



European Union

Development Cooperation Activities in Cambodia

December 2006





Foreword

This is the third report on European Union (EU) development co-operation activities in Cambodia, also called the “**EU Blue Book**”. The objective of the **EU Blue Book** is to provide an overview, as well as specific details of EU (Member States and the European Commission) official development assistance (ODA) to Cambodia. It also gives general and updated information about the EU institutions and EU development policies.

2005 was an important year for the development of the EU’s global agenda. Indeed, in order to meet the challenges of the Millennium Development Goals, the EU has committed itself to take new initiatives for more aid, delivered faster and more effectively.

The EU is the world’s biggest aid donor, providing 55% of all ODA. To do more, the EU Member States agreed in May 2005 to increase their ODA significantly, with a new intermediate target of 0.56% of Gross National Income (GNI) in 2010 and an ultimate target of 0.7% of GNI in 2015. Concretely, this decision of the EU will translate into an additional € 20 billion annually for aid by 2010. By 2015, EU aid will reach € 90 billion per year.

In terms of the global threat of **avian influenza**, the EU played a leading role at the International Ministerial Pledging Conference on Avian and Human Pandemic Influenza in Beijing in early 2006. Together, the EU Member States and the European Commission pledged some €214 million (\$267.5 million). Of this amount, the European Commission will provide €80 million (\$100 million) for third countries, of which €30 million (\$37.5 million) will be targeted for three countries in South East Asia.

Furthermore, as far as **Aid for Trade** is concerned, the WTO conference in Hong Kong adopted a development package, an achievement that was assisted by the determined pressure placed by the EU on other developed countries. The EU itself has announced further substantial commitments to providing Trade Related Assistance (TRA) to developing countries: it committed to provide an additional €1 billion a year from 2010 – meaning that total EU Trade Related Assistance will rise to €2 billion from 2010.

Concerning EU development co-operation with Cambodia, as one of Cambodia’s biggest development partners in terms of grant aid and one of its most important trading partners, the European Union, (the EU Member States and the European Commission), delivered a collective contribution in 2006 of over €137 million, or more than US\$ 171 million. This supported progress in rural development, education, health, economic development, governance and human rights, as well as de-mining. The estimated total EU ODA disbursements for Cambodia in 2007 are € 144 million, or over US\$ 180 million.

Much progress has been made, yet a lot remains to be done. The EU will maintain its support to these efforts over the coming years. The information in the “EU Blue Book” demonstrates clearly the continuing commitment of the EU to supporting development actions in favour of the people of Cambodia.

We believe that this third edition, published in English, French and Khmer, will be of use to a large audience, including policy makers, practitioners and researchers in Government and donor institutions, in NGOs and in civil society as a whole. The European Commission Delegation makes every effort to render the “EU Blue Book” as accurate and informative as possible and we welcome any constructive comments and suggestions you may have.

European Union

Development Cooperation in Cambodia



INTRODUCTION

The European Union (EU) is Cambodia's biggest development partner in terms of grant aid and one of its most important trading partners. Assistance from the EU comes from two sources: the individual EU Member States' programmes and the programmes funded by the EU budget and managed by the European Commission – the executive arm of the EU. The EU donors most active in Cambodia include Denmark, France, Germany, Sweden, the United Kingdom, and the European Commission. The EU donors' programmes are in education, health, HIV/AIDS, rural development, decentralisation and deconcentration, public financial management, legal and judicial reform, trade and private sector development.

Denmark supports livelihood improvement for the rural poor through strengthened natural resource management. The support will increasingly be given at local level. Denmark also funds NGO projects on human rights, anti-corruption and activities to develop the Legal and Judicial Reform Strategy.

France is a donor to HIV/AIDS projects, supports higher education institutions, and is involved in institutional strengthening and development programmes in the legal, health and administrative sectors. It is also active in the field of rural development and trade sector reform. Furthermore, France funds NGO projects on human rights.

Germany is also a donor to a wide variety of projects. In the educational field, it supports vocational and small enterprise-type training. In the health sector, Germany's focus is on health sector reform and reproductive health. Administrative and trade sector reform as well as rural development are other areas of attention.

Sweden is mainly supporting the UNICEF Expanded Basic Education Programme, decentralisation of government and NGO projects on human rights.

The **United Kingdom** development programme for 2005-8 focuses on working with others to strengthen aid effectiveness. Focal areas include support for improved access to health, HIV and AIDS services and information, public financial management, local governance and improved rural livelihoods and natural resource management.

Other EU Member States - **Austria**, the **Czech Republic**, **Finland**, **Italy**, **Hungary**, **Luxembourg**, **the Netherlands**, **Poland** and **Spain** - provide support for demining operations, land registration, rural energy, market access, NGO activities, humanitarian assistance, cultural co-operation, good governance and human rights, prevention of trafficking of women and children, education and human resource development.

The European Commission supports food security and integrated rural development, basic education and health, the environment, decentralisation, democratisation and human rights, as well as the Government's economic and trade reform programme. New actions are in preparation for 'pro-poor' economic development through the promotion of small and medium-sized enterprises in the agro-industry sector and continued support to the trade sector to facilitate export growth. Support will also be provided for public financial management reform.

2006 has been an important year for EU partners. They have worked together to establish a Road Map for Aid Effectiveness which will set down a range of measures to complement and support existing Government-donor co-ordination mechanisms. The Road Map will guide the EU partners in a joint effort to contribute to increasing the effectiveness of EU aid to Cambodia.



