

Ownership in Cambodia
Review of process of preparing Poverty Reduction Strategy Paper

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This chapter reviews Cambodia's strive for restoring ownership from donors, as the country moves on to the development process after the reconstruction period. It focuses on the process of the preparation of the National Poverty Reduction Strategy (the Cambodian version of PRSP)—which was characterized as two competing and conflicting initiatives by two Banks—and the government's coping strategy for donor management. Building capacity for donor management is the first challenge faced by Cambodia.

1. A Donor-driven Country?

Cambodia is a country heavily dependent on external assistance. An official of an international institution once described as a “donor-driven country.”¹ This somewhat impolite expression refers to the country's dependence not only on external assistance funds but also on foreign technical assistance in designing development policy, programs, and development projects.

Cambodia has received a large amount of external assistance from a number of donors. These include international organizations such as the International Monetary Fund (IMF), the World Bank, the Asian Development Bank (ADB), and the United Nations Development Program (UNDP), as well as bilateral donors such as Japan, France, U.S. and Australia. In 2001, the total amount of external assistance approximated US\$243 million, corresponding to 38% of the government's annual budget (MEF data). Japan, the World Bank, and the ADB are the three largest donors in Cambodia. The external assistance covers both capital and technical assistance, as in the case of other recipient countries. Technical assistance usually refers to technical advice to the government officials. But, here in Cambodia, the assistance is largely comprised of the provision of services substituting for those of government officials: the preparation of laws and regulations, government documents and negotiation with donors. That is, in Cambodia, the most of foreign advisors and consultants substitute or supplement the work of governmental officials. As a result, many of development policies and programs are conceived, prepared and proposed essentially by foreign donors in Cambodia. This is what the above “donor-driven country” refers to.

2. Why a Donor-driven Country?

Cambodia's heavy dependence on external assistance—not only in terms of funds but also development policy and programs—comes mainly from its historical and political background. Three issues are worth noting.

¹ A UNDP study (2002) also notes that the situation in Cambodia would normally be described as a classic case of donor-driven, and to a certain extent, inefficient, and overlapping use of resources. [UNDP 2002] Also, see Godfrey, M. et. al. (2000).

First, since its independence from France in 1953, Cambodia experienced frequent, unusually dramatic changes in its political and economic regimes: market economy under the Kingdom of Cambodia led by Prince Sihanouk from 1953 to 1970; market and war economy under the Khmer Republic led by Lon Nol from 1970 to 1975; agrarian centrally planned economy under Democratic Kampuchea controlled by Khmer Rouge from 1975 to 1979; Soviet-style centrally planned economy under the People's Republic of Kampuchea controlled by Cambodian People's Party (CPP) from 1979 to 1989; liberalized centrally planned economy under the State of Cambodia controlled by CPP from 1989 to 1993; and transition to a market economy under the Kingdom of Cambodia led by coalition of CPP and FUNCINPEC (United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia) from 1993 to present.[Kato et. al. 2000, see also Table 1]

It is not surprising that the government under each regime was unable to develop the necessary institutions and human resources, due to frequent change in the political and economic systems. In particular, the total destruction of institutions and human resources by Khmer Rouge left devastating impact over the country. The regime not only abolished market mechanism, but also killed many citizens. They executed large numbers of educated civil servants and professionals.[Kato et. al. 2000] This even now leaves large scars in the

