

## **Government-Donor Coordination Committee (GDCC)**

### **Minutes of the First Meeting**

**held on**

**2 December, 2004, 8.30 am at CDC**

1. H.E. Mr. Keat Chhon, Chairman of the GDCC, opened the meeting and welcomed participants to this first meeting of the GDCC. He thanked representatives of the ministries and agencies and the development partners who worked hard over the last year to restructure the working groups in order to strengthen aid coordination mechanisms and to improve aid effectiveness to maximize its benefits for the people of Cambodia. The main agenda item for the meeting was a review of the joint monitoring indicators that are being proposed to be adopted at the CG Meeting scheduled for 6-7 December 2004.

2. He informed the meeting that the proposal on restructuring the working groups that was agreed between the Royal Government and the development partners was endorsed by Samdech Hun Sen, the Prime Minister at the Pre-CG Meeting held on 10 September 2004 as a mechanism to strengthen Government-Donor coordination to improve aid effectiveness. He emphasized that as we begin this new phase of working together under the restructured working groups, on behalf of the Royal Government he would like to strongly encourage development partners to place a special emphasis on ensuring that Government representatives have real ownership and leadership in the planning and management of all development and reform programs.

3. He said that the joint proposal of the Royal Government and the development partners that was endorsed by the Prime Minister consists of two elements. The first element is the formation of 17 joint Technical Working Groups (TWGs), including the Partnership and Harmonization TWG. To ensure coordination among these 17 joint TWGs, the second element is the establishment of a "Government-Donor Coordination Committee". The mandate of this high level Committee is to provide policy guidance, to set priorities, and to take action to resolve issues/problems raised by the 17 joint TWGs. This Committee will be assisted by a Secretariat that will be located at the Cambodian Rehabilitation and Development Board (CRDB) at CDC. The main functions of the Secretariat are:

- i. to liaise with Technical Working Groups and maintain up-to-date information on progress made and problems encountered, if any, in the implementation of their action plans;
- ii. prepare a comprehensive quarterly report on progress made and problems encountered; and
- iii. outline options to resolve the identified problems for decision or action by this Committee.

4. He emphasize that while this committee will aim to strengthen Government and Donor coordination at the "policy level", the Partnership and Harmonization TWG (P&H-TWG) as one of the 17 joint TWGs will continue to focus on the implementation/operational aspects of aid coordination and management issues, in particular the harmonization and alignment issues that are aimed at improving aid effectiveness. As part of the on-going work of the P&H-TWG, he informed the meeting that the Royal Government and 12 development

partners have agreed to sign a Declaration on Harmonization and Alignment as follow up to the Rome Declaration and that the signing ceremony will take place today after this meeting.

5. He highlighted that after the Pre-CG Meeting held on 10 September 2004 that was presided by Samdech Prime Minister Hun Sen, each TWG was asked to prepare an action plan and indicators to monitor progress in their areas. He emphasized that the monitoring and reporting of progress on the monitoring indicators is a joint responsibility of the members of each TWG. Each TWG is also required to prepare and provide to the Secretariat of this Government-Donor Coordination Committee a quarterly progress report. The Secretariat is responsible for preparing a consolidated progress report based on submission from the TWGs for review and action by this Committee at its quarterly meetings.

6. He said that he believes that based on inputs from the TWGs the World Bank has prepared a consolidated list of around ten monitoring indicators that are being proposed to be adopted at the CG Meeting. He said that the important task for the meeting today is to review the indicators that are proposed and to agree on a set of monitoring indicators for the CG process that will be endorsed at the formal CG Meeting.

7. As Chairman of this Committee that is meeting for the first time, he expressed his appreciation to H.E. Mr. Chhieng Yanara, the Chairman of the P&H-TWG for his hard work in providing leadership and coordinating the efforts of all stakeholders in the preparation of Cambodia's Action Plan on Harmonization and Alignment in line with the Rome Declaration and OECD/DAC guidelines. He said he was pleased to report that the Action Plan on Harmonization and Alignment has been approved by the Cabinet on 19 November 2004. He emphasized that the successful implementation of this Action Plan is a high priority of the Royal Government.

8. To start the meeting, H.E. Mr. Keat Chhon invited H.E. Ms. Nisha Agrawal to make a brief presentation on the proposed joint monitoring indicators. Ms. Agrawal's presentation was organized under the following four headings that reflected the planned four sessions of the CG agenda:

- i. promoting good governance;
- ii. fostering growth and improving rural livelihood;
- iii. supporting human resources development; and
- iv. increasing aid effectiveness.

