The Provision and Management of Technical Cooperation in Cambodia

Government Position Paper for Consultation
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Background

Analysis of the provision of development assistance and its perceived impact in supporting national development highlights the need to more effectively manage the technical cooperation resources made available by Cambodia's external development partners.[1] Technical cooperation, its use, management and impact, has been the subject of consideration (and controversy) for some considerable time, both in Cambodia and internationally, and is linked to the national aid effectiveness effort as well as initiatives designed to support capacity development and reform priorities.[2]

Reforming technical cooperation management modalities, including to implement long-standing global good practice, will require effort on the part of both government and development partners, but, equally, both stand to realise considerable gains in their effectiveness should these reforms be successfully implemented. Based on data analysis and a stakeholder consultation that has previously taken place, this position paper attempts to provide operational guidance that can then be used to develop a formal 'Guideline on the Management of Technical Cooperation in Cambodia'. It is intended that the Guideline that is subsequently derived from this position paper and the ensuing consultations will inform both the Royal Government of Cambodia (RGC), which manages technical cooperation resources, and the development partners who provide them.

Objectives of this position paper

The general objective of this position paper is to support the translation of the RGC's capacity development priorities into effective technical cooperation policies and programmes. The specific objectives are as follows:

- To clarify and reinforce the link between technical cooperation and capacity development by focusing first on process issues related to management of technical cooperation and second on the required collective actions to improve support to capacity development;

- To build consensus on the role of technical cooperation and modalities for its effective management based on principles of RGC ownership and leadership of the development agenda; and

- To inform a Guideline that establishes technical cooperation management and monitoring arrangements.

The ultimate ambition of a Guideline on the Management of Technical Cooperation will be to promote the delivery of effective technical cooperation that is country-led and focused on achieving development results.

The scope of this paper and the consultation process

This position paper has been developed by the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC) in its capacity as the RGC's aid management focal point as a basis for consultation within RGC and with development partners. It outlines the nature of technical cooperation, its links to capacity development, perspectives on the technical cooperation challenge in Cambodia, and approaches to responding to this challenge. It is intended that the paper, which covers technical cooperation provided to RGC in the context of development cooperation activities, will be used to refine a series of recommended practices and to build consensus around a RGC position that can inform the development of a formal Guideline. The principles that will be used to develop the Guideline are partnership-based and consistent with the RGC's broader approach to managing development relations in Cambodia.

This position paper, once approved internally by RGC officials, will be shared, in both the Khmer and English languages, first with the Partnership and Harmonisation Technical Working Group (TWG) and then with all other TWGs. CRDB/CDC will then facilitate a participatory and inclusive consultation process so that, once this process has been completed, a Guideline can be drafted and presented for endorsement at the 2008 Cambodia Development Cooperation Forum (CDCF) meeting.

A definition of technical cooperation

The formal definition of technical cooperation, agreed at the level of the OECD/DAC, can be para-phrased as follows:

> Technical co-operation is the provision of know-how in the form of personnel, training, research and associated costs. [It includes] contributions to development primarily through the medium of education and training [and] comprises activities financed by a donor country whose primary purpose is to augment the level of knowledge, skills, technical know-how or productive aptitudes of the population of developing countries, i.e. increasing their stock of human intellectual capital, or their capacity for more effective use of their existing factor endowment.

> Technical cooperation resources reflect activities (and the related expense incurred) of the following: (i) experts, teachers, and volunteers [usually referred to as Technical Assistance]; (ii) equipment and materials for training; (iii) research (including pre-investment studies); (iv) development-oriented social and cultural programmes; and (v) scholarships.[3]

Given the broad nature of technical cooperation support, any set of operational guidelines cannot be prescriptive. Rather, they can only offer principles that should inform the identification of needs, the programming and management of technical cooperation resources, and the monitoring and evaluation of their impact. This position paper therefore also includes reference to the dynamics of the relationship between RGC and development partners that may guide this process and bring positive results. Above all, it is necessary at all stages for both parties to be flexible and adaptive to the local context, to be prepared to innovate and to accommodate changes in conditions that affect the use of technical cooperation resources.