Belgium

Belgium – Cambodia Development Cooperation

Since 2005 Cambodia has no longer been a partner country of Belgium with regard to Official Development Cooperation. As a result, the Belgian Government does not lend its support to new projects, but rather focuses on carrying out already existing projects to which it has lent its support and on possible prolongations of these projects.

The main objective of Belgian ODA to Cambodia is to further establish sustainable human resource development in Cambodia. In particular, Belgian development policy in Cambodia aims at implementing Cambodia's poverty reduction strategy.

Special attention is paid to national efforts to promote good governance, focusing on key sectors of national priority (i.e. education, health, sustainable development and use of natural resources for navigation in the Mekong River) in the least-assisted geographic areas, targeting the most disadvantaged and vulnerable population.

ODA given to Cambodia by Belgium (2005-07)

Sectors	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
Education	€ 2,880,093	€ 4,099,000	€ 2,502,600
Health	€ 2,905,103	€ 2,000,000	€ 2,500,000
Government & civil society	€ 387,570	€ 154,700	
Other social services	€ 218,873		
Transport & storage	€ 1,340,103	€ 459,000	
Agriculture, forestry & fishing	€ 119,924		
Environmental protection	€ 121,631		
Women in development	€ 761,600		
Urban and rural development	€ 460,219		
Support to NGOs	€ 305,837	Figures not available*	Figures not available*
TOTAL	€ 9,500,953	€ 6,712,700	€ 5,002,600

* expected to be similar to 2005

Czech Republic



Czech – Cambodia Development Cooperation

In the 60s and 80s, Cambodia was among the most important Asian partners of the former Czechoslovakia. Assistance to development was provided mainly through supplies, such as transport equipment, construction machinery, textile and shoemaking machinery, sugar mills, diesel generators, hydro and thermal power engineering equipment and tyre making equipment. The construction of the thermal power plant Chak Angré in Phnom Penh was the biggest project financed by Czechoslovakia. Moreover, Czechoslovak medical experts were provided to some Cambodian hospitals.

Another main form of development assistance of the former Czechoslovakia was the government scholarship programme for students of third world countries. During the 60s, 70s and 80s many Cambodian students studied in Czech high schools and universities. The government scholarship programme successfully continues today, (scholarships of the Ministry of Education, Youth and Sports in support of foreign nationals studying at public higher education institutions in the Czech Republic based on international agreements binding for the Czech Republic or within the Czech Republic Foreign Aid Programme). Five Cambodian students are at present studying in the Czech Republic.

In 2006 the Czech Republic contributed US\$ 30,000 to the construction of a new elementary school in Wat Kirisraasong. In addition to the ODA, several Czech NGOs (ADRA Czech Republic, Stonožka-Centipede) provide assistance to Cambodia (especially to HIV/AIDS related projects).

Eminent personalities of Cambodian society, such as His Majesty King Norodom Sihamoni, (who studied in Prague between 1962-1975), can speak Czech and maintain contacts with the Czech Republic. This provides a sound basis for cultural cooperation. The Czech Republic intends to deepen the cultural dimension of Czech-Cambodian cooperation. To commemorate the 50th anniversary of diplomatic relations between the Czech Republic and Cambodia in 2006, His Majesty King Norodom Sihamoni visited the Czech Republic and the Embassy organised several cultural events.

ODA given to Cambodia by the Czech Republic (2005-07)

Sectors	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
Humanitarian assistance in Takeo province	€ 130,000	€ 180,000	€ 100,000
Nuclear analysis of building structures in Angkor		€ 8,000	€ 90,000
TOTAL	€ 130,000	€ 188,000	€ 190,000



Denmark

Denmark – Cambodia Development Cooperation

The Office of Danish Development Cooperation Section (Danida)'s main objective in its development policy is poverty reduction linked to cross-cutting issues such as good governance, anti-corruption, human rights, gender equality and the environment.

In 1997, the Royal Government of Cambodia and the Danish Government signed a memorandum of understanding on assistance to the natural resources and environment sector. A five-year cooperation agreement on a Natural Resources and Environment (NRE) programme was signed in 2001 with a commitment frame of 240 million Danish Kroner (over € 32 million). The NRE programme is planned to close in 2006.

A government-to-government agreement on the implementation of a new joint Danida/DFID Natural Resource Management and Livelihoods (NRML) programme was signed on 31 July 2006. The new programme will be implemented from mid 2006 to 2010 with the overall development objective:

To address the reduction of poverty in both short and long-term and to contribute to improving the livelihoods of rural poor and the sustainable management of natural resources through good natural resource management and governance arrangements.

The new programme has three main components:

- Natural Resource Management in Decentralisation and Deconcentration
- Civil Society and 'Pro-Poor' Markets
- Sector and Policy Development.

The programme will cover 14 of Cambodia's 24 provinces, mostly outside the main rice-producing areas, and 707 communes or approximately 40 percent of the total number of communes in Cambodia. Danida/DFID's commitments to the programme amount to 360 million Danish Kroner.

Danida also implements a Human Rights and Democracy Programme, which provides support to both NGOs and government institutions. The programme supports activities advocating civil and political rights, fighting corruption and increasing transparency and accountability within the public administration. Furthermore, a number of Danish NGOs implement Danida-funded projects in Cambodia in the areas of health, legal and judicial reform and agricultural development.