10. After extensive discussion and modifications, the indicators listed in Annex I were agreed. In the following two cases, the decisions were deferred:

- i. Session I: 2. *The **existing draft law on anti-corruption** shall be brought into compliance with international best practices [such as reflected in the United Nations Convention against Corruption or other instruments].*
- ii. Session II: 2. *Maintain suspension/moratorium on logging, transport of logs (except those which have been already inventoried and for which royalties have been paid in full), and new economic land concessions pending completion of applicable review processes and/or a legal framework.*

In these two cases, further discussions were to be held to finalize the language before the CG meeting.

11. The meeting adjourned at noon. Following the GDCC meeting, a signing ceremony was held where the Royal Government and 12 development partners who have shown a willingness to support the implementation of Cambodia's Action Plan on Harmonisation and Alignment signed a Declaration.

## 2004 CG PRIORITY MONITORING INDICATORS

The RGC and donors are committed to working together to implement the Government's Rectangular Strategy and achieve the goals set out in the NPRS and CMDGs. To promote joint efforts, 17 government-donor Technical Working Groups (TWGs) have been established for key sector and thematic areas. Each of the TWGs has developed action plans and monitoring indicators for joint work over the next year.

The priority areas for joint action/monitoring outlined in the matrix are a selection of the key cross-cutting indicators which have wide-reaching implications for development across sectors, as well as indicators which are unmet and rolled over from the 2002 CG. It is proposed that, unless otherwise specified, all benchmarks are to be met the next CG Meeting (December 2005). Progress on these indicators, however, will be monitored on a quarterly basis and will be discussed at the quarterly meetings of the Government-Donor Coordination Committee (GDCC).

Government and donors also stress their commitment to working to achieve the other indicators identified in the TWG action plans, all of which are important, and which will be monitored by the appropriate TWG.

Government and donors are committed to ensuring that other important cross-cutting issues, such as gender equality, HIV/AIDS and poverty reduction, are taken up by each TWG in their respective activities, and given primacy in the formulation, implementation and monitoring of the next government 5 year plan for 2006-2010.

<i>Areas</i>	<i>Benchmarks</i>	<i>Agency</i>
<b>Session I. Promoting Good Governance</b>		
<b>(1) Fighting Corruption and Increasing Accountability:</b> The key thrust of the RGC's strategy to fight corruption is to take concrete actions that attack the roots of corruption (RS)	1. Within the existing Law on Criminal Procedure, <b>reported cases of corruption</b> shall be brought before the courts for investigation and hearing; a consistent and strategic approach shall be employed by law enforcement authorities to the prosecution of cases of corruption. Data shall be collected to enable monitoring of progress.	COM
	2. The <b>existing draft law on anti-corruption</b> shall be brought into compliance with international best practice (such as reflected in the United Nations Convention against Corruption) and enacted.	COM
	3. The Government should commence preparatory work on establishing a legislative framework (such as a Freedom of Information Law) to facilitate <b>access to information held by public authorities</b> . In the meantime, public authorities must change current practice by displaying a preparedness to share information with the general public and with other institutions in Government. The different TWGs will monitor specific indicators of access to information (see Annex for examples).	All TWGs
<b>(2) Legal and Judicial Reform</b>	In all benchmarks listed below, the law shall be consistent with the Constitution and international best practice	LJR TWG