The concept of capacity development

The RGC has previously stated that the primary rationale for the use of technical cooperation resources is to support capacity development.[4] The concept and definition of capacity has itself been the topic of considerable attention but for the purposes of this paper two sources are useful:

> Capacity is the ability of people and organisations to set their own objectives and to successfully manage their own affairs. Capacity development is a process of creating, adapting, strengthening and sustaining capacity over time, taking account of the local context, the sources of country-owned change and the need to be culturally aware.[5]

> Capacity is an emergent combination of individual competencies, collective capabilities, assets and relationships that enables a human system to create value. Capacity development is therefore the process of enhancing, improving and unleashing capacity; it is a form of change which focuses on improvements.[6]

Both of these descriptions are relevant in Cambodia. The former definition emphasises a process towards a normative 'end state' while the latter makes reference to the capabilities that underlie the concept of capacity and, by implication, the approaches to capacity development that may prove to be successful and sustainable.

It is necessary to emphasise at the outset that technical cooperation and capacity development are not the same thing. Technical cooperation comprises only one of a range of inputs that are required to support the capacity development process and the role of technical cooperation is therefore limited to performing a catalytic and facilitating function. Ultimately capacity development must by its nature be an endogenous, internally-driven, and long-term process. This means not only that RGC must lead the capacity development process but also that it must be given the space and flexibility to ensure that technical cooperation is consistent with its broader capacity development objectives. Technical cooperation provision must therefore be cognizant of the operating environment and the broader change context, and this necessarily requires RGC leadership of a partnership-based approach to programming technical cooperation. The role of development partners in technical cooperation provision should therefore be facilitating and supportive, responding to priorities and needs identified by RGC.

While the primary focus of technical cooperation is capacity development, other functions can be justified in certain circumstances. These functions include supporting project preparation, advisory, evaluation, project management and implementation support, as well as gap-filling. While having a distinct function the principles for employing these technical cooperation resources – national leadership and the supporting role of development partners - remain the same, however, and are further elaborated in this paper.

Issue definition: the technical cooperation policy agenda

The RGC decision to negotiate a Guideline on technical cooperation is based on the long-standing view that technical cooperation resources have not made the kind of contribution to the national development effort that may be expected from large resource transfers over an extended period of time.[7] This position paper is informed by a series of reviews and analysis over the last 5 years, but is primarily based on more recent data and stakeholder consultation.[8] Beyond confirming that technical cooperation remains a 'problem' the current set of information available to RGC, including independent analysis, has indicated that:

- Technical cooperation comprises up to half of all ODA provided to Cambodia. While data on technical cooperation provision is approximate, but becoming more robust, there is only mixed empirical or anecdotal evidence to show that it has made a significant contribution to development results;

    GRAPH: Which are main sectors – by amount and as % of their aid?
    GRAPH: Who are main TC development partners – by total and as % of their aid?

- Independent analysis found that, with notable exceptions, approaches to technical cooperation, and to related capacity development, have often employed a rational/linear approach that has failed to be responsive to the operating environment or the socio-cultural context. Innovation and experimentation, engaging with national counterparts to identify more appropriate approaches such as South-South cooperation, has been lacking;

- There is evidence that technical cooperation often achieves its project-level objectives yet fails to have a meaningful impact on broader organisational performance.[9] Technical cooperation interventions, often with an emphasis on training, are rarely associated with a holistic capacity needs assessment undertaken at the organisation or sector level. Where sector plans/strategies exist, they may not comprehensively address issues related to capacity and performance, focusing on technical training requirements as opposed to the more systemic constraints that affect organisational performance;

- The evidence emerging from the core reforms programmes is mixed.[10] Many of the lessons of effective technical cooperation provision and management have not been systematically analysed and evaluated for potential application elsewhere. In many cases obtaining evidence related to the impact of technical cooperation has proved to be challenging as few detailed assessments have been made;

