



POLICY COHERENCE FOR AGRICULTURE AND RURAL DEVELOPMENT¹

KEM Sothorn²

This policy brief presents the major findings of the CDRI study on Policy Coherence for Agriculture and Rural Development (CDRI2011). Conceptually, Policy Coherence for Development is about making sure that policies for sector development do not contradict or undermine one another and that as far as possible, policies are complementary and create synergy. In practice, it is about reconciling the multiple concerns of diverse stakeholders.

The study aimed to identify the main problems related to coherence with regard to agricultural and rural development (ARD) policies, the structures and processes used to ensure coherence and their effectiveness, and how different interests in policymaking are reconciled. It also attempted to draw lessons, including examples of good practice. Information drew upon qualitative methods, mainly through interviews with representatives from government, donor agencies, development projects and NGOs. Critical analysis was based also on available secondary data and information. The study focussed on four case studies: 1) programming and policy on promoting rice production; 2) fisheries policies; 3) policy support to the promotion of non-farm rural enterprise; and 4) water resource management policy.

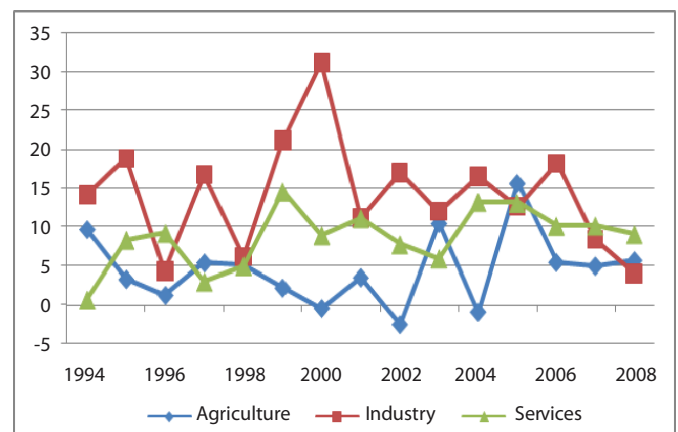
OVERVIEW OF AGRICULTURE AND RURAL DEVELOPMENT

Cambodia has great potential for agricultural development. Addressing rural poverty, raising rural livelihoods, improving food security and reducing vulnerability seem to depend largely on the progress made in ARD. In this regard, and faced by a number of extremely

difficult challenges, government and development partners have made great efforts to formulate and implement policy/programmes to accelerate development in the sector. Despite significant contribution, its potential has not been fully realised. Sectoral growth averaged around 4.5 percent per annum over 1998 to 2008, contributing about 2 percent to total GDP growth (Figure 1). Agriculture’s share has decreased over time, sliding to 27 percent in 2007 from 32 percent in 2002 (Figure 2). Crops – mainly rice – make up the increasingly bigger share of agricultural production (47.4 percent), followed by 28.1 percent in fisheries and 16.1 percent in livestock production. Forestry and logging contribute the smallest share of 8.4 percent.

The primary constraint to agricultural productivity lies in the limitations of irrigation. Access to irrigation systems

Figure 1: Sectoral Annual Real Growth Rates (percent)

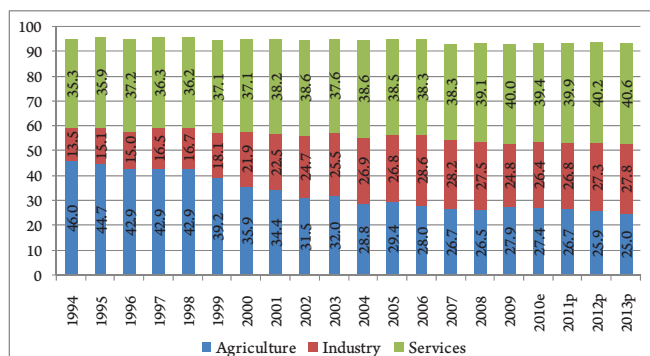


Sources: NIS and National Accounts (2008); MAFF (2010)

¹ This policy brief is based on CDRI Working Paper no. 55, Policy Coherence for Agriculture and Rural Development by Kem Sothorn with contribution from Chhim Chhun, Research Assisant, Theng Vuthy, Programme Coordinator and So Sovannarith, Research Fellow (2011) for Poverty, Agriculture and Rural Development Programme, CDRI.

² Research Associate, Poverty, Agriculture and Rural Development Programme, CDRI.

Figure 2: Sources of Growth by Sector 1994-2013



Sources: NIS and National Accounts (2008)

varies geographically. In some northeast provinces, there is virtually no irrigation. By the end of 2008, only 31.63 percent of Cambodia’s rice cultivation land was irrigated (MOWRAM 2010). Other constraints to productivity include: poor management of natural resources; skill shortages and weak human capital; lack of modern technology; poor access to modern agricultural inputs such as seeds and fertilisers; and poor supporting physical infrastructure (roads, markets). Other factors that constrain agricultural productivity include: limited access to agricultural extension services and financial capital; limited agricultural production land and insecure land titling; poorly performing small and medium agricultural enterprises such as agro-industry, post-harvest, processing and agri-business; and land mines. In addition, an agrarian country like Cambodia is particularly vulnerable to the effects of climate change, such as rising temperatures and increasingly variable annual rainfall distribution.