ODA given to Cambodia by Denmark (2005-07)

Sectors	Actual Disbursement 2005 in DKK	Planned Disbursement 2006 in DKK	Estimated Disbursement 2007 in DKK
NRE Programme	27,399,922	56,886,160	75,396,000
Support to NGOs	30,000,000	25,200,000	32,300,000
Total in DKK	57,399,922	82,086,160	107,696,000
Total in Euro (€)	€ 7,715,043	€ 11,033,086	€ 14,475,267

France



French Cooperation in Cambodia

In addition to its multilateral contributions, French cooperation is channelled to Cambodia through two operators: the Direction générale de la coopération internationale et du développement (General Directorate of International Cooperation and Development - DGCID) under the Ministry of Foreign Affairs, as well as the Agence française de développement (AFD). These two players work with the Royal Government of Cambodia to implement the directions set in the Partnership Framework Document 2006–2010.

Support to the Rule of Law and Good Governance translates firstly into booster training for management level staff of the judiciary and administrations such as prosecutors and judges, court clerks, lawyers, police officers and civil servants, and secondly into the creation of conditions conducive to enforcement of the rule of law through the processes of codification, legislation, law publication, public finance reform and training in commercial negotiations.

Targeting the Millennium Goals enables increased support to three priority sectors:

- *Agriculture and food security*, with the aim of meeting food needs, contributing to the overall development of agriculture through water control, land security and local community associations, and strengthening opportunities for diversification and export, with special focus on the rubber sector;
- *Protection of the environment and biodiversity*, including the water resources of the Mekong basin and the forests of the Cardamom Massif;
- *Healthcare and AIDS prevention*, supported by a comprehensive approach to the Cambodian health system to improve the quality of the care offered, and access and funding.

Cross-cutting interventions reinforce these directions by promoting:

- *Higher education and research*, in order to restore an intelligentsia in the fields of medical sciences, economics, judiciary and engineering;
- *Promotion of cultural diversity and francophony* through actions to safeguard heritage, French education, cultural publications and exchanges;
- *Structuring of civil society by direct support to NGOs and local authorities.*

France is also providing expert missions on key sectors of city politics, tourism and clean water.

Disbursements 2005	€ 17 millions
Disbursements 2006 (estimated)	€ 21.8 millions

Source :

	2005	2006
Million USD	21	26
Eurostat exchange rate	1,2441	1,1934



Finland

Finland – Cambodia Development Cooperation

Finland has supported Cambodia since the 1990's. Cooperation has mainly comprised humanitarian aid directed to reconstruction and funded through UNDP. Over the past ten years, Finland has also supported Cambodian mine operations through NGOs and INGOs.

In recent years, Finland has been involved in bilateral development cooperation projects. These comprise a land registration project and a project for the prevention of trafficking of women and children. In addition, Finland has supported Cambodia through the regional Mekong projects, for instance hydrological modelling, in cooperation with the Mekong River Commission and the Asian Development Bank. Through funds for local cooperation, Finland has supported projects implemented by Cambodian NGOs.

Humanitarian mine operations, as well as NGO and INGO projects, have helped victims adjust back into society, spread mine education and clear mines.

The prevention of trafficking women and children project has enhanced the capacity of national and local authorities to prevent trafficking. The project has also helped the victims of trafficking to reintegrate to the society.

The land management and administration project has improved land tenure security and promoted the development of efficient land markets. The project has assisted the development of national policies, regulatory frameworks, institutions for land administration and the issuance and registration of land titles. Furthermore, the project has resulted in the establishment of an efficient and transparent land administration system.

The aim of the regional cooperation in the Mekong area is to develop Cambodian rural regions, support SMEs and organise the public administration. In particular, the Tonlé Sap Sustainable Livelihoods project's goal has been to alleviate rural poverty by focusing on the private sector, health, environment and forests.

ODA given to Cambodia by Finland (2005-07)

Sectors	Actual Disbursement 2005	Planned Disbursement 2006	Commitments 2007
Humanitarian mine operations	€ 1,020,000	€ 1,020,000	€ 920,000
Prevention of trafficking	€ 300,000	€ 300,000	€ 500,000
Land registration	€ 470,162	€ 832,452	€ 850,000
Fund for local cooperation		€75,895	
Other (NGOs)	€ 441,830	€ 229,002	
Total	2,231,992	€ 2,457,349	€ 2,270,000

Germany



Germany – Cambodia Development Cooperation

The Kingdom of Cambodia is a focal country for German development cooperation. Key areas of cooperation are:

- health,
- rural development,
- and the promotion of good governance, democracy and civil society.

In the frame of the latter, Germany funds decentralisation, women's rights and capacity building projects in public institutions, in order to support the legal and institutional framework for participatory development and democratisation. Rural development comprises activities to increase productivity and product variety in agriculture, support for small-scale enterprises, and assistance to the reform of land management and land use rights, as well as the extension of rural infrastructure. Cooperation in the health sector concentrates on reproductive health, mother and child health care, quality assurance and the introduction of social health insurance in Cambodia.

Additionally, Germany granted €2.3 million to the costs of the Khmer Rouge Tribunal, and is involved in the conservation and restoration of the temples of Angkor Wat and Preah Koh, as well as in humanitarian de-mining.

So far, Germany has committed almost €182 million for bilateral cooperation. In the pursuit of the Millennium Development Goals, Germany places high importance on the reduction of extreme poverty and therefore focuses its activities on rural areas.

Development aid is mostly carried out by the German Technical Cooperation (GTZ), KfW Entwicklungsbank and the German Development Service (DED).

