

**Minutes of the Seventh Meeting of the  
Government-Donor Coordination Committee (GDCC)  
held on  
14 June 2006, 8:30 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 Seventh meeting of the GDCC. He informed the meeting of the following points:

- i. Based on inputs CDC has received from development partners and discussion within the Royal Government, the discussion at the GDCC meetings will be more sharply focused on a few items and the frequency of GDCC meetings will be reduced from four to three times in a year, the next GDCC meetings being scheduled for October 2006 and February 2007.
- ii. Discussion at this seventh GDCC meeting will focus on the following six areas: (a) Anti Corruption Law; (b) Legal and Judicial Reform; (c) Public Administration Reform; (d) NSDP monitoring framework; (e) Agriculture and Natural Resources with focus on Land Registration and Forestry; and (f) Decentralization and Deconcentration Reform.
- iii. Signing ceremony of the Declaration between the Royal Government and Development Partners will be postponed until the next GDCC meeting to ensure that development partners who want to support these joint efforts to enhance aid effectiveness will be provided an opportunity to participate.
- iv. The review of the TWG and GDCC mechanism is currently underway. Mr. Natarajan was recruited by CDC to assist CDC in carrying out this review. Once the report is submitted to CDC, CDC will prepare a RGC policy paper in Khmer that will be discussed internally with line ministries and agencies for inputs and comments. The revised draft will then be translated into English and used for discussion with development partners, after which it will be submitted for review and approval by the Royal Government.
- v. A medal of the rank of Mahasena has been awarded by the Royal Government to Dr. Farid Siddiqui in recognition of his outstanding services. Dr. Siddiqui has been working as UNDP Senior Adviser to CDC for four and a half years and has assisted the Royal Government in formulating aid coordination policies and made outstanding contributions to the work of CDC and building capacity of CDC staff.

2. The following development partners provided statements and remarks on the following topics:

- i. H.E. Mr. Douglas Gardner, UN Resident Coordinator, on issue of corruption.
- ii. H.E. Mr. Yvon Ro   d'Albert, Ambassador of France, on legal and judicial reform.
- iii. H.E. Mr. Ngo Hongly, Secretary General of Council for Administrative Reform, on public administration reform.
- iv. H.E. Mr. Ou Orhat, Secretary of State, Ministry of Planning, on NSDP monitoring framework.
- v. H.E. Mr. Puis Fischer, Ambassador of Germany, on natural resources, agriculture, land and forestry.
- vi. H.E. Mr. Prum Sokha, Secretary of State, Ministry of Interior, on national policy on democratic development.

**Anti Corruption Law**

3. Representative of MONASRI provided the following update:

- i. The draft law has been submitted to the Council of Ministers. It has been reviewed by OBSESS and the Council of Jurists. The revised draft now is being reviewed by the Ministry of Justice to make it conform to the draft Penal Procedures Code. After the review, the draft law will be sent back to COM for approval by the Inter Ministerial Committee and subsequent submission to the National Assembly.
  - ii. On independence of the anti corruption body, the draft law stipulates the creation of an independent Supreme Council to Combat Corruption. The Supreme Council will provide directions to the Secretary General in the task. The Secretary General is given investigative power in corruption cases. Assets declaration is being stipulated in the draft law after consultation and agreement with UNDP experts. One point that has not been agreed is on the access by the Secretary General to asset declaration information. As this is potentially sensitive, the draft laws requires that permission be secured from the Supreme Council to Combat Corruption before the Secretary General can have access to assets declaration information only for investigation purposes.
  - iii. MONASRI has completed its work concerning the Anti Corruption Law. The focal point within the Government now will be decided by the COM.
4. Representative from the COM informed the meeting that once the draft law is ready, H.E. Deputy Prime Minister Sok An will hold a meeting with all Ambassadors and Heads of International Agencies to present and clarify on matters concerning the draft law.
5. To sum up the discussion on the agenda item, H.E. Keat Chhon requested that we stick to the deadline of this particular JMI that has been agreed between the Royal Government and development partners, that is, the draft law will be approved by the COM by end of June and submitted to the National Assembly.

