

Development Partner Remarks
Preparation for the 3rd Cambodia Development Cooperation Forum (CDCF)
delivered by Mr. Qimiao Fan, World Bank Country Manager

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

*Excellency Deputy Prime Minister and Minister of Economy and Finance Keat Chhon,
Excellencies, Ladies and Gentlemen,*

Development partners would like to take this opportunity to congratulate the Government on the efficient preparation process for the 2010 Cambodia Development Cooperation Forum. It is a pleasure to collaborate with H.E. Yanara and his team at CRDB/CDC whose hard work is much appreciated. We look forward to our continuing collaboration over the coming month, as we set the stage for an effective CDCF that will strengthen our partnership to achieve development results.

The 3rd CDCF comes at an important juncture: after the 2009 severe setback suffered by the Cambodian economy and the increased insecurity and hardship that resulted for many of the poor and vulnerable, Cambodia is now back on a growth track with an IMF projection of 4.8% increase in GDP for 2010. With this recovery, there is the opportunity to apply the lessons learned from dealing with the impact of the global crisis, which include the primacy of investing both in the diversification and competitiveness of the economy *and* in protection for the most poor and vulnerable.

The CDCF is one event in the ongoing partnership between Government and development partners which is carried out through the Technical Working Groups and underpinned by the Joint Monitoring Indicators. At the 3rd CDCF Government and development partners will take stock of progress on the previous CDCF commitments and the National Strategic Development Plan priority areas and, in the spirit of partnership, mutual accountability and continuous improvement, will focus on three key objectives: i) recognize and learn from achievements, ii) identify areas where improvement is vital, and iii) reach agreements on critical actions needed to achieve results. The CDCF will endorse the new Joint Monitoring Indicators and the Multi-Year Indicative Financing Framework.

The CDCF agenda provides a good framework to achieve these objectives, centering on the national development priorities as set out in the National Strategic Development Plan Update 2009-2013, including the target of achieving the Cambodian MDGs by 2015.

The stock-taking at the CDCF will be able to recognise notable achievements which include progress in the education and health sectors, the passage of the Penal Code and the Anti-Corruption Law, and work on developing a national social protection strategy for the poor and vulnerable. There has also been important action taken on cross-cutting reforms with the completion of the national programme to support sub-national democratic decentralisation and the continuing implementation of the second phase of the PFM reform programme. Government's recent crack-down on illegal logging is also welcome and development partners are fully in support of Government's continuing action in this area. Development partners acknowledge the work done by the Government in the development of the National Forest Programme initiative and the efforts made to develop a long-term strategy for forestry which will strengthen the sustainable management of forestry resources.

Another key commitment at the 2008 CDCF was the integration of strategic planning, budgeting, and aid management processes. This reform is fundamental to improving development results. Progress has been made in establishing an inter-ministerial committee to coordinate the integration effort. It would be useful to understand more on Government's plan to progress in this area before the CDCF.

Priority issues for the CDCF dialogue are **C-MDGs that require extra effort**, in particular how to tackle the lagging progress on reducing the maternal mortality rate and on improving water supply, sanitation and hygiene, and how best to continue maximising efforts in education. The progress report on JMIs and the draft Aid Effectiveness Report have also highlighted **JMIs** where efforts have been made to achieve targets but where technical working groups have experienced some constraints on progress. The CDCF JMI discussion can helpfully explore how support to strengthen results-based management and partnerships can assist improvements in these areas.

The CDCF high-level dialogue on the **post-crisis strategic priorities** and **core reforms** is important. Development partners look forward to the CDCF update on the macro-economy and agreement on the priority actions for the promotion of broad-based growth; how to ensure sustainable financing and strengthened institutional coordination in order to improve agricultural

productivity and diversification, and; what the next steps are for Government's creation of a comprehensive and efficient social protection system for the poor and vulnerable and how development partners can best support this. On the core reforms, as well as the integration of planning, budget and aid management, key issues for discussion include public service capacity and incentives and sub-national functional responsibilities and financial allocations.

Development partners thank CRDB/CDC for the presentation of the new JMIs for 2010-2011 which, having been agreed by the technical working groups, are now ready for formal endorsement at the CDCF, with the public administration reform JMI to be developed over the coming weeks. My colleague the UN Resident Coordinator will present remarks on behalf of the development partners on the JMI process and format and aid effectiveness.

The CDCF is a forum for dialogue between Government, development partners and also civil society and private sector representatives. We are pleased to see civil society and private sector participation at the CDCF and look forward to their active participation in the ongoing dialogue and preparation leading to the CDCF.

To conclude, I would like to emphasise again development partners' commitment to working closely with Government agencies to prepare for the CDCF sessions to ensure a productive dialogue. As CRDB/CDC have underlined, the quality of the CDCF will only be as good as our joint preparation. We very much look forward to a successful CDCF which will further strengthen our partnership to achieve development results.