



Kingdom of Cambodia

Nation – Religion – King



OPENING REMARKS

DEPUTY PRIME MINISTER KEAT CHHON

MINISTER OF ECONOMY AND FINANCE

FIRST VICE CHAIRMAN OF THE COUNCIL FOR DEVELOPMENT OF CAMBODIA

CHAIR OF THE THIRD CAMBODIA DEVELOPMENT COOPERATION FORUM

PALAIS DU GOUVERNEMENT

PHNOM PENH, 2-3 JUNE 2010

***Respected Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia***

***Colleagues from the Royal Government of Cambodia***

***Representatives of Development Cooperation Partners***

***Distinguished Guests, Ladies and Gentlemen***

1. Following a decision made by ***Samdech Akka Moha Sena Padei Techo Hun Sen***, Prime Minister of the Kingdom of Cambodia on 8 December 2009, we are here today for the opening and conduct of the third Cambodia Development Cooperation Forum (CDCF). We all welcome this historic event. We are once again honored that ***Samdech Akka Moha Sena Padei Techo Hun Sen*** is presiding over the Opening Ceremony of this third CDCF. The Forum would like to convey its deepest gratitude to ***Samdech Prime Minister*** for gracing this third Forum by his high presence and delivering his Keynote Address and extending recommendations that will serve as inputs to guide the joint undertaking of the Royal Government and development partners. On behalf of Dr. Aun Porn Moniroth and His Excellency Chhieng Yanara, and on my own behalf, who have been given the privilege, honor and responsibility by ***Samdech Prime Minister*** to organize and lead this third Forum, I would like, with permission from ***Samdech Prime Minister***, to extend our warm welcome to colleagues from the Royal Government and representatives from the development cooperation partner community who have come from headquarters and capitals and regional offices and to those who have representation offices in Cambodia, as well as to representatives from civil society organizations and the private sector for participating in this event. The third Cambodia Development Cooperation Forum is being organized following the success of the conduct of the fifteenth Government-Private Sector Forum (G-PSF) on 27 April 2010, and the sixteenth meeting of the Government-Development Partners Coordination Committee (GDCC) on 29 April 2010.

2. The third CDCF is being held at a time when the Kingdom of Cambodia has continued to enjoy the fruits of full peace and territorial unity resulting, since 12 years ago, from the “***Win-Win Policy***” of ***Samdech Hun Sen***, Prime Minister of the Kingdom of Cambodia. Under the visionary and tireless leadership of ***Samdech Prime Minister***, Cambodia continues to develop benefitting from the environment of political stability, social order and macro-economic stability, and maintenance of national sovereignty and integrity. The Forum has chosen as its central theme “***Implementing the Rectangular Strategy for Growth, Employment, Equity and Efficiency-Phase 2*** through the implementation of the National Strategic Development Plan-Update”, and therefore the agenda for the meeting was geared toward accelerating the implementation of the Rectangular Strategy Phase 2. In this regard, the Forum is expected to provide the opportunity for the Royal Government, development partners, civil society organizations and the private sector to dialogue on the progress and challenges in implementing the NSDP. It will allow participants to jointly identify the priority actions for national development to strengthen our partnerships, improve effectiveness and efficiency and mutual accountability in the use of public resources in order to reach the targets of the NSDP Update, which serves as a tool for the Royal Government in implementing the Rectangular Strategy-Phase 2. In addition, the Multi-Year Indicative Financing Framework (MYIFF), which was provided by development partners to support these targets, will be announced in the Forum. On behalf of the Royal Government, I highly

appreciate the effort made by development partners in providing the multi-year indicative figures of development assistance at a time when their own budgets are under increased pressure so that we could have a rough early estimate of the consolidated figure to be announced in session 5 on day 2 of the forum. In this spirit, we support the measures against the financial destabilization taken by the advanced economies, such as mandatory disclosure as called for by the European Union's Financial Services Commissioner, Mr. Michel Barnier, to combat fraud in the bond markets in the Credit Default Swap Transactions.

**Samdech Prime Minister**  
**Excellencies, Ladies and Gentlemen**

3. What was remarkable during the past years, in particular between the second CDCF meeting held on 4-5 December 2008 and this third Forum, has been the implementation of systematic and coordinated policies to respond in a timely manner to the global financial and economic crisis and its downturn on the Cambodian economy to mitigate the adverse impact on the sectors that were directly affected by the crisis and to strengthen social safety protection for the Cambodian people. Under the skillful, visionary and tireless leadership of **Samdech Prime Minister**, the Cambodian economy has weathered the most difficult time of the crisis having maintained social stability and sound macro-economic foundation and strengthened the enabling environment for the economy growth and business. The Government-Private Sector Forum (GPSF), directly initiated and chaired by **Samdech Prime Minister**, has provided a full-grown mechanism that has been recognized internationally as the most effective of all the 24 countries in which evaluation of such mechanisms was conducted by World Bank.