ODA given to Cambodia by Germany (2005-07)

Sectors	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
Health	€ 4,246,000	€ 2,590,500	
Rural Development	€ 7,559,806	€ 8,435,500	
Governance	€ 3,478,000	€ 5,029,000	
NGOs & Other	€ 4,517,000	€ 4,540,000	
Total	€ 19,800,806	€ 20,595,000	€ 21,000,000



Hungary

Hungary – Cambodia Development Cooperation

2006 marks the 50th anniversary of the establishment of diplomatic relations between Hungary and Cambodia. Until 1990, the major element in the relationship was Hungary's unilateral assistance to Cambodia, along with regular exchanges of high ranking political delegations. At the closure of the civil war, a Hungarian contingent of 130 police and administrative officers took part in the UN peace mission.

During the visit of H.E. Mr. Hor Namhong, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation in January 2005 to Budapest, both sides reaffirmed their willingness to revitalize bilateral cooperation. Favourable opportunities identified were in the economic field, as well as education and development cooperation. The Orphanage in Kampong Kantout has a significant place in our relations, as it was built through wide Hungarian social collaboration 22 years ago.

Due to budgetary constraints, Hungary's development cooperation in Cambodia is focused on a few projects, of which the most important is the Cambodian-French-Hungarian Orphanage. During the past few years, Hungarian ODA funds were channelled through the Embassy or Hungarian NGOs and charity organisations for the renovation of the buildings, as well as for the improvement of the facilities and the living conditions of the resident children. Furthermore, medicines and equipment have been provided to the Phnom Penh Pediatric Hospital.

Hungary is committed to map out other areas where it can provide technical assistance to the Royal Cambodian Government: these may include protection of fresh water resources, disaster prevention, health, education and agriculture. In addition, the Embassy actively seeks to plan and implement trilateral projects with the EU partners and other donors present in Cambodia.

Hungarian ODA expenditure in Cambodia: 2005: € 50, 000; 2006: € 47,200



Italy-Cambodia Development Cooperation

Italian cooperation activities in Cambodia have been directed to provide assistance to Cambodian people and Cambodian Institutions on some of the most relevant issues affecting the social and economic development of the country. Activities undertaken focus mostly on two main areas: institutional capacity building, with specific attention to the fight against trafficking and sexual exploitation of minors, and economic development.

The aid strategy for the next years relies on previously launched projects which have shown very good results, both in promoting respect for human rights and in assisting and improving economic development.

In particular, the Italian Government has funded two projects. One is implemented in five Cambodian border provinces by IOM. The other is implemented at regional level by UNICEF and aims to improve the legal and security framework and as a consequence to promote the respect of human rights of victims of trafficking and sexual exploitation. These projects strengthen the efforts made by the Italian Government to improve the living conditions of vulnerable people and in particular women and children.

In order to respond to the problem of HIV/AIDS prevention among drug users and in prison, the Italian Government has joined a UNDOC project that aims to improve cooperation between the public security sector and community based programmes for the alleviation of HIV vulnerability from drug abuse in prisons.

The Italian Government has already earmarked € 3,713,979 for a rural integrated project in Battambang province managed by FAO that should be implemented shortly and last for three years.

Italian funds are channeled mainly through multilateral agencies but some projects are implemented through NGOs.

ODA given to Cambodia by Italy (2005-07)

Sectors	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
EDUCATION <ul style="list-style-type: none"> Progetto Continenti Strengthening grassroots business } initiative 	€ 145,333	US \$ 105.00	
GOVERNMENT and CIVIL SOCIETY <ul style="list-style-type: none"> IOM UNDOC 	US \$ 250,000*	€ 271,104	€ 271,104
OTHER SOCIAL SERVICES <ul style="list-style-type: none"> UNICEF 	€ 457,634	€ 457,634	€ 475,634**
URBAN and RURAL DEVELOPMENT <ul style="list-style-type: none"> FAO 			US \$ 3,268,302***

* Regional programme; funding devoted to all interested countries

** Regional programme; funding devoted to all interested countries

*** The project should start to be implemented in 2007 and will last 3 years



Netherlands

Netherlands – Cambodia Development Cooperation

Description/objective:

From 1998 – 2004 The Netherlands has provided development assistance to Cambodia for an amount of € 2 – 2,5 million per year. Dutch development co-operation has been channelled mainly through multilateral organisations and NGOs. 2004 marked the amendment of the Dutch development co-operation policy which entailed the downsizing of the number of partner countries with a focus on Africa. As a consequence, all official –government to government – development assistance was discontinued in Cambodia.

Nevertheless, Dutch support will continue for the Extraordinary Chambers in the Courts of Cambodia (ECCC) and through the Small Projects Programme (PKP). This programme supports the implementation of small initiatives focused on rights based poverty alleviation with a maximum duration of one year. The total budget of this programme is € 100,000 in 2007 (for more details, please visit www.mfa.nl/ban).

Main activities and output:

Until 2004 the Dutch development assistance was geared towards good governance and human rights. The exit-strategy has been implemented in 2004 and 2005. In 2006 the focus of the Dutch support has been mainly on the ECCC.

Sectors	2005	2006	2007	2008
Good governance & human rights	853.600	570.000	500.000	500.000
Rights based poverty alleviation	50.000	30.000	100.000	100.000
Total	€ 922.600	€ 600.000	€ 600.000	€ 600.000

Poland



Poland – Cambodia Development Cooperation

Poland and Cambodia established diplomatic relations on April 24, 1956. Since that time, friendly mutual relations between these two countries have been consolidated and successfully developed. Polish assistance and co-operation with Cambodia focuses on human resources, culture, education and rural development.