#### **Legal and Judicial Reform:**

6. The Chair of Legal and Judicial Reform TWG provided update on the drafting of the remaining fundamental laws. He specifically urged France to provide experts to work with the Ministry of Justice to complete the remaining two chapters in the draft Penal Procedures Code.
7. The Minister of Women's Affairs briefed the meeting of the delay in drafting of the Law on Human Trafficking due to definitions of trafficking contained in the draft law that is not consistent with the UN Convention to Prevent Trans Border Crimes.
8. Representative of the Ministry of Justice provided clarification with regard to the following points: the Code of Civil Procedures is now at the Senate; MOJ is trying to speed up the drafting process; and MOJ is in need of both human and financial resources to cope with the current workload.
9. The Ambassador of Australia also provided update on future Australian assistance in this area. Australia is having consultation with the Royal Government to formulate an assistance program that will be the successor to the current CCJAP II that is concluding this year.

#### **Public Administration Reform:**

10. H.E. Ms. Lisa Kim Felipetto, Ambassador of Australia, delivered statement on behalf of the donor community regarding progress in public administration. Transcripts of H.E. Ms. Lisa Kim Felipetto's speech are attached as Annex II.

#### **NSDP Monitoring Framework:**

11. Representative of the World Bank highlighted three specific issues:

- i. On sector strategy development and elaboration of the NSDP, donor partners appreciate that it is not possible to develop a preliminary review of the NSDP including detailed sector and sub-national plans. Donors welcome information on the timeline for the preparation of the sector strategies that will result in the annual progress report and update of the NSDP in the first quarter of 2007.
  - ii. NSDP monitoring framework has been revised to reflect comments and suggestions from donors and civil society organization.
  - iii. The establishment of a high level Steering Committee consisting of MOP, SNEC, MEF, CRDB and four line ministries as core group and technical group is a positive development.
12. The UN Resident Coordinator remarked that NSDP is an important document for guiding the allocation of resources to achieve the NSDP targets and CMDGs, especially the additional resources from oil Cambodia is expecting to gain in the near future.

**Agriculture and Natural Resources:**

13. In addition to delivering the donor statement on natural resource, agriculture, land and forestry, H.E. Mr. Puis Fischer, Ambassador of Germany, added that "the recent World Bank scandal which involved the Ministry of Land Management potentially hurts the functioning of the Ministry, and I regard it personally as a tragedy that some officials [...] apparently are not serving the interest of their country. Rather, [they] harm their country's reputation. We expect those involved in the diversion or misprocurement of funds will be held responsible for their action and this should not be regarded as just a question of repaying funds to the World Bank."

14. H.E. Mr. Ty Sokun, Chair of Forestry and Environment TWG provided update specifically on actions taken by the Government in combating forest land clearing and grabbing since the issuance of Government decision on 1 May 2006. He informed the meeting that the Ministry of National Defense has sent to the TWG information on development areas in the forest estate. This information will be shared at the next TWG meeting. He also appealed for further support from the donor community to the action plan that has been prepared by F&E TWG.

15. H.E. Mr. Chan Tong Yve, Chair of Agriculture and Water TWG provided clarification on the following points:

- i. There has been little information on the establishment and function of the technical secretariat as has been mandated in the Sub Decree on Economic Land Concession.
- ii. Information on economic land concessions on website is regularly updated with the latest update on 13 June 2006.
- iii. The location of the existing economic land concession will need to be further reviewed to establish the exact coordinates of the locations.
- iv. The preparation of the agriculture sector strategy and a program framework is progressing well and will be completed by December 2006.

16. In response to H.E. Mr. Puis Fischer, H.E. Mr. Keat Chhon provided update on the management of the crisis with the WB funded projects covering four line ministries. He said that we would like to transform this crisis into opportunity to build credibility for the Government because there have been reports of mismanagement, misprocurements and corruption involved. The Government requests that the World Bank provide to the Government all facts in detail and in writing so that the Government can proceed with its investigation and eventually to punish those responsible. The Government is empowering MONASRI to do this task. But he also indicated that responsibility does not lie within the Government alone but also with the consultants and World Bank staff as well. He emphasized that we need cooperation to combat

corruption, and asked that in the future, for the sake of partnership, if the World Bank finds something wrong, the World Bank should notify the Government first before going to the press, so that action can be taken to push for investigation. H.E. Mr. Keat Chhon said that there might be political agenda behind this and that the Department of Institutional Integrity seems to be reluctant to provide the Government with all detailed facts and information. Nevertheless, he urged the Bank to cooperate with the Government and suggested that governance system inside the World Bank should also be improved.

