National Strategic Development Plan (NSDP) and the aid management principles included in the RGC Action Plan on Harmonization, Alignment and Results (H-A-R Action Plan). It has the following specific objectives:
- To record all development finance to Cambodia from all sources
- To promote the effective planning, budgeting and management of external resources

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[24] Interviews with CRDB/CDC officials; (Sato, Shiga et al. 2011). It was learnt from these interviews that non-DAC donors seem to be not so active actor to provide aid information to CDC/CRDB compared to traditional donors including World Bank, ADB, EU etc. As indicated by Asia Department official of CDC/CRDB that aid information recording system of these donors, particularly China, has not been well performed and they have never provided full information of their aid information to CDC/CRDB.

- To provide public access to information on aid provided to Cambodia
- To support empirical analysis and the provision of practical policy-relevant advice

Since its inception, the Database has been continually improved as the capacity for aid management has developed (especially within the CRDB/CDC) and aid management has become more sophisticated[25]. Currently, the ODA database has two separate recording systems – development partner database and NGO database[26]. This study however focuses only on the development partner part.

The Database which is now supported by a team of officials based at CRDB of the CDC is perceived by the interviewed government and development partners as responsive, cost-effective and sustainable, not only for the support of the implementation of good practices in aid management with regard to coordination, planning, implementation and reporting but also in making the quantity and quality of information available to the public. This improvement, the interviews also show, was made possible by effective leadership over and coordination of data collection process by the Government and high political commitments of DPs and some NGOs in providing more reliable aid information to the RGC[27].

At a strategic level, the ODA Database is a fully integrated part of the national aid management architecture. This ensures that a more evidence-based approach can be taken to promoting aid effectiveness and to monitoring the contribution of aid to achieving the development results that are envisaged in the NSDP. With the kind of aid data it makes available (See Box 1 below), the ODA Database can therefore support routine reporting, information sharing and coordination functions that are intended to promote dialogue and the development of more effective aid management practices[28].

Box1: Available Aid Information from the ODA Database

Project details that can be extracted from the ODA Database include the following[29]:
- Name of project, duration, start/end dates, status
- Financial details including total committed funding and disbursement profiles
- Partnership arrangements for co-financiers and implementing partners
- Sector details (including use of programme-based approaches)
- Location details of where the project is being implemented
- Use of technical cooperation (TC)
- Projected disbursements over the medium-term (to enhance predictability)
- Automated Paris Declaration indicator monitoring and from 2013, it is used for the purpose of Busan Global Partnership Monitoring Indicator.
- Information on TWGs and implementing partners
- Customised TWG reporting capability (especially for the education sector)

In the ODA Database, the user is able to aggregate and format this project data to provide a range of reports that include:
- Total commitments and/or disbursements by development partner / sector
- Projected disbursements by development partner / sector
- Project activity by sector/sub-sector, location or Technical Working Group (TWG)
- Paris Declaration monitoring by development partner / sector

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[25] (CDDB/CDC 2009; Phon 2010)
[26] http://cdc.khmer.biz
[27] Interviews with CRDB/CDC Staff and donor officials.
[28] ibid
[29] (CDDB/CDC 2009)

4.2. Data Collection and Validation Process

In its capacity as a national aid coordination focal point, CRDB/CDC has a role in maintaining and updating the ODA Database. Practically, in order to exercise its mandate, CRDB/CDC has made a lot of efforts to help development partners (and NGOs) in entering data into the ODA database. First, core support teams were established within CRDB/CDC to provide technical outreach support and coordinate data update and validation process. Second, CRDB/CDC officials and DP focal points (and NGO officials) were trained on how to use the ODA database (access the database, enter/view data and generate reports). Last, the ODA database user manual and other key supporting documents (concept note, guideline, principles and standards for quality assurance) were developed to provide for additional reference. CRDB/CDC has now enough resources and ability to manage data and provide remote and outreach support to DPs[30] and others[31].

Figure 2: Establishing and Operating the ODA Database
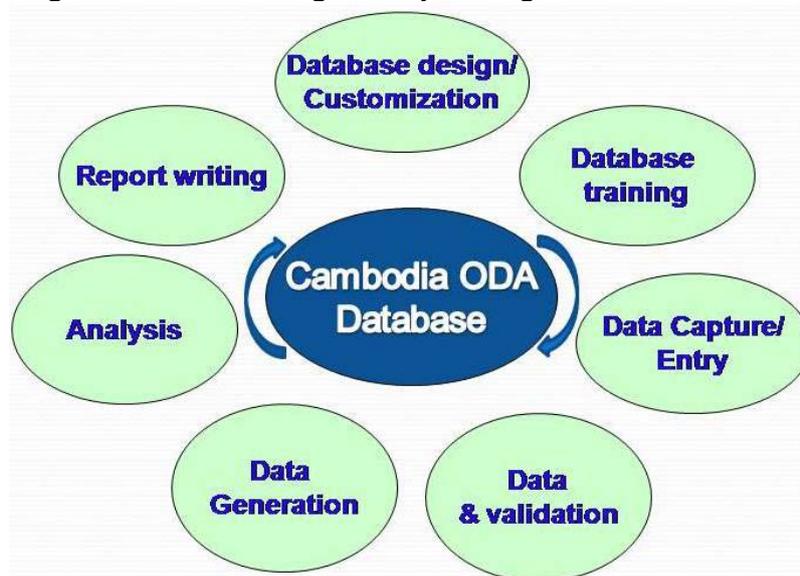
Source: Information Management Department of CDC/CRDB

