

Consultative Group Meeting for Cambodia

March 2-3, 2006

Pledging Statement by the World Bank

The World Bank Group is now implementing the Country Assistance Strategy for 2005-2009 that was endorsed by our Board in May 2005. The CAS is fully aligned to and in support of Government priorities laid out in the Rectangular Strategy and now elaborated in the new National Strategic Development Plan (NSDP) for 2006-2010 and the Public Investment Program (PIP) for 2006-2008. We also aim to deliver the program in a way that is full consistent with the commitments we have made in the Paris Declaration on improving aid effectiveness and the Government's Action Plan on Harmonization and Alignment, which customizes the global commitments to the Cambodian situation. We would like to commend the Government of Cambodia—especially Senior Minister Keat Chhon and H.E. Chhieng Yanara for their excellent leadership in this effort.

The World Bank's overall IDA allocation for assistance to Cambodia in 2006 will be \$53 million, all of it delivered in the form of grants. This will support the following investment projects:

1. A \$10 million IDA grant for a Public Financial Management Project, which will be delivered in support of the multi-donor SWAP for PFM;
2. A \$10 million IDA grant for a Land Allocation for Social and Economic Development (LASED) Project, to pilot the Government's social concession program that aims to deliver land and services to the landless poor. This will be done in partnership with Germany;
3. An \$18 million grant for a Regional GMS Energy Project that aims to improve cross-border connections and provide least-cost energy to Cambodia; and
4. A \$5 million grant for the Avian and Human Influenza Control and Preparedness Emergency Project that will be prepared in partnership with the UN System.

In addition to the traditional investment projects, the CAS envisages support to the reform program in the form of annual Poverty Reduction Support Operations (PRSOs). It is proposed in the CAS that these would start in 2006 (with a grant of \$10 million) and that their objective would be to support the implementation of the Government's reform program by strengthening private sector development, improving the management of natural resources, strengthening public sector performance, and improving local governance; in other words, supporting the policy and institutional reform agenda of the CAS pillars. The PRSOs would aim to link resources and results—they would aim to tie aid more closely to performance and would aim to support the Government's efforts to implement the Joint Monitoring Indicators (JMIs) agreed at CG Meetings. Several development partners have already expressed an interest in supporting this approach.