

Strategy for development cooperation with

Cambodia

January 2012 – December 2013



REGERINGSKANSLIET

Government Offices
of Sweden

Strategy for Swedish development cooperation with Cambodia, 2012-2013

Executive Summary

The present strategy will govern Swedish development cooperation with Cambodia for the period 2012–2013. It is based on Sweden’s policy for global development and its policy on international development cooperation and analyses of poverty in the country, outcomes and experience from past cooperation, commitments by other donors, and Swedish comparative advantages.

Being one of the world's poorest countries, Cambodia’s development needs are extensive. The overall low level of education in the country – among the lowest in the world – is a major obstacle to political and economic development. Years of civil war have resulted in weak political, economic and social institutions and inadequate governance, as well as widespread corruption. In a number of respects, the process of democratisation and development towards a state governed by the rule of law that fully respects, protects and fulfils human rights, has taken an unfavourable turn in the course of the previous strategy period. Development has been negative in many ways in areas involving civil and political rights, particularly with respect to freedom of expression and association. Some progress has been achieved with regard to the enjoyment of economic, social and cultural rights.

The overall objective of Swedish development cooperation with Cambodia is to help bring about improved conditions for sustainable and democratic development with increased respect for human rights. Swedish development cooperation is to focus on three areas of cooperation: (1) democratic development and human rights; (2) education, and (3) climate. Gender equality and environmentally

2012-03-08

sustainable development are to be pursued as thematic issues. Cambodia is included in the Government's special climate initiative.

Activities aimed at promoting democratic development and human rights are to focus particularly on strengthening protection of civil rights and liberties, and on developing and strengthening democratic institutions and procedures. Direct support for human rights is to be increased while support for the decentralisation reform will be reduced and directed at efforts to strengthen public participation and access to information. Support for education is to be extended to encompass the entire sector, including higher education. Climate-related support is to focus particularly on building capacity for planning and implementing climate change adaptation measures at national and local level.

1. Overall objectives and priorities, objectives and priorities for aid effectiveness and general dialogue issues

1.1 Overall objectives and priorities

The overall objective of Swedish development cooperation with Cambodia is to help bring about improved conditions for sustainable and democratic development with increased respect for human rights. Promotion of gender equality and women's role in development is to be effected through dialogue, integration and follow-up with the aim of ensuring that a gender equality perspective permeates projects and programmes in all cooperation areas. Sweden must also actively seek to ensure that environmentally sustainable development informs all initiatives in the strategy's cooperation areas.

1.2 Aid effectiveness: objectives and priorities

Cambodia has established a structure for enhancing aid effectiveness, both at national level and in individual sectors. Sweden will continue to play an active role in developing effective aid in accordance with its international commitments.

During the strategy period, Sweden will work for improved coordination within the EU by engaging in active dialogue with the EU and its member states on the configuration of the next EU Programme Strategy (the current strategy runs from 2007 to 2013) and on ways in

2012-03-08

which the Commission and individual member states can complement one another's development efforts. Sweden will in addition be prepared to contribute, as required, to framing the expected initiatives under the EU Common Framework for Results¹.

The objectives with regard to greater aid effectiveness in the development cooperation with Cambodia are:

- that Sweden will have contributed to improved results orientation, donor coordination and transparency within the strategy's cooperation areas in accordance with commitments contained in the Busan Outcome Document (among others), and
- that Sweden in the strategy's cooperation areas, will have helped to create opportunities for greater public accountability.

Efforts will also be made to develop different types of results-based aid modalities where suitable conditions exist.

Sweden will make use of and strengthen synergies between different parts of the contribution portfolio. Particular attention will be given to contributions that support enhanced performance monitoring within the framework of the partners' own systems, including through support for capacity building in this area.

Where conditions permit, Sweden is to assume a leading role in one of the strategy's three cooperation areas, and engage in joint donor dialogue.