17. H.E. Mr. Sun Chan Thol, Minister of Public Works and Transport said that so far we have not yet received any evidence provided to support the allegations so that action can be taken. He said that the Government of Cambodia is determined to fix the problem and that it is the obligation of the World Bank to share with us all the evidence.

18. Representative of the World Bank said that the World Bank very much value Government's guidance and comments to help improve this process that are now being fed back to the Bank senior management internally. The Bank will do this in the spirit of partnership and respect for the client's needs. He added that the World Bank has decided to go ahead with new projects with support from the Bank senior management.

**Decentralization and Deconcentration Reform:**

19. H.E. Mr. David Reader, Ambassador of the United Kingdom, delivered, on behalf of development partners, statement on D&D reform. Transcripts of the statement are in Annex II.

9. H.E. Mr. Keat Chhon, Chair of GDCC, concluded that broadly all the items on the agenda related to JMIs are met and that special note has been taken on Anti Corruption Law, and urged all TWGs to consider all the relevant issues that were raised during the discussion, including those raised by NGOs. He also asked H.E. Mr. Chhieng Yanara, as Secretary General of GDCC, to convey statement by the Ambassador of Germany on land management to colleagues at the Ministry of Land Management, Urban Planning and Construction. He thanks representatives from ministries and agencies of the RGC, Ambassadors and Heads of agencies of development partners for participating in this meeting.

10. The Seventh GDCC meeting adjourned at 11:30 AM.

## **ANNEX I**

### **List of Participants**

#### **Government**

H.E. Mr. Keat Chhon, Senior Minister, Minister of Economy and Finance, Chairman of GDCC  
H.E. Mr. Chhieng Yanara, Deputy Secretary General of CDC, Secretary General of GDCC

#### *Cambodia Mine Action Authority*

H.E. Mr. Leng Sochea, Deputy Secretary General

#### *Council for Administrative Reform*

H.E. Mr. Ngo Hongly, Secretary General  
Mr. Svay Sovannarith, Director  
Mr. Ed Attridge, Adviser  
Mr. Lim Keo Theara, Officer

#### *Council for the Development of Cambodia*

Ramanathan Natarajan, Adviser

#### *Ministry of Agriculture, Forestry and Fisheries*

H.E. Mr. Chan Tong Yves, Secretary of State  
H.E. Mr. Ty Sokhun, Director of Forestry Administration  
Mr. Chan Danith, Department of Fisheries  
Mr. Eang Saveth, Forestry Administration

#### *Ministry of Commerce*

H.E. Mr. Kem Sithan, Secretary of State

#### *Ministry of Economy and Finance*

Mr. Long Sophat, Officer

#### *Ministry of Education, Youth and Sports*

H.E. Mr. Pok Than, Secretary of State  
Mr. Sam Sereyrath, Director

#### *Ministry of Foreign Affairs and International Cooperation*

H.R.H. Prince Sisowath Chivannariddh, Secretary of State  
Eng Hau, Director  
Preappin Theary, Deputy Chief

#### *Ministry of Health*

Lo Veasnakiry, Director

#### *Ministry of Interior*

H.E. Mr. Prum Sokha, Secretary of State  
Mr. Ngan Chamroeun, Deputy Director General  
Mr. Tep Phearun, Assistant

#### *Ministry of Justice*

H.E. Mr. Kassie Neou, Secretary of State

#### *Ministry of National Assembly Senate Relation and Inspection*

H.E. Mr. Prak Ham, Secretary of State  
Keo Hong, Deputy Director General  
Tao Samdy, Deputy Chief

*Ministry of Planning*

H.E. Mr. Ou Orhat, Secretary of State  
H.E. Mr. Tuon Thavrak, Director General  
Mr. Theng Pagnathun, Director