- Many of the capacity and reform challenges are complex in nature and require coordinated multi-sectoral networked responses. There are relatively few examples of RGC-led programmes that successfully manage this cross-sectoral challenge, however, and technical cooperation activity is seldom able to engage beyond the limits of its respective ministry or sector;

- The provision of externally-funded technical cooperation may be stuck in an inappropriate and out-dated 'post-conflict recovery' mode, independent analysis suggests. There are significant non-aid examples of effective capacity development that suggest that the effectiveness of technical cooperation extends beyond the management of implementation to the initial identification of objectives and programme design;

- Independent analysis observed that significant amounts of technical cooperation to Cambodia are 'tolerated'.[11] Development partners may attempt to impose externally-derived 'rational' solutions or to use technical cooperation to serve other interests related to conditionality, influence and control. Consequently, RGC accepts technical cooperation as part of the *quid pro quo* associated with a broader resource transfer, even though it has little strategic use for the technical cooperation or any confidence in its ability to deliver relevant support;

- While development partners may be sincere in their technical cooperation support to capacity development, the drawing away of highly-qualified staff – a parallel market for professional expertise– has placed limits on the effectiveness and sustainability of capacity development activities. While a range of development partner-supported incentive schemes attempts to mitigate this, the management of supplementation schemes does not always lend itself to effective capacity development practice;

- The virtue of a more coordinated and harmonised approach to technical cooperation provision lies not only in more relevant and effective design and delivery but in the underlying process that promotes national leadership that, in turn, should lead to a more robust assessment of the objective and design of technical cooperation;

- Viewed in the broader context of aid effectiveness, the challenge of addressing technical cooperation effectiveness is consistent with the experience of attempting to implement other aspects of the aid effectiveness agenda. This implies that alleviating constraints may require a non-technical intervention of a more political nature; and

- Capacity development at a societal level may also realise significant gains through the more effective use of technical cooperation. While the number of graduates has been increasing, the same time, the labour force lacks the skills to contribute to long-term economic growth and poverty reduction, in the rural areas in particular. There is a clear role for technical cooperation in partnering with RGC to address these vocational training needs yet facilitating a coordinated response has proved difficult.

Informed by this evidence, this position paper notes the complexity of technical cooperation utilization and management. Aside from ruling out the possibility of arbitrarily reducing technical cooperation provision, it is necessary to make all options available to policy-makers and those engaged in technical cooperation management. Diversity and innovation is encouraged, although this should not be understood as a licence for business as usual. To reconcile the need for flexibility, this position paper makes a series of recommendations that will help to elaborate further understanding of the challenges associated with technical cooperation provision while also proposing a number of actions intended to improve technical cooperation programming and management. Recognising that this process is necessarily iterative in nature, it is recommended that these proposals be discussed and reviewed in the TWGs.

Policy options and response

Acknowledging the complexity of the technical cooperation and capacity development challenge in Cambodia, there are a range of policy options at the disposal of RGC and development partners. The 2007 Guideline on the Role and Functioning of TWGs already provides for capacity development assessment and technical cooperation dialogue and this position paper elaborates on these themes.[12] This position paper, and any subsequent Guideline, can only attempt to point to actions for RGC and development partner consideration; a Guideline cannot be prescriptive and requires that dialogue within the TWGs be the principal approach towards identifying a way forward that meets the needs of both RGC and development partners in the respective sectors.

a) Needs identification, technical cooperation design and appraisal

- Technical cooperation design and provision must be defined according to national priorities and based on a RGC-led determination of need. A distinction must be made between the advisory, capacity, and gap-filling roles, as well as accommodating other functions such as the role of technical assistance in supporting innovation, research, advocacy and brokerage;

- More robust appraisal and evaluation of options should be undertaken by RGC before accepting technical cooperation. A clearer sense of how RGC understands the challenge of capacity development and the role of technical cooperation will help to promote an effective development partner response. Capacity to undertake this task may in turn require strengthening and should be supported;