In the 80s and 90s, several dozen Cambodian students graduated from Polish universities thanks to scholarships granted by the Government of the Republic of Poland. From 1989-1993 the Polish Mission of Restorers was actively involved in restoration and conservation of the temples of Angkor Wat and murals of the Silver Pagoda Gallery in Phnom Penh.

The Republic of Poland will continue its actions to save Cambodian historical monuments by conversion of the amount of the Cambodian debt to Poland for this purpose.

From 2001 to 2006, Poland funded the construction of four new school buildings in Chey Mungkul Primary School, Kean Svay District, Kandal Province, along with electricity, water supply and sanitation system. The school has been named the “Cambodian – Polish Friendship Chey Mungkul Primary School”.

In 2007, Poland is going to launch a new school construction project at in Prosam Primary School, Bathei District, Kampong Cham Province.

ODA given to Cambodia by Poland (2005-07)

Sectors	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
Education	€ 14,500	€ 23,000	€ 25,000
Rural development		€ 16,500	€ 16,500
Total	€ 14,500	€ 39,500	€ 41,500



Spain

Spain - Cambodia Development Cooperation

The Kingdom of Cambodia is receiving increasing levels of Spanish development assistance. A first Development Cooperation Plan 2006-2008 is being formulated to focus future aid and NGO activities. In line with past successful experiences, priority social sectors are related to gender issues, (especially, anti-human trafficking), and vulnerable groups, (work with disabled groups). Under this new Plan, cooperation will be extended to economic sectors as well as rural areas, such as eco-tourism and aquaculture. Areas already covered are new technologies, (Khmer software initiative), and humanitarian aid, (demining). Moreover, an important component of cooperation with South-East Asian countries is advanced training for officials and professionals in fields such as fisheries, health, tourism and renewable energies.

In order to consolidate development activities in Cambodia, Spain expects to establish a permanent presence by 2007. This will help manage increasing resources and improve the quality of activities. Alignment and coordination of assistance are a top priority, hence Spain's dialogue with the Royal Government of Cambodia and other development partners in daily development work will be enriched.

ODA given to Cambodia by Spain (2005-07)

Areas of Support	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
Women and Development	€ 410,186	€ 430,750	
Education		€ 59,325	
Rural Development		€ 214,925	
Humanitarian Aid (Demining)		€ 300,000	
New Technologies		€ 208,000	
Microfinance		€ 1,380,000	
Total	€ 410,186	€ 2,593,000	€ 4,000,000

Sweden



Sweden - Cambodia Development Cooperation

Swedish cooperation with Cambodia began in 1979 with humanitarian assistance delivered through UN channels. Direct long-term bilateral cooperation between the two countries was established in 1996.

The overall goal of Swedish development cooperation in the country strategy period 2002-2006 is to support Cambodia's anti-poverty efforts, according to international development objectives, (the Millennium Development Goals). Two specific objectives of Swedish development cooperation are: to promote opportunities for poor men, women and children in rural areas to influence and improve their living conditions; and to promote conditions conducive to good governance, with specific emphasis on the development of democracy and respect for human rights.

Within the above-mentioned specific objectives, three major areas of cooperation are identified: poverty reduction in rural areas, primary education and promotion of democratic governance. All these areas represent an extension of established cooperation and are judged to have clear direct and indirect links to poverty reduction. A special emphasis will be given to local development and local governance, through support to the RGC Decentralisation and Deconcentration reforms. Gender equality, the environment, democracy and human rights and HIV/AIDS will continue to be integrated into these main areas as far as possible.

Cooperation and co-financing with the UN, other multilateral organizations and bilateral partners will remain the principal form used for Swedish cooperation. Aid will also continue to be channelled through NGOs. In all, 416 million Swedish Kronor (approx. € 45 million) was paid out over the period 2002-2005. So far, the results of Swedish development cooperation have been largely positive.

The New Country Strategy (2007-2011) is being developed for approval by the end of this year with even more concentrated areas of development cooperation than the present strategy. It aims at contributing about 180 million Swedish Kronor (approx. €19 million) per annum to development cooperation activities in Cambodia.

ODA given to Cambodia by Sweden (2005-07)

Sectoral Distribution	Actual Disbursement 2005 (in €)	Planned Disbursement 2006 (in €)	Estimated Disbursement 2007 (in €)
Democratic governance and human rights	€ 2,221,598	€ 4,304,207	€ 7,623,059
Social sectors	€ 3,187,905	€ 5,143,474	€ 6,223,301
Natural resources management	€ 4,643,629	€ 5,177,994	€ 474,649
Humanitarian assistance: including demining	€ 410,367		
Economic reforms			€ 3,797,195
Others	€ 353,564	€ 531,068	€ 1,299,285
Total	€ 10,817,063	€ 15,156,742	€ 19,417,490



United Kingdom

United Kingdom - Cambodia Development Cooperation

Department for International Development (DFID)

DFID's three-year Country Assistance Plan (CAP) for (2005/06-2007/08) was produced through a joint process with the Asian Development Bank (ADB), World Bank (WB) and UN, based on shared analysis and complementary programmes. The CAP sets out how DFID will contribute to poverty reduction in Cambodia and support the National Strategic Development Plan. The focus is on working with government and donors to achieve greater impact from development resources, including improving governance and tackling corruption, in line with DFID's new White Paper 'Eliminating world poverty: making governance work for the poor'. DFID is championing mechanisms to increase the effectiveness of donor assistance and supporting the government to implement its Harmonisation and Alignment Action Plan.

