**Session I National Strategic Development Plan Update**

**Delivered by Mr. Douglas Broderick, UN Resident Coordinator**
**On behalf of Development Partners at the**
**3rd CAMBODIA DEVELOPMENT COOPERATION FORUM**
**Phnom Penh, June 2, 2010**

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

*Excellencies, Ladies and Gentlemen,*

Development Partners welcome the approval of the National Strategic Development Plan (NSDP) 2009-2013 by the National Assembly on 31 May 2010. Alignment with the NSDP 2009-2013 remains a priority for all Development Partners. It is the means by which we provide targeted support for and monitor attainment of national development priorities and the Cambodian Millennium Development Goals (CMDGs). Development Partners will continue to support sectoral planning that prioritises NSDP implementation and CMDG attainment. Improved and aligned monitoring practices require an updated monitoring and evaluation framework and a harmonised approach to analysis and policy development. We would like to mention the positive steps taken by the Ministry of Planning in this regard and call upon all of us, both Development Partners and Government to support this further strengthening of the NSDP, particularly its monitoring capacity.

For Cambodia to experience the full benefits of strategic medium-term planning and budgeting, it is critical that we all support integration of the NSDP, the national budget and development assistance. We are aware that preliminary planning for the integration process has been done. With the finalisation of the NSDP 2009-2013 we look forward to supporting this integration and harmonisation process, in the context of the major reforms in Public Financial Management, Public Administration, and Sub National Democratic Development, and taking substantive next steps without delay. Whilst the NSDP 2009-2013 structure has not changed we note and appreciate that it reflects new issues of priority including social protection, climate change, the changing youth demographic, the new economic and fiscal constraints brought about by the economic down turn, and accelerated action within and across sectors, for attainment of the CMDGs.

In 2010 the Royal Government of Cambodia will again report to the United Nations General Assembly on CMDG attainment. Development Partners acknowledge achievements in reduction of child mortality; improved enrolment and admission rates in schools; access to HIV treatment; and access to water supply.

There are challenges however, that compound efforts for CMDG attainment with equity. The rapid inflation of food prices and the global economic crisis have negatively affected nutrition rates and the purchasing power of urban, peri urban and rural households. Migration and urbanisation pose challenges to equitable access to essential services. Widespread gender disparities reduce equitable access to waged employment, education, training and support services. Low literacy rates for women reduce livelihood alternatives and low representation in higher level occupations and decision making

positions. The gap between rich and poor is increasing barriers to services by Cambodia's poorest and bringing conditions for the lowest wealth quintile well below CMDG targets.

In addressing these challenges we appreciate the willingness with which the Royal Government of Cambodia has discussed the most challenging CMDGs with its Development Partners in the past. At this third CDCF we take the opportunity to highlight a number of priority CMDG issues to focus dialogue on the necessary commitments, technical and financial resources needed to support attainment with equity in the coming five years.

**MDG1: Eradication of Extreme Poverty and Hunger**

**Specific Issue – Focus on Acute Malnutrition – a Multi Sector Approach**

To achieve nutrition targets for CMDG 1 evidence-based interventions need to be quickly scaled up. Acutely malnourished children need to be identified and treated through the health sector. Treatment alone will not achieve the CMDG targets and prevention requires a multiple sector approach. The health sector can strengthen its prevention efforts by scaling up multiple micronutrient supplementation and sectors can contribute to the prevention of malnutrition through social protection mechanisms.

**Recommendations:** Development Partners support establishment of a system to identify and manage acute malnutrition. Development Partners also support the enforcement of sub-Decree 133 that prohibits the marketing of breast milk substitutes. The strengthening of the Food Security and Nutrition Information Management System to provide early warning for emergency response and targeting is also recommended.

**MDG 2: Education**

**Specific Issues – Internal Efficiency and Quality of Education**

94% of primary school age children are in school and according to the 2008 Census 80% of 6-14 year-old children attend school and disparities have been reduced. However, only little progress has been made in reducing repetition and dropout rates in basic education which constitutes the main challenge to achieve CMDG 2. The quality of basic education also remains a major concern. A rapid expansion of cost effective early childhood education can contribute strongly to reduced repetition and dropout rates, and increased investment to improve the quality basic education and use of learning assessment tools needs to be prioritised.

**Recommendations:** The preparation of the new Education Strategic Plan (ESP) provides an excellent opportunity to take measures that improve quality of teaching and learning and improve internal efficiency. Development Partners support the continued pro-poor focus of the ESP and the identification of priorities for capacity development essential for further reducing existing disparities.