*Ministry of Public Works and Transport*

H.E. Mr. Sun Chanthol, Minister

*Ministry of Rural Development*

H.E. Dr. Sos Mousine, Under Secretary of State

*Ministry of Water Resources and Meteorology*

H.E. Mr. Veng Sakhon, Secretary of State

*Ministry of Women's Affairs*

H.E. Ms. Ing Kantha Phavi, Minister  
Ms. Sok Chan Chhorvy, Deputy Director General  
Ms. Nhean Sochetra, Director

*National AIDS Authority*

H.E. Mr. Um Chanthy, Secretary General

*Office of the Council of Ministers*

H.E. Mr. Svay Sitha, Secretary of State  
H.E. Mr. Sam Sokphal, Chairman of Council of Jurists  
Dr. Hing Thoraksy, Deputy Cabinet Director  
Mr. Chhe Ly, Deputy Head  
Mr. Chhe Ly, CLJR  
Mr. Phay Sok Kheng, CLJR

**Development Partners**

*Asian Development Bank*

Shyam Bajpai, Country Director  
Paul Im, National Program Officer

*Australia*

H.E. Ms. Lisa Kim Felipetto, Ambassador  
Peter Lindenmayer, First Secretary, AusAID  
Kathryn Elliot, Second Secretary, Embassy of Australia

*Canada*

H.E. Ms. Donica Pottie, Ambassador  
Michael Rymek, Head of Aid, CIDA  
Alan Benicy, Adviser, CIDA  
J. Summerbell, CIDA

*Denmark*

H.E. Mr. Gunnilds Garsdal, Attaché, DANIDA

Arvio Sroth, Adviser, DANIDA

*European Commission*

H.E. Mr. Winston McColgan, Chargé d'Affairs

*Finland*

Maiil Junnila, Counsellor, Ministry of Foreign Affairs

Anu Saxen, Adviser, Ministry of Foreign Affairs

*France*

H.E. Mr. Yvon Roé d'Albert, Ambassador

Dominique Dordain, Counsellor, French Embassy

Julien Calas, Chargé de Mission, AFD

Dichier Grebert, Deputy Director, AFD

*Germany*

H.E. Mr. Pius Fischer, Ambassador

Theo Kidess, Counsellor, German Embassy

Thomas Engelhardt, Country Director, GTZ

Volker Muller, GTZ

*International Monetary Fund*

John Nelmes, Resident Representative

*Japan*

H.E. Mr. Takahashi Fumiaki, Ambassador

Juro Chikaraishi, Resident Representative, JICA

Tetsumi Murata, Counsellor, Embassy of Japan

Mr. Kodama, First Secretary, Embassy of Japan

Mr. Ken Ota, Third Secretary, Embassy of Japan

Emi Morikawa, Adviser, Embassy

Eiichi Hayashi, Assistant Resident Representative, JICA

Satoshi Sugimoto, Assistant Resident Representative, JICA

Nhean Tola, JICA

*Republic of Korea*

H.E. Mr. Shin Hyun-suk, Ambassador

*Sweden*

H.E. Mr. Ryvome Segeosen, First Secretary, Embassy of Sweden

Johnana Lisdyne, APO, SIDA

*Thailand*

Thitichai Saengpithaks, Second Secretary, Royal Thai Embassy

*United Kingdom*

H.E. Mr. David Reader, Ambassador

Claire Moran, Country Manager, DFID

Hellen Appleton, Adviser, DFID

Chris Price, Adviser, DFID

*United States*

Marsh Storella, DCM, US Embassy

Keed Heschliman, USAID

*UN Agencies*

H.E. Mr. Douglas Gardner, UN Resident Coordinator

Teruo Jinnai, Representative, UNESCO

Rodney Hattfield, Representative, UNICEF

Thomas Keusters, Country Director, WFP

Alicia Levisay, Representative, a.i.