DFID's objectives in CAP are:

- 1) Contribute to rapid increases in the impact of development resources in Cambodia by:
 - I. Supporting Government efforts to improve public financial management and accountability
 - II. Stronger accountability of Government to its citizens
 - III. Applying best practice in donor assistance to Cambodia
- 2) Responsive, accountable and effective local government for all people, especially the poor and socially excluded
- 3) Support Government and civil society to strengthen the livelihoods of poor people
- 4) Increased access to health services and information

DFID will continue to address HIV and AIDS through all its objectives and through continued focused support to tackle the epidemic. In all cases, support will focus on benefits for the poor and the excluded.

ODA given to Cambodia by the United Kingdom

Areas of support	2005/06	2006/07	2007/08	2008/09
	Actual Disbursement	Approximate support planned		
Public financial management, accountability and development effectiveness	€ 3,256,029	€ 2,279,168	€ 4,565,760	€ 4,714,240
Local governance	€ 5,167,635	€ 4,008,696	€ 4,454,400	€ 4,454,400
Livelihoods	€ 228,050	€ 1,633,280	€ 3,266,560	€ 3,296,356
Health/basic services	€ 3,155,736	€ 4,144,273	€ 4,144,273	€ 5,671,180
HIV and AIDS	€ 6,271,614	€ 6,684,947	€ 6,330,980	€ 6,330,980
Total in Euros	18,079,064	18,750,364	23,120,180	22,272,099
Total in Pounds	£12,176,095	£12,638,208	£15,741,243	£15,000,000

Foreign and Commonwealth Office

The Foreign and Commonwealth Office (FCO) has been supporting a wide range of work in Cambodia, implemented by a number of partner organisations including international organisations as well as local and international NGOs. The funds managed by the British Embassy in Phnom Penh, amounted to €580,000 in 2005/06. For the period of 2006/07, a disbursement of €595,000 is planned.

Others



Austria

For its development assistance, Austria follows the principle of geographic and thematic concentration. As Cambodia does not belong to the programme countries, there are limited opportunities for Austrian development support. However, opportunities include the funding of fellowships for a limited number of scientists and researchers. Another revolves around the funding of Austrian NGO projects in close cooperation with local partners.

In the past, Austria has contributed to demining activities and is now financing two projects that are implemented by UNIDO: "Rural Energy for Productive Uses", (€767,000) and "Market Access Support for Cambodia through the Strengthening of Capacities related to metrology, testing and conformity" (€487,000).

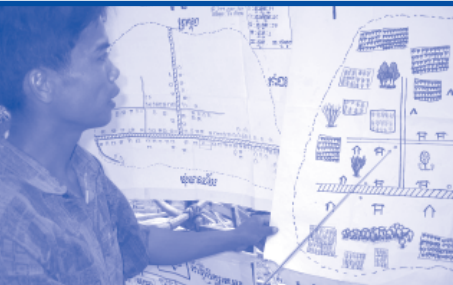
Luxembourg

The main objective of the Luxembourg development cooperation is the eradication of poverty. This objective is sought in the spirit of sustainable development, with all its social, economic and environmental aspects, and in a thematic context that reflects the importance that the Luxembourg cooperation places on respect for human rights, the rule of law, the democratization process and good governance.

The Luxembourg cooperation also focuses on civil society development. The government is currently co-financing three Luxembourg NGOs working in Cambodia in the fields of social reintegration and microfinance. These co-financings amounted to €108,183 in 2005 and €312,780 in 2006.

In addition, the Luxembourg Central Bank (BCL) has been maintaining relationships with the National Bank of Cambodia (NBC) since 2002. An agreement for co-operation and mutual assistance was implemented between the two banks in 2005. As part of it, the BCL has provided some technical assistance to the NBC, especially with regard to payment systems and reserve management. The BCL is also financing the studies of an NBC executive at the Luxembourg School of Finance.

The visit of the Luxembourg Prime Minister to Cambodia in September 21–22, 2006 has contributed to further reinforcing links between the two countries and to taking the first steps towards a more structured cooperation in the future.



European Commission

European Commission - Cambodia Development Cooperation

The European Commission's Country Strategy Paper (CSP) and National Indicative Programme define its development assistance actions in Cambodia, while closely following and supporting the reform programme of the Royal Government of Cambodia.

As outlined in the CSP, the overarching goal of EC's cooperation objective is to support Cambodia's efforts to reduce poverty and to integrate the country into the world economy. As a key partner for Cambodia, the EC has supports programmes in a broad range of sectors, such as health and education, food security and rural development, decentralisation, environment, democratisation and human rights, as well as trade reform.

European Commission-funded projects and programmes are implemented by development partners in cooperation with responsible government agencies and through partnerships with multilateral agencies. Collaboration with international and local NGOs also makes up an important part of the European Commission development cooperation portfolio.

In Cambodia, the European Commission currently supports bilateral projects with a € 23.4 million budget for 2007, and it co-finances, to a value of € 8.6 million in 2007, numerous projects that are implemented by NGOs. The European commission also funds projects in the framework of the EC-ASEAN Co-operation Programme and several "Asia Wide" projects in which Cambodia participates.

