



Kingdom of Cambodia

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Secretary General

Cambodian Rehabilitation and Development Board

Council for the Development of Cambodia

Royal Government of Cambodia

Aid Effectiveness and Development Results

Thank you Excellency Chair
Colleagues from the Royal Government
Ambassadors and development partners
Ladies and Gentlemen

I am pleased to have this opportunity to make this presentation on our collective aid management efforts. I will look exclusively at the issue of effectiveness as all participants have received the 2010 Aid Effectiveness Report that highlights the major trends that have taken place in the last two to three years. The sixteenth meeting of the GDCC, which took place in April, also included a discussion of development assistance trends.

The policy direction for managing development cooperation in Cambodia has evolved in recent years. It is now more focused and more result-based; and I believe it is the right one for Cambodia. It is based on our learning as well as on the relevant application of global commitments that are suited to the country context. I will therefore use this time to elaborate four objectives for implementation over the short-to-medium term and to seek the continuing support of all stakeholders from the RGC, DPs and CSOs.

As the volume of development assistance increases to one billion US dollars annually, and as we begin to approach the 2015 deadline for meeting the Cambodia Millennium Development Goals, we are first and foremost increasingly occupied by results. But we are also beginning to understand much more about what we need to do – how we must work together – to achieve these results.

Recent learning emphasises once again the link between leadership and capacity. A virtuous circle that builds and sustains ownership and the capacity to deliver. This is why our agenda must focus on:

- implementing the core reforms, especially in PFM and Public Administration Reform
- the use of country systems, and
- more coherent development partner support to sector-wide capacity-related initiatives
- continued harmonisation of planning and budgeting processes

CRDB's own analysis, reinforced by that of others, suggests that the use of programmatic approaches is both relevant and appropriate. This decision is not based on rhetoric, or on

desperation. It is informed by the evidence and the reality of our situation. I believe – and the 2010 Aid Effectiveness Report makes clear – that by working together we can achieve many of our common objectives through this approach. Let me explain:

Development cooperation in 2010 is characterised by support from many partners, which is most welcome and appreciated. Evidence suggests, however, that while it is now well aligned with national development priorities it is not making such an effective contribution to the establishment of systems and capacities that can be sustained over the long-term. It places a significant management burden on Government counterparts through the use of parallel procedures that are demanding in terms of time, and fragmentary in their diversion of Government capacity to the management of projects. Ownership is then, for reasons that are understandable and purely practical, not as strong as we might wish.

But our experience has shown us that there is a way to resolve this problem. When development partners work more coherently with each other and with Government, then more information is shared, transaction costs diminish, capacity can be applied to the right priorities and leadership can exploit this potential to steer all stakeholders towards results.

The use of programme based approaches is an opportunity for everyone. They present a win-win scenario. All modalities can be accommodated. All common objectives can be advanced. Efficiency can be increased through more collaboration, consolidated workplans, joint reviews, and common reporting arrangements. More important, effectiveness can be promoted through common capacity assessments and interventions, by ensuring that major reforms are implemented, and by creating the conditions for strengthening leadership and mutual accountability for results.

Excellencies, ladies and gentlemen

The activities we have been implementing since 2009 are worth recalling as they inform the direction we continue to take. We must also be accountable for the results they have delivered. So it is worthwhile to consider the major initiatives that have been implemented and the manner in which they will continue to inform our work.

CDC's own capacity has increased markedly over the last five years. As the Government agency with the mandate to support the coordination of external resources we are now much better positioned in terms of staff, competencies, policies, and support mechanisms. The last three years have seen a significant increase in our outreach work to other line ministries and TWGs, principally through the TWG Network and the introduction of a block grant. This will continue in the form of specifically-tailored "clinics" for TWGs, a facilitated process to ensure that aid management practices are applied and capacities developed to achieve development results. My office will share a note on this proposal in the next few weeks and I hope that the Partnership and Harmonisation TWG will provide inputs and support.

I am also hopeful that we can review the way in which we use the GDCC as a mechanism for ensuring that priority actions are on-track. Specifically, I am optimistic that future GDCCs will provide an opportunity to review progress on actions agreed during our CDCF, as well as on the JMIs and the efforts to integrate and harmonise the planning and budgeting processes.

In this way, Excellencies, ladies and gentlemen, it is my hope that CDC, in its capacity as the GDCC secretariat and mandated coordination function, can support sector processes – in the JMIs, in aid management, and in capacity development – as well as support the strengthening of the main monitoring function, which is provided by the GDCC. Learning initiatives such as the "making Partnerships Effective" work as well as the recent Evaluation of the Paris Declaration, have provided a solid foundation and will guide us in each of these aspects of our work.

Excellency Chair, Excellencies, ladies and gentlemen

We have learned a good deal through our efforts to implement the global and national policy frameworks on aid effectiveness and development results. **Our policy direction is, I believe, well adapted to our situation and focused on delivering results.**

We have achieved much:

- Awareness of the principles of effective aid has begun to be translated into their application at sector level
- Government has developed coherent policy frameworks in the key sectors for development partners to support
- A national plan – the NSDP Update – guides the use of external resources and development partners have responded very well – support is now well aligned and predictable
- A set of monitorable indicators – the JMIs – rooted in sector priorities

There is therefore both consensus and opportunity to continue implementation.

- The JMIs provide a clear link to the achievement of development results, with associated actions on aid effectiveness and an entry point for tailored support from CDC where it is required
- Support to sector work will apply and strengthen the use of programmatic approaches in a manner that is both relevant and feasible
- Our work on the use of national systems will provide an entry point to ensure that core reforms in PFM and public administration reform can be implemented to apply and sustain Government capacity
- The on-going effort to harmonise planning/budgeting processes needs to be taken forward in the context of these reforms and applied to sector working processes
- The GDCC mechanism will be used to monitor the JMIs & key reforms to ensure that implementation is progressing and that any constraints are addressed based on the principles of partnership and mutual accountability

We can build on recent progress, Excellencies, ladies and gentlemen, and CDC is fully prepared to support and facilitate these efforts. Everything I have discussed requires coordination and collaboration across Government as well as within and between development partners. I am confident that by emphasising mutual benefit that we can make further progress in the next years.

Thank you for your attention