Anne Isabelle Blateau, Deputy Resident Representative

Sao Sopheap, Assistant Representative, FAO

Sok Narin, Programme Manager, UNDP

Yoko Konishi, Governance Specialist, UNDP

Roselyn Joseph, Program Officer, World Food Program

*Vietnam*

Hoang Thi Van Anh, Third Secretary, Vietnam Embassy

*World Bank*

Rob Taliercio, Senior Country Economist

Andrew Laing, Senior Public Relation Specialist

Tim Conway, Poverty Specialist

Mia Hyun, Poverty Specialist

Andy Lang, SPSS

**Non Governmental Organizations**

Carol Strickler, Executive Director, CCC

Sin Somuny, Executive Director, MEDICAM

Chhith Sam Ath, Executive Director, NGO Forum



## **ANNEX II**

### **Transcripts of H.E. Ms. Lisa Kim Felipetto's Speech on Behalf of Development Partners on Public Administration Reform**

Your Excellency Keat Chhon

Excellencies, Ladies and Gentlemen

On behalf of the donor community, I would like to recognize the work that is going into establishing a public administration that will meet the needs of Cambodia in the future. We would like to recognize the strong efforts and contributions that the Council for Administrative Reform secretariat and others are making to that work. We particularly welcome the Prime Minister's recent statement in which he observes that the quotas based political system is no longer the approach for the appointment of the administration. The key to implementing this approach is to ensure that public service appointments are based on merit, professionalism and neutrality

The extensive policy work that has been undertaken in this area, in service delivery policy, in remuneration reform, in human resource management and human resource development, provides the framework for implementing a far reaching and fundamental process of change across ministries and agencies. Of particular notice is CAR's exploration of innovative model of service delivery including the expansion of the one window office service that has been informed by the lessons and experiences in a number of provinces.

While policy analysis and development is a very important first step, the challenge is really to translate policy visions into reality and implementation. And this will require leadership, self management and support that will encourage and empower ministries to serve the people better. This leadership was recently demonstrated by the Government in its implementation of the Priority Mission Group/Merit Based Pay Initiative in the Ministry of Economy and Finance and the design of the Ministry of Health PMG/MBPI. We strongly support this initiative and will continue to look for ways that will support the Royal Government in leading the public administrative reform agenda.

Another challenge in this area is ensuring coherence with other Royal Government of Cambodia's reforms. For example, the reforms in public financial management, in Deconcentration and decentralization, in the law and justice sector, and in addressing corruption, will also affect public service. While the Government has already a process of coordination, it would help if we could all develop a more coherent view about how these reforms fit together. As part of this process, we will CAR taking an even stronger advocacy role in explaining the public administrative reform agenda so that it will become a cross cutting issue, one that we all seeking to advance. This may require gradual interaction with other Technical Working Groups as they seek to confront public administration issues in their work.

Donors are all committed to working with our respective ministry partners to reinforce the implementation of this important reform policy in the context of sector strategy. We will use the Technical Working Group mechanism to keep other sectoral groups informed of key developments in this important, cross cutting sector. In particular the PAR TWG partners will work together in addressing the need for sufficient resources and capacity development to move forward on the TWG action plan.

Thank you Mr. Chairman.

**Transcripts of H.E. Mr. David Reader's Speech  
on Behalf of Development Partners on Decentralization and Deconcentration Reform**

Your Excellency

Firstly, on behalf of all the donors, we would like to recognize that the Government has actually embarked on significant reforms in D&D in order to achieve your visions of democratic developments. The three recent statements by the Deputy Prime Minister Sar Kheng, the first in the CG, the second on the 24th of May when the Implementation Strategy for 2006-2007 was announced, and on the last week, have clearly pointed the way forward on D&D and the very ambitious agenda that the Government has placed in it. These announcements also provided detailed insights into the next steps and also clarification of the role of the D&D TWG, but importantly, it provides the opportunity to strengthen country ownership as well as to improve donor alignment and harmonization.

On the donor side, we now look forward to receiving the second part of the Implementation Strategy and also to further consultations on the draft Organic Law that was presented in part last week. Also we would be happy to support the formulation of the Government's new program for democratic developments at the sub national levels and now look forward to receiving your terms of reference on that. However, as you already know, and increasingly clear on the side of donors, timetable for the rest of 2006 is ambitious. The timeframe is tight and donors are under some pressure to secure funding for 2007 in order not to disrupt activities.

But, overall, we are encouraged by the generally positive response in the past few months. In closing I simply would like to say a quick word of thank you to Nigel Coulson who has been the lead on the donor side who is leaving the country soon, and as we hand over the lead to Sweden. Also to mention in that, H.E. Prum Sokha of the Ministry of Interior, who has been invaluable in pushing forward the agenda.

Thank you very much indeed.