DEVELOPMENT PARTNERS' BACKGROUND PAPER ON
THE PROGRESS IN THE IMPLEMENTATION OF THE JOINT MONITORING INDICATORS

for the
14TH MEETING OF
THE GOVERNMENT-DEVELOPMENT PARTNER COORDINATION COMMITTEE (GDCC)

Phnom Penh, April 28, 2009

This background paper gives a summary overview by development partners of progress achieved on the Joint Monitoring Indicators (JMIs) since they were endorsed at the Cambodia Development Cooperation Forum (CDCF) in December 2008 and identifies areas of concern.

Important progress by some of the technical working groups

We would first like to acknowledge the progress made on a number of the JMIs, to the credit of the collaborative working by Government and development partners in some of the technical working groups (TWGs).

We would like to highlight the achievement by Government and development partners of the progress on the Health JMI target in 2008. As a result the Health TWG has raised their 2009 JMI target for the proportion of deliveries to be attended by skilled health personnel in the public sector from 50% to 65%. We look forward to continued effective collaboration of Government and development partners on this JMI.

There has also been good progress made by the Council for Administration Reform in the implementation of the Merit Based Pay Initiative (MBPI), the Priority Mission Groups and the Special Operating Agencies and on the development of a new national Public Administration Reform Strategy. We note in particular the development of an agreed approach by health partners, including the Global Fund, to enable the transition from the existing landscape of multiple differentiated salary supplementation schemes, to a single MBPI-based scheme over the next two years. ***It would be useful if Government would provide clear documentation of their MBPI transition strategy for programmes that remain outside of MBPI.*** Given this progress we suggest that the time has come to re-establish the Public Administration Reform TWG. This will provide an effective channel to support the development of a Public Administration Reform sector-wide approach in support of the emerging national Public Administration Reform programme.

In the Trade area, we commend the Ministry of Commerce's leadership toward a functioning trade sector-wide approach.

There has also been good progress on the JMI on Aid Effectiveness which is covered in the separate background paper on aid effectiveness.

There has also been commendable progress on a number of the actions that were agreed at the 2008 CDCF, most noticeably the progress on social safety nets and the consultations between Government and development partners on sub-national democratic development.

Progress ongoing in other TWGs and requests for updates on progress

There are two points discussed at the CDCF that it would be useful to receive Government's update on.

> *First*, at the CDCF there was discussion on holding Agriculture and Water TWG dialogue on the land mapping of the peripheral area, with a working group for this to be engaged before this GDCC. ***Development partners would welcome an update on this action.***

Second, at the CDCF Government and development partners discussed the timeline for moving from a draft medium-term expenditure framework, known as MTEF, to a finalised MTEF as a first step towards more integrated budget formulation and execution. ***Development partners note the appointment of a working group to move this process forward and would be interested to hear the progress made to date.***

In the other TWGs, work is progressing on the implementation of JMIs on Fisheries, Food Security and Nutrition, Gender, HIV/AIDS, Mine Action, Infrastructure and Regional Integration, and Rural Water, Supply, Sanitation & Hygiene.

The public financial management reform programme, a key element in the Government's reform agenda, has made good progress in terms of defining the reform process, including various ministerial and departmental action plans. However, implementation of a number of the key reform priorities has not kept up a similar pace. With revenue under pressure due to the economic downturn, there is a need to redouble efforts to strengthen the efficient and effective use of scarce public resources. ***With much of the progress to date focused on process, we urge Government to now push forward on the substance of the public financial management reform programme.***

The commitment by Government to establish a joint Ministry of Economy and Finance and Ministry of Interior working group to address fiscal decentralization issues arising from the implementation of the Organic Law, including the drafting a 'Sub-National Finance Law', is encouraging. ***Development partners stress the need for effective coordination of major ongoing reform efforts, including public financial management, decentralization and deconcentration, and civil service reform.***

Other TWGs report progress with some delays.

