

Minutes of the Nineteenth Meeting of the Government- Development Partner Coordination Committee (GDCC) held on 26 September 2012, at CDC



H.E. Deputy Prime Minister **Keat Chhon**, Minister of Economy and Finance and First Vice-Chairman of the Council for the Development of Cambodia, in his capacity as Chairman of the Government-Development Partner Coordination Committee (GDCC), opened and welcomed all participants to the nineteenth meeting of the GDCC. In his opening remarks, he addressed the central development partnership issues by emphasizing progress of the joint commitments made by the RGC and development partners to achieve national development effectiveness. In this regard, the principles of Busan Partnership for Effective Development Cooperation were endorsed by the RGC to accelerate development partnership and development results. He also noted that significant efforts have been made by the RGC in preparing and implementing the Public Financial Management Reform Program (PFMRP), result-oriented JMIs and aligning of ODA with national priorities. Significantly the application of Prime Minister's Directive Number One on effective management of Economic Land Concession was an on-going priority, together with efforts to improve transparency and accountability in resource use, especially external funds, to ensure they are beneficial for Cambodian needs.

The agenda items of the meeting were:

- i. Review and endorsement of the JMIs (2012-2013)
- ii. Preparatory Process of the NSDP (2014-2018)
- iii. Discussion of progress of PFMRP
- iv. Discussion of Development Cooperation and Partnership Strategy Concept Paper
- v. Review and application of the Prime Minister's Directive Number One on Economic Land Concession (ELC) Management
- vi. Other Business

[All presentations are available on <http://www.cdc-crdb.gov.kh/cdc/gdcc/default.htm#19>]

Agenda item 1: Review and endorsement of the JMIs (2012-2013)

H.E Chhieng Yanara, Minister Attached to the Prime Minister and Secretary General of CRDB/CDC, addressed the overall aspect of the new JMIs (2012-2013) by highlighting the background, process and key critical analysis of the JMI implementation. He observed that the new JMIs have been developed through extensive consultation and endorsement by TWG chairs and Lead-DP Facilitators. A discussion paper on JMI (2012-2013) was prepared by CRDB/CDC to provide inputs for the RGC agencies and development partners in mid of 2012 to identify JMI preparation with high technical quality. The TWG network meeting was also conducted to provide the opportunity to TWGs and development partners to review and update the new JMIs linked to result-based frameworks. Through the new JMIs, three main areas related to development effectiveness would need to be more focused as following: i) Partnership strengthening efforts; ii) Planning and budgeting process improvement; and iii) Capacity development and national systems strengthening. The JMI exercise should also be used to strengthen results-based approaches and the use of results frameworks linking national-sectoral-project priorities in a coherent framework.

Comments by H.E. Masafumi Kuroki, Ambassador of Japan: H.E. Masafumi raised comments mainly related to the new JMI process. Those comments were summarized as three key points as following:

- The existing JMIs should be further improved and integrated in the policy directions significantly in the NSDP indicators. The cross-cutting JMIs should be linked to broader core reforms.
- Broader engagement of all stakeholders, particularly CSOs, in the JMI exercise should be needed.
- Clear TWG mechanisms and mandates should be revised and reinforced to address JMI implementation constraints.

Response by the RGC: The chair acknowledged and welcomed all development partner inputs in the new JMI preparation and implementation. He also re-emphasized that the JMIs were strategic tools to monitor partnership work between the RGC and development partners to achieve development results. The 2012-2013 JMIs were prepared in respect to the guidance of JMIs Discussion Paper which has included the core reform priorities and has derived from NSDP indicator. TWGs and development partners were suggested to accelerate efforts to effectively implement the new JMIs to reach identified targets.

Agenda item 2: Discussion on the 2014-2018 NSDP preparation

H.E. Senior Minister Chhay Than, Minister of Planning, presented the 2014-2018 NSDP preparation process by highlighting the overall framework, progress and challenges and specific steps of the new NSDP preparation. Key national priorities have been identified through the new NSDP as follows:

- Creating an enabling environment for broad-based inclusive development through underpinning of core reforms and public-private partnerships.
- Building on efforts to promote the economic sectors including promoting broad-based inclusive growth, creating environments for a balanced open economy and improving knowledge and application of science and technologies.
- Improving of human and social development including reduction of poverty, promoting human capital development through the health and education sectors.
- Mainstreaming efforts on cross-cutting issues such as climate change, gender and land issues to respond to national and global commitments.
- Enhancing national planning and M&E capacity and integrated M&E systems.

