

**Minutes of the Tenth Meeting of the
Government-Donor Coordination Committee (GDCC)
held on
22 May 2007, 8:30 am at CDC**

1. H.E. Senior Minister Keat Chhon, Chairman of the Government-Donor Coordination Committee (GDCC) opened the meeting by welcoming all participants to the Tenth meeting of the GDCC. In his opening speech, His Excellency discussed the progress made by the Royal Government of Cambodia, not only in ensuring peace, stability and social progress in the country, but also in implementing the NSDP. He also addressed the significance of the CDCF's evaluation and learning roles that will enable participants to voice concerns, raise some challenges and address them in an open and frank dialogue to achieve the objectives of the NSDP. The Chair also suggested that the GDCC, in the future, be known as the Government-Development Partner Coordination Committee and this was agreed.

2. The agenda items of the meeting were:

- i) NSDP Annual Progress Report (APR) 2006
- ii) Aid Effectiveness Report (AER)
- iii) Multi-Year Indicative Financing Framework (MYIFF)
- iv) Joint Monitoring Indicators (JMIs) Progress Report and new JMIs for 2007
- v) CDCF Agenda
- vi) Any other Business

3. **NSDP Annual Progress Report 2006:** His Excellency Tuon Tavrak, Director General of Ministry of Planning presented the NSDP APR to the meeting and expressed his gratitude for inputs, comments and recommendations, and collaboration of line ministries and development partners. On behalf of the development partner community, Mr. Douglas Gardner, UN Resident Coordinator and Ms. Nisha Agrawal, World Bank Country Manager appreciated the leadership, ownership and partnership that contributed to the quality of the report.

4. **Aid Effectiveness Report (AER):** His Excellency Chhieng Yanara, Secretary General, CDC/CRDB, the RGC focal point for organizing the Forum, informed the meeting of the progress and challenges in producing the AER. He noted that the report was written in accordance with the concept note discussed in the P&H TWG. Then, he went on to appreciate all TWGs and development partners for their comments, which were suitably incorporated into the report, for instance, NGO activities were incorporated. He also raised some difficulty caused by the delay in providing and updating data by development partners, which in turn caused significant changes to the report analysis. Mr. David G. Reader, British Ambassador, and Mr. Mogens Christensen, Minister Counsellor, and DANIDA Resident Representative, appreciated the report for its good quality and analysis by bringing out various aid coordination challenges, such as aid fragmentation and deconcentration. Mr. Christensen requested the Government to move

forward the aid effectiveness agenda by addressing these challenges, in particular, the issue of donor fragmentation that was clearly shown in the report to represent a major challenge. In response, His Excellency Secretary General informed the meeting that the report is the first analysis, and further discussion will provide the basis to move forward to the next step of improving aid effectiveness.

5. Multi-Year Indicative Financing Framework (MYIFF): His Excellency Chhieng Yanara, Secretary General, CDC/CRDB emphasised to the meeting that the MYIFF is intended to be indicative, and it is very useful for the Royal Government to link the external resources to the preparation of the Government planning and budget through the MTEF and PIP. He requested development partners to provide the MYIFF by the 8th of June 2007. His Excellency showed appreciation to UNDP, UNICEF and DFID for their cooperation in providing the MYIFF. However, some development partners, including Japan, noted the difficulty in providing indicative financing framework figures for three years due to its internal budget system and an annual system of making commitments; however they promised to do as much as they can. Answering to the concern raised by DANIDA regarding the harmonisation of the PIP, NSDP and CDC database, His Excellency Chhieng Yanara notified that after the CDCF, CDC would work to synchronise and harmonise the system, including PIP numbers, as well as to discuss how to use CDC database for the NSDP and PIP preparation.

6. Joint Monitoring Indicators (JMIs) Progress Report and new JMIs: Regarding the JMIs Progress Report, the meeting reached an agreement to drop the word “met” or “partially met” written in the report. Then, His Excellency Chhieng Yanara presented new consolidated JMIs proposed by the TWG Chairs. He continued that the formulation of the JMIs was in accordance with three principles – clearly identified responsible institutions, resources, and achievable timeframe. The meeting endorsed the proposed JMIs, but the World Bank supported by a number of development partners, proposed some additional JMIs to be included. These related to the Private Sector Development (PSD), Public Administration Reform (PAR), Anti-corruption, Economic Land Concessions (ELCs), and the addition of a reflection on the Extractive Industries Transparency Initiative (EITI) to the JMI of the Public Financial Management (PFM). ADB and the UN Resident Coordinator also proposed to include rural water and sanitation. The GDCC Chair, supported by many Government colleagues, did not agree that, with the exception of rural water and sanitation, many of the proposed JMIs were necessary. This was particularly the case where conditions for the PRGO budget support operation had already been negotiated to include these conditions, meaning that inclusion in the JMIs was superfluous, and where some JMIs represented the routine work of the Government rather than a joint Government-Donor commitment to pursue an agreed course of action. He nevertheless conceded that these proposals could be included in the new set of JMIs for CDCF endorsement. The discussion came to the following conclusions:

- i) Retaining the 2006 JMIs for PAR and Anti-corruption, including Freedom of Information, to be rolled over;
- ii) Including new JMIs for the PSD (implementing the Service Level Agreement, Reviewing implementation of risk management, and making recommendation recommendations on 20 priority licenses impacting SMEs), and new JMI for Water and Sanitation (increasing use of improved sanitation, hygiene and drinking water supply, with action needed including to identify an appropriate TWG).;
- iii) Adding a new JMI as already agreed with the Government in the context of the PRGO (implementing all the provisions of the sub-decree on ELCs);
- iv) Adding a sentence to the JMI on PFM reform to include the EITI.

7. **CDCF Agenda:** The meeting agreed to adding focus to the discussion topics in the proposed agenda. Discussions would therefore include discussions on Agriculture and Water for Session I (iii) and HIV/AIDs, Water and Sanitation and Education for Session I (iv).

8. The Tenth GDCC meeting adjourned at 12:45 PM with an agreement on NSDP Annual Progress Report, Aid Effectiveness Report, JMIs Progress Report and new JMIs for 2007 as well as the CDCF Agenda.