

ROYAL GOVERNMENT OF CAMBODIA
MINISTRY OF PLANNING

**PRESENTATION OF THE ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF NSDP
FOR 2006**

At First Cambodia Development Cooperation Forum

By HE. CHHAY THAN, Senior Minister, Minister of Planning
Phnom Penh, Cambodia, Tuesday, 19-20 June 2007

Revered Prime Minister, Samdech HUN SEN,
Excellencies, my colleagues from the Royal Government,
Excellencies, Representatives of our Development Partners,
Ladies and Gentlemen.

1. I am very pleased to be here at the main business session of the first meeting of the Cambodia Development Cooperation Forum and to present before you a brief summary of the Annual Progress Report for 2006 on the implementation of the National Strategic Development Plan (NSDP), 2006-2010.

2. Our revered Prime Minister, Samdech Hun Sen, has stated his foreword to the APR that “The National Strategic Development Plan, 2006-2010 (NSDP), approved in 2006 provides an overview of aspirations and realizable goals for the people of Cambodia as they march towards steady socio-economic progress and self-reliance and increasingly better living conditions and quality of life, human security, dignity and development for one and all in the country”. He adds that the **“NSDP is a blue print for further progress on building the edifice of Cambodia, and is the single, all-encompassing RGC document for the next five years.”**

3. NSDP clearly states that its progress is to be reviewed annually to make adjustments wherever necessary and to set revised targets and goals based on the review. The Annual Progress Report (APR) is the mechanism for doing so. Our Prime Minister has stated that “The APR is to serve as a “state of the nation” report to provide a brief ‘snapshot’ of Cambodia to the people of Cambodia and a wider international audience. Like the NSDP, the APR is meant to be a practical document. It is an assessment of progress made and deficiencies encountered and is the means to adjust parameters without losing sight of the main goal of achieving progress and poverty alleviation in both geographical and sectoral terms across the country.”

4. I shall divide my statement into three parts, viz., *process*; *progress made*; and *conclusion*.

FIRST: PROCESS

5. Starting from 1st semester 2006, like the NSDP, the APR was also prepared through an inclusive process involving all stakeholders at all stages starting from the preparation of the NSDP monitoring framework and APR concept paper through getting inputs from all ministries and agencies, and discussions on drafts at various stages with one and all. The result therefore truly represents the collective understanding and consensus of all on the contents in the APR.

SECOND: PROGRESS MADE

6. The most important changes since preparation of the NSDP have been:

- A major step in enhancing stability in governance through a landmark constitutional amendment enabling legislative work to be pursued through an absolute majority instead of needing 2/3rd votes which had acted as big stumbling block hitherto.
- The second commune elections involving all the 1,621 communes in the country, and with around 68% of the electorate casting their votes, were concluded in early April 2007 in a peaceful, free and fair manner, once again demonstrating that democracy is proactively promoted by Cambodians and has taken strong roots in the country becoming part of its political and social fabric.
- Economic growth in terms of GDP at constant prices almost doubled, surging from an earlier estimated 7% to 13.4 % for 2005, contributed by an increase in agriculture, garment

industry, construction, and tourism in particular by a phenomenal increase in figures for agricultural production.

- Very high growth in agriculture (crops) of 28.0 in 2005 against 8.0% assumed in NSDP, facilitated both by returns from investments in irrigation and very favourable weather conditions.
- Tourism arrivals were 1.7 million in 2006, up from 1.3 million in 2005.
- Overall and widespread improvements in other sectors as well though because of the commanding predominance of growth in agriculture, the share of other sectors in GDP declined compared to previous estimates.
- Because of these changes, increases have been made for all other macro-economic data for 2006 through to 2010, including for fiscal projections.
- Initial estimates, to be refined during 2007 as full data emerge from all sectors, indicate a robust growth for 2006 as well. GDP is expected to have grown at a very robust 10.8% over and above the enormous surge in 2005. Per capita income increased from 1.86 million Riels in 2005 to 2.10 million Riels in 2006 with inflation kept well under control. Such per capita increase reflects also the increasing spread of benefits of growth to hitherto unreached areas and people.
- Final results emerging from the 2005 CDHS have re-affirmed that the proactive and targeted policies, plans and programmes undertaken by RGC have yielded very positive results in the health sector. Of particular note is the current HIV prevalence rate based on CDHS 2005 is 0.6% for adults aged 15-49, about 70% lower than the previous estimates of 1.9%.
- A well-thought out and flexible Monitoring Framework has been set in place for closely and regularly monitoring progress under NSDP.
- The prospects of successful exploitation and utilisation of gas and natural resources have brightened future prospects significantly.
- Legal and judicial reforms are proceeding ahead at reasonable pace given all the constraints involved in widespread consultations.
- Anti-corruption efforts are also progressing and need to be accelerated.
- Accent on progress in social sectors and anti-poverty measures has been enhanced through the expanded priority action programmes covering 7 critical ministries.