1.3 General dialogue issues

Sweden's strategic dialogue issues must serve to promote democratic processes and accountability, e.g. through democratic elections, respect for human rights, gender equality and anti-corruption measures. Sweden will in the dialogue pursue issues such as improved aid effectiveness, particularly with regard to the need for an increased focus on results and greater transparency.

¹In accordance with the newly published communication: *Increasing the impact of EU Development policy: an Agenda for Change*, and commitments contained in the *Busan Outcome Document*, including the agreement reached in the *Results and Accountability Building Block*.

2012-03-08

2. Areas of cooperation

During the strategy period, Swedish development cooperation with Cambodia is to focus on the following areas of cooperation: (1) democratic development and human rights; (2) education, and (3) climate.

2.1 Democratic development and human rights

2.1.1. Respect for human rights and the principles of rule of law, and support to actors in the democratisation process.

Objectives for this area:

- Increased knowledge in elected assemblies and public administration at central and local level with regard to civil rights and liberties and principles of rule of law, and strengthened institutional mechanisms capable of ensuring that these are observed.
- More effective dialogue and regular cooperation between representatives of public authorities and actors in civil society at both national and local level.

Focus

The cooperation will focus on enhancing capacity with respect to human rights and rule of law principles in public administration, including ministries, and on supporting a civil society engaged in normative advocacy work aimed at strengthening the democratisation process or actively seeking to further strengthen the ability of the public to demand political accountability.

The bilateral dialogue on human rights will form an integrated part of Sweden's regular dialogue with Cambodia in this area. Examples of priority dialogue issues are strengthened protection of rule of law principles and civil rights and liberties in general, with particular emphasis on freedom of expression and association and the right of democratic political parties to operate on equal terms. Efforts should be made to explore opportunities for extending capacity support to those parts of the justice system specifically concerned with strengthening the rights of poor people, or to institutions concerned with the protection and promotion of human rights.

2012-03-08

The same applies to opportunities to contribute to the development of free and independent arenas for the dissemination of information, networking and public accountability, by supporting actors working to promote freedom of expression and the right to information, including freedom of the media.

Collaboration with other donors

Collaboration with other donors, e.g. the US, Australia, Japan, the Office of the UN High Commissioner for Human Rights (OHCHR) and the United Nations Development Programme (UNDP), should be further developed.

2.1.2 Development and strengthening of democratic institutions and procedures

Objectives for this area

- Greater democratic influence and public accountability at local level through a successful decentralisation process.
- Increased transparency and efficiency in public administration, particularly with respect to financial management systems.

Focus

To achieve these objectives, Sweden will extend continued, but gradually decreasing, support during the strategy period to Cambodia's on-going decentralisation reform, support local civil society organisations and, where conditions permit, support other administrative reforms aimed at enhancing transparency and efficiency in the public administration.

Support for decentralisation reform will aim at strengthening public influence and participation in priority setting, and decisions on and monitoring of allocated development resources. Sweden will therefore accordingly be particularly proactive on issues involving transparency, the ability to demand public accountability at local level, and a more rigorous application of the rights perspective. Support for decentralisation reform will be linked to support to civil society at local level. Support should also be provided for capacity building at different administrative levels.

2012-03-08

During the strategy period, Sweden should continue to extend support for Cambodia's Public Financial Management Reform Program (PFMRP), and focus particular attention on anti-corruption, transparency and pay systems issues. If the Cambodian government presents a credible plan for reforming the country's public administration², support for such a plan should be considered. Both reforms are essential for creating conditions for fighting corruption and creating an efficient public administration.

Reliable statistics are fundamental for good governance, democratic control and a society characterised by gender equality. The feasibility of continued Swedish support aimed at enhancing the country's national capacity to produce and apply high-quality statistics should therefore be considered.

The newly adopted anti-corruption law marks an important step in the fight against corruption in the country. During the strategy period, Sweden should support relevant initiatives within the framework of the implementation of the new law.