Areas of Support	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
Education	€ 5,331,206	€ 5,387,350	€ 6,422,320
Health	€ 3,908,237	€ 5,455,077	€ 4,531,917
Human Rights and Democracy		€ 1,450,853	€ 1,010,503
Khmer Rouge Tribunal		€ 995,100	
Government & Civil Society	€ 1,709,667	€ 2,373,194	€ 4,119,000
Social Development	€ 900,000	€ 685,597	€ 687,772
Rural Development	€ 9,092,954	€ 2,996,059	€ 7,049,172
Environment Protection	€ 1,600,000	€ 2,998,920	€ 2,252,420
Trade and Private Sector Development	€ 2,400,000	€ 3,331,031	€ 4,590,200
Humanitarian Assistance (ECHO/ DIPECHO – see next page)	€ 4,741,433	€ 2,000,000	€ 1,100,000
Curbing Small Arms (EU ASAC project)	€ 1,375,565	€ 600,000	
Total	€31,059,062	€ 28,273,181	€ 31,763,304

European Commission



Directorate - General for Humanitarian Aid (ECHO)

Since 1991 the European Commission has been an active donor and partner working towards the reduction of poverty in Cambodia. In parallel, to alleviate the immediate suffering of people affected by conflict, natural disasters or extreme poverty the Commission has provided almost €68 million through its Humanitarian Aid department (ECHO) since 1993. As Cambodia is no longer facing humanitarian emergencies and development programmes are improving living conditions of the poor across the country, the Commission will phase out its humanitarian aid by spring 2007.

In the 1990s, the bulk of the European Commission's humanitarian assistance helped returning refugees and those displaced within the country to restore their livelihoods after 30 years of conflict. For example, the Commission financed de-mining activities, the construction of wells, latrines and the development of basic health services in isolated or war torn areas. Medicines and basic household items and hygiene products were also provided.

Since 2000, once the humanitarian situation had stabilized in some provinces, ECHO facilitated the stepping in of development programmes and began to reduce its funding. The Commission continued to provide humanitarian aid throughout 2006 in more remote areas of the country which receive no or little development aid. Humanitarian assistance focused on helping to reduce the infant and child mortality rates and on improving living conditions for the most vulnerable groups. Funds were provided to improve health care services - with particular emphasis on infants, children, pregnant and breastfeeding women - as well as for water and sanitation projects. In 2005 and 2006 these projects reached 2 million people of whom 75% are under the age of 15.

To alleviate the impact of natural disasters, such as Cambodia's recurring droughts and floods, the Commission has provided an additional €3.7 million between 1998 and 2006 for disaster preparedness and prevention activities through its DIPECHO programme.

Despite phasing out its humanitarian aid, the European Commission will continue supporting disaster preparedness and monitoring the humanitarian situation in Cambodia in order to provide assistance whenever the need arises.

Sectoral Distribution	Actual Disbursement 2005	Planned Disbursement 2006	Estimated Disbursement 2007
Emergency assistance	€ 3,496,433	€ 2,000,000	None planned
Disaster preparedness (DIPECHO)	* € 1,205,000	€ 341,000	€1,100,000*
Total	€ 4,701,433	€ 2,341,000	€ 1,100,000

* DIPECHO funding decisions cover an 18-month programming period i.e. the period starting late 2006 until second quarter 2008. The amount given for 2007 is valid for this period.



European Union At A Glance

From January 2007 the EU will have 27 members: Austria, Belgium, Bulgaria, the Czech Republic, Cyprus, Denmark, Estonia, Germany, Greece, Finland, France, Ireland, Italy, Hungary, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

- **485 million people**
- **22 official languages**
- Single currency – the euro (€) in 13 EU Member States
- 55% of global development assistance comes from the EU
- 40% of total EU imports are from developing countries

United in diversity: The European Union (EU) is a family of European countries, committed to working together for peace and prosperity. From January 2007, the EU will embrace 27 nations and 485 million people, dealing with a wide range of issues of direct importance for their everyday life.

Like South East Asia, Europe has old and rich cultural roots. It is a continent with many different traditions and languages, but also with shared values, such as democracy, freedom and social justice. The EU defends these values and promotes them worldwide.

Trading together: With some 485 million consumers, the European Union (EU) is the world's largest single market. The single market guarantees that imported products move freely within the EU once they have crossed its common external border. A single currency – the euro – makes travelling and doing business easier than ever.

The EU is an open, yet demanding market. European consumers demand quality, with a strong emphasis on health and environmental concerns. Cambodian exports enjoy duty and quota free access to the EU market, with exports of textiles and footwear products enjoying great success.

Acting globally: The EU is a global actor, ready to share responsibility for building a better world. The Union participates in international peacekeeping operations and is determined to counter terrorism worldwide. The challenges of today's world cannot be dealt with by any one nation alone. Multilateral solutions are indispensable to deal with the challenges of globalisation. Europe works, together with its partners around the world, to promote democracy, freedom and stability, as an open multilateral trading system.

Building bridges: The EU is the world's biggest donor of development assistance, helping to bring stability and prosperity to many parts of the globe. The Union also uses trade to drive development by opening its markets to exports from less developed countries.

European Union Institutions



The European Parliament

<http://www.europarl.europa.eu/>

The European Parliament is elected every five years by the people of Europe to represent their interests. It is the responsibility of the parliament to pass European Union legislation as well as to approve international agreements entered into by the European Union. The European Parliament and the Council of the European Union share joint responsibility for approving the EU's €100 billion annual budget.

