

**Minute of the Eleventh Meeting**  
**Government-Development Partner Coordination Committee (GDCC)**  
**8 October 2007**  
**Held at the Council for the Development of Cambodia**

1. H.E. Senior Minister Keat Chhon, Chairman of the Government-Development Partner Coordination Committee (GDCC) opened the meeting by welcoming all participants to the eleventh meeting of the GDCC. In his opening speech, he stressed the significance of CDCF which has, he believed, contributed to a more authentic ownership. CDCF has also led to more concrete outcomes that should result in improved implementation on the part of both government and development partners. Concerning the aforementioned, he also reminded the meeting of the importance of three-year indicative resourcing which supports national planning, budgeting as well as an array of actions across priority sectors many of which have been incorporated into the JMIs. He then brought up the agenda items to be discussed.

2. The agenda items of the meeting were:

- i. Synchronization of Review Mechanisms (mechanism to monitor JMIs, mechanism to monitor the indicators of PRGO, and other mechanisms concerning budget support by development partners)
- ii. Private Sector Development (JMIs on the implementation of a sub-decree on trade facilitation through a risk management)
- iii. Public Administration Reform (with a focus on MBPI/PMG)
- iv. JMIs on Legal and Judiciary Reform
- v. Any other Business

3. **Synchronization of Review Mechanisms:** H.E Chhieng Yanara presented the synchronization of review mechanisms -the agreed proposal in P&H TWG meeting- which is supposed to lead to the arrangements for monitoring and managing JMIs, PRGO indicators and others so that we can establish an annualized exercise which is linked to budget exercise. As a result, a new modality will be created to provide efficient and effective support to NSDP.

There are several items in the agreed proposal. First, JMIs are to be implemented and monitored on an 18 month basis with May-June each year being the main JMI review period. JMIs beyond 2008 are also assessed. Second, other reviews can draw from JMI reviews to feed with the budget process. Finally, new JMIs are to be more fully managed by GDCC and the process harmonized with the budget cycle. JMIs are to identify steps to move towards annualized monitoring.

Development partners could base on this joint evaluation of JMIs and other indicators in order to make their commitments. This will enhance predictability of external assistance which is crucial for national budget preparation process. Therefore, TWGs concerning PRGO will have to produce their annual work plans so that their review process can be set in May-June.

In response, development partners appreciated the agreed proposal, calling it a practical way of addressing the issues arisen at the last CDCF where development partners which were co-financing to provide PRGO were willing to deliver aid in a predictable fashion and in line with the budget cycle of Cambodia which is a 12 month basis.

4. **Private Sector Development:** development partners acknowledged and underlined the impressive economic growth driven by the dynamic private sector. However, some challenges still persist, which are lack of economic diversification, slower growth in rural areas, and the low level of domestic private investment. Development partners also stressed that to improve investment climate, the government, in addition to creating the right institutional framework, needs to implement already adopted laws, and pass pending laws required under Cambodia's accession to TWO.

Government side accepted the challenges facing Cambodia's economy such as lack of economic diversification, slower growth in rural areas, and the low level of domestic private investment but stressed that the government is investing a great deal in irrigation scheme, micro finance in rural areas, and diversification of SMEs in the countryside. With regards to investment in rural infrastructure to be financed by PPI for rural development, government side then asked for technical assistance which was agreed by the World Bank.

The representative of TWG PSD informed the meeting of the implementation status of the ASYCUDA project. The second phase of the project has been implemented but the project is unlikely to meet its deadline due to the problems of procurement and the system has not been finalized. With regards to sub-decree 21 on risk management, institutional arrangement has been set up and staff assigned and ready to implement the sub-decree. However, some possible weaknesses of the risk management were raised, technical assistance requested, and the commitment showed to implementing the sub degree 21.

5. **Public Administration Reform:** TWG PAR representative informed the meeting of the progress made on JMIs related to public administration reform and confirmed the government's position on MBPI as discussed at the 3<sup>rd</sup> October national workshop. The position is as follows:

- i. MBPI must reflect the reality of the Civil Service as well as that of security and defense while PMGs will continue to be expanded.
- ii. MBPI shall be harmonized alongside the existing PMG system. They may therefore be two systems to support reform.
- iii. The implementation of MBPI shall not compromise the unity, stability and sustainability of the public administration.

With reference to the Prime Minister's speech which stated that he would like to encourage CAR to improve cooperation with the development partners and relevant ministries/institutions to expand the coverage of the MBPI to make it more comprehensive in response to the needs of the RGC, the development partners expressed their commitments to continue to work with the government to find a common ground on this issues. As a result, it was agreed that further discussion is needed at other meetings based on the substantives of the workshop and the 3<sup>rd</sup> October workshop. The forthcoming proposed consultation is in December.

6. **JMIs on Legal and Judiciary Reform:** the representative from TWG LJR presented the progress on JMIs. Civil Procedure Code and the Penal Procedure Code were adopted and promulgated in July 2006; however, constraints were also raised as to why adoptions of other laws were late. In response, development partners acknowledged the progress made and encouraged the RGC to accelerate the enactment of the penal code, the adoption of the statute of the Judges and Prosecutors.

In answering DP's question regarding delays in the adoption of some legislations and the low rating by Transparency International, TWG-LJR clarified that penal code has been delayed because it took time to compare with special laws that were enacted at the moment and both penal code and special laws have to be harmonized. In addition, Senor Minister Keat Chhon put a question mark on the methodology of Transparency International who conducted the study without consultations with the government. In answering the question, DP told the meeting that the rating given by Transparency International is relative and the rating was done based on perception. DP agreed to invite Transparency International to meet with the government.

7. **Any other business:** H.E Chhieng Yanara outlined the aid management related technical support, which CRDB/CDC will in its capacity as the secretariat of the GDCC provide to all TWGs based on requests received from them. CDRB is planning to pilot the provision of technical support to 3 TWGs in early 2008 by starting from TWG of agriculture and water. He also briefed the meeting on other information items such as improved data management, second round monitoring survey of Paris Declaration, and technical cooperation study.

8. **Statement from TWG Gender:** representative from WMA informed the meeting that there has been good progress in national gender mainstreaming. The mechanisms already put in place include the gender targets in NSDP, TWG on gender, Gender Mainstreaming Action Groups in all line ministries, and the development and implementation of Gender Mainstreaming Action Plans for the sectors.

MEF, the representative said, has a lead role in making these mechanisms work by gender mainstreaming in Public Financial Management Reform, introducing Gender Responsive Budgeting, and allocating government budget. Finally, she appealed to development partners for support to their line ministry gender mainstreaming action groups and the implementation of their plans.

9. H.E chair announced that now there were 19 TWGs including TWG Rural Water Supply and Sanitation and that the meeting was a fruitful one. He then proposed that the next GDCC meeting be held in the second half of February 2008.

10. The meeting was adjourned at 12H00.

## **List of participants**

### **Government**

### **Development Partners**