- Cross-sectoral challenges may also require the formation and use of networks and cooperative alliances to identify problems and to develop responses. This may require significant dialogue between a diverse set of RGC ministries and agencies, development partners, and TWGs;

- Technical cooperation should not be financed with loan resources and should be subject to the same programme design considerations as for other project/program support outlined in the National Operational Guideline (NOG);[13]

- Where appropriate, technical cooperation design should consider South-South-based approaches that may provide a more relevant approach. development partners are encouraged to facilitate such support on a trilateral basis and RGC ministries and departments may give consideration to making this their default approach to capacity development in the future;[14]

- The aid effectiveness principles outlined in the Cambodia Declaration for Enhancing Aid Effectiveness (and in the Paris Declaration) provide useful guidance for promoting ownership, alignment, harmonisation, a result-based outlook, and mutual accountability. Where sectors already have technical cooperation resources deployed the added-value of additional technical cooperation should be critically evaluated as excessive and overlapping technical cooperation can quickly lead to diminishing returns;[15]

- A risk assessment should attempt to identify RGC and development partner actions that are required to ensure success. These risks and mitigation strategies, together with appropriate capacity-related performance monitoring criteria, should be included in the program's monitoring framework; and

- Diversity and innovation are to be encouraged, making use where appropriate of development partner pre-project identification support to enable RGC to develop its own options, and making explicit reference to a sector capacity needs assessment or strategy where possible;[16]

b) Technical cooperation links to capacity development

- Capacity development is an endogenous, nationally-led process and technical cooperation can therefore only be considered as an input to this broader and more complex undertaking. It should also be recognised that capacity development is a long-term activity that usually extends beyond the lifetime of a single externally-funded project intervention. The scope of technical cooperation support must therefore be realistic and viewed using this longer-term perspective;

- Technical cooperation should be linked to a holistic capacity development assessment of the sector or organisation, including reference to the core RGC reform programmes that may impact at ministry/sector level. Where such an assessment, or strategy, has not been formulated, the responsible RGC ministry or agency, in dialogue with the TWG, may consider the merits of undertaking such an exercise. An explicit link should then be made, for example in a Terms of Reference, between identified capacity needs and the expected role of technical cooperation inputs;[17]

- Capacity development assessments should include a scan of the operating environment so that existing capacities and temporal change dynamics are well understood. This will help to ensure that systemic challenges at a sector/organisational level to capacity development are properly identified and that capacity development support builds on existing capacities and capabilities;

- Incentives and motivation are an important corollary of the capacity development process. Where monetary incentives are provided, they must be consistent with the respective RGC sub-decree and associated with the achievement of both individual and organisational objectives. Recent research on non-monetary motivation also highlights the potential for performance management linked to improved coaching and mentoring;[18]

- There may be a need to strengthen the links between those who make decisions on capacity development support, those who implement technical cooperation programs, and those who produce much of the recent thinking on capacity development that has yet to be reflected in practical capacity development and technical cooperation approaches;[19]

- Technical cooperation providers should also increasingly reflect on their own abilities and competencies as facilitators of the capacity development process. It may well be the case that capacity development practitioners in the development partner community, at both organisation and individual levels, need to demonstrate higher levels of capacity development-related competence; and

- Related to the above, development partner-supported capacity development should increasingly be seen as a specialist activity, not simply an assumed extrapolation of technical competence. Effective capacity development often requires, for example, that technical cooperation personnel displays skills that include brokering and negotiation, sensitivity to institutional and cultural context, ability to command trust in a multi-partner process, flexibility, and an understanding of change dynamics. Relationships matter.

c) Implementation of technical cooperation programmes

- Implementation of technical cooperation programs should be closely aligned with the workplan objectives of counterpart ministries and departments, with annual reviews/adjustments made

to the shape and profile of technical cooperation support to ensure its continued relevance and impact;