Table 1: Change in Political and Economic Systems in Cambodia

Era (Name of State)	Legal System	Political System	Political Power	Economic System
Pre 1953	French based Civil Code and judiciary	Under the French Protectorate	Held by French	Colonial type
1953 – 1970 (The Kingdom of Cambodia)	French based Civil Code and judiciary	Constitutional Monarchy	Held by Prince Sihanouk as Prime Minister	Market and then nationalization
1970 – 1975 (The Khmer Republic)	French based Civil Code and judiciary	Republic	Held by Lon Nol	Market, war economy
1975 – 1979 (Democratic Kampuchea)	Legal system destroyed	All previous systems abolished, extreme Maoist agro-communism	Khmer Rouge	Agrarian, centrally planned
1979 – 1989 (The People's Republic of Kampuchea)	Vietnamese-oriented model	Communist party, central committee, and local committees	Cambodian People's Party	Soviet-style central planning
1989 – 1993 (The State of Cambodia)	Greater economic rights	Communist party, central committee, and local committees	Cambodian People's Party	Liberalized central planning
1993 – present (The Kingdom of Cambodia)	French based Civil Code combined with common law in certain sectors	Constitutional Monarchy	Shared between FUNCINPEC and CPP	Transition to a market economy

Source: *Cambodia: Enhancing Governance for Sustainable Development*, Toshiyasu Kato et. al., Asian Development Bank, 2000, p6.

Box 1: History of Aid Infusion without Control

- When Cambodia started economic liberalization in late 1980s, multi- and bilateral donors used NGOs as substitutes for Cambodian institutions to channel increasing humanitarian assistance to Cambodia. One long-term expert of Cambodia's development noted that "this served to shift control of reconstruction process and agenda out of Cambodian hands to the donors and aid agencies, and virtually excluded many Cambodians from participation in the process." [Mysliwiec, E 2003]
- The new government established under the 1993 Constitution operated in a fragile political environment where former conflicting parties formed a coalition government while the civil war against Khmer Rouge continued along the Thai border. As a result, the government was not fully prepared to take leadership of development cooperation at a time when donors were sending hundreds of missions to Cambodia to develop their projects. Real commitment to coordination among donors did not take root, and many donors have missed opportunities to tap in local knowledge, experiences and institutions that Cambodians in fact had had in the pre-UNTAC period. [Mysliwiec 2003]

Quoted from the Council for the Development of Cambodia [2004], pp.1-2.

society and vacuum of human resources. You find in the present government only limited number of qualified officials of the generation who were at high education then. In addition, the international embargo and enforced isolation of the country from the international society stunted its development and ability to recover from the mass destruction wrought by the Khmer Rouge regime. [Kato et. al. 2000]

Second, aid infusion during the post-war, reconstruction period has made the government extremely reliant on donors. Between 1992 and 1993, the United Nations Transition Authority (UNTAC) served as the temporary government and held election. Such UN operation to create a new government led to massive assistance by the UN agencies and bilateral donors to sustain this newly-born government. From 1992 to 1995, Cambodia received US\$1.72 billion in UNTAC funds and US\$1.3 billion in emergency relief and development assistance. These are huge aid flows into a single country in a four-year period. [CDRI 1996] It is natural that a government has tried to learn the manner of its existence from those who provide basis of existence.

Third, the fragile political basis of the government compelled its employees to act opportunistically not making decision by themselves and leaving the matters in the hand of fund providers. The new government was that of coalition of CPP and FUNCINPEC, the two larger parties, and for the first 5 years the top of the two parties shared the power as co-prime ministers. Each ministry has had representatives from both of them as co-minister or state secretaries. Therefore, it is safer for government officials not to make decision by themselves and to leave matters in the hands of donors.

3. Strategy for Donor Management – “Leave the Matter to the Donors”

As explained above, the government had not been equipped with adequate institutions and human resources when massive aid started to flow into the country. But, the government had to deal with a number of donors to earn funds for rehabilitation and reconstruction of the

country. The donors were willing to provide lots of funds for the projects of this poor country which had survived massive massacre by leftist extremists and long-period of civil war; however, the funds would be delivered only when the government follows the practices the donors consider appropriate. Unfortunately the government officials were not familiar with such practices. Furthermore, an official's mistake in handling foreign-assisted projects could be fatal for him (or her) to survive in the ministry in the fragile political environment. Under such circumstances, the best approach is to leave the matter to the donors, those who determine which are appropriate practices.

