EU2007.DE
German Presidency

EU Statement on the Indicative Financing Framework for the Cambodia Development Cooperation Forum (CDCF) 2007

EU Statement on the Indicative Financing Framework for the Cambodia Development Cooperation Forum (CDCF) 2007

Your Excellency Mr Keat Chhon, Senior Minister, Minister of Economy and Finance, Excellencies, ladies and Gentlemen,

The Presidency of the European Union is currently held by Germany, and I am therefore pleased to address you today on behalf of all 27 European Union Member States as well as the European Commission.

The European Union (EU) - as one of Cambodia's biggest partners in trade and development cooperation - takes note of Cambodia's achievements in the past year, in particular the impressive economic growth that was registered.

The EU is the world's leading aid donor. Collectively, the EU Member States and the European Commission provide more than half of worldwide official development assistance. The collective EU aid effort, expressed as a proportion of the combined EU Member States' gross national income, reached 0.44% in 2005 and the EU has formally committed itself to further increasing this figure to 0.56% by 2010, with a view to reaching 0.7% by 2015.

The European Union firmly believes that a quantitative increase in development funding needs to be accompanied by qualitative improvements. EU development partners active in Cambodia have therefore recently adopted the “EU Road Map for increased aid effectiveness", further to EU commitments made in international fora.

The Road Map identifies concrete aid effectiveness measures for implementation by all EU partners active in Cambodia. It will not substitute for the RGC led action plans on harmonisation and alignment, but will rather be an instrument for EU partners to help further strengthen existing national processes or promote new initiatives. The EU commits also to achieve progress on aid effectiveness and overcome the high fragmentation of development assistance by advancing the division of labour between EU Member States.

European Union development partners also aim to move forward to increase the amount of development funding that is provided through such modalities as sectorwide programmes and budget support. This is why the **EU** attaches high importance to the Royal Government achieving a high standard of quality in public financial management and strengthened public services in general.

Excellencies, Ladies and Gentlemen, the Royal Government's adoption of the National Strategic Development Plan as the single development agenda presented a major step forward in 2006, and **EU** development partners have committed themselves to supporting the implementation of the NSDP which is based on the Rectangular Strategy, having "good governance" as its core.

EU development partners firmly believe that continued improvement of public financial management, accelerated public administrative reform, and a visible commitment towards the fight against corruption will be crucial throughout the coming one and a half years to successfully implement the NSDP through the Royal Government's own budget, the contributions made by development partners and, as time progresses, by means of the expected oil revenues.

In 2007, **EU** development partners expect to disburse a total of € 130 million (more then US$ 170 million) in support of Cambodia's development agenda. This amount includes disbursements by Member States and the European Commission, including those made through bi- and multilateral organisations and international and national NGOs.