Session V Multi-Year Indicative Financing Framework

Delivered by Mr. Qimiao Fan, Country Manager for Cambodia, World Bank
On behalf of Development Partners at the
3rd CAMBODIA DEVELOPMENT COOPERATION FORUM
Phnom Penh, June 3, 2010

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

Excellencies, Ladies and Gentlemen,

I would like to thank His Excellency Keat Chhon for the presentation of the 2010-2012 Multi-Year Indicative Financing Framework. Development Partners of Cambodia are very pleased to have the opportunity to give our indication of the medium-term financing that is provided in support of the Government's implementation of the National Strategic Development Plan Update 2009-2013 and the achievement of the Cambodian Millennium Development Goals. Notwithstanding the impact of the global economic crisis and the constraints this places on Development Partners' budgets, it is clear from the MYIFF table that Development Partners remain strongly committed to supporting the Royal Government and Cambodian people in meeting the challenges that Cambodia faces in ensuring sustainable, inclusive and equitable development.

We also remain committed to improving the quality and effectiveness of development assistance under the leadership of the Government. In particular, as we discussed earlier this morning, we view payments to civil servants, in the form of "Priority Operating Costs", as an interim solution and we are very much looking forward to the Government's leadership to make aid more effective through public administration reforms that would make such a scheme unnecessary. On our part, Development Partners will continue to align our support with the NSDP priorities by moving towards Program-Based Approaches as many sector as possible. This will require more capacity building and improvement in the transparency and integrity of country systems. We believe that ensuring the predictability and transparency of our assistance is an important component in improving aid effectiveness. The comprehensive coverage of the indicative financing framework, which includes new Development Partners, is commended as an important step towards ensuring a comprehensive national budget. We look forward to seeing the Multi-Year Indicative Financing Framework fully reflected in the Government budget as approved by the National Assembly. In particular it would be important to have both domestically and externally financed expenditure approved by the National Assembly with clear allocation by sectors. This will also of course require that Development Partners make their support more predictable. We would appreciate making this a discussion item at the Government-Development Partner Coordination Committee following the approval of the 2011 budget.

As we indicated in our opening remarks, we are here today because we share the same goal: to ensure the well-being of all Cambodians. Our resources are provided in the spirit of partnership to support Cambodia in facing the complex challenges discussed in depth over the course of this Cambodia Development Cooperation Forum. In particular, as highlighted in our discussions, critical issues include strengthening transparency and accountability in the management of public finances and natural resources, and ensuring an integrated, whole-of-government approach, especially to integrating strategic planning, budgeting and aid management, supported by a whole-of-development partner approach. Last but not least, our discussions have underscored the importance of keeping a central focus on the intended beneficiaries of our support - the Cambodian people, to guide our work.

Excellencies, Ladies and Gentlemen,

We look forward to our continued and strong partnership for our work together, guided by our joint monitoring indicators and the results-based focus of our cooperation to achieve national development priorities.

Thank you.