EVOLUTION OF ARD POLICY AND FOCUS SINCE 1993

Figure 3 summarises the substantial changes in ARD policy since the late 1990s. Two national development policies were initially formulated: the first five-year Socio-Economic Development Plan (SEDP I), which mainly

focussed on optimising natural resources use and promoting subsistence agriculture with more attention on stabilising Cambodian society, and the National Programme to Rehabilitate and Develop Cambodia. After full peace and security was restored in 1999, the government had more room to boost the economy through diversified growth sectors, namely, industry, and tourism. Two parallel policies were formulated: the second five-year Socio-Economic Development Plan (SEDPII) and the National Poverty Reduction Strategy (NPRS). Reform of the fisheries and forestry subsector in 2000 was a significant policy outcome for the ARD sector. In 2004, Cambodia successfully formulated its first most comprehensive policy – the Rectangular Strategy – for growth, employment and efficiency. With “Good Governance” at its core and enhancement of agriculture as its first pillar, the policy provides the foundations of the National Strategic Development Plan (NSDP) 2006-2010 and the Updated NSDP 2009-2013. The government’s policy on rice production for export, formulated in 2010, aims to transform Cambodia into a “rice basket” and a key milled rice exporting country in the global market. The expectation of this policy is to 1) promote growth diversification; 2) provide a mechanism for equitable redistribution of economic gain; and 3) pave the way for promoting the export of other agricultural crops and products, such as rubber.

Socioeconomic development and donor initiatives are the two main factors that have shaped ARD focus and direction. Over the last 17 years, ARD policy, in terms of both its substance and priority framework, has also gradually improved towards a clearer and more comprehensive strategy for government and development partners to align and harmonise their programmes for better synergy.

KEY FINDINGS

The study found no significant policy incoherence. In fact, the harmonisation and alignment of development partners’ initiatives with government ARD policy has improved.

Figure 3: ARD Policies 1993 to 2013



Figure 4: Aid Volatility by Major Sector, 1992-96 to 2002-06

Sector	1991-1996	1997-2001	2002-2006
Agriculture	28.4	31.4	47.6
Education	20.4	15.5	5.7
Land management	28.7	7	20.2
Health	29.2	21	8.9

Source: cited in FAO 2011 (calculated from CDC statistics, RGC 2010, Brookings Institute)

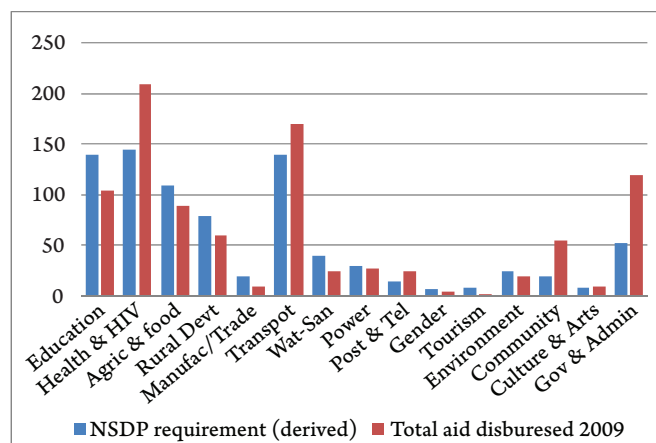
The ARD framework under NSDP dwelt on almost every aspect of the sector’s development, including agricultural diversification, land, fishery and forestry reforms, water resource management, food security and nutrition, physical infrastructure development, building human capital, and the promotion of off-farm employment through SMEs. These subsectors provide ample space for donors to easily align their programming with government policies. Nonetheless, despite the comprehensiveness of the ARD policy framework, there is less synergy for sector development without clear prioritisation. The combined factors that explain this are: 1) donor dominance and piecemeal programming; 2) the “aid maximisation approach” adapted by the government to gather support from donors; and 3) ARD ministries’ ability to provide “donor-friendly mechanisms”. These also suggest why ARD, though one of the most important sectors, has the highest aid volatility³ and consistently receives funding below the level requested in the NSDP which also affects the overall progress of the sector (Figures 4 and 5).

More than 20 major development partners are working in their preferred areas of interest within the ARD development framework (Figures 6 and 7). Their differing conceptualisations of policy and programming suggest why the harmonisation of various programme initiatives is not an easy task, and also why the potential development synergy that could be generated through the harmonisation of different donor interest might be hampered. In 2004, the government launched its Action Plan for Harmonisation and Alignment to get development partners to collaborate more closely. Since then, each donor has been extremely active with regard to improving their aid effectiveness through

3 Aid volatility levels are calculated as a percentage by dividing the root mean squared error by the mean of the relevant aid flow during the corresponding period.