<i>Areas</i>	<i>Benchmarks</i>	<i>Agency</i>
<b>(4) Decentralisation &amp; Deconcentration (D&amp;D):</b> Decentralization must be implemented in conjunction with de-concentration to build capacity at the municipal, provincial and district levels ...(RS)	1. The RGC National Policies, Strategic Framework, Action Plan and relevant appointed committees formulated by March 2005 and submitted to Council of Ministers for approval, resulting in a Government program for D&D at a Provincial, District and Commune Level. 2.The first draft prepared for consultation of the D&D organic Laws on the Management of Provincial & District, Municipalities and the Capital, produced within the D&D strategic framework.	D&D TWG
<b>(5) Public Financial Management :</b> The maintenance of strict budget discipline is crucial to ensure a favourable macroeconomic and financial environment to consolidate the foundation for sustainable and equitable economic growth (RS)	1. Implement RGC's PFM reform agenda: first 12 months of platform 1	PFM TWG
<b>Session II: Accelerating Growth and Improving Rural Livelihoods</b>		
<b>(i) Cross-cutting for Agriculture and Natural Resources Management:</b> It is necessary to enhance and broaden the base for economic growth by opening and utilizing the potentials in other sectors, especially in the high potential agricultural and agro-industrial sectors, so that the nation will obtain larger positive windfall gains in the improvement of the livelihoods of the rural people (RS)	1. Pass/enact key laws and sub decrees, governing natural resources management, including fisheries law and community fisheries sub decree (rollover), state land management and economic land concessions sub decrees and enforcement of Article 18 of Land Law, that private sales transactions on state lands are illegal and hence should not be validated by officials. Joint development of a medium term sector strategy for agriculture, including irrigated agriculture, has been commenced by March 2005, with an overall policy and strategic framework completed by December 2005	NRM TWG
	2. Maintain suspension/moratorium on logging, transport of new logs, and -- pending completion of applicable review processes and legal frameworks-- new economic land concessions.	Forestry TWG
	3. Increase transparency of state management of natural resources through immediate public disclosure of existing contracts and compliance status (royalties and other key provisions) of contracts governing economic land concessions, mining concessions, fishing lots and continued disclosure of status of review of forest concessions	NRM TWGs
	4. Application of sustainable management planning, including ESIAs, investor evaluations, consultation with local communities, public disclosure and comment period prior to entering into new contracts for private use/management of state managed natural resources (land, fisheries, forestry, and mines)	NRM TWGs

<i>Areas</i>	<i>Benchmarks</i>	<i>Agency</i>
	5. RGC disclose the location and legal status and process for termination of mining concessions, Military Development Zones, economic land concession and other development arrangements situated on forest land or in protected areas and inconsistent with law governing management of these areas	NRM TWGs
<b>(ii) Private Sector Development:</b> The RGC considers the private sector as the engine of economic growth, while the Government plays its role as the strategist in creating an environment conducive to enhanced private enterprise and the manager of the development process (RS)	<p>1. The Government will establish a single entry point, or Single Window, that will allow parties involved in trade to fulfill the documentary requirements for import or export in a single transaction. Multiple interactions with agencies will be replaced by information sharing within Government. This will be achieved as a key step toward an automated Single Window process including CED and other relevant agencies.</p> <p>2. The revised PPI process articulated in the draft Law on Concessions as well as the Implementing Regulations will be adopted by the Council of Ministers and submitted to the National Assembly during 2005. After the passage of the Law, any new PPI deals will be done in conformity with the Law.</p> <p>3. The Council of Ministers will approve an SME development framework, including a definition of SMEs to be used among all Government agencies, developed by the SME committee and in coordination and consultation with other line ministries and private sector representatives.</p> <p>4. The draft Law on Commercial Arbitration is adopted by the Council of Ministers and submitted to the National Assembly. As evidence that the law is implemented, at least one recognized arbitration center, with appropriately trained and respected staff and a roster of trained and respected arbitrators will have issued at least two arbitration judgments.</p>	<p>PSD TWG</p> <p>PSD TWG</p> <p>PSD TWG</p> <p>PSD TWG</p>

<i>Areas</i>	<i>Benchmarks</i>	<i>Agency</i>
<b>Session III: Supporting Human Development</b>		
<b>Gender, Poverty, and HIV/AIDS</b>	<ol style="list-style-type: none"> <li>These will be treated as cross cutting issues to be addressed under the broader umbrella of formulating the next 5 year National Strategic Development Plan for 2006-2010</li> <li>Gender Equality: Put in place the Legal Framework for Protection <ul style="list-style-type: none"> <li>Draft Domestic Violence Law is adopted by the Council of Ministers and submitted to the National Assembly and a Prevention Plan adopted</li> <li>Draft Anti Trafficking Law is adopted by the Council of Ministers and submitted to the National Assembly and a Prevention Plan adopted</li> </ul> </li> </ol>	All TWGs
<b>Health &amp; Education</b>	<ol style="list-style-type: none"> <li>Timely disbursements of the budget for Health and Education as agreed in the PFM Action Plan</li> </ol>	PFM and HD TWGs
<b>Session IV. Increasing Aid Effectiveness</b>		
<b>Harmonisation &amp; Alignment</b>	<ol style="list-style-type: none"> <li>Implement--and monitor implementation progress on a six monthly basis—the Harmonization Action Plan and the Partnership Principles</li> </ol>	PWG



