

Royal Government of Cambodia
Ministry of Planning

Mid Term Review (MTR)
on
the Implementation of NSDP

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Outline

- ❑ **Overview of NSDP and MTR**
- ❑ **Process of Preparation of MTR**
- ❑ **Progress of Implementation**
- ❑ **Shortfalls or Progress below Expectations**
- ❑ **Conclusion**

Overview of NSDP and MTR

- ❑ NSDP synthesised National Poverty Reduction Strategy and Cambodia Millennium Development Goals.
- ❑ NSDP is a single, holistic and integrated document covering all aspects of Cambodia's governance and socio-economic objectives.
- ❑ MTR covers period from 2006 to Sep., 2008.

Process of Preparation

- ❑ MTR preparation was started in January 2008
- ❑ Broad participation and consultation with all stakeholders in successive stages.
- ❑ Inter-ministerial meeting held on 2nd Oct. 2008.
- ❑ Four sources of MTR preparation:
 - ❑ RGC Ministries and agencies (LMs/LAs)
 - ❑ External Development Partners (EDPs)
 - ❑ Research and Published data, and
 - ❑ Overall RGC knowledge of global developments

Progress of Implementation

- ❑ MTR is a holistic and integrated document
- ❑ Provides a broad overview of the situation in Cambodia and global event affecting us
- ❑ It takes stock of the progress so far and situation at present
- ❑ Presents both successes and shortfalls in a balanced, neutral and objective manner
- ❑ Surveys the global situation and how it impacts on Cambodia at present and future

Progress of Implementation (cont.)

- ❑ It stresses some sectors where priority attention needs to be devoted in an urgent manner not only to meet our poverty reduction targets but also to keep our economy on an even keel and avoid possible problems.
- ❑ It sets revised goals and targets and makes projections and forecasts for the future.
- ❑ It looks at emerging financial needs and resources and make sure that our progress continues without serious set backs.

Progress of implementation (cont.)

- MTR is the only document which looks at the whole Cambodia scene in an impartial and inclusive manner
- Major progress in last nearly three years:
 - Peace, political stability, and security and social order have been further enhanced, strengthened, and consolidated, as illustrated by the following:
 1. Conduct of peaceful, orderly, and free and fair second commune elections and the fourth general elections to the National Assembly

Progress of Implementation (cont.)

2. Rapid increase (double from 2006 to 2008) in FDI in Cambodia, and
 3. Progress in continued legal and judicial reforms and public administration reforms
- Poverty reduction at more than the expected 1% per annum, dropping down from 34.7% in 2004 to 30.1% in 2007

Progress of Implementation (cont.)

- ❑ High double digit, macroeconomic growth with low inflation and a stable exchange rate between Cambodian Riel and US
- ❑ High increase in government revenues and current budget surpluses

Progress of Implementation (cont.)

- Progress towards achieving CMDGs, particularly in health and education sectors has been impressive.
- We are well on the achieving many important CMDGs by 2010 and 2015 though we have to struggle more to achieve some others.

Shortfalls and progress below expectations

- ❑ Inflation has increased beyond acceptable levels starting in late 2007 which has impact on all sectors
 - ❑ Government is doing everything possible to limit its adverse effects especially on the poor people
- ❑ Next few years our economic growth rate will be lesser than at the rate of double digits experienced in past few years

Shortfalls and less expectations (cont.)

- ❑ High increase in food prices affecting mostly the poor people
- ❑ Disappointingly, little or no progress has been made to align development partner resources to NSDP priority by reviewing all ongoing programmes and projects as called for in the NSDP
- ❑ Within RGC, better coordination has to be achieved among all agencies and capacity building continues to be a daunting issue.

Shortfalls (cont.)

- ❑ Compounding the internal shortfalls, Cambodia is also being buffeted by cataclysmic global developments such as volatile and unpredictable fuel and food prices and others factors
- ❑ Global financial markets have been deteriorating rapidly since the NSDP-MTR was finalised in early Oct. 2008
- ❑ Reputed and well-known financial and manufacturing institutions are collapsing and stock markets have lost a lot of value.

Shortfalls (cont.)

- ❑ Roll on effects of these developments put at a serious risk our ability to meet CMDGs
- ❑ Poverty alleviation could be stunted and there is also a risk of people in the edge of poverty sliding below the threshold.

Conclusion

- ❑ Cambodia will realign our priorities and focus on our inherent strengths to diversify our economy in a rapid and sustainable manner
- ❑ Need to concertedly attend to poverty reduction by maintaining and enhancing macro-economic growth, through increase agriculture productivity and better land management and accelerated rural development while maintaining the momentum of progress in all other development efforts
- ❑ We need to continue with the pro-poor and pro-rural focus

Conclusion (cont.)

- As Prime Minister has already stated, the term of NSDP will be extended by another three years to end of 2013; details, projections, forecasts, programmes and plans for the extended period will be included in the next comprehensive review of NSDP implementation in 2010.
- **Four important requests:**
 1. In spite of internal fiscal pressures, EDPs to ensure full availability of all required resources for NSDP implementation; let the poor not suffer for the avaricious misadventures of the rich.
 2. Much more concerted efforts are needed to attend to innovative grass-root based programmes to improve rural incomes and empower the poor in economic terms. There are several such efforts already ongoing and these need to expand

Conclusion (cont.)

3. As Prime Minister says in his foreword to the MTR, “MTR is a critical, action-oriented agenda for immediate action”. Success will mainly depend on the optimal use of all resources in a well-coordinated manner. Please make every effort towards this objective through pooling together all resources both domestic and foreign. TWGs and other mechanisms need to get more active in achieving this in a conscientious and concerted manner.
4. Allocation of available resources need to be clearly directed to NSDP priorities for the next two and a half years.

Thank you for your attention.