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The 12th Policy Dialogue Meeting
On Japan's Official Development Assistance (ODA)

Opening Remarks

Permanent Deputy Prime Minister KEAT CHHON, MP
and First Vice-Chairman of CDC
Palais du Gouvernement
Phnom Penh, 12 June, 2014

- *His Excellency Ambassador Yuji KUMAMARU*
- *His Excellency Hiroshi IZAKI, Chief Representative, JICA Cambodia*
- *Members of Japan's delegation*
- *Excellencies and colleagues from the Royal Government*
- *Excellencies, Ladies and Gentlemen*

1. It is my honor and pleasure to welcome you all, Excellencies, Ladies and Gentlemen, to this 12th Policy Dialogue Meeting between the Royal Government of Cambodia and the Government of Japan. Let me extend my special welcome to His Excellency Yuji KUMAMARU, Ambassador of Japan, and all members of Japan's delegation, especially those from the headquarters. I also welcome my colleagues from the Royal Government who are present here.

2. I would like to emphasize that Japan has played a significant role in the process of building peace and national unity in Cambodia. Japan continues to be a major ODA partner in providing invaluable assistance for Cambodia's socio-economic development. The 60th anniversary of our relationship, celebrated last year in 2013, clearly reflects a long lasting relationship, which has been enhanced by both countries and nations. During the visit of our Prime Minister to Tokyo, Japan, in December 2013, and during the meeting of both Prime Ministers, both sides agreed to promote the cooperation as a "strategic partnership" in order to further expand and strengthen our future bilateral cooperation through the provision of Japan's ODA assistance as well as an increase in Japan's private investment. In addition, during the meeting of both Prime Ministers, H.E. Shinjo ABE Prime Minister of Japan has agreed to support Cambodia in its effort to conduct electoral reform and a Japanese mission has arrived in Cambodia and started the discussion with the Cambodian counterpart since May.

Furthermore, Japan has always been a good partner in providing emergency relief to help Cambodian victims of the severe floods, particularly in 2011 and 2013. In this regard, I would like to express, on behalf of the Royal Government of Cambodia, our sincere appreciation and gratitude through H.E. Ambassador Yuji KUMAMARU to the Government of Japan and the Japanese people and especially the Prime Minister Shinjo ABE for their support to Cambodia's development efforts. We are grateful for

this sincere gesture of solidarity that shows the depth of our strong relations and demonstrates that Japan is one of Cambodia's best friends during these hard times even though Japan herself is still recovering from the worst tsunami and nuclear crisis.

Excellencies, Ladies and Gentlemen

3. Based on figures in the Cambodia ODA Database system, in the period of 1992-2013, Japan's ODA has totaled approximately 2.4 billion US Dollars, representing 16% of the total ODA provided to Cambodia. The estimated disbursement in 2013 amounts to approximately 156 million US Dollars which includes 113 million US Dollars for grant aid and 43 million US Dollars for Yen loan, and the disbursement for 2014 is projected to be about the same amount to the 2013's to support the Royal Government's development priorities. In this regard, Japan's ODA has helped indeed to speed up poverty reduction in Cambodia as well as to accelerate the shifting of Cambodia's status from a Low-Income Country to become a Middle-Income Country. Moreover, both governments have signed the Exchange Note for four grant aid projects and will sign in the near future on three Yen loan projects and one grant aid project, which altogether add up to around 181 million US Dollars. This indicates a continued commitment to a strong and enduring strategic partnership between the governments of the two countries.

Excellencies, Ladies and Gentlemen

4. In the context of regional cooperation, Japan has played an increasingly important role in helping to create a harmonious and competitive Mekong region through a number of Japan's initiatives including "The Mekong-Japan Plan of actions (2010-2012)", "ASEAN-Japan Comprehensive Economic Partnership", "Mekong-Japan Cooperation+", "The ASEAN-Japan Free Trade Agreement+", and "A Decade towards the Green Mekong Plan of Actions (2010-2020)". In the meantime, the infrastructure building, particularly the Neak Leung Bridge, the National Road No 1 and the National Road No 5, financed by Japan's aid projects, has helped to link the physical infrastructure of the Mekong Sub-region, which is part of the ASEAN Connectivity. Japan has also provided support for implementing the projects under the framework of "GLV Triangle Development" and "CLMV cooperation: Cambodia-Laos-Myanmar-Vietnam". These projects are of high importance in narrowing the development gap in the region. Furthermore, Japan has supported "the Initiative for ASEAN Integration-IAI" through the implementation of "the IAI Work Plan II" which was launched in 2009 and will continue until 2015 to achieve "the vision of ASEAN towards 2020".

5. In the area of Climate Change, Japan has actively initiated relevant programs including "the Cool Earth Promotion Program" and "the Cool Earth Partnership" with developing countries. For Cambodia, Japan has provided equipments and machineries to the Ministry of Water Resource and Meteorology and the Ministry of Agriculture, Forestry and Fisheries to support the Royal Government's efforts in coping with flood and natural disaster management and forest preservation work.

6. I wish to confirm that Japan's ODA, both bilateral and regional cooperation, provided to date has been in line with the RGC's development priorities, as stated in the Rectangular Strategy as well as the National Strategic Development Plan. In this regard, I would like to recall that our partnership has been well-grounded and focused on achieving results based on the principles of ownership, committed partnership and leadership of the Royal Government.

Excellencies, Ladies and Gentlemen

7. The Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CRDB/CDC), in close collaboration with the Embassy of Japan and the Japan International Cooperation Agency, has regularly organized the Policy Dialogue. For today's meeting, we have two main objectives, namely:

- The first is to promote a common understanding on Japan's country assistance policy and program for Cambodia to ensure alignment of Japan's ODA with Cambodia's development priorities.
- The second is to jointly review the progress made in implementing Japan's ODA-supported projects and programs since the last Policy Dialogue in November 2011.

Our policy dialogue today is organized right after the Royal Government of Cambodia has approved the National Strategic Development Plan for 2014-2018 that sets out the national strategic objectives and development priorities. When we proceed to our meeting agenda in the afternoon, there will be a session on the procedures for formulating and requesting the grant aid projects for 2015. Regarding this, I strongly believe that both parties will work in close collaboration in formulating priority programs and projects to contribute to achieving Cambodia's development results. The agenda of our policy dialogue today is more comprehensive as the discussion will cover all schemes of Japan's ODA frameworks namely: grant aid, technical cooperation and concessional loan scheme.

Excellencies, ladies and gentlemen

8. The Royal Government considers this dialogue to be an important step in the process towards further strengthening the partnership between our two countries. It also provides an opportunity to discuss the priorities and areas of support that Japan will provide over the next few years and to discuss challenges that occur during the project/program implementation.

9. Once again, I would like to assure the Government of Japan and the Japanese tax payers that their money has been used in a transparent and accountable manner for the sake of Cambodia's development. I wish to conclude my remarks and thank you all, Excellencies, ladies and gentlemen, for joining today's Policy Dialogue Meeting. I declare this meeting open and wish for a fruitful and productive discussion.

Thank you for your kind attention