

**Minutes of the Fourth Meeting of the
Government-Donor Coordination Committee (GDCC)
held on
15 September 2005, 9:00 am at CDC**

1. H.E. Mr. Keat Chhon, Chairman of the Government-Donor Coordination Committee (GDCC) opened the meeting by welcoming all participants to the fourth meeting of the GDCC. He informed the meeting that the main agenda for this 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 Royal Government of Cambodia 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 beginning the discussion on the agenda item of the meeting, the Chair said that he would like to take a few minutes to talk about ownership and aid effectiveness. He assured the meeting that the Royal Government is determined to take full ownership not only on development processes but also making sure that the ODA resources are targeted and effectively utilized to meeting the high priority development needs and to reduce poverty. He informed the meeting that as an important element of the efforts to take full ownership of the development processes, the Royal Government is 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 the Royal Government will be outlining the protocols for communication between the Royal Government and development partners on ODA related issues to further strengthen the spirit of cooperation, mutual trust, and mutual accountability to work together to improve ODA effectiveness in order to maximize its benefits for our people.

3. He emphasized that the Royal Government is determined to continue to put in place management systems and institutional mechanisms in order to enhance aid effectiveness. He said that as he had stated in the last GDCC meeting, the joint TWGs and the GDCC mechanism that has been 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. The Government is determined to leave behind 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. He pointed out the results of the OECD/DAC survey that was carried out in early 2004 in which all of the development partners had participated, that showed less than one-third of total ODA reported to have been delivered to Cambodia was channeled through government systems. In this context, therefore the

responsibility for transparency, accountability and the use of ODA resources rests mainly with those development partners who had managed these resources in the past. He noted that the Royal Government recognizes that its systems and institutional capacities are less than perfect and need to be strengthened and he highlighted the need for development partners to support building institutional capacities and to strengthen these systems.

4. He pointed out the issue of wastage and misuse of ODA resources that are usually misrepresented. The problem of misrepresentation of facts, either intentionally or because of lack of awareness of the facts, is a problem that the Government also face and sometimes with adverse consequences for the decision-making process at the higher level of the Government. He urged both Government and development partners to make a special effort to minimize the chance of any unintentional misrepresentation of facts.

5. To summarize, he emphasized the importance of national ownership as a key component of the efforts to enhance aid effectiveness. As the Government moves away from the period of "donorship" into a new era of national ownership, he urged development partners to follow appropriate communication protocols when corresponding with the Government. He encouraged development partners to give priority to channeling ODA through Government systems. He recognized that these systems and institutional capacities are less than perfect and need to be strengthened and he would like development partners to support building institutional capacities and to strengthen these systems. Lastly, he would like both Government and development partners to remain vigilant and to be proactive whenever misinterpretation or misrepresentations of facts are seen on matters that have implications for the partnership between the Government and the development partners.

6. To begin discussion on the agenda items of the meeting, H.E. Mr. Keat Chhon, the Chair of GDCC, invited H.E. Mr. Chhieng Yanara, Secretary General of the GDCC, to make a presentation on the results of progress that has been reported by the TWGs.

7. H.E. Mr. Chhieng Yanara began by informing the meeting that the purpose of his presentation is to provide an overview of the information that is included in the Summary of TWGs Progress Reports that has been distributed. He reported that overall, the TWGs are making steady progress. The challenge now is for both ministries and agencies and development partners to make the TWG mechanism work efficiently in an environment of joint/shared responsibility. In terms of progress, corrective actions have been taken by TWGs on most activities where delays were reported at the last GDCC meeting. For activities that are still behind schedule, the main reasons reported by TWGs are lack of financial resources and delays in the recruitment of experts.

8. He informed the meeting that during the last quarter, June-August, the progress reports of the TWGs show a continuing steady progress. In their progress reports for the last quarter, the TWGs for the Agriculture, Fisheries, Forestry and Environment, Gender, and Mine Action have identified lack of financial resources as a significant constraint in their work. The work of the TWGs for Health, Infrastructure, Land, PAR, and PFM is reported to be adversely effected by delays in the recruitment of needed experts to move the activities forward.

