

First Cambodia Development Cooperation Forum June 19-20, 2007

Pledging Statement by the World Bank

The World Bank Group is now mid-way through the implementation of its Country Assistance Strategy for 2005-2009, which is fully aligned to the NSDP. The CAS took a two-pronged approach:

- First, support the building of long-term institutions of governance that have been destroyed during the conflict; and
- Second, take immediate measures to ensure that our funds are being used for their intended purposes.

On the first prong, our preliminary internal assessment indicates that the CAS is more or less on track and that we should continue to implement the current strategy without any major change in direction. However, we will be consulting with other stakeholders—the Government, donors, private sector and NGOs—in the Fall before we finalize our mid-term review and send to our Board by December. On the second prong, as you all know, over the past year there have been serious problems with the implementation of a number of Bank-supported projects in Cambodia. But I am pleased to say that these problems are being addressed and we are now getting back on track with the implementation of our CAS.

The World Bank's overall IDA allocation for Cambodia is currently at about \$60 million per year, all in the form of grants. In 2007, we expect to provide the following support:

- A \$15 million grant for the first Poverty Reduction and Growth Operation (PRGO) that would aim to support the implementation of the Government's reform program by strengthening private sector development; improving the management of natural resources; and strengthening the public financial management system. This would be the first in a series of budget-support operations that would aim to link resources and results—it would aim to support the Government's efforts to implement the Joint Monitoring Indicators (JMIs) adopted at CDCF Meetings. Several development partners have already expressed an interest in supporting this approach;
- A \$36 million grant for additional financing for the Rural Investment and Local Governance Project (RILGP) that aims to support Decentralization and Deconcentration reforms through the funding of rural infrastructure provided by commune councils; and

- An \$11 million grant (which includes funds contributed by the EC and Japan) for an Avian and Human Influenza Control and Preparedness Project that will help the Government prepare for an emergency in this area.

In addition, the Bank has mobilized addition funds from regional and other sources. For example, earlier this month, the World Bank approved an \$18 m grant for a GMS Power Trade project that will enable Cambodia to purchase electricity at a reasonable cost from its neighboring countries. And the World Bank will also work with the Ministry of Education to help it program and manage the \$57.4 million that it has received through the Education for All Fast Track Initiative, which is an international partnership supported through a multi-donor trust fund managed by the World Bank.

Finally, the World Bank is committed to delivering our program in a way that is fully consistent with the commitments we have made in the Paris Declaration and the Cambodia Declaration. We would like to commend the Government of Cambodia—especially Senior Minister Keat Chhon and H.E. Chhieng Yanara for their continued leadership in this effort.