

**Development Partner Remarks
Integration of Strategic Planning, Budgeting and Aid Management**

Delivered by H.E. Masafumi Kuroki, Ambassador of Japan on behalf of Development Partners at the 18th Meeting of the Government-Development Partner Coordination Committee Phnom Penh, April 20, 2011

Excellency Keat Chhon, Deputy Prime Minister and Minister for Economy and Finance
Excellencies
Ladies and Gentlemen

Development partners welcome this opportunity to discuss shared priorities related to the *integration of strategic planning, budgeting and aid management*, a shared JMI for 2010/2011.

We acknowledge the work undertaken to date by the Royal Government of Cambodia in this area and the key role played by the Ministry of Planning in moving this process forward. We look forward to being part of substantive dialogue on this important issue, and look forward to clear articulation by the Government of its own vision. For us it is a priority to understand the interlinkages between the key processes of public financial reform and aid coordination management, and we would like to emphasise our strong commitment to achieving effective consultation on these issues. We affirm that we stand ready to support and assist this process where required.

When we met in October 2010 at the 17th session of the GDCC, we were advised of planned steps and deadlines in the integration process as they relate to the Joint Monitoring Indicators for Planning and Poverty Reduction, whereby a situation analysis would be finalized by December 2010 and an action plan to roll out the recommendations of the situation analysis would be finalized by June 2011. This 18th GDCC therefore provides a good opportunity to understand clearly the vision of the Royal Government of Cambodia for integration and harmonization, to understand the scope of the situation analysis and its recommendations, and to explore where the areas of collaboration between Government and development partners might be. The spirit of the JMIs that were formulated was to emphasise the value of consultation in the process and the commitment to engaging with development partners in the formulation stage.

Given that the work to date has been undertaken internally within Government, we seek further discussion on two key issues, in the spirit of starting a dialogue that includes development partners:

- The Government's overall vision for the integration process and what impacts on or linkages with the reform programmes of public financial management and aid coordination management are foreseen.

- The current status of development of the action plan for rollout of the situation analysis recommendations, and plans for consultation with development partners in the process of action plan development.

In conclusion, we take the opportunity to acknowledge the efforts of the Royal Government of Cambodia and the work undertaken to date by the central agencies of the Ministry of Planning, the Supreme National Economic Council, CDC/CRDB and the Ministry of Economy and Finance. We reaffirm our interest in remaining a supportive partner in this process and hope today for clarification from Government on the plans for consultation and dialogue with us regarding development of the action plan, as these issues relate to a number of technical working groups in which we participate. We look forward to constructive and fruitful cooperation in this important process.

Thank you.