While the ODA Database is the Government owned and managed, the primary responsibility for entering data lies with development partners (and NGOs). This decentralizes responsibility to those who often have the fullest information regarding planned and ongoing aid-financed activities. Based on interviews with CRDB/CDC officials[32], the following is the actual implementation and verification process:

(i) Pre-data update and validation: All development partners are formally requested, through the official letter from First Vice Chairman of CDC, to update and validate their own-inputted data with particular regard to information on disbursements (actual, estimated and projections), sector and Paris Declaration indicators[33]. Generally, development partners report to the ODA Database twice a year, usually at the end of Q1 and in Q3. It means that the DPs (and NGOs) have two or three months for updating and validating data of their projects/programs.

(ii) During data update and validation period: This process is simultaneously made by DP focal points, NGO officials, CRDB/CDC officials and TWG focal points.

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[30] Interview with EU focal points
[31] (CRDB/CDC 2008); Interviews with CRDB/CDC officials
[32] Please see the interviewee list in the Annex
[33] NGOs are formally requested by NGO Department of CRDB/CDC to entry their projects/programs into the ODA database.

DP focal point and NGO official as data-entry operator: After receiving the request, DP focal point (and NGO officials) start working on data update and validation with a given user authentication – user name and password set by Information Department of CRDB/CDC. To ensure more comprehensive, reliable and transparent data, DP focal points and NGO officials, when updating and validating the data, can consult with[34]:
- Project documents, agreement, country strategy paper
- Heads of project/programme
- Guidance/concept note produced by CRDB/CDC
- Request letter issued by CRDB/CDC
- Technical and validation team of CRDB/CDC (email, phone call, outreach support...)

When data update and validation is done, DPs (and NGOs) will then inform their respective assigned portfolio official to check (who sit at CRDB/CDC), verify and validate those data whether they are correct or not.

CRDB/CDC official as desk coordinator and quality controller: Assigned portfolio officials at CRDB/CDC are tasked to coordinate the process of data update and validation through email, phone call and outreach support and to ensure high quality of DP- (and NGO-) inputted data through project reviews (print and check project by project). To facilitate and help this work, the assigned officials are strongly requested to gather all relevant documents – project document, agreement, country strategy paper, and financial disbursements etc. – from donor's and NGO's office/website and other available sources.

The officials, during the data validation, can consult with[35]:
- Project documents, agreement, country strategy paper etc.
- DP focal point and NGO official through email or phone call
- Guideline for data cleaning and validation produced by CRDB/CDC

If mistakes or errors are found, each assigned portfolio has to inform his/her respective DP focal points and NGO officials to correct them until they are accepted.

TWG focal points as sectoral data controller: To ensure that the data collected annually by CRDB/CDC from development partners and NGOs are correctly entered into the ODA database, each ministry/agency, through TWG, will be provided this information to (i) review and verify that DP and NGO-inputted data are reported for their ministry/agency, and (ii) provide CRDB/CDC feedback on programmes/projects financed that are under ministry/agency and those that are not.

(iii) Post data update and validation: When the process of data update and validation is completed, each assigned portfolio will finally inform her/his respective DP focal points (and NGO officials) about completeness and accurateness of data. After receiving this notification, both DP focal points (and NGO officials) will then inform her/his head of delegation and director respectively about the process is done. Then DPs and NGOs will send an official letter back to Secretary General of CRDB/CDC to notify that their project information have been already updated and validated.

4.3. Improvements and Remaining Challenges

Interviewed government and donor officials indicate that the data quality in the Database has become more comprehensive and reliable. That the structure of the ODA database and its data quality has been improved is well recognized at both regional and global level[36]. At

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[34] Interviews with FAO, ADB and EU focal points
[35] Interviews with CRDB/CDC officials
[36] Interview with core member of IT team of CRDB/CDC

regional level, the lessons from the Cambodian ODA Database has been shared to a number of countries, including Vietnam, Laos and New Papua Guinea especially on how to design and manage an aid database[37]. At global level, the ODA database has on a number of occasions been singled out as one of the success story. For instance, the International Aid Transparency Initiative (IATI) presented the lessons learnt from the ODA Database through publications to its members[38].

Besides the clearer institutional set-ups for aid information sharing and the commitment from key actors involved (discussed above), other contributing factors to the improvement include (i) better cooperation between CRDB and DPs (and NGOs) in data collection and verification process, (ii) higher capacity among CRDB staff who have received additional training on data management and analysis, (iii) effective outreach support to data-entry focal points in DP (and NGOs), and (iv) more developed and customized ODA Database structure by local ICT expert to adapt to new initiatives and needs.

Better coordination and feedback between the Government and donor officials have not only improved the implementation of the existing structure of the ODA database, but also helped improve the structure itself. For instance, as a result of working closely together, the data questionnaires were improved, including: (i) to avoid double entries, donors are asked to fill in only their own funding and not that they received from other donors for implementing a project, and (ii) better breakdown of sub-sectors and location of the project has been included[39].