- Implementation of technical cooperation programmes in government requires that close reference and alignment is made to the direction and pace of RGC core reforms (e.g. in payment of incentives, human resource development, development of PFM systems and procedures, modalities for supporting service delivery);

- Programme-based approaches, through the partnership dialogue that underlies them, offer an opportunity for technical cooperation to be less driven by specific project goals and better oriented to supporting sustainable sector capacity;

- Coordinated and harmonised technical cooperation support in the context of a programme-based approach, or using a form of co-funding or pooling modality is therefore a strongly preferred delivery modality. This will limit fragmentation and avoid excessive use of technical cooperation in a sector, thereby promoting clearer accountability for performance and resulting in fewer overlaps; [20] and

- Where project implementation units (PIUs) are employed, the role of RGC in staffing and managing the PIU, and the PIU's role in supporting capacity development, should be clarified. Emerging best practice principles indicate that integrated PIU modalities are preferable where it is agreed by RGC and development partners that there is no alternative to establishing a PIU.[21] RGC may consider reviewing PIU use with a view to ensuring their integration into mainstream ministry functions.

d) Management arrangements for technical cooperation

- Accountability for performance should be to RGC in the first instance, or subject to an RGC-led joint review if the former is precluded by development partner regulations. Monitoring arrangements (see below) established during the design phase should guide the review; and

- The effective management of technical cooperation in the longer-term, especially in a programme-based approach context, may be dependent on RGC leadership and negotiation skills. Access to developing these capacities should be an integral component of technical cooperation provision to a ministry or TWG capacity assessment.

e) Monitoring and evaluation of technical cooperation service provision at sector level

- Understanding the quantum of technical cooperation provision in a sector, or within a ministry, and understanding its objectives (in supporting capacity or in meeting other goals), is an important first step in evaluating its effectiveness. The 2007 Aid Effectiveness Report found that "the lack of robust data on technical cooperation leaves a significant gap to be filled in the managing for results approach" and resolving this problem will facilitate more evidence-based sector and TWG dialogue.[22] Increased use of the Cambodia ODA Database can provide a detailed overview of the technical cooperation provision to each ministry and sector;

- A more detailed overview of aggregate technical cooperation provision will also enable enhanced monitoring at the project level, ensuring that project-ised technical cooperation also makes a contribution to the broader objectives of the ministry/sector. It is therefore necessary that each technical cooperation project includes identifiable targets on which performance and effectiveness can be assessed;

- In addition to monitoring of individual projects and programs, routine (annual) joint sector reviews should provide an opportunity to evaluate progress against a capacity strategy or other criteria for assessing technical cooperation performance and impact; and

- Where either RGC or development partners feel that it would be beneficial, the provision, management and impact of technical cooperation may be brought to the attention of the Government-Development Partner Coordination Committee (GDCC) for further dialogue.

f) Linking technical cooperation management with approaches to aid effectiveness

Having outlined a number of potential measures for improved management of technical cooperation it is useful to associate them with the related aid effectiveness agenda. All of Cambodia's development partners are signatories to the 2005 Paris Declaration on Aid Effectiveness and most of them have acknowledged their obligations in signing the 2006 Cambodia Declaration on Enhancing Aid Effectiveness. The table below provides a reference to the five aid effectiveness principles and outlines

how both RGC and development partners may apply these to the management of technical cooperation.