## List of Participants

H.E. Mr. Keat Chhon	Senior Minister, MEF, First Vice Chairman of CDC, and Chairman of GDCC
H.E. Mr. Chhieng Yanara	Secretary General, Secretariat of GDCC and Secretary General, CDC/CRDB
H.E. Ms. Men Sam Orn	Senior Minister, MONASRI
H.E. Mr. Hong Sun Huot	Senior Minister, Chairman, NAA
H.E. Mr. Ang Vong Vathana	Minister, MOJ
H.E. Dr. Chan Sarun	Minister, MAFF
H.E. Mr. Son Koun Thor	Vice-Chairman, SNEC and RDB
H.E. Dr. Aun Porn Monirath	Secretary of State, MEF
H.E. Mr. Sok Siphana	Secretary of State, MOC
H.E. Mr. Eng Huot	Secretary of State, MOH
H.E. Mr. Veng Sakhon	Secretary of State, MOWRAM
H.E. Mr. Chea Sieng Hong	Secretary of State, MIME
H.E. Mr. Ou Orhat	Secretary of State, MOP
H.E. Mr. Say Siphonn	Secretary of State, MoSVY
H.E. Mr. Larnarath	Secretary of State, MPTC
H.E. Mr. Pok Than	Secretary of State, MOEYS
H.E. Ms. Khim Chanroeun	Secretary of State, MOWA
H.E. Mr. Pou Darany	Under Secretary of State, MONASRI
H.E. Mr. So Samouth	Under Secretary of State, MOWA
H.E. Mr. Sieng Lapresse	Under Secretary of State, MOI
H.E. Mr. Suy Mong Leang	Director, CLJR
H.E. Dr. Tia Phalla	Secretary General, NAA
H.E. Mr. Neav Chanthana	Deputy Governor, NBC
H.E. Mr. Vongsey Vissoth	Deputy Secretary General, MEF
H.E. Mr. Leng Sochea	Deputy Secretary General, CMAA
H.E. Mr. Chhuon Chham	Deputy Secretary General, CAR
Mr. Him Suong	Deputy Director General, MOI
Mr. Sar Sovann	Deputy Director General, MLMUPC
Mr. Ty Sokhun	Director, FA, MAFF
Mr. Nao Thuok	Director, DoF, MAFF
Mr. Sareth Boramy	Deputy Director, MLMUPC
Mr. Chhay Seng	Deputy Director, MRD
Ms. Nhean Sochetra	Deputy Director, MOWA
Mr. Po Ratana	Deputy Director, CAR
Mr. Ek Bolin	CMAC
Mr. Kith Seng	MAFF
Mr. Ouk Paatana	MOI
H.E. Ms. Lisa Filippetto	Ambassador of Australia
H.E. Ms. Donica Pottie	Ambassador of Canada
H.E. Mr. Yvon Roe d'Albert	Ambassador of France
H.E. Mr. Pius Fischer	Ambassador of Germany
H.E. Mr. Pradaap Kumar Kapur	Ambassador of India
H.E. Mr. Takahashi Fumiaki	Ambassador of Japan
H.E. Mr. Mogen Christensen	Minister Counsellor, Danida
H.E. Mr. Claes Leijon	Counsellor, Royal Swedish Embassy
H.E. Mr. Winston McColgan	Chargé d'Affaires, EC Delegation
H.E. Mr. Valentin Dikushin	Counsellor, Russian Embassy
H.E. Mr. Nantinu Niyapo	First Secretary, Royal Thai Embassy
H.E. Mr. Douglas Gardner	UN Resident Coordinator
H.E. Ms. Nisha Agrawal	Country Manager, World Bank
H.E. Mr. Shyam Bajpai	Country Director, ADB
H.E. Mr. Robert Hagemann	Resident Representative, IMF
H.E. Ms. Fleur Davies	Consellor, AusAid
H.E. Mr. Alan Leber	First Secretary, Embassy of Canada
H.E. Mr. Yves Terracol	Director, AFD

H.E. Dr. Thomas Engelhardt	Director, GTZ
H.E. Mr. Juro Chikaraishi	Resident Representative, JICA
H.E. Ms. Elizabeth Smith	Head of Office, UK/DFID
H.E. Mr. Jonathan Addleton	Director, USAID
H.E. Mr. Dordain Dominique	Counsellor, Embassy of France
H.E. Mr. Theo Kidess	Counsellor, Embassy of Germany
Mr. Tomoo Hozumi	Sr. Program Officer, UNICEF
Mr. Farid Siddiqui	Senior Advisor, UNDP/CDC
Mr. May Tum	UNFPA
Ms. Sachiko Nishioka	Aid Coordination Advisor, JICA
Ms. Babara Orlandini	Coordination Specialist, UNRCO
Ms. Yoko Konishi	Programme Officer, UNDP