H.E. Senior Minister also reported that typical dialogues and guidance have been prepared by the MoP for line ministries and agencies to improve the process of new NSDP preparation. In this case, the RGC Circular contained guiding principles and would be issued and circulated to concerned agencies by late December 2012 or early January 2013. The draft of the new NSDP planned to be completed in the quarter three of 2013, and planned to submit to the National Assembly for approval in late 2013. However, internal challenges relating to physical and human resources would occur when processing the new NSDP, in which deepening PAR and D&D reforms, coordination among the RGC's line ministries and agencies, transformation from project-based to program-based approaches, and strengthening M&E systems would need to be further focused. MOP outlined their resource requirements for NSDP preparation and requested support from development partners and cooperation from all stakeholders.

Comments by Ms. Annette Dixon, World Bank Country Director: Ms. Dixon reflected some development partner comments relating to the new NSDP preparation, which were summarized as follows:

- Clear roadmap on roles and responsibilities of all development actors in the NSDP preparation should be further addressed.
- Public service reforms including monitoring and accountability in public and private and multi-sector action plans should be accelerated, emphasizing the inter-linkages between PAR, PFM and D&D.
- Agricultural processing and manufacturing capability, skills and workforce, and trade logistics should be taken into account by ensuring efficient connection between private sector and policy makers.
- Land policies including state land management, registration, resettlement and urban planning should be further reinforced to promote inclusive and sustainable development.
- The new NSDP M&E framework systems should be strengthened, and NSDP monitoring indicators should be linked to the JMIs and sector programs and budget to enhance implementation, effective resource use and monitoring.

Response by the RGC: The chair emphasized that the NSDP played a central role as the main policy tool in implementing national development visions and strategies and synchronized with the new RGC political platform of the fifth legislature of the National Assembly. He thanked development partners for their comments, which would be taken into account during NSDP preparation.

Agenda item 3: Progress of the Public Financial Management Reform Program

H.E. Hang Chhuon Naron, Secretary of State of the MEF, identified significant progress related to the PFMRP by emphasizing key strategies and policies and challenges in accelerating the PFM reform in Cambodia. Since its introduction in 2004, the PFMRP has achieved satisfactory progress. Budget credibility was successfully realized during the PFMRP2 in 2008. Key strategies and action plans have been regularly reviewed, monitored and updated to ensure effective PFMRP implementation, especially the introduction of catalyst activities and strategy for FMIS implementation. In this regard, Cambodia moved from cash shortage to cash surplus situation through the improvement of revenue management, mobilization and forecasting, treasury account, cash management, banking transactions, budget execution process. A number of regulation, policies and frameworks for the financial decentralization have been prepared to support sub-national development. Strengthening of line ministries Budget Strategic Plans and Program Budgets would be a central focus in the next platform. However, challenges regarding the slowdown of the new budget classification, chart of account, business process, budget entity and FMIS preparation would need to be followed up, and institutional and individual capacities on the reform program would need to be further improved.

Comments by H.E. Mr. Jean-Francois Cautain, Ambassador of the European Union:

H.E. Mr. Cautain shared development partner comments concerning the acceleration of strategies and policies to effectively implement the PFMRP as follows:

- Collaboration between MEF and line ministry revenue collection departments in implementing revenue mobilization policy should be further enhanced, and the standardized receipt system for tax and non-tax revenue collection should be enforced.

- The efficiency of the public procurement expenditures should be increased through greater involvement the MEF and National Audit Authority (NAA) to ensure oversight and make the procurement process transparent and competitive.
- Budget reliability and transparency should be further improved and integrated with external resources and the NSDP priorities;
- Consistency between the NSDP, BSP and MTEF would need to be strengthened to translate in the annual budget allocations and execution, significantly the use of BSP in the third stage of PFMRP.
- Closer collaboration between PAR, PFM and D&D institutions should be needed to accelerate the FMIS and budget entity reforms.

Response by the RGC: In this regard, the chair emphasized that the RGC consider its reforms as a '*matter of life and death*' addressing people's needs and to promote human development to achieve inclusive and sustainable growth.

Agenda item 4: Review of the Background Paper on Development Cooperation and Partnerships Strategy (2014-2018)

CRDB/CDC presented the background paper on the Development Cooperation and Partnerships Strategy (2014-2018) by summarizing the background, objectives and structure of the policy document. The main objectives of the background paper were to share information and seek inputs on the proposed content and structure of the strategy and to jointly discuss and agree on specific areas to be focused. Seven chapters including introduction; SWOT analysis of development cooperation; strategic goals and objectives; framework and tools for strategy implementation; institutional arrangements; resourcing; and M&E were proposed to analyze Cambodia development partnership issues and priorities. The strategy would reaffirm the roles of all RGC agencies reflecting through the existing 2006-2010 Strategic Framework for Development Cooperation Management. It is planned to be finalized during quarter 4 of 2013 with a broad range of consultation by all stakeholders, and the mid-term evaluation planned to be conducted during the second half of 2015 or early 2016.