RGC		Development Partners	
Issues	*Actions*	*Issues*	*Actions*
Ownership			
1. Identify and articulate a clear demand for TC based on internal review 2. Distinguish between types of TC required to meet objectives 3. Extend thinking beyond projects to sector-wide needs. 4. Explore non-TC options for CD, advisory and gap-filling support.	1. Lead programming of resources based on objective assessment 2. Explore S-S opportunities and enlist development partner support / funding. 3. Lead process of design, implementation and review. 4. Clarify role of both RGC and DP in criteria for success.	1. Respect and support ownership 2. Provide support based on demand. 3. Provide sector-wide support to support sector-wide goals.	1. Respond to evidence presented by RGC 2. Be flexible in TC options (including S-S and triangular cooperation) 3. Engage in mutual process of TC design and setting of performance indicators 4. Accept principal accountability to RGC 5. Clarify role of both RGC and DP in criteria for success.
Alignment			
1. Articulate clear sector capacity priorities 2. Communicate clear role for TC use 3. Develop national systems for design, procurement, management and monitoring of TC	1. Consider developing own capacity needs assessment and strategy 2. Link sector work to core reform programmes 3. Appraise all TC project proposals & ToRs 4. Use TWG as 'clearing house' for TC support	1. Align support to stated RGC priorities 2. Support development of national systems 3. Coherence with core reforms	1. Preparation of sector and sub-sector CD plans as part of SWAPs/sector plans 2. Include explicit TC/CD reference in programme design. 3. Base TC support on strategic plan and AOPs 4. Increase use of national financial and procurement systems *5.* Engage in TC dialogue & peer review
Harmonisation			
1. Reduce fragmentation of TC (duplication & contradictory advice) 2. Need to share data on TC provision 3. Promote complementarity of actions 4. Lead review of TC	1. Harmonize TC/TA support independent of support modalities (standalone TC should be an exception) 2. Reduce multiple parallel PIUs 3. Establish joint review process 4. Use TWG system to appraise proposals from harmonisation perspective	1. Reduce fragmentation of TC (duplication & contradictory advice) 2. Jointly assess TC need and performance	1. Assess current TC sector profile 2. Joint identification and formulation missions, explore scope for harmonisation 3. Joint MTR and evaluation missions 4. Encourage division of labour, delegated cooperation practices 5. Encourage pooled approaches to TC provision
Managing for Results			
1. Define TC in terms of contributions to capacity development 2. Ensure shared understanding of roles and functions of TC & TA personnel and expected results 3. Take active control of TC management & supervision 4. Need to share data on TC provision/impact 5. Maintain flexibility to	1. In designing programmes, start by focusing on desired results (outputs/outcomes) 2. Consider the need for TC inputs to achieve those results 3. Establish indicators, M&E framework, share results 4. Review of TC to focus on performance and emergent issues	1. Base results on established sector needs, not on DP preferences. 2. Need for flexibility and recognition of non-linear CD process. 3. Increased readiness to be subject to RGC scrutiny.	1. Joint development of TORs, job descriptions and monitoring framework for TC/TA 2. Develop CD indicators as part of RGC strategy 3. Engage in joint review 4. Build own capacity and re-programme and re-profile based on emerging evidence. 5. Engage at TWG level in formulating indicators and JMIs.

RGC		Development Partners	
Issues	*Actions*	*Issues*	*Actions*
adapt to changing needs	5. Consider establishing a CD JMI.		6. Support research and evaluation
Mutual Accountability			
1. Develop accurate data collection and dissemination procedures 2. Recognise mutual responsibilities in TC impact 3. Institutionalise learning approach	1. Increased use of Cambodia ODA Database and sectoral information systems. 2. Include independent or mutual review features into joint evaluation / review exercise 3. Integrate evidence into the TWG dialogue on TC performance 4. Use TWG and annual review process to monitor implementation of guidelines	1. Support collection of data on TC use 2. Learn from experience 3. Recognise role of both RGC and DPs in CD 4. Constructive dialogue	1. Enter data into Cambodia ODA Database and other sector systems designed to monitor TC. 2. Support dissemination of examples of good practice. 3. Be transparent about costs of TC provision 4. Engage in TC dialogue at TWG.