Thus, in Cambodia, foreign donors have conceived the ideas of most projects (of course based on the needs formulated through consultation with Cambodian officials), proposed them to the government, prepared them, and financed them. Only the involvement of the government has been consultation made by donors from time to time and approval for the project before the final decision of finance. Therefore, in Cambodia the discretion of donors is much greater, and that of government much smaller, than in other neighboring countries. Consequently, it is not that the government decides which donor should finance certain projects, but that the donor(s) decide which projects should be financed, and design them. The government respects the interest and initiative of donors, and let the donor process the project. Under this approach, certainly the government's discretion is smaller, but the government can receive much more funds because donors are willing to finance projects prepared under their initiative. As a result, reliance on donors in selecting and designing projects becomes the government's strategy. In a sense, this might be rational behavior by the government for "aid maximization."

4. Management of Two Competing Donors – Processing PRSP and SEDP II

As mentioned above, reliance on donors in designing projects has been a compelled strategy of the Cambodian government. The government adopted the same strategy for the preparation of a national development framework such as Five-Year Development Plans. Donors, in particular international institutions, are strongly interested in sponsoring and taking initiative for formulating such development framework. This is because the sponsoring institutions can exercise significant influence over the direction and contents of the strategic plans, and consequently the projects to be prioritized under the plans (including ones to be financed by other donors). In this regard, the process of the preparation of two planning documents—the Second Five-Year Socio-Economic Development Plan 2001–2005 (SEDP II) and the Poverty Reduction Strategy (PRSP)—are important examples. In the preparation of these two documents, the government followed, as usual, the donor-reliance approach, by respecting the donor initiative and not taking its own initiative in order to maximize the receipt of external assistance. We will see below how the Cambodian government has handled the formulation of SEDP II and PRSP.

Institutional Setting and a Variety of Programs and Plans

We will start by explaining the current institutional setting related to national development planning.

The Ministry of Planning (MOP) is in charge of national development planning. In addition to the preparation of SEDP, the important task of this ministry is the preparation of Public

Investment Program (PIP), which is a list of candidate investment projects submitted by each line ministry. PIP constitutes a part of the government's documents submitted for the Consultative Group Meetings, on which basis donors examine and align their assistance. PIP is attached to the national budget. The ADB has supported the MOP and provided technical assistance to reinforce the capacity, including the elaboration of PIP.

The Ministry of Economy and Finance (MEF) is in charge of the national budget. The MEF organizes and implements the national budget with the oversight of Council of Ministers and the Parliament. MEF is a powerful ministry because government funds, domestic or external origin, become available for each investment project only when the ministry approves the use of the fund for that project. The inclusion of an investment project in PIP does not mean that the national budget (both domestic and foreign assisted) can be used for the project. In the light of the power and importance of MEF, international institutions provided technical assistance to this ministry, such as Technical Cooperation Action Plan (TCAP), Mid-term Expenditure Framework Program (MTEF) and Priority Action Plan. Since MEF handles loan aid, the IMF, the World Bank, and the ADB have been particularly interested in supporting the ministry. But, IMF is the most influential in terms of the number of technical advisors and lending operations directly related to the national budgeting.

The Cambodian Rehabilitation and Development Board (CRDB) within the Council for the Development of Cambodia (CDC) is responsible for requesting foreign assistance, in particular technical assistance and grants, and handling the relationship with donors. Designated as partnership focal point within the government, the CDC/CRDB manages annual Consultative Group Meetings and makes arrangements of the meetings and prepares documents necessary to this end. More recently, the CDC/CRDB is involved in the issues on harmonization of aid procedures. UNDP has assisted CDC as the center of aid coordination and receipt in the government.

The above three organs of the government play important roles in national development planning, implementation of development projects, and receipt of foreign assistance. Under such fragmented institutional setting, coordination and cooperation among the three has not been good. Different organs deal with loans and grants. More fundamentally, they have three different foreign donor guardians—the ADB (for the MOP), the IMF and the World Bank (for the MEF), and the UNDP (for CDC/CRDB). Also they have three different programs or instruments that dictate national planning.