4. Obviously, the global economic downturn has forced the Royal Government to put in place expansionary measures, that is increased expenditures to stave off the crisis and mitigate its adverse impacts on the Cambodian economy at a time when there was a need for increased spending on matters related to the protection of national sovereignty and integrity. In 2010 and the years ahead, the Royal Government still maintains its ambitious objectives with regard to national socio-economic development despite the unfavorable external environment. The ambition, as articulated in the Rectangular Strategy Phase 2, is **"to achieve sustainable and broad-based economic growth at the annual rate of 7 percent and with higher competitiveness in the context of single-digit inflation"** and **"to ensure the reduction of poverty by more than 1 percentage point annually and the improvement of key indicators of social sectors; specifically, education, health and gender equality"**. Building on the progress that has been made so far, the Royal Government has committed to further deepen the implementation of its reform programs: public administration reforms including decentralization and de-concentration, public financial management reforms, land reforms, legal and judicial reforms, especially fighting corruption. Success of the reforms is possible only in an environment of peace and political stability without which we absolutely would not be able to move towards the improvement of our people's living standards, respect for human rights, democracy and sustainable development as clearly indicated in the National Strategic Development Plan and the Rectangular Strategy-Phase 2.

5. Notwithstanding the significant progress that has been made, the Royal Government still faces challenges that need to be overcome. One is to reduce the poverty rate by 1 percentage point annually as mandated by the "Equity" principle in the Rectangular Strategy-Phase 2. Accelerating the development of agriculture through increasing productivity in agriculture, agro-industry, agricultural export processing, and developing the rural economy to ensure food security and improved living standards of the people is of the highest priority and urgency for the Royal Government during the Fourth Legislature of the National Assembly. Guided by the vision of **Samdech Prime Minister**, the promotion of rice exports, which is Cambodia's **"white gold"** and the coordinated implementation of the National Strategy for Agriculture and Water, which was endorsed recently by the two responsible ministries, will be keys to achieving these goals. Even with increased capital spending within the framework of the Public Financial Management Reform Programme, the Royal Government still needs additional financial support in the form of both grants and concessional loans, and these resources must be effectively targeted to support the national priorities identified in the NSDP Update 2009-2013 if we are to achieve our economic growth target, reduce poverty and reach the Cambodian Millennium Development Goals. The challenges mentioned above are the topics for discussion during this Forum.

**Samdech Prime Minister**  
**Excellencies, Ladies and Gentlemen**

6. Enhancing the effectiveness and efficiency of development assistance has received attention in both international arena and in partner countries, in particular the determined implementation of the "Accra Agenda for Action" of September 2008. The progress that Cambodia has made in implementing the Agenda has been encouraging and recognized nationally and globally. In particular, the coordination mechanisms between the Royal Government and development partners that have been established and put to work by the Royal

Government over the past seven years aimed at strengthening partnerships for and the effectiveness of development cooperation, and in which of the 19 Technical Working Groups, 14 have participation from representatives of civil society organizations, have been functioning effectively and efficiently as a full-fledged institutional arrangement. The strength of the mechanisms has been fully tapped for implementing the Accra Agenda for Action commitments and during the preparation to the conduct of today's Forum. In early 2010, in addition, the Royal Government has looked at the effectiveness of development assistance in Cambodia. Using validated information and evidence, the report assessed progress, pointed out challenges and recommended actions that should be taken by both the Royal Government, development partners and civil society organizations in making aid more effective. Many of the development partners have acknowledged the credibility and quality of the report findings and, agreed with the Royal Government that making aid more effective is key and urgent, leading to aid effectiveness being one of the important topics for discussion during the Forum. Taking this opportunity, as Chair of the CDCF and with permission from **Samdech Prime Minister**, allow me to commend **His Excellency Chhieng Yanara** for his proactive role in the implementation of aid effectiveness priorities. In his capacity as the Secretary General of the CDCF and under my guidance as Chair of the CDCF, and that of **His Excellency Dr. Aun Porn Moniroth**, the alternate Chair, **His Excellency Chhieng Yanara** has effectively performed his responsibilities in facilitating and coordinating, both technically and logistically, the conduct of the third CDCF and the preparatory work for the meetings between the second CDCF and this CDCF as entrusted by the Royal Government and in accordance with the mandate of the Cambodian Rehabilitation and Development Board, the Royal Government's focal point for aid coordination.

**Samdech Prime Minister**  
**Excellencies, ladies and gentlemen**

7. The remarkable progress that has been made resulted from the Royal Government's steadfast commitment and concrete actions under the dedicated and skillful leadership of **Samdech Prime Minister Hun Sen**, with sincere support and inputs from our development partners. We, at the Forum today, have the privilege to have **Samdech Prime Minister** preside over and provide his valuable recommendations to guide the discussion of the Forum. After the Remarks by the Lead Development Partner Facilitator, the Forum is honored to invite **Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia**, to deliver his Keynote Address to officially open the third Cambodia Development Cooperation Forum. Right now, I would like to offer the CDCF Lead Development Partner Facilitator the opportunity to deliver some remarks. Accordingly, I invite Ms. Annette Dixon, the World Bank Country Director to speak on behalf of development partners.

**Thank You!**