

Development Priorities of Royal Government of Cambodia

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Outline of Presentation

- The Overall Strategies of RGC
- Development Priorities of RGC
- Estimated Budget required for achieving RGC priorities.
- Monitoring and Evaluation
- Challenges

1. The Key Strategic Objectives of RGC

- Ensuring sustainable, inclusive, and equitable economic growth around 7% per year with low and manageable inflation, stable exchange rate and steady growth in international reserves.
- Creating more jobs for people especially the youth through further improvement in Cambodia's competitiveness to attract and encourage both domestic and foreign investments.
- Achieving more than one percentage point poverty reduction per year.
- Further strengthening institutional capacity and governance, at both national and sub-national levels. 3

2. Development Priorities of RGC

I. Governance

- Continue the fight against corruption through further strengthen and enhance the effectiveness of three key measures: *Strengthening education “to stop corrupt practices”*; *Preventing corruption*; and *Suppression of crimes*.
- Continue implementing the legal and judicial reform strategy; Strengthen Capacities of law officials; and court administration.
- Strengthening public service delivery; reforming pay and allowance system; and improve human resources development and management.
- ” Continue reforming the armed forces; modernise; and involve armed forces in civilian work

2. Development Priorities of RGC (con't)

II. Overarching Environment for Implementing the Strategy

- Promote democratic values; Combat drugs; and improve safety.
- Ensure consistent fiscal and monetary policies; Keep public debt manageable; Promote private sector & labour markets; and Encourage economic diversification.
- Prepare the “Strategy on Development Cooperation and Partnership 2014-2018”; Continuing strengthen the CDCF, Government-Private Sector Forum, Consultative Meeting between the Government and NGOs, and Bilateral Consultation mechanisms, to transform all these forums into a **“Cambodia Development Forum”**.
- Introducing required policies to attract investments from domestic and foreign sources; Expand export markets thru transport connectivity and logistics systems;
- Preparing for participation in AEC;

2. Development Priorities of RGC (con't)

III. Improving Agricultural Sector

- Maintain the targeted agricultural growth of 5% per year.
- Promote crop diversification and improve yield rate in all crops;
- Invest in irrigation; Improve farmers' skills; Mechanise agriculture; and Promote contract farming.
- Enhance freshwater- and marine- fisheries and aquaculture production & export; Develop livestock farming; Encourage investments in animal-and fish feed; and Facilitate trade in livestock and fish (and products).

2. Development Priorities of RGC (con't)

- Strengthen and expand the scope of laws on Land; Accelerate land registration; Ensure conservation/use of land and NR;
- Distribute state land; Resolving land disputes in an effective, transparent and just manner in accordance with existing law and regulations;
- Continue Implement “National Mine Action Strategy 2010-2019”.
- Demarcate & classify/register of forests; promote forest rehabilitation;
- Conserve fisheries; minimise water pollution;
- Conserve soil quality and water; manage protected national parks, Explore and commercialise in the oil and gas sector and other extractive industries.

2. Development Priorities of RGC (con't)

IV. Developing Physical Infrastructure

- Continue to Construct road networks national, provincial and rural roads; improve airport and seaport and inland infrastructure; Enforce measures against traffic violation; Seek private sector participation in developing transport infrastructure.
- Maintain and Expand irrigation systems with flexibility to adapt to climate change and for flood control; Harmonise development of irrigation infrastructure, hydropower and transportation.
- Implement national strategy for safe drinking water.

2. Development Priorities of RGC (con't)

- Aim at realising “by 2020, all villages in will have access to electricity from grid or other sources”;
- Expand capacity of electricity production; Encourage private investment in power generation;
- Participate in energy cooperation in the region;
- Prepare national policy for development of information and communication technology sector.
- Adopt laws on telecommunication, cyber-crime and e-commerce and strengthen supervision.
- Develop e-Governance.
- Encourage private sector to invest in state-of-the-art technology.