4 See CDRI Working Paper no. 55 for more details.

Figure 5: Alignment of Development Cooperation with NSDP 2009 (USD million)

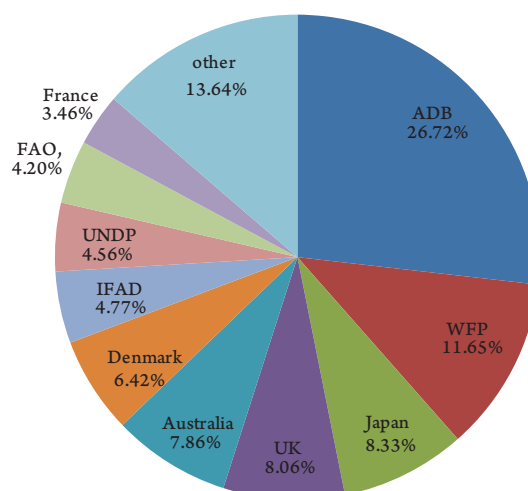


Source: RGC (2010)

harmonising their own programme initiatives by minimising programme duplication and overlap. The government’s success in formulating sectoral policy for ARD is another key factor that has provided development partners with clearer vision and enabled them to better allocate their interventions in the ARD sector which could further improve programme harmonisation.

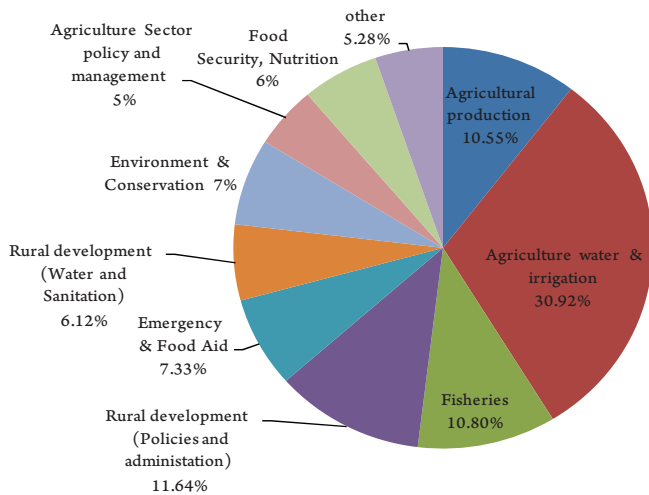
Incoherence within ARD subsectoral policy is mainly the result of weak intra-government coordination. Weak coordination, institutional complexity and fragmentation are the factors that create overlapping or contradictory sectoral policies which undermine development. Policy incoherence also emanates from different donors’ initiatives in formulating sub-sectoral policies; the consequent requirements for additional laws, regulations and policies also often contribute to policy contradiction and overlap⁴.

Figure 6: Agriculture and Related Sectors–10 biggest donors



Source: CDC ODA database (FAO 2011)

Figure 7: Aid to Agriculture—Main Subsectors



Source: CDC ODA database (FAO 2011)

A series of administrative reforms have been implemented to resolve issues of limited coordination and overlapping roles and responsibilities among government institutions. These reforms are seen as important interventions to improve synergy and policy coherence in the sector. As for outcome, the various ARD institutions increasingly understand the importance of collective action, cooperation, networking and information sharing to promote collaboration in the implementation of ARD sectoral policies. However, this synergy has not yet been coordinated through more systematic and coherent strategic planning. From the donors’ point of view, even though much is being devoted to policy formulation, the implementation of reform has been slow.

The Cambodian government has put various mechanisms in place to improve policy coherence and enhance aid effectiveness. These mechanisms should be sufficient to address policy and coordination issues at different levels. At sectoral level, various ARD technical working groups (TWGs) are playing key roles in coordination and coherence. The effectiveness of some TWGs has been undermined by a breakdown in communication, goodwill, participation and trust in TWGs between government and development partners. Yet these are only the surface symptoms of deeper issues related to coordination, differing interests and fragmentation among ministries as well as donors. Improving

the function of TWGs is a primary requisite to improve policy coherence and development synergy.

KEY LESSON LEARNT

Cambodia still needs a great deal of support from development partners in various sectors, but especially in ARD. Hence, tension persists in terms of the ownership of the aid agenda. Excessive dependence on aid may hinder the country from exercising policy autonomy. Coherence among the different ARD initiatives is determined not only by donors’ efforts and commitment but also, largely by the government’s action to tailor and direct donors’ activities as well as improve its internal coordination for better aid utilisation. While Cambodia still requires support and also faces a number of internal challenges, the country still needs to continuously demonstrate self-reliance with regard to developing and managing policy implementation. Such efforts could help Cambodia’s government achieve a coherent ARD strategy that could provide real synergy in the sector.

REFERENCES

- El Chanboreth & Sok Hach (2008) *Aid Effectiveness in Cambodia* (Washington, DC: The Brookings Institution)
- FAO (2011), “National Medium-term Priority Framework: Cambodia” (Phnom Penh: FAO)
- MAFF (2010), “Report 2009-2010” (Phnom Penh: MAFF)
- MOWRAM (2010), “Strategic Framework for Water Resources and Meteorology 2009-2013” (Phnom Penh: MOWRAM)
- RGC (2010), “The Cambodian Aid Effectiveness Report 2010” (Phnom Penh: RGC)