Comments by H.E. Anne Hoglund, Ambassador of Sweden: H.E. Anne Hoglund reflected key specific points to be reflected in the Strategy. The comments were summarized as following:

- The resource mobilization should be reviewed and ODA should be integrated with country's own resources with clear M&E indicators.
- The roles of private sector and CSOs in development partnerships, South-South Cooperation, and cross-cutting issues like climate change and gender should be significant and fully reflected in the strategy.
- Inter-ministerial coordination and cooperation should be strengthened to achieve the outcome of the strategy. Development partners would welcome an opportunity to support the preparation of the revised strategy.

Response by the RGC: The chair has stated that the strategy constituted rules of the game of development partnership and served as a tool to improve the principles of transparency of resource implementation and embrace partnership dynamics. Further dialogues between the RGC and all relevant actors would be conducted in finalizing the strategy through the Partnership & Harmonisation TWG.

Agenda item 5: Review and application of the Prime Minister's Directive Number One on Effective Economic Land Concessions

H.E. Senior Minister Im Chhun Lim, Minister of Land Management, Urban Planning and Construction, in his capacity as the focal point in implementing the Directive Number One, presented the application of the Prime Minister's Directive Number One by highlighting important achievements and progress made during the implementation. Presently, over 170,000 land parcels have been surveyed to poor and rural people. The presence of the voluntary youth in land registration and survey helped support to the demarcation of private and state land boundaries and the acceleration of land registration in Cambodia. Development partners and CSOs were acknowledged and suggested to further support the land reform process.

Comments by H.E. Dr. Wolfgang Moser, Ambassador of Germany: H.E. Wolfgang Moser welcomed progress to date and reflected development partner comments on the application of the Directive Number One. Development partners asked for clarification on specific points as follows:

- The demarcation on remaining state land and forest land including the information on available Social Land Concessions and Economic Land Concessions at the end of the Directive campaign
- Review and updating information on Economic Land Concessions
- Whether the Directive accelerate the systematic land titling and registration including the Indigenous registration and resolute mechanisms for dispute areas.

Response by the RGC: H.E. Senior Minister also pointed out that the large land distribution was considered in the fourth phase of land reform. Approximately 2.6 million land titles have also been distributed, and over 240,000 declaration forms have been filled in with nearly 170,000 households recorded.

The chair added that the Directive campaign carried out the RGC's new actions on existing policies through in-depth land reform to strongly resolve and legalize land management through providing the completed land ownership rights. Further dialogues between the RGC and development partners would be conducted to improve land reform issues.

Any other Business

1. The representative from Australia, on behalf of development partners, noted Cambodia's progress on democratisation over the last twenty years and welcomed the smooth voting process in Commune Council elections held in June this year. He noted that "the international community stands ready to support electoral reform efforts along the lines of the recommendations of the international election observer missions in order to deliver free and fair general elections next year. Securing a level playing field for all political parties, including equal access to media, impartial dispute resolution and freedom of expression and assembly, is central in this regard. We also encourage the Royal Government to consider human rights as a key development issue, and recognize that economic prosperity for Cambodians is linked to the protection of human rights."
2. The ADB representative, Mr Eric Sidgwick, informed the meeting that development partners had agreed five priority policy areas for continued joint dialogue with the Royal Government. These are:

- (i) Aid architecture, in the context of the Royal Government of Cambodia's Development Cooperation and Partnership Policy and new proposed Strategy (2014-18), including today's endorsement of the new JMIs;
- (ii) Land registration and economic land concessions;
- (iii) Skills development in the context of Cambodia's efforts to reach middle-income status;
- (iv) Public administration reform and compensation; and
- (v) Public financial management and budget integration.

He assured the meeting that development partners look forward to deepening dialogue with the Royal Government of Cambodia in the months ahead.

Closing Remarks

The Chair, in his closing remarks, thanked all participants for their fruitful and constructive discussion in partnership-based manner. He also reaffirmed that the RGC would continue implement its mandate in national development through deepening reforms and promoting economic and social welfare.

The meeting was concluded at 12:00 pm.