Despite the overall improvements, interviews point out the following specific areas for improvement. As to the data fields, first, especially for pool fund projects[40], the current ODA Database only provide commitment and disbursement, but not actual expenditure figure. Second, the Technical Cooperation (TC) figure in the current database is still too aggregate, e.g. not distinguishing the technical assistance (TA) and administrative costs incurred in operating Project Implementing Unit (PIU)[41]. Third, the current data on the location of projects only indicate provincial, and not lower administrative tiers, i.e. district and commune levels. Fourth, although there has been no intention on the donor parts to hide any project-related information, the current ODA Database is not yet web-linked to project documents or profiles[42].

A number of other practical and administrative challenges in the current data collection and verification process were also indicated:
- Some DP focal points (especially the new ones) are not clear with their own portfolio information as well as terms and definitions of ODA Database questionnaires,
- Unclear roles and responsibilities among DP focal points and data-entry operators
- Capacity gaps of CRDB and DP database users (a few raised with English problems)
- (Despite overall capacity improvement) staff turnover both at CRDB/CDC and Donors side have been a concern,
- Lack of responsibility and/or M&E at DP side on data validation work
- Lack of focal points to check on inter-related projects
- Some problems with coordination among CRDB/CDC, TWGs and DP focal points. For instance, some delays were reported in the responses from some DP focal points in provided requested data from CRDB/CDC staff.

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[37] (Anderson 2010; Phon 2010)
[38] ibid
[39] Interviews with donor officials
[40] Pool fund projects are the ones that receive funds from more than one donor.
[41] PIU or PUM refer to a unit that is established within a government institution to manage a donor funded project.
[42] Interviews with CRDB/CDC officials

5. Usefulness of the ODA Database

In general term, the ODA Database has the following benefits:[43]
- Providing access to information on project financing at sector or TWG level,
- Supporting routine-reporting,
- Coordinating and promoting dialogue and development of aid management effectiveness practices,
- Promoting evidence-based approach for aid monitoring
- Contributing to achieving the development results (as indicated in the NSDP)
- Contributing to the production of knowledge products such as the Aid Effectiveness Report/Development Effectiveness Report etc.
- Public information-sharing
- Generating data for the Paris Declaration Monitoring Survey
- Getting used as a tool for collecting the project/program information

More specifically, the Database has been proved useful for the monitoring of the aid effectiveness and for the state planning and budgeting process. However, as the following will further elaboration, the Database by design has not been helpful for the purpose of monitoring and evaluation of development impacts of aid.

5.1. ODA Database and Aid Effectiveness Monitoring Exercises

For the purpose of preparing the Aid Effectiveness Report, the ODA Database generates the following aid information:
- Trends in development assistance by term and type of assistance disbursements.
- Development assistance disbursements by sector, major donors and locations.
- Alignment of ODA resources with national priorities (NSDP)
- Aid predictability – comparing Multi-Years Indicative Financing Framework (MYIFF) Figures (by DPs) and actual disbursements (recorded in the ODA database).
- NGO contributions in national development (NGO supports to provinces and sectors)

Another tool for the monitoring the aid effectiveness is the monitoring survey of the Paris Declaration (PD) Indicators. Currently, the Database has accommodated a number of key PD indicator fields, including[44]:
- Indicator 3: Aid flows are aligned with national priorities
- Indicator 4: Strengthen capacity by coordinated support
- Indicator 5a & b: Use of country public financial management systems and use of country procurement systems
- Indicator 6: Strengthen capacity by avoiding parallel PIU
- Indicator 7: Aid is more predictable
- Indicator 8: Aid is unties
- Indicator 9: Use of common arrangements for procedures
- Indicator 10a & b: Joint missions to the field and Joint country analytical work

In 2013, CRDB/CDC has developed the Cambodia ODA database to accommodate the Busan Global Partnership Monitoring Indicator in which 10 indicators have been selected for monitoring the impact of the Global Partnership, of which five are to be monitored at global level and another five indicators are subject to be monitored at country level.

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[43] Interviews with CRDB/CDC officials
[44] http://cdc.khmer.biz/Reports/reports_by_updated.asp?status=0 (Access date: 30 April 2013)

Box 2: Busan Global Partnership Monitoring Indicator	
1	Extent of use of country results frameworks by co-operation providers
2	Enabling Environment Index for civil society.
3	Engagement and contribution of the private sector to development
4	Information on development co-operation is publicly available
5	Development co-operation is more predictable annual: proportion of aid disbursed compared to scheduled medium-term: % of aid covered by indicative forward plans.
6	Aid is on budget (recorded and approved by the legislature)
7	Mutual accountability (joint assessments of progress)
8	Gender equality (% of countries with systems that track allocations).
9	Effective institutions Quality of PFM systems; and Use of country PFM and procurement systems.
10	Aid is untied

5.2. ODA Database and the State Planning and Budgeting Process

Section 3 (and Figure 1 indicates how aid information flows among different actors who use the data for planning (e.g. LM, MoP, CDC, MEF). Despite some remaining minor issues of data collection and validation, all interviewers indicate increasing trust on the ODA database when it comes to obtaining information for the purposing of planning and budgeting. At the macro level, data of on-going DP-financed projects derived from the ODA database has been provided regularly to the MoP for PIP preparation and to the MEF for annual budget and macroeconomic framework preparation[45].