Institutional arrangements for implementing and monitoring a Guideline

As is the case with other aid effectiveness related activities, it is the implementation, as opposed to the policy design, that is perhaps the biggest determinant of success. Effective implementation of a future Guideline on technical cooperation will require cooperation across the whole of RGC as well as robust engagement with, and cooperation from, development partners. It is also the case that policies without monitoring and evaluation can become meaningless rituals. The following principles, which bear close resemblance to the practices recommended in the previous section, may therefore inform the implementation and monitoring of the Guideline on Technical Cooperation:

- The principle of subsidiarity requires that RGC ministries and agencies take the lead in implementing the Guideline. Flexibility and innovation, under the leadership of the RGC, are to be encouraged, in particular with regard to developing approaches to develop their capacity as an integral part of a broader programme-based approach;

- The TWG should be the principal forum for discussing aggregate technical cooperation needs and performance, linked to broader reform programmes and a capacity strategy where appropriate. Principles of mutual accountability outlined in the 2007 Guideline on the Role and Functioning of the TWGs should guide the review of technical cooperation and broader support to capacity development;

- The National Operational Guideline (NOG) provides a generic approach to the programming of grant funds and these should be used to develop technical cooperation activities as well as to guide routine monitoring. Pre-project support should be provided to enable RGC to develop its own set of options, including to explore options for South-South cooperation funded by development partners;

- At a project level there must be a recognition of the importance of emergent experience and a resulting willingness to adapt project goals and timeframe based on the evidence of project review. Increased use of ex post evaluations and impact assessments are to be encouraged;

- At a sector/TWG level, routine TWG reporting to the GDCC secretariat will in the future include reference to technical cooperation provision and management. This will enable CRDB/CDC to act as a hub that can consolidate and disseminate lessons on effective management of technical cooperation. The Aid Effectiveness Report will be the primary means of sharing information and this Report will also continue to consider aggregate technical cooperation provision, trends in the use of South-South technical cooperation, and development partner provision and sectoral distribution; and

- Based on future dialogue at TWG and GDCC level, consideration will be given to introducing a Joint Monitoring Indicator (JMI) related to technical cooperation and capacity development, the establishment of coherent capacity strategies linked to sector plans, and the joint (or independent) review of technical cooperation performance.

Resources to support Guideline implementation

It is important to acknowledge that the implementation of the technical cooperation Guideline will not be costless, in terms of time, expertise and financial resources. Although some pre-project financing may be available in some instances for project-specific technical cooperation development, it is unlikely that resources will be made available for a generic technical cooperation assessment or review. There are a number of alternative potential funding sources, each of which may also provide access to technical support:

- The block grant that is made available to TWGs by CRDB/CDC to support coordination work can be used to access funds for supporting technical cooperation review and analysis, as well as for broader work related to capacity development;

- Based on requests from ministries and TWGs, additional specialised support may be provided by CRDB/CDC where the block grant funds are deployed for other activities or where there is otherwise a demand for specific technical cooperation-focused analytical work; and

- Joint sector reviews should be established, and funded, that include specific components related to capacity development and technical cooperation provision.

Conclusion: risks and challenges, a benchmark for the future

This position paper has provided a number of options to support the translation of the RGC's capacity development priorities into effective technical cooperation policies and programmes. By clarifying the link between technical cooperation and capacity development it hopes to build consensus on the role of technical cooperation and to establish agreed modalities for its effective management that are focused on achieving development results.

The challenges involved in making technical cooperation a more nationally-led, relevant and effective tool for capacity development are not new, either to Cambodia or to its development partners. Familiarity with the status quo, vested interests, a lack of implementation capacity, conditionality, and the well-established informal rules, norms and values that govern aid relations are all significant factors that will continue to influence the use of technical cooperation. It is naïve and unrealistic to expect that a Guideline will instantly address all of these problems. As the institutional context and partnership dynamics evolve, however, we may anticipate that these changes will have a more profound affect than a Guideline. But it is nevertheless important to establish a set of norms against which progress can be measured and a Guideline will, at a minimum, meet this objective.

