

**Development Partner Remarks
Aid Effectiveness and Joint Monitoring Indicators
delivered by Mr. Douglas Broderick, UN Resident Coordinator**

**at the
16th Meeting of
The Government-Development Partner Coordination Committee
Phnom Penh, April 29, 2010**

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

Excellencies, Ladies and Gentlemen,

In our pursuit of the Cambodia Millennium Development Goals, Cambodia and its Development Partners made a number of commitments to increase the quantity of aid, and its quality. In our quest for better aid and development results, Cambodia and its Partners localised the Paris Declaration's five key partnership principles and have adopted some key areas of reform articulated in the Accra Agenda for Action, namely, national ownership, robust partnerships and improved transparency. 2010 marks the end of the implementation period of the Declaration on Enhancing Aid Effectiveness by the Royal Government of Cambodia and Development Partners. It gives us all a chance to take stock of the past five years and assess the progress that has been made towards meeting these commitments, as well as to reflect on the challenges.

On behalf of all Development Partners, I would like to focus this morning on two initiatives that are crucial to building more effective and efficient systems of aid delivery in Cambodia: the **Aid Effectiveness Report** and **Joint Monitoring Indicators** and welcome more substantive discussion at the CDCF.

2010 Aid Effectiveness Report

There has been great progress in the establishment and implementation of aid management policy frameworks, plans and systems. Cambodia's aid information management system, or ODA database, is a global best practice, as are its Aid Effectiveness Reports.

The 2010 Aid Effectiveness Report (AER), prepared by the Cambodian Rehabilitation and Development Board (CRDB) of the Council for the Development of Cambodia (CDC), is the third of its kind and the most significant to date.

Drawing on data extracted from the Cambodia ODA database; qualitative inputs from the 19 Technical Working Groups; and the Paris Declaration Evaluation - Cambodia Case Study; we believe, to the credit of CDC/CRDB, that the Aid Effectiveness Report has grown exponentially in analytical quality. The AER reflects capacity for national leadership of the development agenda, a theme which is highlighted in the Report.

Development Partners have shared comments on the first draft of the 2010 report and we support its recommendations. We also support the focus on addressing Cambodia's fragmented aid environment and capacity constraints at the sector level through programme-based approaches (PBA) and sector strategies; capacity development and use of country systems; and the promotion of partnership practices. It is imperative that these principles and practices are the vehicles of change to ensure sustainability of the reform processes.

Across different sectors, and among stakeholders, there is not yet a common agreement on what the PBA means to Cambodia, and how it is applied. Development Partners support the Government's promotion of the programme-based approach as the preferred means for improving aid effectiveness. The report goes a long way in articulating what the principles and tools of PBAs are in Cambodia and suggests a number of recommendations for Government and its Development Partners. We will work together to ensure that projects have greater tangible association with PBAs; support efforts beyond the scope of project outputs to strengthen the use of planning, budgeting, implementation, reporting and review systems of Government; and step up development partner harmonisation and alignment efforts.

The evolving work of most TWGs also points to the increased adoption of PBA practices so it is important that efforts of respective sectors are guided and coordinated by the Government. This will support implementation and further synergies that support our combined efforts to achieve the NSDP targets.

In support of increased synergy and integration, Development Partners would like to see accelerated progress in harmonising national planning, national budget and aid allocation. Strengthening the central coordination of these three interlinked processes will be crucial for roll out of a well coordinated and multi-year response as outlined in the NSDP 2009 - 2013. We would like to enquire as to progress made by the Inter-Ministerial Committee and clarification of the role and contribution of the Public Financial Management reform process and their associated Budget Strategic Plans at sector level as a tool for managing all resources in a comprehensive and coherent manner.

We also thank the Government for sharing the Multi Year Indicative Financing Framework (MYIFF) prior to the CDCF session. This demonstrates a positive step in routinely integrating resources into planning and budgeting. Development Partners are playing their part in providing annual multi-year projections, with the objective of aligning ODA with the budget planning cycle and with NSDP priorities. The next logical progression would be to bring aid meaningfully on plan and on budget through sector planning tools and within the national budgeting process. Development Partners would welcome the opportunity to work with Government in supporting this process.

Joint Monitoring Indicators 2010

We welcome the new Joint Monitoring Indicator matrix template developed by Government. The format provides for stronger linkages between priority actions, aid effectiveness activities and the achievement of development results.

We gladly acknowledge this increased focus on results in the new set of JMIs, and we are delighted to confirm that Development Partners will endorse the new set of Joint Monitoring Indicators at the 3rd Cambodia Development Cooperation Forum. There is commendable overall progress on presentation and quality in the JMIs but at the same time there is still a wide range in terms of ambition across the JMIs outputs. CDC's continued strong leadership to support improvement and consistency across the JMIs will be important.

We know from the last JMI reports, implementation challenges exist for both Development Partners and Government. Recognising the complexity of the sectoral multi-stakeholder partnerships, we welcome the next stage of the 'Making Partnerships Effective in Cambodia' initiative. We agree

with previous statements by the Government that we will also need to work together to improve the monitoring of JMIs, as the current GDCC structure does not include a comprehensive monitoring mechanism. Development Partners would welcome the opportunity to identify a way to maintain the high-level focus of GDCC while also strengthening its ability to provide a robust monitoring of the JMIs. The CDCF is an important opportunity to do this.

By improving implementation and monitoring systems, we can ensure maximum efficiency and transparency in our common pursuit of national development goals.

Excellencies, ladies and gentlemen,

In conclusion, we would like to applaud CDC/CRDB's fine leadership in supporting line ministries and agencies, and reaching out to Development Partners. We agree with the AER observation that "the Paris Declaration must be approached as a long-term multi-stakeholder reform if it is to change deep-seated behaviours". But we must also accept joint responsibility for taking more resolute action in the short term to improving our working practices and partnership. The AER therefore strikes a good balance while the JMIs help us to remain focused on immediate efforts to achieve the necessary results.

We, the Development Partners, are committed to working with the Royal Government of Cambodia to ensure development effectiveness. This will involve strengthening partnerships around PBAs; reviewing our JMI monitoring mechanisms to ensure mutual accountability; strengthening linkages between planning, budget and aid coordination; paying particular attention to Capacity Development and the three reform processes (Public Administration Reform, Public Financial Management, and Sub National Democratic Development); and reviewing our long-term vision for ensuring development effectiveness in Cambodia.