However, the processes of planning, budgeting (especially the public investment side), and the allocation and utilization of ODA needs to be further aligned[46]. To address this issue, in 2009, a Task Force on Harmonization of Planning, Public Investment Expenditure and Official Development Assistance was established, consisting of representatives from MoP, MEF, CRDB/CDC, and SNEC[47]. According to the interviews with the MoP official, two points are worth noticing: (i) since 2009, the Task Force has not been very active, suggesting that not much progress has been made in relation to the harmonization, and (ii) the lack of the harmonization has possibly less to do with insufficient data, but more with the inherent inconsistencies among the relevant processes, i.e. the planning, the public investment programming, and aid allocation and disbursement processes. This issue is beyond the scope of this study, but it is suggested further research should look into it.

Line ministries have also increasingly turned to ODA Database when trying to obtain reliable data on aid that has been allocated and disbursed to them. For instance, the MoEYS used to have its own AIMS from which it got aid information to assist its preparation of Annual Operating Budget (AOP)[48]. However, in the last three years, partly to avoid data recording duplication and inconsistencies, the Ministry decided to abolish its own AIMS and instead used the ODA Database as the only source[49]. However, interviews with the MEYS Planning Officer indicate that, although the ODA Database has been helpful for the National Level

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[45] Interviews with MEYS and MOP Officials
[46] Interviews with MoP officials
[47] (RGC 2009)
[48] AOP is an annual plan which match the activities that need to be done to government and donor budget availability. Currently, only health and education sector have used the AOP as their planning and budgeting instrument to coordinate aid.
[49] Interviews with MEYS Planning Official

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AOP preparation, aid information (especially from the NGOs) has been hard to get, and thus affecting the quality of the AOP preparation process, at the provincial and district levels[50].

The difference between the two sectors (education and agriculture), however, has been the extent to which aid data has been integrated into their respective planning and budgeting process. The MEYS, having been through key reforms including the Sector Wide Approach (SWAp)[51] and the adoption of the Education Sector Strategy, has been trying to align its policy objectives and available resources, both from the Government and from the donors and NGO partners. Currently, the key mechanism that helps achieve such alignment is the AOP, in which specific objectives are linked to specific government and aid funding sources. Agriculture sector, on the contrary, has had neither SWAp experience nor a mechanism similar to the AOP. This suggests that, to improve sectoral planning and budgeting, more available aid information alone is not sufficient. What is more important is a planning and budgeting process that needs and can make use of such the data.

5.3. ODA Database and M&E of Development Results

As a matter of design, the ODA Database as it currently stands is not intended for producing needed information for measuring the development impacts of foreign aid, either at country or sector level. A number of points are of relevance on this issue. First, at the macro-level, Cambodia has yet to develop an M&E system to measure the progress of its national development policy, namely, the National Strategic Development Plan (NSDP). Interviews with the MoP official reveals that such a system has only been recently considered, starting with the establishment in 2012 of the National Working Group on M&E[52] whose immediate jobs are to review the existing indicators (there are 63 of them) for measuring NSDP implementation progress and come up with a National Framework for M&E.

Second, at sectoral level, some sectors have had more advanced M&E system than the others. In the education sector, for instance, the MEYS has established the Education Management Information System (EMIS) which is a detailed record of education sector performance (e.g. number of student enrolment, drop-out, repetition, etc) down to school level. The EMIS has generated useful data for M&E purposes and the preparation of Annual Education Congress report. Health sector, on the other hand, relies partly on its administrative data (i.e. those included in the Health Information System (HIS)(and partly on the periodic Cambodia Development and Health Survey (CDHS). Other sectors such as the agriculture, rural development and social affairs, however, have had much less data needed for their own M&E. This less advanced characteristic is the reason why, as a part of the effort to establish a new National Development M&E Framework, the MoP chooses the three sectors as pilots[53].

Third, even the more advanced M&E system such as that of the MEYS does not generate sufficient data which allow measuring the aid efficiency in the sector. This is however not to suggest that there currently are no M&E system for measuring aid impact. The contrary is true. Each donor agency, the interviews reveal, is required to prepare various assessment reports which if taken altogether provide a good picture about the impact of their aid portfolio. In the case of the ADB, for instance, the reports to be produced include project completion, sectoral assessment report, country assessment report, Report and Recommendations to the Board, etc. The ADB also keeps a number of databases including that on project implementation, and procurement, and consulting services. Except where sensitive

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[50] (World Bank 2011)
[51] SWAP is an aid delivery approach in which all significant funding for the sector supports a single sector policy and expenditure programme, under Government leadership, adopting common approaches across the sector, and progressing towards relying on Government procedures to disburse and account for all funds (Ostrom et al 2002).
[52] (RGC 2012)
[53] Interviews with MoP Officials

information is involved[54], most of the data is made available on its website[55]. Similar practice was also found in the cases of other donors including AusAid, European Commission (EC) and FAO[56].

5.4. Engagement of CSO in Aid Management Process

It was clear that NGOs/CSOs in Cambodia have not been much involved in the aid management process. This is not to suggest that NGOs/CSOs have not been involved in monitoring development progress in specific sectors[57]. Instead, the involvement was more on the operation and overall management aspects of service deliveries, but less on budgetary matters, a part of which related to foreign aid. The main reason for the limited engagement however is not the lack of aid data which is needed to inform those NGOs/CSOs group about the aid allocation, disbursement, location and other aspects of aid funded projects. Instead, it is, firstly, the lack of coordinated interests in the issues as NGOs hardly find the link of the aid data to the current practice of their sector project; secondly, limited understanding around aid management system and structure, how to identify which aid data is needed and how they can be obtained; and thirdly, NGOs/CSOs view aid information as the most complex one to get the consistent data relevant to their M&E purpose with requirements of good statistic-related knowledge.