**MDG 4 and 5: Reduce Child Mortality and Improve Maternal Health**

**Specific Issues – Equity of access to quality health services, and availability and quality of key Reproductive, Maternal and Neonatal Health Services**

To achieve CMDG 4 and 5, greater emphasis on equity of access to quality health services by poor women and children is needed.

Reduction in child mortality depends on the country's ability to tackle pneumonia and diarrhoea, two highly preventable and treatable diseases, and increased investments in newborn health. Two thirds of health spending is out of pocket spending in the private sector, attention needs to be directed to access and quality of both public and private services. Proposed approaches to remove financial barriers for women and children to access key health services must build on and strengthen existing financing mechanisms. The Government midwifery incentive and commune council support for referrals is motivating providers and producing good results and should be continued at least for the medium term.

Maternal mortality remains still unacceptably high despite recent improvements in deliveries by skilled birth attendants, and antenatal care. Key challenges include: a lack of secondary midwives; limited availability of emergency obstetric and new born care; high unmet need for family planning and limited access to safe abortion services; inadequate care seeking during pregnancy and child birth and harmful traditional practices. To address CMDG 5 on maternal mortality, there needs to be serious consideration given to the scaling up and increased quality and availability of key reproductive, maternal and neonatal care interventions.

Nationwide expansion of health equity funds is also essential. At present, Health Equity Funds only reach half of the poor and there remains no clear road map for scale up. Health Equity Funds are a crucial part of the National Social Protection Strategy and need to be linked clearly to that framework. However, options to rapidly scale up utilization of key reproductive, maternal and child health services to achieve MDGs 4 and 5 should also be explored, particularly for locations where equity funds don't yet exist. Options could include: free emergency obstetric care services for all women at the point of care, a package for deliveries at health centres, and cash transfers. In the private sector implementation of the regulatory framework is critical to ensure private clinics and pharmacies comply with treatment protocols.

**Recommendations:** Development Partners support the Council of Ministers' current considerations of the Social Health Protection Master Plan and approval of the plan; and also encourage in the context of the operationalisation of the National Social Protection Strategy, the Council of Ministers' establishment of the Social Health Protection Office under its oversight with responsibility for managing Health Equity Funds, and that committee's preparation of a road map to ensure Health Equity Funds have universal coverage of the poor by 2015.

Development Partners support the Ministry of Health's institutionalisation of a thorough and regular quality control monitoring system for private clinics, including compliance with treatment protocols and rational drug use.

The Ministry of Health has developed and endorsed the Fast Track Initiative Roadmap for MDG 5. Development Partners recognize the importance of this document. We encourage the Royal Government and the Ministry of Health to mobilize resources and ensure full implementation of the Roadmap.

**MDG 7: Ensure Environmental Sustainability**

**Specific Issue – Rural Sanitation and Water Supply**

CMDG 7 is the CMDG with the lowest performance with sanitation and rural water supply of particular concern. Cambodia remains the country with the lowest rural sanitation coverage in the region and a CMDG where little progress against forestry and fisheries indicators has been recorded. The total economic losses associated with poor sanitation are equivalent to 7.2% of annual GDP in Cambodia[1] impacting significantly on the health of the population. Sanitation improvement efforts need to be sped up if the universal rural sanitation target set by the national policy is to be achieved by 2015. It is estimated that to meet the CMDG target, investment estimated at USD 664 million is needed. This investment needs to be coordinated, long term and focused on both usage and facilities.

**Recommendations:** Development Partners recommend a revision of fishing and forestry indicators to ensure alignment between the NSDP and CMDG 7.

Development Partners support efforts to ensure availability of resources to implement the new RWSSH (Rural Water Supply, Sanitation and Hygiene) National Strategy; focus scaling-up efforts on the most affordable and sustainable services that are demanded by the population; investment in hygiene promotion, which has proven high impact and health and environmental benefits; and the redirection of resources to the poorest and most vulnerable households.

Development Partners remain committed to supporting achievement of the CMDGs by 2015. We are committed to using the NSDP 2009-2013 framework to meet the challenges ahead, and look forward to working with the RGC to strengthen NSDP monitoring, and the integration and harmonisation of planning and budgeting processes. The need for integration and harmonisation is clear to us all yet it becomes particularly urgent as Cambodia faces an external environment that is much less supportive of investment and growth. In such an environment, it is critical that the Government can direct all available resources, both domestic and external, efficiently and effectively to stated development priorities. We seek further engagement with the RGC and focussed dialogue on the key issues raised in this statement, and look forward to supporting results focussed collaboration, resource prioritisation and investment in the future.

[1] Sanitation and Water for All – a Global Framework for Action, April 2010.