9. He also noted that steady progress is being made on achieving the targets of the joint monitoring indicators agreed at the last CG meeting. He pointed out that the responses of the TWGs on their

Harmonization and Alignment efforts are presented in Table 3. He said that overall, the information provided by TWGs indicates that they have begun to address harmonization and alignment issues.

10. Following H.E. Chhieng Yanara's presentation, H.E. Mr. Keat Chhon, Chair of the GDCC opened the floor for discussion. The issues raised related during the Q&A period and the conclusions of the discussion are summarized below.

- **Agriculture and Water:** In his presentation, H.E. Chhieng Yanara had noted that Agriculture and Water are critical sectors that require urgent attention of both concerned ministries and the development partners. He highlighted lack of progress on developing a medium term strategy for agriculture and water to be a serious issue that needs to be addressed urgently.

The lead donor coordinator (LDC) highlighted the need to move away from uncoordinated activities which are sometimes unsustainable, and emphasized the need to move towards a coordinated reform program which is government owned and is coordinated in a supportive way by donors. The LDC noted that so far, progress has been slow because of the absence of a framework for Government and donors to work together to develop the Agriculture sector. The LDC recommended that in order to move forward, it is important to engage senior policy makers on this issue.

Representatives from the concerned ministries agreed that there is a need to developing an effective coordination mechanism to carry this work forward. The meeting was informed that the highest priority for the next meeting of the TWG is to discuss and agree on the required coordination mechanism.

The representatives of concerned ministries pointed out that the highest priority of their institutions is to prepare inputs to the NSDP on agriculture and water and that work on the preparation of the medium-term strategy for agriculture and water will follow after the completion of the NSDP.

The Chair of the GDCC noted that a high priority in the agriculture sector is to increase the productivity of land and water resource.

- **Decentralization and Deconcentration reforms:** The lead donor coordinator informed the meeting that a significant achievement in D&D reform process is the approval of the Strategic Framework for D&D Reform by the Council of Ministers on 17 June 2005. He said that the immediate priority is to establish a D&D TWG to harmonize support for the design and implementation of the D&D reforms.

H.E. Chhieng Yanara explained that he was appointed Chair of the TWG on D&D to oversee the formulation of the Strategic Framework. Now that the framework has been completed, his task as Chair of D&D TWG has also completed. However, work under this structure should continue. What is now needed is the appointment of a new chair of the TWG by MOI to continue the work of the TWG.

- **Forestry and Environment:** The lead donor coordinator emphasized that forestry is one of the most valuable resources in Cambodia. However, the donor support for forestry is dropping and phasing out. A critical issue is the lack of funding for 2006. He urged the Government and development partners to look carefully into the forestry sector because the resources and benefit is not fully optimized. A concrete action plan is needed on how to use the forest in a sustainable manner.

The lead Government coordinator informed the meeting on progress that has been made in the forestry sector. This includes the forestry law, Rectangular Strategy on forest management, the five year plan to implement the strategy, and the TWG action plan for 2005. He note that the work of the TWG is financed through a small ongoing forestry project while many of the NGOs in the natural resource management sector are receiving funding directly from the private foundations and donors. However, the forestry administration and the Ministry of Environment are not receiving the support needed to implement their action plan. He appealed to donors to review their position and reconsider providing financial and technical support to this important sector.

- **Legal and Judicial Reform:** On *anti-corruption law*, a number of development partners applauded the Government's efforts to develop and pass the anti-corruption law in 2005 as agreed at in the CG meeting in December 2004. They said that the drafting team of the Ministry of National Assembly-Senate Relations and Inspection (MONASRI) deserves praise for its continued efforts to produce a quality law and soliciting comments from interested groups both within Cambodia and from the international community. The drafting team and the government also deserve credit for crafting a draft law which contains many desirable features. They also noted that while much progress has been made, the drafting team still needs to make refinements to the law in some areas, including independence of anti-corruption body, investigative power, whistle blower protection, asset declaration, international cooperation, criminal offences, and participation of civil society in advisory committees.

In addition, one development partner noted that it is up to the Royal Government to decide whether to strengthen the existing organization or to set up a new organization. Since there are limited financial and human resources, the Royal Government is best suited to determine what kind of a judicial system is needed and to select and implement the components of the international best practices that are best for the country.