The NGO Education Partnership (NEP), for instance, is an active NGO working to monitor performance progress in education sector. It also represents some other 100 plus NGOs who work on same issue. NEP has also been active in the Joint-TWG on Education and the Education Sub-Working Group (ESWG). Through these mechanisms, NEP has been working well advocating for positive changes on various issues including informal education, teacher training, decentralization, and higher education reform. However, it has been much less engaged on the budgetary issues, despite its presence in the Public Financial Management Sub-Group of the ESWG. The reason, the NEP official indicate, is the lack of common interest and capacity among NEP's members to seek further data and understanding on the matter.

From the interviews, it was also clear that NEP has had little interest in the aid management issue. For instance, it indicates it has never used Cambodia ODA Database and/or AMIS of MoEYS so far due to structure of the database focused mainly on budget information and Paris Declaration implementation and most of NGOs (except NGO Forum on Cambodia) have very limited knowledge of budget and aid effectiveness. The situation discourages NGOs from using the ODA database and AMIS of MoEYS.

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[54] Meaning, for instance, any information that might distort the competitiveness of a bidding process
[55] Interviews with ADB officials
[56] Interviews with respective donor officials
[57] In the current aid management system, CSOs have representatives in key mechanisms including NGO representative in various technical working groups, Cambodia Development Cooperation Forum, Government-Development Coordination Committees.

PART B: MEASURING AID EFFICIENCY IN CAMBODIA

6. Aid Efficiency and CPA: The Concept

According to the literature,[58] aid efficiency is closely related to the concept of 'Real Aid' which in turn is measured by the level of the CPA. The higher the CPA, the more efficient aid is. Calculating the CPA is still a new methodology and has not been systematically applied to the case of Cambodia, both for the country and sectoral levels. This report seeks to fill in this gap. After reviewing the aid information availability (as discussed in Part A), the study comes to a conclusion that, due to data limitation, only CPA at the country (not sectoral) level can be calculated for Cambodia. The following sections will present that calculation, but first, key concepts and methodologies are presented.

CPA is a new international concept introduced by Organization of Economic Co-operation and Development (OECD) in 2007 in the development assistance committee (DAC) workshop on 'Scaling Up for Results and Aid Allocations'. At the workshop, the CPA concept was developed in close collaboration with DAC member countries. This statistical concept has formed the basis of the DAC work on past and future country aid allocations, e.g. on aid fragmentation[59].

CPA has been used to measure the 'real vs. phantom aid' part of the Official Development Assistance (ODA). ODA is a part of foreign aid which officially captures grants and loans from donors institutions made to developing countries for development purposes. Foreign aid can be in form of budgetary aid, investment projects/programmes, technical cooperation, humanitarian emergency assistance, food aid, or military assistance, etc. ODA does not count grants, loans and credits for military purposes. ODA has to be: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms (if a loan, having a grant element of at least 25%). Transfer payments to private individuals (e.g. pensions, reparations or insurance payouts) are not counted[60].

A large share of official aid from all donors has been seen as 'phantom aid' which is spent on administration cost, technical assistance, tied aid, dept relief, and refugee as well as on what is lack of poverty focus[61]. CPA in this sense is a useful measure indicating the component of 'real aid', as it nets out activities that are inherently unpredictable (e.g. humanitarian aid and debt relief), entail no cross-border flows, and do not form part of co-operation between government from gross ODA.

At the country level, CPA has been proved useful for a number of reasons, discussed in the following[62]:

- The CPA represents a net transfer of resources or is a meaningful indicator to measure support to developing countries/LCDs.
- The disaggregation of CPA and non-CPA can show the degree of country reliance on aid components (e.g. food aid or debt relief).
- The CPA is much more useful for judging the fragmentation of aid and the transaction costs imposed on country program than ODA;
- Last, it provides a way of comparing coherence and the likely impact of different donor's efforts at country level.

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[58] See for instance, (ActionAid 2005; OECD 2012; OECD 2012)
[59] (OECD 2012)
[60] ibid
[61] ActionAid (2005)
[62] (UNDP 2011; OECD 2012)

Based on OECD calculation so far, the average country level of CPA was found to be at 50%, with the increase of around 4% between 2005 and 2008. This average percentage and increase can be used as the standard by which Cambodian case should be compared[63].

7. Existing CPA Calculation for Cambodia

Existing data on CPA to Cambodia is available through two important sources: (1) OECD web statistic and (2) an existing report on aid effectiveness in Cambodia by Ek and Sok (2008)[64].

7.1. CPA According to the OECD Web Statistic

According to the OECD, the CPA is derived from subtracting non-CPA expenditure from gross ODA. The formula for calculating the CPA is therefore as follow:

CPA = Gross ODA – Non-CPA components

The data on two variables, i.e the Gross ODA and the non-CPA components, are extracted from two data sources kept by the OCED:
- The DAC annual aggregates database (DAC)[65], which provides comprehensive data on the volume, origin and types of aid and other resource flows, and
- The Creditor Reporting System (CRS)[66], which provides detailed information on individual aid activities, such as sectors, countries, project descriptions, etc.

The data on the Gross ODA is available in the DAC, whereas the non-CPA components need to be extracted from both the DAC and CRS, as presented in Table 1 below.