- For the Planning and Poverty Reduction JMI, progress is reported with the draft Annual Operational Plan produced, and also with the institutional capacity assessment which has encountered some delays but will continue to the next stage of finalisation.
- For the JMI on Forestry and the Environment, progress has been made with the Economic Land Concession (ELC) website now available under the Ministry of Agriculture, Forestry and Fisheries website, but progress has been slower on other areas and ***development partners welcome in particular an update on when the ELC log book will be published.*** Development partners commend the good progress made on the formulation of a National Forest programme for Cambodia, and ***request the Government for an update on how the commitment to the 60% forest cover as stated in the National Strategic Development Plan and the Forestry Development Action Plan 2007-2010 will be implemented?***

The Education TWG is working well on its JMI, but has experienced some delays, in particular in procurement and recommends a ***Government-wide discussion on the procurement procedure of the Independent Procurement Unit.***

<u>Focus on implementation of JMIs facing constraints</u>

The JMIs for governance and anti-corruption can be seen as a catalyst for all JMIs, and in this area we note that progress has been made albeit slowly.

In particular development partners would like to take this opportunity to urge prompt passage of the remaining four fundamental laws and the Anti-Corruption Law.

Progress toward enactment of the Penal Code has been encouraging and development partners would welcome an update on when it will be submitted to the National Assembly. Progress on the other three fundamental Laws has been more limited however. The Law on the Statute of Judges, the Law on Court Organization and Functioning, and the Law on the Amendment of the Law on the Organization

and Functioning of the Supreme Council of Magistracy are at the Office of the Council of Ministers. ***The development partners would urge that the four fundamental laws be submitted to the National Assembly for enactment as expeditiously as possible.***

There has been a welcome development in the judicial area, with training of judicial professionals being delivered. This will serve to improve the supply of judicial services. We look forward to measuring the impact of this training on the improved functioning of the courts. Looking at constraints in this area, ***we note that the implementation of court registers at the model courts is moving quite slowly and may require the provision of additional staff to ensure full implementation.***

There have been small but significant steps in moving forward the Anti-Corruption Law. A team at the Office of the Council of Ministers is actively redrafting the Anti-Corruption Law, which the development partners see as a positive sign. We commend progress made last October in disseminating information on reported cases on corruption and convictions and would urge that reports be made regularly on a quarterly basis. We understand that a full implementation plan and corresponding information dissemination plan will be forthcoming once the Anti-Corruption Law is passed. ***Development partners request Government to share the draft Anti-Corruption Law before it moves forward***

An excellent Access to Information policy paper was drafted by the Ministry of National Assembly and Senate Relations and Inspections. There does not appear to have been much progress since the paper was prepared. ***The development partners would like to inquire as to the status of Access to Information policy and to understand the impediments to approving the policy.***

We, your development partners, would urge that priority be given to establishing a well-functioning, transparent and accountable legal and judicial system and to combating corruption. In this time of global economic crisis this takes on added importance. We believe that this will position the country to mitigate the effects of deepening world-wide recession and accelerate recovery for Cambodia. This will enhance the peace and stability of the country and improve the daily lives of the Cambodian people.

Another TWG facing constraints in the implementation of their JMI is the Agriculture and Water TWG. The Strategy for Agriculture and Water was signed two years ago but to date the finalisation of the five national programmes (which will guide work by Government and development partners in the Agriculture and Water sector for the next five years) has been delayed twice. Strong Government leadership of the process is essential. ***Development partners welcome clarification from Government on the status of the road map to complete and endorse the national programmes. We also welcome hearing how Government intends to move from a project approach to a sector-wide approach, and Government expectations for development partner support in this process.***

Finally, overall progress in the Land sector is inconsistent and slow. The Land JMI focuses on three aspects: improvement of land tenure security for indigenous communities, development of a Housing Policy for the urban poor, and the design of a Spatial Planning Policy to enhance land management. While there is notable progress in the reconstruction of the cadastral system (systematic land titling), so far it seems unclear how the Government intends to meet the joint targets by mid 2010. The lack of a systematic and transparent planning with clear time lines and interim steps is aggravated by the fact that support for the Land TWG through a secretariat has been missing for more than half a year; the signing and application of the Partnership Principles finalized a year ago is pending final decision of Ministry of Land Management, Urban Planning and Construction (MLMUPC). ***Development partners suggest to the Government to speed up the processes and provide all necessary support to jointly revive the work of the TWG and enable this forum also to discuss important Land issues outside the direct responsibility of the leading MLMUPC.*** A particular concern in that respect is the enhancement of urban land tenure security and the joint work towards avoiding incidences of involuntary resettlements without lawful and transparent processes and proper compensation.