SEDP II vs. PRSP

The Socio-Economic Development Plan (SEDP) is a comprehensive national development plan over medium-term, aiming at socio-economic development. The SEDP needs to be deliberated and approved by the National Assembly. In 1996, Cambodia issued its first SEDP (SEDP I) covering five years from 1996 to 2000. MOP has responsibility for preparing SEDP with oversight from the Council of Ministers. Since MOP had limited capacity at that time, substantial support was provided by ADB and UNDP in preparing SEDP I. The ADB expatriate consultants did much of the writing, and the drafting was done in English. [World Bank OED] SEDP II is the second version following SEDP I. ADB has continued to assist MOP to prepare SEDP II by providing technical assistance. SEDP II focuses on poverty reduction, reflecting the recent discussions among development partners. It also emphasizes

the participation as a principle of preparation. [Royal Government of Cambodia 2002, p.2]

The PRSP is a document that describes a strategy aiming at poverty reduction in a country. In 1999, the IMF and the World Bank (the Breton Woods Institutions: the BWIs) proposed this new document. It was originally introduced to serve as a condition for debt relief under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative. PRSP was intended to guide the allocation of those resources freed by debt relief into poverty-reducing activities. Then, it became requirements for providing the BWIs' concessional loans. Furthermore, "PRSPs are now envisaged as the centerpiece for policy dialogue and negotiations in all countries that receive concessional financing from the BWIs." [Chavez Malaluan and Guttal 2002, p.2] Therefore, Cambodia had to go through the PRSP process in order to receive concessional loans from the BWIs and to maintain the relationship with the two institutions.

According to the World Bank's guidelines for PRSP preparation, a PRSP is a document that describes strategies which should be: (i) country driven involving broad-based participation; (ii) results-oriented focusing on benefiting the poor; (iii) comprehensive in recognizing the multidimensional nature of poverty; (iv) partnership-oriented involving participation of development partners; and (v) based on a long-term perspective for poverty reduction. Recognizing the not-preparedness of many recipient countries to elaborate such a complete PRSP, the World Bank and IMF allow those countries to prepare an Interim PRSP (I-PRSP) outlining the country's existing poverty reduction strategy and providing road-map for the development of the full PRSP. [World Bank 2004b]

Two Competing and Conflicting Initiatives

In late 1999, the ADB had already started assisting MOP in the preparation of SEDP II. Being the leading donor for Cambodia and in the light of their support to the previous SEDP, ADB naturally considered it essential to sponsor and influence the coming overall development framework for the country. On the other hand, since Cambodia is one of the poorest countries and qualified for concessional loans of the BWIs, the two institutions identified Cambodia as qualified for a PRSP initiative. [World Bank 2004a, p.6] In early May 2000, the government launched the PRSP process. At that time SEDP II preparation had been already underway. [see Table 2]

PRSP and SEDP II have similar characters in many respects. Both provide overall framework for development, aim at poverty reduction, and emphasize participatory process in their preparation. Because of this duplication of the two initiatives, during Consultative Group Meeting in Paris in May 2000, the government expressed preference for only single strategic plan. [NGO Forum on Cambodia 2002, p.9]

Apparently, coordination efforts were made between the World Bank and ADB, but they failed. Since SEDP is mandated by the national constitution, SEDP cannot be replaced by PRSP. ADB insisted that SEDP II should be considered to be the Cambodia's PRSP. On the other hand, for the BWIs, a PRSP, which has to be approved by the Board of the BWIs and will be the basis of their lending operations, cannot be prepared under the control of any other institution than the BWIs themselves²; it is extraordinary that ADB sponsors the preparation

² The recent World Bank's OED review suggests that the decision was made to launch the PRSP process in parallel with the preparation of SEDP II. The BWIs felt that the ongoing SEDP II did not provide a credible