Cambodia is perhaps the first partner country to develop a technical cooperation Guideline (no other such Guideline has been brought to the attention of RGC). There are no blueprints and this position paper must therefore be subject to a robust process of consultation and dialogue before a Guideline can be finally endorsed. This consultation phase is critical to developing a Guideline that is relevant, feasible and, more important, offers at least some prospect of leading to the desired development outcomes. Looking forward, a future Guideline must also be subject to further scrutiny and review (based on the quantitative monitoring and qualitative evaluation outlined above). But the success, or otherwise, of technical cooperation reform in Cambodia will ultimately depend on the willingness of RGC and development partners to implement whatever principles are finally agreed. This will require bold efforts by those who are accustomed to the status quo, combined with a good deal of trust, commitment and willingness to innovate on both sides.

References

1 See 2007 Cambodia Aid Effectiveness Report (pp 20-23) and recommendation three (p43). See also 'Technical Cooperation for Capacity Development in Cambodia: Making the system work better' by Tony Land and Peter Morgan (January 2008) and Tony Land (May 2008) 'Developing Health Sector Capacity in Cambodia: The Contribution of Technical Cooperation - Patterns, Challenges and Lessons'.

2 See, for example, Elliot Berg (1993) 'Rethinking Technical Cooperation', Peter Morgan (2001) 'Technical Cooperation – Success and Failure', Martin Godfrey et al (2002) 'Technical Cooperation and Capacity Development in an Aid-Dependent Economy – the Experience of Cambodia' (published in World Development).

3 See 2007 DAC Statistical Reporting Directives (page 15-16, para 40-44)

4 See Cambodia Aid Effectiveness Report (p43).

5 See OECD/DAC, 'The Challenge of Capacity Development: Working Towards Good Practice' (2006), pages 7-9.

6 See ECDPM, 'Capacity, Change and Performance' (2008), Glossary and Chapters 5 and 6 that consider capacity and approaches to capacity development.

7 *Summarise technical cooperation flows over the last few years.*

8 See, for example, 'Technical Assistance and Capacity Development in an Aid Dependent Economy: The Experience of Cambodia', Godfrey et al, 2002, World Development Vol 30 and endnote 1, above, for principal current pieces.

9 Refer to 'Technical Cooperation for Capacity Development in Cambodia: Making the system work better' by Tony Land and Peter Morgan (January 2008) and Tony Land (May 2008) 'Developing Health Sector Capacity in Cambodia: The Contribution of Technical Cooperation - Patterns, Challenges and Lessons'.

10 Ibid. Core reforms relate to Public Administration Reform, Public Financial Management Reform, Decentralisation and Deconcentration, and Legal and Judicial Reform.

[11] Tony Land and Peter Morgan (January 2008), page 18.

[12] See capacity development and AE sections of the TWG Guideline (February 2007) for existing recommendations for managing technical cooperation.

[13] The NOG can be downloaded from the CRDB website. The NSDP (page 85) provides guidance on the RGC's preferred use for loan financing that excludes technical cooperation.

14 Trilateral cooperation introduces an intermediary to the traditional bilateral cooperation model, using donor funds to facilitate the activities of a third partner (usually from the South, or with some relevant competence) that in turns supports the intended final beneficiary. This third party may be engaged due to particular competencies they have and that both donor and recipient agree are more appropriate that the funding donor implementing directly.

[15] Existing technical cooperation provision to a sector or ministry can be identified through the Cambodia ODA Database (http://cdc.khmer.biz).

[16] Tony Land and Peter Morgan (January 2008), page 32.

[17] There are a wide range of capacity development assessment tools reference. See, for example, UNDP (2005) 'A Brief Review of 20 Tools to Assess Capacity' on http://www.capacity.undp.org/.

[18] See Sub-Decrees 98 of 2005 and 29 of 2008, and Global Synthesis Evaluation of the Paris Declaration (forthcoming).

[19] See for example the OECD and ECDPM papers (endnotes 5 and 6) that were used to define capacity earlier in this paper.

[20] Tony Land and Peter Morgan (January 2008), page 16

[21] See Paris Declaration survey discussion of PIUs http://www.oecd.org/dataoecd/55/58/39858712.doc

[22] See Aid Effectiveness Report (2007) page 21.