

Annex 6 Opening Statement by Dr. Andreas Pfeil, Head of the German Delegation

Excellency Yanara, Excellencies, Ladies and Gentlemen,

Thank you very much for hosting our Cambodian-German Government Negotiations 2013. For me, it is my second official visit to Cambodia and, last week, I had the opportunity to visit our program activities in Siam Reap and Battambang. I am impressed by the engagement of partners; by the tangible impacts and good results in applying new approaches to solve disputed land issues; by the level of citizen participation at communal levels; by the climate adapted infrastructure; and, finally, by the improvements to the livelihoods of people living in rural households.

In 2013, Germany's Federal Ministry of Economic Cooperation and Development was able to second **additional staff** to the German Embassy in Phnom Penh. With now two colleagues – Dr. Ludgera Klemp and Birgit Strube – dedicated to development cooperation, we are better equipped to ensure continuous dialogue with you, our partners, and it is our firm intention to improve the effectiveness and efficiency of our technical and financial cooperation. I would like to encourage you all to make use of this opportunity and to approach the German Embassy whenever you feel it is necessary!

At the end of 2013, **KfW will also be increasing its manpower in Cambodia**: Mr. Gerald Läzer, currently covering Laos and Cambodia, will be exclusively responsible for Cambodia. Compared with earlier government negotiations, we are able this year to **increase our commitments** for bilateral development cooperation substantially – to **47 Mio. Euro** over two years!

However, I will not conceal that, because of the merger of our three technical implementing agencies GTZ, DED and InWEnt into a single agency, GIZ, a substantial part of this increase is the result of a different cost calculation of our technical cooperation. In the past, development advisors, integrated experts and also human capacity development measures were financed from different sources. **Now all technical instruments are integrated into GIZ measures and thus included in the commitments made for each project or programme.** This means less complexity and coordination; and Technical Cooperation instruments are selected according to partner requirements and thus contribute to better development results.

The provision of additional staff and more transparent procedures are just two indicators that may illustrate to you that we are constantly working to strengthen and improve our development cooperation with your country.

Germany, through its Development Cooperation, has been working together with many of you and the Ministries you represent for quite some time, and we will continue to do so because **we are convinced that our joint efforts contribute to the reduction of poverty and to improving people's lives.**

Today, we will negotiate about our future cooperation, about German commitments to joint development programmes in our two priority areas of Health and Rural Development as well as the cross-cutting area of Good Governance. We agreed on these priority areas as they are relevant to the development of Cambodia: thus, for example, **social health protection** prevents people from impoverishment when they fall sick and also increases accessibility to health services, thereby contributing directly to better health and fewer deaths. Ensuring **tenure security** and spurring **regional economic development** contribute to food security and better income opportunities. And increasing **democratic accountability** ensures that governance actually responds to the needs of the people. These are just a few examples that illustrate why our cooperation is relevant, and what impact we can have on the progressive realization of human rights and improvement of livelihoods in Cambodia.

Excellencies, Ladies and Gentlemen,

Germany's Development Cooperation in Cambodia is closely followed by the German Parliament and by civil society in Germany. Just a few weeks ago, I hosted an open meeting in order to inform interested parties about our forthcoming government negotiations. Almost 50 representatives of different organizations attended and asked questions about our work in Cambodia.

As you may know, our support of **Cambodia's land sector** reform was put under particular scrutiny. With the aid of the two letters by the Ministry of Land Management, Urban Planning and Construction that were sent to me, I was able to explain why we were convinced that the objectives of the milestone process had essentially been reached. Looking at what has been achieved through Directive 01 and the outcomes of the Joint Supervision Mission and our consultations in October, I was also able to sketch out our future cooperation. I am looking forward to further fruitful discussions and agreements on how to shape the Land Rights Programme. We would like to focus even more on indigenous communities' land registration and the regularization of informal settlers in urban and rural areas. The internationally agreed FAO "Voluntary Guidelines on Responsible Governance of Tenure of Land, Forest and Fisheries in the Context of National Food Security" will serve as Germany's main reference for its new commitment in the land sector. In addition to a confirmation of human rights as the guiding principle for German development cooperation, this particular human rights guideline will receive even more attention and resources under the new German Government in the years to come.

We welcome the decision by the Royal Government of Cambodia to extend the moratorium on granting new economic land concessions as laid out in the Rectangular Strategy Phase III. Further land grabbing should be actively stopped by the Royal Government of Cambodia. In many cases, land grabbing and degradation of forests, even deforestation, go hand in hand. Both trends are extremely worrisome and undermine the livelihoods of Cambodians living in rural areas.

Excellencies, Ladies and Gentlemen,

The German Embassy informed me about your fruitful discussions on the **Cambodian Development Cooperation and Partnership Strategy** 2014-2018 in Siam Reap three weeks ago. We very much appreciate the guidelines it contains on strengthening partnership by seeking more opportunities for dialogue and inclusive consultation mechanisms; and, in particular, that non-governmental organizations, private sector and non-traditional donors are invited to participate. The promotion of new partnering models with the private sector could very fittingly help to increase acceptance of corporate social responsibility for social, economic and environmental aspects. This would be of mutual benefit to employers and employees. We are ready to support Public-Private-Partnerships. After the terrible fire and the collapse of the Rana Plaza building in Bangladesh which killed thousands of textile workers, German garment and footwear companies are very much under pressure to ensure that their suppliers, also here in Cambodia, respect agreed labour standards. Germany supports the Better Factories Cambodia initiative launched by ILO, and would welcome a strong stand by the Royal Government of Cambodia in support of its people in their struggle for better working conditions.

I welcome the goal of the Royal Government of Cambodia to graduate from low income status and gain middle income status by 2030. Let us keep in mind though, that an enhanced economic status will go hand in hand with increased financial responsibilities, that is to say higher partner contributions from the side of the Royal Government of Cambodia.

Finally, one last point for your information: European partners are currently developing a **joint development cooperation strategy for Cambodia** for 2014 to 2018. Germany is a strong supporter of this process, as it will ensure more efficient coordination and cooperation and, consequently, better development results. I understand that there are some reservations on the Cambodian side. We are ready to discuss any concerns you may have any time. Let me close by wishing us two constructive and productive days!

Thank you.