Third: Conclusion

7. The successful implementation of all aspects of the NSDP requires an appropriate resource alignment and adequate and timely allocation of funds to its priorities. In this regard, I would suggest that of urgent and immediate importance is the need for the preparation and refinement of medium to long-term strategic sectoral programmes of actions. In addition, all programmes of actions need to be aligned to the NSDP priorities in order to achieve the NSDP goals and targets. In this task, the EDPs have an important role to play in providing technical assistance and financial support and by engaging themselves proactively through the respective Technical Working Groups (TWGs). Also, I would like to suggest that EDP assistance programmes need to be directed to the priority sectoral needs of the NSDP, requiring a foreseen total public NSDP-outlay of 3,500 US\$, through funding for priority projects of the RGC's Public Investment Programme (PIP).

I take this opportunity to thank all stakeholders in collaborating with my ministry to prepare the APR and my colleagues from the Royal Government and I are here to provide any clarifications on the APR. We will take note of any advice you may have for the preparation of such documents in the future.

Thank you all for your kind attention.

**Royal Government of Cambodia
Ministry of Planning**

Annual Progress Report on the Implementation of NSDP for 2006

**By
HE. Chhay Than, Senior Minister, Minister of
Planning**

**First Cambodia Development Cooperation Forum (CDCF)
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Introduction & Objectives

- NSDP, as a blue print for further progress on building the edifice of Cambodia and the single, all-encompassing RGC document for the next five years, states:
- Progress on its implementation to be reviewed annually to make necessary adjustments.
- APR deemed a mechanism for doing so.
- APR to serve as a “state of the nation” report to provide a brief ‘snapshot’ of Cambodia to Cambodians and a wider international audience.
- APR meant to be a practical document like NSDP.
- APR deemed an assessment of progress made and deficiencies encountered and the means to adjust parameters without losing sight of the main goal of achieving progress and poverty alleviation in both geographical and sectoral terms across the country.

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Outlines of Presentation

1. **Process**
2. **Progress Made**
3. **Conclusion**

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1. Process

- Since mid 2006, NSDP-APR prepared from through an inclusive process involving all stakeholders at all stages starting from preparing a NSDP monitoring framework and NSDP-APR concept paper through getting inputs from all ministries and agencies, and discussions on drafts at various stages with one and all.
- Thus, the result representing the collective understanding and consensus of all on the contents in the APR

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2. Progress Made

The most important changes:

- ❑ A major step in enhancing stability in governance through a landmark constitutional amendment.
- ❑ The second commune elections in a peaceful, free and fair manner demonstrating proactively promoted democracy by Cambodians.
- ❑ Real GDP growth almost doubled (13.4 % against NSDP-estimated 7% for 2005) contributed by an increase in agriculture, garment industry, construction, and tourism.
- ❑ Very high growth in agriculture (crops) of 28.0 in 2005 against 8.0% assumed in NSDP.
- ❑ 1.7 million tourism arrivals in 2006, up from 1.3 million in 2005.

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2. Progress Made (con't)

- ❑ Overall and widespread improvements in other sectors as well.
- ❑ Increases made for all other macro-economic data for 2006 through to 2010, including for fiscal projections because of these changes.
- ❑ Initial estimates, to be refined during 2007 as full data emerge from all sectors, indicating a robust growth for 2006 as well .
- ❑ 2005 CDHS re-affirming that the proactive and targeted policies, plans and programmes undertaken by RGC have yielded very positive results in the health sector.
- ❑ A well-thought out and flexible Monitoring Framework set in place for closely and regularly monitoring progress under NSDP.

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2. Progress Made (con't)

- ❑ The prospects of successful exploitation and utilisation of gas and natural resources brightening Cambodia's future significantly.
- ❑ Legal and judicial reforms proceeding ahead at reasonable pace given all the constraints involved in widespread consultations.
- ❑ Anti-corruption efforts also progressing and need to be accelerated.
- ❑ Accent on progress in social sectors and anti-poverty measures enhanced through the expanded PAP covering 7 ministries.

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3. Conclusion

- ❑ Appropriate resource alignment and adequate and timely resource allocation to NASDP priorities required for successful implementation of NSDP.
- ❑ Medium to long-term strategic sectoral programmes of actions to be prepared and refined.
- ❑ All programmes of actions to be aligned the NSDP priorities in order to achieve the NSDP goals and targets.
- ❑ EDPs to play an important role in providing technical and financial support and by engaging themselves proactively through the respective TWGs in this task .
- ❑ EDP resources to be aligned to NSDP sectoral priority needs, requiring a total public NSDP-outlay of 3,500 US\$, through funding for PIP priority projects.

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