The 9th Policy Dialogue Meeting
On Japan's Official Development Assistance (ODA)

Opening Remarks
by Deputy Prime Minister KEAT CHHON
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Palais du Gouvernement (CDC)
Phnom Penh, 22nd June, 2009

- H.E. Katsuhiro SHINOHARA, Ambassador of Japan
- H.E. Kazuhiro YONEDA, Chief Representative, JICA Cambodia Office
- Members of Japan's delegation
- Excellencies and colleagues from Royal Government ministries/agencies
- Excellencies, Ladies and Gentlemen,

It is a great honor and pleasure for me to lead the Cambodian Delegation to the 9th Policy Dialogue Meeting between Cambodia and Japan. On behalf of the Royal Government and on my own behalf, I would like to express our warm welcome to H.E. Katsuhiro SHINOHARA, Ambassador of Japan, H.E. Kazuhiro YONEDA, Chief Representative, JICA Cambodia Office and staff members from the Japanese Embassy and JICA. My welcome is also extended to Excellencies and colleagues from the Royal Government for making time in their busy schedules to attend this important meeting. Today Policy Dialogue provides an opportunity for the Royal Government to deepen understanding on restructuring and revising Japan's country assistance program and strategy in order to ensure the effectiveness in the provision of assistance.

Allow me to recall that, since the early 1990s, Japan has been our largest Bilateral Development Partner in terms of its financial support to Cambodia's development. In addition to this, Japan has been playing active role in bringing peace to Cambodia during the reconciliation period in the early 1990s. I would like to emphasize that the Royal Government of Cambodia and the Cambodian people acknowledge and appreciate this valuable support and would like to express gratitude to the government of Japan for this important contribution.

Japan's ODA to Cambodia has been maintained at the same high level every year notwithstanding a difficult period of turmoil such as world financial crises in 1998. Based on the Cambodia ODA database available at CRDB/CDC, in the past 17 years from1992 to 2008, Japan's ODA to Cambodia has totaled more than 1.7 billion US dollars represent 20% of total ODA disbursement to Cambodia and 50% of total bilateral cooperation. I would like to assure H.E. Ambassador that Japan's ODA has made a valuable contribution that has enabled the Royal Government to achieve sustainable economic growth to support poverty reduction. The Royal Government believes that the Government of Japan and the people of Japan will continue to be our trusted development partner supporting the development of Cambodia.

Since the beginning of 2009, Japan has extended financial support for the implementation of eight new projects worth approximately 13,979 million yen, equivalent to more than US142 million dollars. These new projects include 06 Grant Aid projects and 02 Loan projects. The 06 Grant Aid projects consist of 01 project for the budget support amounted to 800 million yen, 01 project for the water resource sector amounted to 819 million yen, 03 projects in the social sector amounted to 1,123 million yen and 01 project for the demining activities with the amount of 548 million yen. While the 02 Loan projects are: the first project in the social sector worth 3,513 million yen and the second project in the physical infrastructure sector with the total amount of 7,176 million yen.

We are delighted to hear that Japan will consider positively the two proposals requested by the Ministry of Water Resources and Meteorology under the yen Loan Scheme with the amount approximately US69 million yen. Furthermore, we would appreciate it very much if you could provide more loan projects for scaling up Japan's ODA in our country.

The speedy processing and implementation of the above mentioned projects would help Cambodia mitigate the impact of the global financial cataclysm which may put our remarkable achievements for the last decade at risk. Moreover, in order for us to be able to boost the demand and maintain the positive economic growth in light of the said crisis, we would like to request from Japan an additional soft loan financing of about 50 to 70 million USD to support our budget so that the Royal Government can finance in a quick manner small-scale infrastructure projects crucial to sustaining demand and growth in the short and medium term.

We would like to acknowledge Japan's recent initiative on the establishment of the Cool Earth Promotion Program and also praise Japan for her leadership of the Cool Earth Partnership with developing countries. The program has been financed by Japan's ODA. In the context of regional development, Japan has initiated and implemented many other cooperation initiatives such as JICA-ASEAN Regional Cooperation Meeting (JARCOM), the Japan-Mekong Region Partnership Program, the Japan-ASEAN Economic Partnership and recently the

promotion of comprehensive Sub-regional Development.

It is apparent that Japan's ODA extended so far has been in line with the priorities of the Rectangular Strategy and NSDP and many projects/programs continue to be relevant to the Rectangular Strategy phase II in this current new mandate of the Royal Government. Japan's ODA covered many important sectors set out in our National Strategic Development Plan. I would like to recall that the partnership spirit has been nurtured since the very beginning of both our countries cooperation. In this framework, the demand driven principle has been applied to all request proposals for Japan's ODA that reflect clearly the ownership, leadership, alignment and mutual accountability stated in the Paris Declaration.

Excellencies, ladies and gentlemen

Our Policy Dialogue today is being held at the time that the Japan's Country Assistance Program is being finalized. I would like to emphasize that the Royal Government considers this dialogue an important process for further strengthening the partnership for development cooperation between our two countries. It is an opportune moment for discussing the Updated Country Assistance Strategy and Country Assistance Program that Japan will support over the next few years. Furthermore, we will learn how this assistance strategy and program will be implemented during this afternoon's Request Survey. Once again, I would like to express our gratitude to the Government of Japan for its continuing support for Cambodia's development. I would like to assure the Japanese tax payers that their support has been very helpful and is being used in a transparent and accountable manner.

Excellencies, Ladies and gentlemen,

In conclusion, allow me once again to thank you, H.E. Mr. Katsuhiro SHINOHARA, Ambassador of Japan, H.E. Kazuhiro YONEDA, Chief Representative, JICA Cambodia Office and all my colleagues from the Royal Government as well as Embassy and JICA Staff attending this Policy Dialogue Meeting. I declare this meeting open and hope that we will have a fruitful and productive discussion.

Thank you for your kind attention.