The Council of the European Union

<http://www.consilium.europa.eu/>

Formerly known as the Council of Ministers, specialised government ministers from each Member State meet regularly to take policy decisions and resolve national differences in the various policy areas. The European Council, made up of 25 Heads of State or Government, meets at least twice a year to set objectives and fix priorities. Each Member State takes the EU Presidency in turn for a term of six months.

The European Commission

<http://ec.europa.eu/>

The European Commission is the executive body of the European Community. Led by 27 Commissioners, the European Commission initiates proposals for legislation and acts as guardian of the EU Treaties. The Commission is a manager and executor of the Common Policies of the EU and of its international trade relationships. It is also responsible for the management of European Union external assistance.

The European Court of Justice

<http://curia.europa.eu/>

The European court of Justice provides the judicial safeguard necessary to ensure that the law is observed in the interpretation and application of the EU Treaties and all legislation based upon them.

The European court of Auditors

<http://www.eca.europa.eu/>

The European Court of Auditors is responsible for checking that the European Union spends its money according to budgetary rules and regulations.

Other Institutions

The European Economic and Social Committee (ESC)

<http://eesc.europa.eu/>

Committee of the Regions (COR)

<http://www.cor.europa.eu/>

European Central Bank (ECB)

<http://www.ecb.int>

The European Investment Bank (EIB)

<http://www.eib.org>

Delegation of the European Commission to the Kingdom of Cambodia

<http://www.delkhm.ec.europa.eu/>

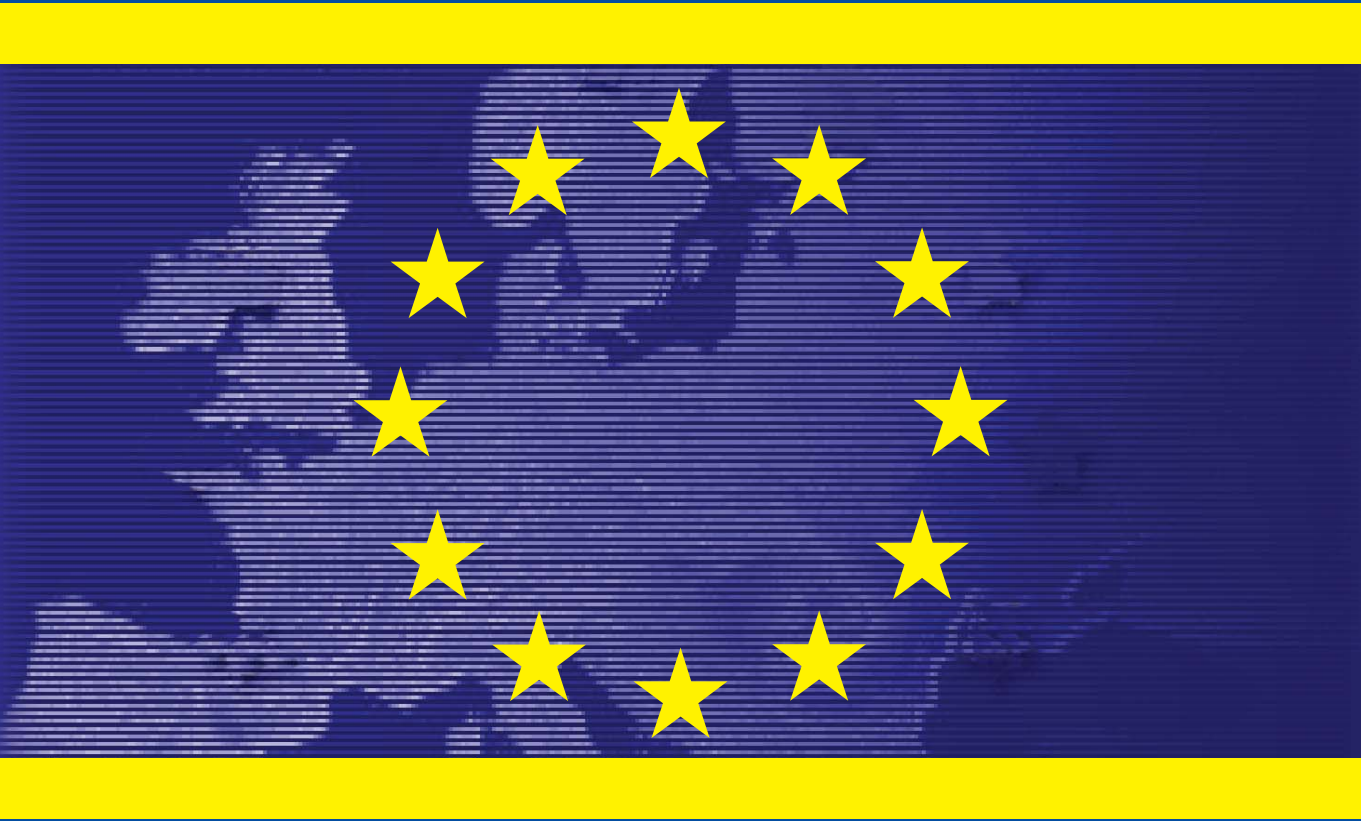
The Delegation of the European Commission to the Kingdom of Cambodia opened in 2002. Like other European Commission Delegations around the world, it is a diplomatic mission that represents European interests in many areas. It does not duplicate the activities of the embassies of the European Union Member States; instead it takes the lead in areas that are dealt with at the European, rather than the national level.

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