Table 2: Timeline of SEDP II and PRSP preparation

Event	Date	Key Actors
Joint letter of World Bank and IMF proposes I-PRSP schedule.	March 2000	World Bank, IMF
National Workshop was held to launch preparation of SEDP II.	May 2000	MOP, ADB
Plan to introduce PRSP was announced at informal meeting prior to Paris CG Meeting.	May 2000	World Bank
The government declared its wish for just one process at Paris CG Meeting.	24 May 2000	The government
1st drafts of the I-PRSP were completed and circulated among some embassies and donor institutions	July 2000	MEF
6th draft of the I-PRSP is circulated among donors and NGOs in English	August 2000	MEF
8 th draft of the I-PRSP was translated into Khmer and past by the Council of Ministers	27 October 2000	Council of Ministers
World Bank and IMF boards accepted the I-PRSP	January 2001	World Bank and IMF
The I-PRSP was released in Khmer for the first time	January 2001	MEF
1st draft of SEDP II was released to donors and NGOs in English	5 March 2001	ADB, MOP
The SEDP II was presented at a workshop for government, donors and NGOs.	22 March 2001	ADB, MOP
2nd draft of the SEDP II was completed. Translation of the document into Khmer began.	31 March 2001	ADB, MOP
Workshop to launch the full PRSP was held. ADB suggested that the deadline for the SEDP II be extended to October. World Bank and IMF announced flexibility on the timing and content of the full PRSP.	25 April 2001	World Bank, MOP
Tokyo CG Meeting urged the government to ensure consistency between PRSP and SEDP II.	July 2001	Consultative Group
MOP distributed to donors and NGOs the 2 nd draft of the SEDP II in English and Khmer, and requested comments.	23 July 2001	MOP
SEDP II was approved by Council of Ministers	December 2001	Council of Ministers
Consultations for the full PRSP began.	April 2002	World Bank, MOP
1 st draft of the full PRSP was released at the third National PRSP Workshop	August 2002	World Bank, MOP
2nd draft of the full PRSP was discussed at the final National PRSP Workshop.	November 2002	World Bank, MOP
The full PRSP was submitted to Bank and IMF boards.	January 2003	The government
World Bank and IMF boards accepted the full PRSP.	February 2003	World Bank, IMF

Source: The World Bank, OED Review of the Poverty Reduction Strategy (PRS) Process – Cambodia Case Study (combining Table 2. “Timeline of key steps in the SEDP/PRSP processes and WB/IMF Operations” (p9) and Annex 2. “Timeline of SEDP and PRSP preparations” (p35) with some modification of expression.

of a PRSP. It appears that the World Bank and ADB wished that Cambodian government make decision (in favor of the World Bank or ADB, respectively). [NGO Forum 2001]

alternative to the PRS process and could not be retrofitted within the required timeframe to comply fully within a minimum set of requirements, including broad government ownership and NGO participation. [World Bank OED: 25-26, 2004]

However, it was impossible for the government, which relies heavily on donors' initiatives, to make such a decision. The World Bank and ADB are the two leading donors in Cambodia, therefore, the government could not be on the either side. No coordination or compromise was made.

Two processes continued to parallel. With the ADB's assistance, MOP and consultants team continued preparing SEDP II and completed its English draft in March 2001. MEF started preparing I-PRSP and completed it in October 2000. The World Bank held a PRSP workshop in April 2001, and this was considered to be the formal start of preparation of full PRSP. Apparently the World Bank and ADB had continued their efforts to coordinate the two strategy and plan. But the workshop discussions revealed the failure of this attempt because the ADB representative expressed in public strong dissatisfaction with the launch of full PRSP process without ADB's consent. The Finance Minister was embarrassed and asked for coordination between the World Bank and ADB.