Collaboration with other donors

Sweden has been a major donor to Cambodia's decentralisation programme, in collaboration with the EU and other donors, including Germany, the World Bank, the UN and the Asian Development Bank (ADB). The World Bank is a leading donor in Cambodia's Public Financial Management Reform Program. In case of a Swedish contribution, Sweden will collaborate closely with other donors, in particular the EU-delegation and the World Bank, and take responsibility for dialogue and monitoring in a sub-area.

2.2 Education

Objectives for this area

- Improved quality of, and access to, teaching and learning at all levels of education.
- The proportion of children who complete the 9-year basic education has risen to 54 per cent by 2013, in accordance with nationally established objectives.

² Public Administration Reform (PAR)

2012-03-08

Focus

Access to schooling and higher education is crucial to young people's potential for development and to long-term poverty reduction in Cambodia. To achieve these objectives, Sweden is to provide continued aid to the education sector and broaden support to include the entire sector, from primary and secondary school to higher education, an area in which few other donors are currently active. Efforts should be made in this cooperation area to explore opportunities for initiatives aimed at supporting collaboration and exchanges between the education system and the private business sector with a view to strengthen youth employment opportunities.

Cambodia's national objectives for the education sector are equal access to education, improved quality of education and institutional capacity building at national and local level. The proportion of children who completed the 9-year basic education was 44 per cent in 2010. The Cambodian government's objective is a 10 per cent increase on this figure by 2013.

The rights perspective, including equal access to education and access to education by disadvantaged children, will be given priority. Efforts must be made to examine the feasibility of integrating human rights and sustainable development issues into programmes and projects in the education sector.

In light of the country's considerable needs in higher education and research, the feasibility of initiating research cooperation with Cambodia should be explored during the strategy period.

Collaboration with other donors

Sweden has long been actively engaged in the education sector in Cambodia. During the strategy period, cooperation will be further developed with the Cambodian government and other donors, in particular the EU and multilateral organisations such as the United Nations Children's Fund (UNICEF) and the World Bank.

2012-03-08

2.3. Climate

Objective for this area

- Increased national capacity to coordinate and implement climate change adaptation measures.

Focus

Cambodia is deemed to be particularly vulnerable to the impacts of climate change. Cambodia's adaptation capacity is very low in all sections of society. The Cambodian government is expected to secure access to extensive financial support for climate change adaptation during the strategy period. To contribute to effective management of these funds, Sweden will provide support to build capacity for planning, coordination and implementation of climate change adaptation measures at both national and local level. Support will also be provided to strengthen the capacity of civil society to undertake climate change adaptation measures and to ensure closer collaboration between civil society and the government in the area of climate change.

3. Amount

The funds available for the period covered by the strategy amount to approximately SEK 400 million.

4. Risk management

Two types of risks can be identified in Cambodia: political and financial. These risks are closely interlinked and the development cooperation will therefore deal with the risks in a coordinated manner through regular follow-up and support for capacity building, where relevant, and with flexibility to adjust procedures in line with the aid effectiveness principles. The Swedish International Development Cooperation Agency (Sida) should engage in dialogue with cooperation partners on the importance of ensuring that contributions are carefully designed and implemented, and that results are monitored so risks can be identified and managed appropriately.

The political risks include excessive concentration of power and the prospect of increasingly limited space for political alternatives, restrictions on freedom of opinion, further weakening of respect for

2012-03-08

human rights and rule of law principles and growing corruption. The risks in terms of impairments to democracy and human rights will be dealt with on a regular basis through bilateral and joint donor dialogue and initiatives in the target area. The decentralisation reform is to be closely monitored and political risks counteracted by focusing on measures to strengthen public influence and participation.

Corruption is widespread in Cambodia and constitutes the principal financial risk to development cooperation and to the country's development as a whole. Measures to fight corruption will form part of all Swedish activities. All contribution assessments in the development cooperation context will be guided by careful risk identification and risk management in order to enable achievement of established objectives and counteract corruption. Support should be provided for strategic corruption prevention measures in each cooperation area.

