

Remarks
Delivered by Ms. Annette Dixon, World Bank Country Director
On behalf of Development Partners at the
3rd CAMBODIA DEVELOPMENT COOPERATION FORUM
Phnom Penh, June 2, 2010

Samdech Prime Minister Hun Sen,

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

Excellencies, Ladies and Gentlemen,

It is a great honour to give these opening remarks on behalf of Development Partners for the Third Cambodia Development Cooperation Forum. I would like to start by thanking the Royal Government of Cambodia and in particular the Council for the Development of Cambodia, led by H.E. Chhieng Yanara, for their excellent organisation of this important event. We are most appreciative of Samdech Prime Minister for presiding over this session and I would also like to thank our Chair H.E. Deputy Prime Minister Keat Chhon for his opening remarks that have nicely set out the agenda for our discussions over the next two days.

We are here today because we share the same goal: to ensure the well-being of all Cambodians and in particular to strengthen the opportunities for poor and vulnerable Cambodians to enjoy healthy, happy and secure futures. Our success in achieving this shared goal depends in part on the strength of our partnership. The regular Cambodia Development Cooperation Forum is an important event which enriches our partnership through substantive and frank dialogue and constructive appraisal of progress on development results, and ensures transparency and accountability to our stakeholders, including to the beneficiaries, the Cambodian people.

In my opening remarks, I want to reflect briefly on the challenges facing Cambodia, the role of Government in tackling these challenges and how others can support the Government's efforts including Development Partners, civil society organizations and the private sector – who are represented here today.

Cambodia has made significant progress in economic growth, poverty reduction and social development in the past decade. However, with the experience of rapid food and fuel price inflation followed by the global economic downturn, Cambodia has faced difficult times recently, as have countries around the world. As a result, last year the Cambodian economy suffered a severe setback with increased hardships for many of the poor and vulnerable Cambodians. Whilst economic growth is expected to resume in 2010, around four million people still live in poverty in Cambodia, plus a large proportion of the population live precariously near poverty. There are wide inequalities between rich and poor, rural and urban, and in particular life

continues to be extremely challenging for the majority of Cambodian rural families who remain vulnerable to shocks. This poverty results in malnourishment of children, poor educational outcomes, large numbers of women dying as a result of child-birth, and poor rural sanitation and water supply which is reflected in the poor health status of Cambodians. We will learn more about these challenges in the first session on the National Strategic Development Plan Update for 2009-2013.

The Royal Government has set out how it will tackle these challenges in its Rectangular Strategy Phase II and the updated National Strategic Development Plan. As will be discussed in the second session today, a cornerstone of this strategy is the diversification and improved competitiveness of the economy, with strong support to private sector development, as well as providing social protection for the most poor and vulnerable. Development Partners would like to congratulate the Government on recent important progress on strengthening social protection for poor and vulnerable Cambodians and look forward to an update on the strategy endorsement and next steps for Development Partners to support.

One of the foundations for improving agricultural productivity and diversification is through secure access to land and the effective use and management of state land resources. Development Partners look forward to a constructive and useful discussion on these key issues. We would also like to take this opportunity to commend the Royal Government on the endorsement of the National Forest Programme and the recent crackdown on illegal logging. The efforts made to develop a long-term strategy for forestry are appreciated as the implementation of this strategy will strengthen the sustainable management of forestry resources.

The potential impacts of climate change on Cambodia's future growth and sustainable prosperity and livelihoods makes the discussion of agriculture, water management and land use even more pertinent. Opportunities for new financing to assist Cambodia to adapt to climate change and for the promotion of "green" low-carbon emission growth options are available; a whole-of-government approach, inclusive of civil society and private sector, is required to realize these opportunities. Development Partners look forward to further discussion on mitigating the impacts of climate change.

Just as important as what the Government does to tackle these challenges, is how it will do it. This is the subject of the third session, where we will discuss further the key reforms which the Government is undertaking. These include decentralization, public financial management and reform of the civil service. Progress has been made in public financial management. Further strengthening transparency and accountability in the management of Cambodia's public finances and natural resources will be fundamental for ensuring more sustainable and inclusive growth. I would like to take this opportunity to commend the

Royal Government's important achievements in relation to Sub National Democratic Development, and the efforts to improve development partner harmonization and alignment in forthcoming implementation.

Development Partners also note the important achievement of the promulgation of the Anti-Corruption Law and the Penal Code. This is an important advance in the Government's fight against corruption which is at the core of the Government's Rectangular Strategy Phase II. The next important task is to ensure that the supporting legal framework, institutions and processes are established and Development Partners stand ready to support Government on this.

Each of these major reforms implies major changes across the whole of Government. These reforms are largely interdependent, in the sense that success in one of them influences progress in the others. Indeed, successful implementation of the Government's overall reform program requires whole-of-government approaches. Without close communication and coordination between key central agencies and between these core institutions and sector ministries, many development results will remain out of reach.

At the last Cambodia Development Cooperation Forum a key point of discussion focused on the importance of a more integrated approach to ensure domestic and foreign resources are effectively directed towards achieving national development goals as set out in the NSDP. Following the commitment made at the 2008 Cambodia Development Cooperation Forum the Government started a process to integrate strategic planning, budget and aid management but progress has been limited. It is important for Government to take the lead in aligning resources to development priorities and for Development Partners to ensure that our assistance is aligned with national planning, and not further exacerbating fragmentation of our effort.

Let me conclude with a few comments on how we work to support Government's efforts. We must focus on the beneficiaries of development. Development results are for the people, and their voice and needs must be the ultimate guide for our partnership for achieving those results. The range of issues laid out in our agenda highlight the complexity of Cambodia's development challenges, and Development Partners remain strongly committed to supporting the Royal Government in meeting these challenges. Another consequence of the global financial crisis is increasing pressure on funds available to development assistance, which in turn heightens the need to improve aid effectiveness and accountability for results. Development Partners remain committed to improving the quality and effectiveness of development assistance under the leadership of the Government.

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The Technical Working Groups are the vital mechanism for our day-to-day collaboration, and we would like to praise the enormous amount of work and effort from Government and Development Partners in the technical working groups. We look forward to working together on the Joint Monitoring Indicators for 2010 and 2011 with their strengthened focus on results. We support the Government's continued focus on improving our shared monitoring, not just for the Joint Monitoring Indicators, but for all of our cooperation with Government, to ensure our endeavours translate into development results. We look forward to using our dialogue over the next two days to explore ways to strengthen the partnership framework and improve monitoring for the policy priorities outlined in the National Strategic Development Plan that are currently not well-served by the Technical-Working Group and Joint Monitoring Indicator mechanism.

I would also like to acknowledge the NGO Position Paper to the 2010 Cambodia Development Cooperation Forum Meeting, which is a useful contribution to our dialogue, and we look forward to continued strengthening of civil society participation in development dialogue. We also appreciate the private sector participation in this forum and look forward to linking our discussions with the outcomes of the recent Government-Private Sector Forum held on April 27.

Samdech Prime Minister Hun Sen,
Excellency Keat Chhon, Deputy Prime Minister and Minister of Economy and Finance,
Excellencies, Ladies and Gentlemen,

Thank you very much for your kind attention. We very much look forward to our substantive dialogue over the next two days as we work together to further strengthen our partnership to achieve development results.