Table 1: The Non-CPA Components to be extracted from DAC and CRS databases

DAC	CRS
Debt relief	Imputed student costs
Re-scheduled debt	Administrative costs
Other forms of debt relief	Refugees in donor country
Humanitarian aid	Aid from local government
Development food aid	Core support to national, international, and local NGOs

If the formula are to be followed and the data available from the OECD used, the CPA for the case of Cambodia are derived as presented in Table 2 below, all using current price.

Table 2: CPA to Cambodia: Overall (USD Million)

Donor Type	2005	2006	2007	2008	2009	2010
DAC countries	324.74	328.78	395.99	404.24	440.72	474.47
Multilateral	179.9	153.1	201.15	288.25	250.45	238
Non DAC	0.11	17.38	22.45	3.51	5.89	2.42
Total	**504.75**	**499.26**	**619.59**	**696**	**697.06**	**714.89**

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[63] (OECD 2012)
[64] (Ek and Sok 2008)
[65] (OECD 2012)
[66] (OECD 2012)

For the CPA estimated figure derived by the OCED, two limitations are identified, including: (i) the derived CPA still include TC, and (ii) it might be over-estimated because the information on aid from non-DAC donors and certain aid items such as administrative costs and imputed student costs might have been incomplete.

7.2. CPA according to Ek and Sok (2008) Study

Ek and Sok (2008) used data from the Cambodia ODA database to estimate amount of CPA. The CPA was computed by subtracting TC and Food-Aid from the Net ODA, while the Net ODA was calculated by excluding NGOs' core fund from the gross ODA. The formula, therefore, is as follow:

CPA = Gross ODA – NGOs Core Fund – TC – Food Aid

Table 3 below shows the amount of CPA to Cambodia, as calculated by Ek and Sok (2008) study for the year from 1998 to 2006.

Table 3: CPA for Cambodia as calculated by Ek and Sok (2008)

Years	Net ODA (US$ million)[67]	CPA (US$ million)	Share of CPA (%)
1998	377	116	30.8%
1999	345	124	35.9%
2000	415	140	33.7%
2001	428	188	43.9%
2002	485	183	37.7%
2003	492	225	45.7%
2004	506	222	43.9%
2005	567	267	47.1%
2006	661	355	53.7%

Source: (Ek and Sok 2008)

On specific limitation of the Ek and Sok (2008) is that the CPA estimated figure still includes the aid item labeled as 'Unknown/unallocated aid.'

8. This Study's CPA Calculation

8.1. The New CPA Calculated Result

Learning of the specific limitations of the two specific studies mentioned above, this study provides its own CPA calculation, using a slightly adjusted formula and a set of data made available from the ODA Database.

The CPA is here proposed to be calculated using the following formula:

CPA = Total ODA – NGO core fund – TC – Humanitarian/Food Aid – Unallocated fund

In the proposed formula, (1) TC, (2) humanitarian and food aid and emergency relief, and (3) other unclassified/unallocated fund, altogether constitute the non-CPA components of the ODA channeled to Cambodia. Please note that tied aid is not included in the formula because the item is not presented separately in the ODA Database[68].

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[67] Net ODA = Gross ODA (Grants and loans) – NGOs Core Fund
[68] This was confirmed by interviews with officials of CDC on 25 October 2012. The interviews further indicated that the information included in the ODA Database is likely to have already taken out some elements of so-called cross-border flows.

This study proposes that the data from the ODA Database be used to measure CPA and non-CPA amount, the main reasons being that the figures reported in the Cambodia ODA Database are generally more comprehensive than those recorded by the OECD (which records only DAC member resources and some others). For instance, in 2008, the most recent year of OECD reporting, the CRS shows donor assistance of only USD 561.9 million to Cambodia, compared to USD 978.5 million as presented in the Cambodia ODA Database. As claimed by the CDRB-CDC, recent improvements in data validation has made Cambodia ODA database information more comprehensive and of higher quality[69].

- Using the ODA database is to show country ownership over the development aid according to the Paris Declaration.
- There is also proper data quality control in the Cambodia ODA Database.
- The Cambodia ODA database already exclude cross-border flow

Using the formula and the data from the ODA Database, Table 4 below presents the CPA amount, together with the more detailed calculation results, at the country level.

**Table 4: Country-Level CPA and Non-CPA amount (USD Thousand)**

Year	Gross ODA[70]	NGOs' Core Fund	Net ODA	Total Non-CPA	Non-CPA			CPA	CPA (%)
					TC	Food and Humanit-arian Aid	Unallocated Aid		
1992	250,183	1,069	249,114	216,015	48,289	167,726	-	33,099	13%
1993	321,891	5,322	316,569	180,934	85,300	95,634	-	135,635	42%
1994	358,045	17,949	340,096	166,365	122,215	44,150	-	173,731	49%
1995	513,320	21,100	492,220	260,986	207,312	53,674	-	231,234	45%
1996	518,082	35,800	482,282	292,405	237,625	54,780	-	189,877	37%
1997	383,188	49,876	333,312	249,927	209,347	40,580	-	83,385	22%
1998	433,280	56,097	377,183	265,439	259,893	5,546	-	111,744	26%
1999	399,710	5,500	394,210	249,378	218,441	30,937	-	144,832	36%
2000	466,813	51,851	414,962	284,762	230,742	54,020	-	130,200	28%
2001	471,842	43,560	428,282	236,063	202,430	33,633	-	192,219	41%
2002	530,923	45,568	485,355	300,378	275,386	24,992	-	184,977	35%
2003	539,508	47,238	492,270	274,592	247,055	27,515	22	217,678	40%
2004	555,392	49,449	505,943	288,261	263,444	20,175	4,642	217,682	39%
2005	609,954	44,719	565,235	312,899	287,313	17,066	8,520	252,336	41%
2006	713,241	50,162	663,079	270,152	248,048	20,661	1,443	392,927	55%
2007	777,463	77,736	699,727	316,406	293,832	21,656	918	383,321	49%
2008	978,523	110,769	867,754	366,133	319,906	43,238	2,989	501,621	51%
2009	1,000,197	108,462	891,735	377,399	323,867	37,140	16,392	514,336	51%
2010	1,105,365	163,526	941,839	351,519	290,248	37,492	23,779	590,320	53%
2011	1,416,231	192,500	1,223,731	373,447	305,079	31,103	37,265	850,284	60%
2012	1,482,062	193,200	1,288,862	362,597	286,463	44,154	31,980	926,265	62%

