7th Consultative Group Meeting on Cambodia

December 6-7, 2004

Asian Development Bank

Pledge Statement

Excellencies, Distinguished Participants, Ladies and Gentlemen,

The Asian Development Bank is proud to be a long-time partner in Cambodia's development effort. Since 1992, we have worked with Cambodia's governments and people to reconstruct and rehabilitate infrastructure, institutions and human capacity. Much has been done. In traveling through Cambodia, we see the tangible outcomes of our partnership: the airports, the roads we travel on, children walking unescorted to schools, and better functioning health centers.

We also see how much remains to be done to achieve the goal of a Cambodia whose people can live a life of dignity and freedom from poverty. This needs a new approach and vision. Perhaps it is time to close the chapter of rebuilding and recovering from the past; and to open a new chapter of activity that engages resolutely with the future.

This is much more difficult to do. It requires great political will, intellectual capacity and the determination not to let personal agendas stand in the way of national achievement. We believe that 2005 provides a unique opportunity to demonstrate that Cambodia can do this. We begin the year with many advantages: a clear government vision and strategy, a strong stakeholder consensus on the needs and priorities for Cambodia, and an increasingly well-coordinated aid effort. We must not let this opportunity pass.

To support Cambodia's development effort, the ADB has been working on revising its country strategy and program. We have been pleased to do this jointly with the World Bank, DFID, and more recently the UN. We are also very grateful for the active engagement of other stakeholders in Cambodia, in this process, which is nearly complete. In the New Year we will seek the approval of our Board to this strategic document.

Our overarching objective in Cambodia is poverty reduction. We have no doubt that this can only be achieved with improved governance, which is also at the center of our strategy. The other two pillars of our strategy are sustainable growth; and inclusive social development. In keeping with this approach we propose to focus our assistance in four sectors: (i) transport (ii) agriculture, irrigation and rural development (iii) basic and vocational education and (iv) finance, banking and insurance. We will play a supportive role in energy, health and decentralization and deconcentration. Across sectors, we will continue to support private sector development, promote gender equity, and promote respect for the environment.

ADB's assistance to Cambodia will be provided from our concessional window, the Asian Development Fund (ADF). The overall level of assistance is determined through a performance-based allocation system that places a high weight on governance performance. We expect to provide investment assistance of about US$ 105 million for the two-year period 2005-6. Up to fifty percent of this can be provided as grant. In addition to our country program, we expect to provide support from our Greater Mekong Sub-regional program. As in the past, we will continue to provide technical assistance grants of the order of about US $3.5 million a year.

Excellencies, distinguished participants, ladies and gentlemen

In 2004, we have all done much thinking, planning, conferencing and consolidation. It is time to move to a new chapter of implementation. Let us make 2005 a year of decisive and vigorous action.

Thank you.