On *fundamental laws*, speaking on behalf of donors, a donor representative welcomed the submission of the Code of Civil Procedures to the National Assembly. The representative, however, also noted the need to accelerate the process of finalizing the remaining fundamental laws, in particular, drafting of the legislation on the judiciary. It was noted that progress is being hampered due to the lack of an agreed RGC policy detailing the proposed structure for the court system. It was suggested that the RGC issue a high level policy statement to guide the drafting of these laws. With respect to the current draft of the law on the Organization of the Courts, a concern was expressed that it falls short of international best practices and compliance with the Constitution. The need for higher level government representation at the TWG meetings at the Secretary of State level was also recommended.

The Chair of GDCC requested copies of the written statements so that the Royal Government could absorb and digest the recommendations made and for colleagues in LJR and MOJ who are leading the drafting of these laws to consider these recommendations in their deliberations.

- **Land:** The lead donor coordinator asked about the status of public disclosure on economic land concession. In the meeting with the Prime Minister on 30 June 2005, the Prime Minister had instructed the ministries to disclose the information on concession of state land. However, to date, the TWG has not received the required information despite repeated requests. A suggestion was made to organize a meeting to discuss the information that is needed to be disclosed.

The representative from the Ministry of Agriculture informed the meeting that action has already been taken and selected information on economic land concession will soon be posted on the ministry's website. It was agreed that a meeting with development partners will be held to discuss the kind of information that can be disclosed.

11. In his concluding remarks, H.E. Mr. Keat Chhon noted that the discussions have been fruitful and have covered the core issues of governance, land, agriculture and water, and decentralization and deconcentration. The procedure for the next meeting which will take place in three months will be similar to this meeting. He requested the Partnership and Harmonisation TWG to gather from donors and NGOs on the core issues that need to be raised in the next meeting.

12. The fourth GDCC meeting adjourned at 11:35am.

LIST OF PARTICIPANTS

Government:

H.E. Mr. Keat Chhon, Senior Minister, Minister of Economy and Finance Chairman
H.E. Mr. Hong Sun Huot, Senior Minister, Chairman of National AIDs Authority
H.E. Mr. Sun Chanthol, Minister, Ministry of Public Works and Transport
H.E. Mr. Ou Orhat, Secretary of State, Ministry of Planning
H.E. Mr. Kem Sithan, Secretary of State, Ministry of Commerce
H.E. Mrs. Chan Sorey, Secretary of State, Ministry of Women's Affairs
H.E. Mr. Chan Tong Yves, Secretary of State, Ministry of Agriculture, Forestry and Fisheries
H.E. Mr. Eng Huot, Secretary of State, Ministry of Health
H.E. Mr. Leng Penglong, Secretary of State, Ministry of National Assembly-Senate Relations and Inspection
H.E. Mr. Veng Sakhon, Secretary of State, Ministry of Water Resource and Meteorology
H.E. Mr. Suos Kong, Secretary of State, Ministry of Rural Development
H.E. Mr. Chhan Saphan, Secretary of State, Ministry of Land Management, Urban Planning and Construction
H.E. Mr. Neov Kassie, Secretary of State, Ministry of Justice
H.E. Mr. Pou Darany, Under Secretary of State, Ministry of National Assembly-Senate Relation and Inspection
H.E. Mr. Chhieng Yanara, Secretary General, Council for the Development of Cambodia/
Cambodia Rehabilitation and Development Board (CDC/CRDB)
H.E. Mr. Ngo Hongly, Secretary General, Council for Administrative Reform
H.E. Dr. Tia Phalla, Secretary General, National AIDs Authority
H.E. Mr. Nouv Kanun, Secretary General, Council for Agriculture and Rural Development
H.E. Mr. Suon Sithy, Deputy Secretary General, Council for the Development of Cambodia/
Cambodia Investment Board/ (CDC/CIB)
H.E. Mr. Chou Kimleng, Deputy Secretary General, Ministry of Economy and Finance
H.E. Mr. Kong Sophy, Deputy Secretary General, Council for Administrative Reform
H.E. Mr. Sam Sok Phal, Chairman, Council of Ministers/Council of Jurists
H.E. Mr. Tuon Thavrak, Director General, Ministry of Planning
H.E. Mr. Ty Sokun, Director of Forestry Administration, Ministry of Agriculture, Forestry and Fisheries
Mr. Sar Sovann, Deputy Director General, Ministry of Land Management, Urban Planning and Construction
Mr. Sao Vanty, Deputy Director General, Ministry of Agriculture, Forestry and Fisheries
Mr. Suong Sarun, Deputy Director General, Ministry of Education, Youth and Sports
Mr. Alain Benicy, Principle Advisor, Council of Administrative Reform
Mr. Nao Thuok, Director of Fishery Department, Ministry of Agriculture, Forestry and Fisheries
Mr. Sok Saravuth, Director, Ministry of Economy and Finance
Mr. Sam Sereyath, Director, Ministry of Education, Youth and Sports
Mr. Sao Chivoan, Director, Ministry of Rural Development
Mr. Uy Vengky, Director, Ministry of Health
Mr. Theng Tara, Director, Ministry of Water Resource and Meteorology
Mr. Srun Darith, Director, Council for Agriculture and Rural Development
Mrs. Nhean Sochetra, Deputy Director, Ministry of Women's Affairs
Mr. Ly Chhe, Deputy Head of Judicial Reform, Council of Ministers/Council for Legal and Judicial Reform
Mr. Chhith Hy, Bureau Chief, Ministry of Foreign Affairs and International Cooperation
Mr. Phay Sok Kheng, Chief, Council of Ministers/Council for Legal and Judicial Reform
Mr. Pheng Sovicheano, Focal Point, Ministry of Public Works and Transport
Mr. Eang Saveth, Ministry of Agriculture, Forestry and Fisheries
Mr. Suon Sovann, Ministry of Agriculture, Forestry and Fisheries
Mr. Keo Kannarith, Council of Ministers
Ms. Elaine McKay, Advisor, UNDP/Ministry of Women's Affairs
Ms. Sachiko Nishioka, Advisor, JICA/CDC
Mr. Farid Siddiqui, Senior Advisor/Programme Manager, UNDP/CDC
Ms. Chamnan Lim, Advisor, UNDP/CDC

Mr. Chou Heng, National Policy Analyst, UNDP/CDC

Development Partners:

H.E. Ms. Donica Pottie, Ambassador of Canada
H.E. Mr. Fumiaki Takahashi, Ambassador of Japan
H.E. Mr. Mogens Christensen, Minister Counselor, DANIDA Resident Representative, Embassy of Denmark
H.E. Mr. Lucien Bruneau, Chargé de mission, Embassy of France
H.E. Mr. Lemarchand Laurent, Chargé d'affaires, Embassy of France
H.E. Mr. Theo Kidess, Counsellor/Deputy Head of Mission, Embassy of Germany
H.E. Mr. Kazumi Jigami, Counsellor, Embassy of Japan
H.E. Mr. Claes Leijon, Counsellor, SIDA Resident Representative, Embassy of Sweden
H.E. Mr. Shyam P. Bajpai, Country Director, ADB
H.E. Mr. Robert Hagemann, Resident Representative, IMF
H.E. Mr. Douglas Gardner, UN Resident Coordinator
H.E. Ms. Bettina Elke Maas, Representative, UNFPA
H.E. Mr. Rodney Hatfield, Representative, UNICEF
H.E. Ms. Nisha Agrawal, Country Manager, World Bank
Ms. Fleur Davies, Head, AusAID
Mr. Stephen Close, Senior Program Officer, AusAID
Mr. Michael Rymek, First Secretary, CIDA
Ms. Elizabeth Smith, Head, DFID
Mr. Claire Moran, Programme Manager, DFID
Mr. Nigel Coulson, Governance Advisor, DFID
Mr. Chris Price, Rural Livelihood Advisor, DFID
Mr. F.D Gardere, Economic Counsellor, Embassy of France
Mr. Guillaume Prevost, Economic Counsellor, Embassy of France
Mr. Julien Calas, Director, AFD
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Mr. Sin Somuny, Executive Director, MEDICAM