

**Development Partner Remarks
Public Administration Reform**

**Delivered by Qimiao Fan, Country Manager, World Bank on behalf of Development Partners
at the 17th Meeting of The Government-Development Partner Coordination Committee
Phnom Penh, October 18, 2010**

Excellency Keat Chhon, Deputy Prime Minister and Minister of Economy and Finance,

Excellency Ngo Hongly, Secretary General of the Council for Administrative Reform,

Excellencies, Ladies and Gentlemen,

On behalf of Development Partners to the Royal Government of Cambodia, I am pleased to deliver this statement on Public Administration Reform.

At the outset, I would like to remind ourselves of the critical nature of this reform. While attention has been diverted, at CAR, in line ministries, and among DPs, to the Priority Operating Cost instrument, it is worth reminding ourselves that this instrument is an imperfect, temporary fix to help the Government implement its development programs. Improving overall service delivery – to serve people better, as the NPAR puts it – remains the core objective.

We fully support the framework put forward by the Royal Government for a National Program of Administrative Reform. The NPAR is appropriately focused on service delivery. It also very rightly articulates the complementarities between a range of human resource, organizational, pay, and capacity reforms. We also appreciate the initial steps taken by the Royal Government to implement this program, including the census of civil servants and other improvements in control, the establishment of Special Operating Agencies in the ministry of health, and the preparation of new human resource processes.

We also appreciate the constraints facing the implementation of such profound reform program. Experience across the world with these programs highlights the technical and political complexity of changing practices and reforming organizations. Cambodia is also faced with the constraints of limited fiscal space for this reform. It is important to distill some early successes of this program and publicize them to maintain broad support for change. *It would be useful to hear from the Royal Government the concrete results in terms of actual changes that are expected in the next couple of months. Development Partners would also appreciate to hear the Royal Government's timetable toward the approval of options for sequencing compensation reform by December 2011, as agreed at the CDCF.* We are very much looking forward to CAR further reporting on the impact of implementation at the next GDCC.

Excellencies, Ladies and Gentlemen,

Before I conclude, I would like to emphasize two points.

First, we fully concur with CAR's view that public administration reform is everyone's objective, not CAR's objective. We strongly support the efforts of the Sub-National Democratic Development program to develop a framework for sub-national administration and welcome CAR's active participation in that process. We also strongly support the connections between organizational reviews and the definition of budget entities by the Public Financial Management reform program; and we welcome CAR and MEF

close partnership on this and other personnel management issues. We support new approaches put in place in sector ministries, such as the Ministry of Health leadership in deploying Special Operating Agencies. In all these cases, we would like to offer the mobilization of the sector programs that we are supporting – since they are all about service delivery and sustainable capacity development – in further driving administrative reforms at the sector level. *We would welcome the Royal Government's guidance on priorities areas for concrete implementation at the sector level and on the roles and responsibilities of the various partners.*

Second, we would like to emphasize our commitment, signed in Phnom Penh on October 5th, 2006, to harmonization and alignment. At the time, we committed to “avoid the creation of new parallel structures (PIU/PMUs) for day-to-day management and implementation of ODA-financed projects and programs.” The POC scheme has enabled us to fully harmonize our practices of salary supplementation and we applaud the government's leadership toward this result. However its design is structured around the day-to-day management and implementation of ODA-financed programs: we are committed to transition as soon as possible to a government system supporting the implementation of government programs. *We would welcome initial views on how such transition can be made in the medium-term. As HE Moniroth summarized at our last CDCF, POC is a “temporary scheme” and we are looking forward to the agreed review “ahead of the next CDCF in the context of a broader review on progress achieved in the public administrative reform”.*

Excellencies, Ladies and Gentlemen,

I wish to conclude our joint statement by acknowledging the leadership of the Royal Government, from HE Deputy Prime Minister Sok an, as Chairman of the Council for Administrative Reform, from HE Ngo Hongly as Secretary General of the Council of Administrative Reform, and from their colleagues across the Government. These are not easy reforms. We hope that the quality of our partnership, including our capacity to sustain dialog in the face of complex changes and uncertainties and our capacity to understand each other, can make a difference in the Royal Government's success in achieving its objectives. In that spirit, Development Partners are looking forward to sustaining our partnership with CAR and the Royal Government on public administration reform.

Thank you.