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[69] (CRDB/CDC 2011)
[70] Please note that the figures for the years from 1992 to 2009 is based on the Cambodia Development Effectiveness Report (2011), while the figures for 2010-201s are extracted from the ODA Database (Extract Date: 31 October 2012).

8.2. Interpreting the Different Results

Figure 3 below compares the CPA calculation results from the three studies, i.e. the OECD, the Ek and Sok (2008) and this study. As the diagram shows, for the years with available data (from 1998 to 2006), this study and Ek and Sok's comes up with similar, though not the same, results. However, this study and that of OECD shows significantly different result, i.e for the years 2005 to 2010.

Figure 3: Comparing the three CPA results
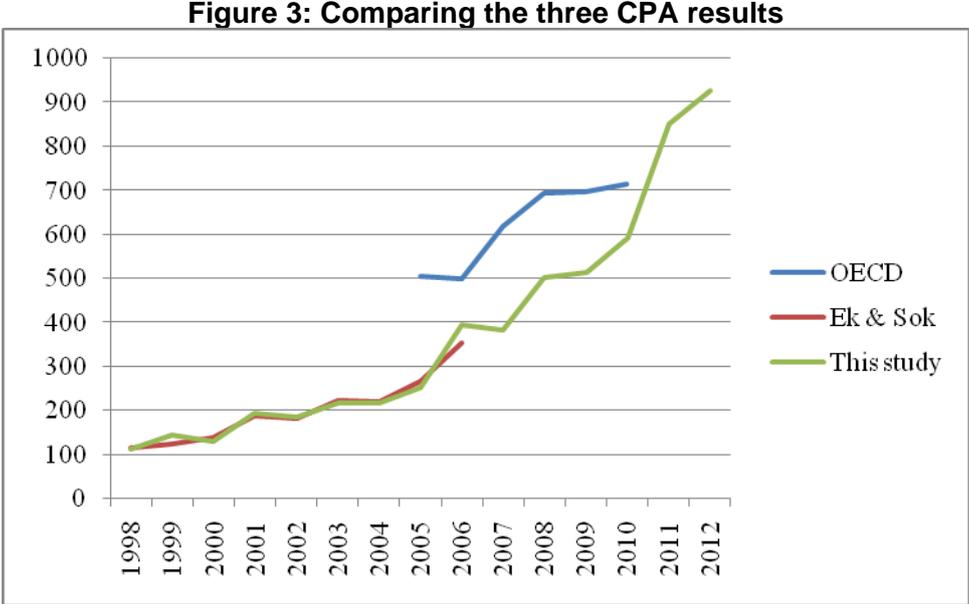
The key argument about the different CPA results is not that this study has a better formula and data. Instead, what it shows is that is the limitation of using CPA as a measure of aid efficiency due partly to the contestable nature of the concept and methodology itself and partly to the lack of disaggregate data needed for its calculation. Furthermore, the data classification at the international and country level seem inconsistent for a few key data items, the most problematic of which is the Technical Cooperation (TC). In the OECD calculation, the TC is still included in the CPA amount, although under the TC exist the administrative costs and technical assistance. However, this study, which uses the data from the ODA Database, is limited because the Database provides no aid item which are considered as non-CPA (e.g. debt relief, promotion of development awareness, export subsidy, etc).

Despite the difference in calculation and data availability, this study argues based on its CPA calculation that, over time, aid provided to Cambodia has been more efficient and comparable to international standard. This broad argument is based on the result that, starting from 2006 the CPA account for 55% of total aid and increased to 62% in 2012.

9. Conclusions and Recommendations

Based on the findings, a number of key conclusions and recommendations are drawn for the Government, DPs, and CSOs.

9.1. Political Commitment and Institution Setups

In ensuring aid transparency, the Cambodian Government, especially the CRDB/CDC, has shown admirable leadership, commitment and capacity to lead various reform initiatives, the most noticeable of which is the ODA Database. The Database and the quality of its data has

not only been recognized by government officials and donor agencies in Cambodia but also singled out as a success story at regional and global level. In term of institutional setups, improvements have been noticed especially in term of promoting data consistencies among key actors, namely, CRDB/CDC, MEF, MoP, line ministries and DPs.