After this workshop, no news on coordination was reported for some time, but coordination and negotiation among the World Bank, ADB and the government appeared to continue; by late July 2001 it was reported that agreement was reached that: (i) SEDP II should be completed by October 2001; and (ii) the full PRSP should be prepared using SEDP II as the key building block [Royal Government of Cambodia 2002, p.8] and be completed sometime in 2002. [NGO Forum 2001]

Actual work was behind this schedule. The Khmer version of SEDP II was completed in July 2001, and SEDP II draft was approved by the Council of Ministers in December 2001, and by the National Assembly in June 2002. [Royal Government of Cambodia 2002, p.8] As for full PRSP (now renamed as the National Poverty Reduction Strategy (NPRS), the Council for Social Development (CSD), an inter-ministerial body chaired by the Minister of Planning, was appointed as the body responsible for NPRS, to be assisted by a General Secretariat (GSCSD), which was established in August 2001. The first draft of the NPRS was released in August 2002, and the second in November 2002. NPRS was presented and approved by the Board of the World Bank in February 2003.³

Contents of SEDP II and NPRS

This paper does not intend to analyze and compare the contents of SEDP II and NPRS in detail, but a quick review of the two documents suggest that there is not much essential difference in their contents, although the documents vary in their style and structure.

SEDP II has simple structure: consisting of main volume and annexes. The main volume is relatively brief (50 pages) and contains abstract discussions and arguments. It consists of four parts: Vision, Objective, Strategies and Policies. After describing a development vision of Cambodia is "a socially cohesive, educationally advanced and culturally vibrant Cambodia without poverty, illiteracy and disease" SEDP II defines national development objectives to

³ I-PRSP was coordinated by MEF, while SEDP II was prepared under the supervision of MOP. Later, responsibility for the full PRSP was transferred to CSD, an inter-ministerial body chaired by MOP. [NPRS 2002] But, it should be also noted that the SEDP process is managed by a different Under-Secretary in MOP with a different support group. Another group has been responsible for the monitoring aspects of the PRSP—the Poverty Monitoring and Analysis Technical Unit (PMATU), assisted by UNDP. [World Bank, OED:11]

Box 2: Two Banks, Two Processes, Two Documents

The recent World Bank's OED review contains the critical assessment of the Bank's role in Cambodia's PRSP process as follows:

What is less obvious, however, is the relevance of the preparation of a PRSP **document** for Cambodia in 2001 and 2002. The PRSP was awkwardly timed in the Cambodian context. Work on the SEDP II (*supported by ADB, added*) had already started and by law had to be presented to Parliament within a specified time-frame. Once it appeared that the time-frames would overlap, the PRSP became in effect a rival strategy processes competing for the time and attention of the limited group of senior policy-makers in Cambodia. Instead of working to ensure that the PRSP principles were applied effectively over time, the main priority in Cambodia was preparation of a PRSP document. An alternative approach would have allowed a significant start in all the key areas of the PRSP framework and putting in place the building blocks for a properly owned PRSP document as part of the SEDP III cycle. However, the perception of Bank staff was that given the demands of the PRGF this was not an option. [p.11, OED]

Source: World Bank[2001].

Note: The title is taken from "Rapid Assessment of the PRSP Process in Cambodia: Two Banks, Two Processes, Two Documents," September 2001.

be: (i) economic growth; (ii) social and cultural development; and (iii) sustainable use of natural resources. Then, after emphasizing the importance of economic growth for poverty reduction and macroeconomic stability, it enumerates priority areas to realize the development objectives such as decentralization, and agricultural and rural development. Detailed discussions and data are contained in annex volume (approximate 240 pages), which consists of important background papers and sectoral analyses.

The NPRS has a different structure of discussions and arguments. It has seven chapters and relatively short annexes: As SEDP II does, NPRS starts with describing a vision for poverty reduction, which is the same as SEDP II; then, reviews the process of participation. The document analyzes the poverty situations in Cambodia, presents priority actions for poverty reduction, and discusses financial requirements for the actions and finally monitoring and evaluation. Compared with the structure of SEDP II, NPRS places poverty reduction as the core objective and stresses the process of participation and monitoring and evaluation.

