



KINGDOM OF CAMBODIA

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**Fourth Meeting of the
Government-Donor Coordination Committee (GDCC)
Phnom Penh, Cambodia, 15 September 2005**

Opening Remarks

by Sr. Minister KEAT CHHON, M.P.

Minister of Economy and Finance

First Vice-Chairman, Council for the Development of Cambodia

Chairman, GDCC

Royal Government of Cambodia

- Colleagues from the Government
- Distinguished Representatives from the Donor Community
- Ladies and Gentlemen

1. It is an honour and pleasure for me to welcome you to the fourth meeting of the Government-Donor Coordination Committee (GDCC). The agenda for this meeting includes three specific items:

First, review of progress in the implementation of each TWGs action Plan and status of resources mobilized and delivered to implement the Action Plans.

Second, review of progress that has been made toward achieving the targets of the Joint Monitoring Indicators (JMI) agreed at the 7th CG Meeting held in Phnom Penh on 6-7 December 2004, especially progress made since the meeting between the RGC and its development partners on 30 June 2005 presided over by Samdech Prime Minister Hun Sen.

Third, Progress made by TWGs on Harmonization and Alignment issues within the work of each TWG.

2. Before we begin to address the main agenda items of this meeting, I would like to take a few minutes to talk about ownership and aid effectiveness. As you all know, the international arena high level declarations have been emphasising national ownership and accountability of the development processes by recipient

countries. I would like to assure you that the Royal Government is determined to take full ownership not only of our development processes but also making sure that the ODA resources are targeted and effectively utilized to meeting our high priority development needs and to reduce poverty.

3. As an important element of our efforts to take full ownership of the development processes, we are now also looking at donor practices that have roots in the era of the 1990s, a period that studies have characterized as a period of "donorship". As part of this effort, in the coming months we will be outlining the protocols for communication between the Royal Government and our development partners on ODA related issues to further strengthen the spirit of cooperation, mutual trust, and mutual accountability. We hope that these protocols will help us avoid misuse of communication channels, especially with the higher levels of the Royal Government. The Royal Government is gratified by the generous support that our development partners provide and I would like to encourage all of us to remain committed in this new environment of cooperation, mutual trust, and mutual accountability to work together to improve ODA effectiveness in order to maximize its benefits for our people.

4. The Royal Government is determined to continue to put in place management systems and institutional mechanisms that will enable us to enhance aid effectiveness. As I highlighted at the last GDCC meeting, the joint TWGs and the GDCC mechanism that we have put in place represent a fundamental change in the institutional set up for planning, managing and monitoring progress on the implementation of development assistance to improve ODA effectiveness. Ensuring that this mechanism contributes to improving the process of resource mobilization and aid effectiveness is a very high priority of the Royal Government. We are determined to leave behind us the practices of the 1990s, when development assistance was planned, managed and delivered by our development partners with limited ownership of the development choices and management process by concerned Government institutions. According to the results of the OECD/DAC survey that was carried out in early 2004 in which all our development partners have participated, *less than one-third of total ODA reported to have been delivered to Cambodia was channelled through government systems*. In this context, therefore the responsibility for transparency, accountability and the use of ODA resources rests mainly with our development partners who have managed these resources in the past. The Royal Government recognizes that our systems and institutional capacities are less than perfect and need to be strengthened and we would like our development partners to support building institutional capacities and to strengthen these systems.

5. I would like to point out the issue of wastage and misuse of ODA resources that are usually misrepresented. I would like to add that the problem of misrepresentation of facts, either intentionally or because of lack of awareness of the facts, is a problem that we also face within the Government sometimes with adverse consequences for the decision-making process at the higher levels of the Government. I therefore urge all of us to make a special effort to minimize the chances of any unintentional misrepresentation of facts.

6. To summarize, I would like to emphasize the importance of national ownership as a key component of our efforts to enhance aid effectiveness. As we move away from the period of "donorship" into a new era of national ownership, I would urge our development partners to follow appropriate communication protocols when corresponding with the Government. I also want to encourage our development partners to give a priority to channeling ODA through Government systems. I recognize that our systems and institutional capacities are less than perfect and need to be strengthened and I would like our development partners to support building institutional capacities and to strengthen these systems. Lastly, I would like all of us to remain vigilant and to be proactive whenever we see misinterpretation or misrepresentation of facts on matters that have implications for the partnership between the Government and the development partners.

7. I would now like to begin this meeting by asking H.E. Chhieng Yanara who is the Secretary General of the GDCC to make a brief presentation on the results of his survey of progress made by the TWGs, and follow by a Q&A session.

8. To start to-days proceedings, I would now like to invite H.E. Chhieng Yanara to make a brief presentation on progress that has been reported by the TWGs.

Thank you.