For the Government and DPs, however, what stills need to be improved are (i) improving role clarity and better understanding among the key actors particularly in relation to the recording of loans versus grants of the ODA, and (ii) ensuring better inclusion and coordination of aid from emerging non-DAC donors such as China and India. The first point can be addressed if the Task Force on Harmonization of Planning, Public Investment Expenditure and Official Development Assistance which was created in 2009 can be made more active. The second point, however, requires solutions at political, rather than technical level to start with. The emerging donors might have different political reasons preventing them from disclosing their aid information in the ODA databases. Those political reasons, whatever they might be, need to be addressed before the more technical questions such as when and which aid information should be disclosed can be discussed.

For CSOs, the recommendation would be to better use of the current open doors which exist in forms of various TWGs established for various sectors and which include representatives from CSOs. These TWGs are forums from which CSOs can learn of the latest developments in specific sectors or issues and can also make their voices heard. To maximize the opportunity, however, CSOs need to build their interest and capacity to digest the information and make uses of the opportunities made available to them.

Should relevant CSO groups in the near future agree that they want to be more engaged in aid monitoring issues, the following recommendations can be considered: (i) find and recruit people with appropriate knowledge on aid management to assist the groups, (ii) develop action plan for monitoring aid budget execution and get NGO members to agree on, (iii) identify the needed information that are already available on the ODA database, and (iv) identify the needed information that is not yet available and prepare an advocacy strategy to request for those pieces of information.

9.2. Data Collection, Verification and User-friendliness

Data collection and verification has been improved in the last 5 years, thanks mainly to the leadership of CRDB and its collaboration with DPs. The ODA Database has generally been found to be easy to use and extract information, provided that users have some basic information technology and on how foreign aid is delivered. A few areas for improvements, however, were also identified for different actors.

For the CRDB and DPs, technical discussion should be held to include some additional fields into the current questionnaires and the Database. Those fields include:
- Figures on project actual expenditure, in addition to the currently available commitment and disbursement figures,
- More disaggregate data on the TC, to distinguish among, for instance, technical assistance, overhead costs of running the PMU, etc. This will help identify the level of real aid given to Cambodia (see section 9.4 below). However, the Government and DPs need to consider the workload and capacity implications should the generation and posting of such disaggregate data get implemented.
- More detailed information on project locations - if possible, down to district and commune level, in addition to the currently available information on provincial location. The information is particularly useful in the context of decentralization and for service delivery CSOs who focus on specific geographical areas.

Another specific recommendation for the Government and DPs is to consider linking project information on the ODA to soft copies of detailed project documents posted on the web. This will be useful for interested users to acquire more detailed information about projects.

For CSOs, as mentioned above, the next step is to develop interest and capacity in using the existing data and those proposed to be made available in the future. They should be doing this task among themselves, with assistance from relevant experts, and making informed requests to the CRDB/CDC on the kind of data they need, how the current ODA should be simplified, etc.

9.3. Data use and Linkages to Key Decision-Making Process

The ODA Database has been used for different purposes, including planning and budgeting of the government and donors, and for monitoring the PD indicators. However, it is important to note that ODA database alone is not sufficient to improve the planning and budgeting process of a sector. Instead, the improvement depends more on the quality of the aid coordination system in the sector, especially the presence of SWAp. The comparison between the education and agricultural sector shows this clearly. In addition, the current ODA Database should not be expected to generate all needed data for M&E purposes either. Instead, the M&E information can be found from other sources such as project evaluation reports, sectoral assessment, country assessment reports, etc.

For CSOs interested in engaging in monitoring aid effectiveness, first, it is recommended that they familiarize themselves with aid delivery systems in specific sectors, and with the standard reporting mechanisms around aid effectiveness issues. Second, interested CSOs should pay close attention to the ongoing effort headed by the MoP to create a national M&E framework for measuring the NSDP progress and which is being tested in agriculture, rural development and social affairs. The familiarity with the new M&E system will allow CSOs to better participate in aid monitoring.

For the Government and DPs, the following recommendations can be offered. First, for the Government, to ensure better use of aid information for the purposes of planning and budgeting, it should put effort into activating the 2009 Taskforce on Harmonization of Planning, Public Investment Expenditure and Official Development Assistance. Second, when designing the National M&E Framework, the Government (MoP in particular) should pay attention to integrating the new national M&E system with other monitoring mechanisms, aid effectiveness and aid database management included.

9.4. ODA Database and the Use of CPA to Measure Aid Efficiency

Using CPA as a measure, Cambodia has performed comparably well in term of aid efficiency, with the share of CPA in 2012 accounted for 62% of total net ODA (compared to international average of around 50%). Given the limited disaggregate data especially on TC, the study however presents the CPA results with caution. Should specific additional disaggregate data items on TC be included in the ODA database (see above), the accuracy of the calculated CPA at the country level can be improved.

However, the limitation of the CPA as a measure of aid efficiency should be recognized. First, partly due to data problems (e.g. inconsistent classification, lack of disaggregate data) not just at country but international level, the CPA figure is more useful in showing the trends, rather than the exact levels, of aid efficiency in a country. Second, qualitative information is equally important to really comprehend the level of aid efficiency and effectiveness while CPA is an informative quantitative indicator of aid efficiency. Those qualitative dimensions

are represented by the key indicators included in the PD.[71] Cambodia, under the leadership of the CRDB/CDC, has facilitated the production of regular PD monitoring reports and strongly commits to the Busan Global Partnership monitoring. It is recommended that interested CSOs pay close attention to the information made available in those reports.

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[71] Please see Ostrom et al (2002); OECD (2011a) for more information.

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