However, in terms of contents, there are no significant differences. Both documents refer to the same vision and strategies, deal with most sectors with stressing poverty reduction, and enumerate almost the same list of priority actions. That is to say, using the same materials, NPRS simply changes the order of the items of discussions and arguments and stresses different points.

5. Consideration

In spite of advocating ownership in processing the national plan and strategy, it is clear that ADB and the World Bank have controlled the process. From the beginning, the World Bank and ADB failed to respect the government's wish to have a single process of poverty reduction strategy. It is well known that a consultant team financed by ADB prepared the draft

of SEDP II. With regard to PRSP (with the exception for I-PRSP which was prepared by a talented MEF official), after reading the second draft presented for their comments, NGOs and other donors suspected that there must have been major inputs from the World Bank or its experts/consultants into the second draft of NPRS.⁴ This is because the second draft was totally different from the first one, in terms of the structure of the document and the quality of English language. The simpler evidence of donor neglect of Cambodia's ownership is that the original text of both SEDP II and NPRS was written in English, not in Khmer.⁵

Also it was unfortunate that two similar initiatives went in parallel because of the rivalry of the large donors. Indeed, this caused extra time and human resources of the government. Ideally, the World Bank and ADB should have cooperated to produce a single national strategy. However, in the real world each institution has objectives, principles, agenda and practices of its own. It was impossible to have different institutions to act jointly disregarding the different objectives, etc.

The problem is that ownership principle was advocated by these initiatives, in particular for PRSP. PRSP is the initiative of the BWIs. It was proposed as a part of reform of the BWIs when they were criticized and called for reform. To the recipients of assistance from these institutions, PRSP is not a genuine initiative proposed by the recipients, but is rather the conditions imposed by the BWIs to access to their assistance (debt relief and new financial support). Therefore, by nature, it is almost impossible to advocate ownership for such initiative. In particular, demanding ownership of such capacity-weak recipients as Cambodia is very counterproductive. Any practitioners involved in development of Cambodia know that the government is still young and has weak capacity to exert ownership for such initiatives. Campaigning ownership for such government with weak capacity tends to lead to pretense ownership and concealment of inability of the government to exert ownership. This eventually results in ambiguity of responsibility for the result of initiative and neglect of need for improvement of capacity.

Under these difficult conditions, Cambodian government has acted at best they can. With its two largest donors competing and conflicting each other, the government cannot be on either side. What it can do is to respond to the requirements imposed by the two donors within the scope it can afford, and to make efforts to mobilize as much funds as possible from them. The government has implemented this maneuver, and has achieved the goal. In prospect, however, the government should insist on its position more clearly to the donors as its voice and capacity increase. As declared in the current NPRS, "the next Socio-Economic Development Plan and the corresponding NPRS will be merged," and the government should take advantage of such arrangement to exert genuine ownership over poverty reduction and economic development policy and strategy.⁶ [Council for Social Development 2002, p.165]

⁴ Even OED Review suggests that NPRS was drafted at least partially by consultants financed by the World Bank, and influenced by advice from the World Bank staff (World Bank 2004a, p12).

⁵ Language is an important issue in Cambodia. But, both the I-PRSP and the SEDP II were drafted in English. The I-PRSP was drafted in English and a Khmer copy was not released to the public before the document was passed by the Council of Ministers in October 2000. SEDP II was also drafted in English and a Khmer translation was not released until July 2001. (NGO Forum 2001)

⁶ In this regards, the recent study by the Government-Donor Partnership Working Group (2004) finds encouraging signs in a paradigm shift in the thinking and practices of development cooperation in Cambodia, from a decade-long, dominant *Donorship* to a new *National Ownership*. These are particularly evident in the education and health sectors.

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