2. Development Priorities of RGC (con't)

V. Private sector Development and Employment

- Promote diversified investments in industrial sectors; Modernise enterprises;
- Rationalise incentives for investment projects; improve efficiency thru. Single Window” mechanism; Strengthen ‘investment aftercare services’; Strengthen M&E in implementing investment projects.
- Update SMEs Development Framework; Enhance SME’s capacity to link with large enterprises and form clusters; Promote entrepreneurship, productivity and specialisation.

2. Development Priorities of RGC (con't)

- Strengthen TVET; develop labour market information system to share info on TVET, wages and skills demand; Facilitate TVET students to transit to higher education.
- Strengthen financial infrastructure: payment system, money market, interbank market, others.
- Expand microfinance services at affordable rates; Strengthen financial component of social safety net systems.

2. Development Priorities of RGC (con't)

VI. Capacity Building and Human resource Development

- Update Education Strategic Plan (ESP), Master Plan on Information and Communication Technology (ICT) in Education, and Policy on R&D in Education;
- Promote science and technology; Raise enrolment rates; Increase quality of educational services at all levels; and Implement National Policy on Youth.
- Improve regulatory framework for private health services; enhance awareness about patient rights; Enhance quality of health services; expand equity fund; create health insurance.
- Improve Sexual, Reproductive, and child Health and awareness about WATSAN.
- Reduce morbidity/mortality from communicable and non-communicable diseases.
- Draw up guidelines on micronutrient fortification and expand provision of fortification.

2. Development Priorities of RGC (con't)

- Implement the national policies on: pensions for veterans and former civil servants, disabled and elderly people; implement Law on Protection and Promotion of the Rights of Persons with Disabilities;
- Strengthen food security , especially the “Cambodia Food Reserve Management Committee”;
- Create job opportunities thru training in technical, professional, and entrepreneurship skills; provide state assistance in financing business; expand occupational risk insurance;
- Promote women’s economic role thru technical and vocational training and entrepreneurial skills;
- Enhance gender equality in public institution esp. in decision making levels;
- Fighting against gender violence and enforce laws in measures against trafficking and sexual exploitation of women (and children);
- Promote rights of children as stipulated in the International Convention on Children’s Rights;
- Taking account on Demographic dividend, Population dynamics, and migration.

Capital Investment Required to Achieve GDP Growth Targets and Potential Sources of Financing the Needed Investments: 2014 – 2018

- The total capital investment of 109,016.9 billion Riels (USD 26.8 billion) will be required for 5 years or an annual average of \$5.31 B.
- 50.1% of the total investments are projected to be financed from domestic sources and 49.9% of the total capital investments are projected to be financed from foreign sources (including FDI).
- The Public Sector Capital Investments are estimated to be 31,101.7 billion Riels (USD 7.6 billion for 5 years or an annual average of 1.52) – accounting for about 28.5% of the total capital investments.
- A proportion of 24.6% of the Total Public Sector Capital Investment is expected to be financed from domestic sources while another of 75.4% is expected to be financed from foreign sources.

Translating policies into actions and M&E

- NSDP will be a guiding document for preparation of sectoral and sub-national level Strategic Plan;
- To achieve concrete result, the policies set out in the Plan shall be translated into the actions through Action Plan, Annual Operational Plan and other plans and programs;
- The progress of the NSDP implementation will be monitored annually and mid-term;
- As identified in chapter 6, a result based framework is selected as a tool for Monitoring and Evaluation the plan Implementation ;
- There are 67 key indicators to be used for M&E the implementation of plans.

Key Challenges

The key challenges stem from the Cambodia's integration into AEC by 2015 and the reduction in external concessional assistance. In the next cycle of planning, the three main processes that will need promoting are:

1. Raising budget revenues collection from both taxes and non-tax sources significantly and sustainably beyond present levels.
2. Scaling-up the quality of human capital both for industrialisation and human wellbeing.
3. Improving capacities within the government (both at the national and sub-national levels) to deliver quality services.
4. Being ready to manage the climate change adaptation.

Thank you!