5. Coherence

Development cooperation is the predominant factor in Sweden's relations with Cambodia. In 2010, Sweden upgraded its section office in Phnom Penh to an embassy with a view to enhancing the scope for dialogue in general, and improving conditions for development cooperation in particular.

Sweden has been engaged in bilateral dialogue on human rights with Cambodia since 2009. Cooperation between the EU and the Association of South East Asian Nations (ASEAN), as well as the Asia Europe Meeting (ASEM), are other important forums for dialogue on issues such as democracy and human rights.

Although trade relations with Cambodia are currently limited, Swedish companies have shown a growing interest in setting up operation in the country. Increased commercial activity can help create jobs and promote corporate social responsibility.

6. Considerations regarding the direction of the strategy

Although there has been a significant decline in poverty levels over the last decade, Cambodia remains one of the world's poorest countries with continuing major development needs.

2012-03-08

There are significant governance deficiencies in Cambodia. In a number of respects, development towards democracy and human rights moved in a negative direction during the previous strategy period, particularly in terms of civil and political rights. Increased concentration of power, lack of respect for freedoms of associations and expression and shrinking space for civil society are obstacles to continued democratic development. In light of these developments greater priority than during previous strategy period should be given to efforts to strengthen respect for civil rights and liberties and rule of law principles. Special priority will be given to strengthening the capacity of public institutions and civil society with regard to matters concerning human rights and safeguarding rule of law principles. The current support has contributed to strengthen civil society. However if this is to lead to concrete improvement, dialogue and collaboration between government and civil society must also be strengthened.

Generally low levels of education present one of the biggest obstacles to political and economic development, and greater priority will therefore be given to this area as well. Although the number of children starting school has risen, many do not complete their schooling and only a small percentage goes on to university, where the quality of education is often inadequate. The education sector is dependent on continued donor support. This is particularly the case in higher education, where few donors are currently active. Sweden is one of the largest donors in the sector and enjoys considerable confidence and respect by virtue of its long-standing involvement in the education sector in Cambodia. This in turn provides good opportunities for dialogue with the Cambodian authorities, particularly on issues concerning respect for human rights and efforts to fight corruption.

Sweden has extended significant support to Cambodia's on-going decentralisation reform since 1996. Several studies indicate that the reform has increased local political participation and made institutions more accountable to the general public. Nevertheless, there is a real risk that the reform may counteract the development of a pluralistic political system. Swedish support will decrease during the strategy period.

Cambodia is particularly vulnerable to the effects of climate change and was recently ranked as one of 10 countries in the world at greatest risk.

2012-03-08

Moreover, the country's adaptation capacity is very low, at both national and local level. Cambodia is included in Sweden's special climate initiative within the framework of development assistance, and support is for example given to capacity building efforts in public administration.

In light of the on-going review of Sweden's overall result based management in development cooperation, the present strategy period will be limited to two years. However, Sweden intends to maintain a long-term commitment in Cambodia, and the thematic focus set out in the present strategy are likely to remain valid in a longer term perspective. Sweden intends to closely monitor developments with regard to democratic development and respect for human rights prior to deciding on the future direction of development cooperation with Cambodia.

7. Follow-up

The results of activities supported by Sweden under the present strategy will be followed up on a regular basis and be reported in the annual strategy report. The results achieved will be compared to the expected results and objectives of the cooperation areas and the aid effectiveness goals of the strategy. Experiences and possible issues linked to the implementation of the strategy, will be presented and analysed. The results achieved under each contribution will influence decisions on its further direction.

In order to improve transparency and public access to information, active efforts will be made to ensure that information relating to activities falling within the strategy framework, including their results, are available to and searchable by, the general public.



REGERINGSKANSLIET

**Ministry for Foreign Affairs
Sweden**

103 39 Stockholm

Telephone: Int+46-(0)8-405 10 00, fax: Int+46-(0)8-723 11 76, web site: www.ud.se

Cover: Editorial Office, The Ministry for Foreign Affairs

Printed by Elanders Grafisk service, 2012

Article no: UD 12.022