

## **Closing Observations**

**Delivered by Ms. Annette Dixon, World Bank Country Director  
On behalf of Development Partners at the  
3<sup>rd</sup> 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,*

Thank you for this opportunity to provide a few closing remarks on behalf of Development Partners. H.E. Aun Porn Moniroth has provided a comprehensive summary so I shall not repeat that, but simply make a number of key points.

We agree that this has been a substantive, frank and productive forum, and we have reached some key understandings about both the substance of reforms and the processes to achieve development results.

Samdech Prime Minister reminded us that reform is a matter of life or death. Our work is critically important to the people of Cambodia and in particular the poor and vulnerable. Our discussions have highlighted a need for accelerated implementation across the priority policy areas of Cambodia's National Strategic Development Plan, and in particular for Cambodian Millennium Development Goals that are not on-track. Development Partners urge Government to press forward with the priority activities that will make such a difference to the lives of ordinary Cambodians, such as tackling acute malnutrition, providing equitable access to quality health services; improving educational opportunities; and strengthening social protection. Development Partners look forward to supporting Government in translating new strategies into implementable programs, in agriculture and water, in social protection, and in rural water supply, sanitation and hygiene.

With the strained global conditions and impact on Cambodia with an open economy and a population that is vulnerable to shocks, Development Partners and Government are working together to help strengthen and diversify the economy. Government's intentions to advance on trade and investment reforms, agricultural

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priorities such as inter-ministerial coordination, and irrigation and phyto-sanitary arrangements, and vocational training are very welcome.

In particular we agree on the importance of establishing good governance through legal and judicial reform, the establishment of anti-corruption institutions and practices/processes, and improving transparency and accountability in public finances, natural resources management and public administration reform and sub-national democratic development. Development Partners applaud the disclosure at this meeting of recent oil and gas revenues, and welcome the Government's reaffirmed commitment to pressing on with institutionalizing transparency in managing extractive industry revenues.

Government and Development Partners have agreed on the importance of sustainable land and water resource management, and Development Partners look forward to the forthcoming consultations on the Government's Land White Paper. Government has confirmed its intention to manage state resources, including, economic land concessions and extractive industries in a transparent, socially and environmentally sustainable manner. Development Partners look forward to continuing constructive dialogue with Government to support this commitment.

Development Partners recognize the reform agenda is extremely ambitious. Hence there is a need to sequence reforms with a multi-year approach, as has been laid out in some sectors (such as being implemented in public financial management for example). A focus on strengthening institutions at all levels is required as institutional development will be key to realizing results from reforms. Passing laws is only the beginning; implementation and execution is every more challenging. A move towards strengthening country systems will also be a key contribution in helping development assistance to move from projects to program based approaches.

We also agree that a coordinated approach across Government, and Development Partners, is needed to direct domestic and foreign resources effectively to achieve the national development priorities. During our meeting we have termed this a whole-of-government approach supported by a whole-of-development partner approach. The integration of strategic planning, budgeting and aid management is critical for enabling a coordinated approach, and Government commitments to move forward on this are appreciated by Development Partners.

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We welcome our discussion on the integrated implementation of the key reforms of Public Financial Management, Public Administration and Sub-National Democratic Development to ensure a 21<sup>st</sup> century public service that can deliver key development goals. Government and Development Partners have reaffirmed the shared view that these core reforms are critical to good governance and sound national and local development. We welcome the Prime Minister's commitment to "implement deep reform of the pay system". We would welcome clarification on the Priority Operating Cost scheme as a transitional scheme. Pressing with the implementation of the comprehensive National Public Administration Reform is vital to Cambodia's development objectives, as well as the shift toward country systems.

This morning we have also agreed on the strengthening programme-based approaches, a move to using country systems, and the importance of the involvement of Parliament and civil society organization in development dialogue.

The Cambodia Development Cooperation Forum is not just about Development Partners asking the Government questions. Development Partners also made some important commitments, including to align assistance with national development priorities, reduce fragmentation of efforts, coordinate support to ensure effective capacity building, work actively with Government on ensuring that the aid effectiveness agenda does translate into results, and harmonise and phase out all forms of salary supplements.

Development Partners believe that our discussion over the last two days has been very constructive and has strengthened our partnership and our focus on development results. Our frank and substantive discussions have successfully established a springboard for advancing on the implementation of key reforms and policy priorities. In particular we have very much appreciated the endorsement and encouragement for the reform agenda and the Government-Development Partner partnership from Samdech Prime Minister, our Esteemed Chair and Alternate Chair, H.E. Deputy Prime Minister Sar Kheng, H.E. Deputy Prime Minister Sok An and Senior Ministers. And thank you to H.E. Chhieng Yanara and his team at CRDB/CDC for excellent organization of this 3<sup>rd</sup> Cambodia Development Cooperation Forum.

Of course not all issues can be resolved in this Forum. The Cambodia Development Cooperation Forum is only one element in an ongoing dialogue between Government and Development Partners. We now have a useful agreement of the key issues – established in the Joint Monitoring Indicators and other commitments made

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during our Forum and summarized by H.E. Aun Porn Moniroth – to be taken forward by the Technical Working Groups and monitored by the Government Development Partner Coordination Committee. This is the first time we have produced a joint summary of CDCF agreements. We believe that this new initiative is an indication of our strong partnership. I applaud H.E. Chhieng Yanara's suggestion to make the review of progress towards the CDCF commitments a standard item together with the review of the JMIs at each GDCC.

To translate these commitments into action, the Royal Government can count on Development Partners' active engagement in the Technical Working Groups and the Government Development Partner Coordination Committee to capitalize on all opportunities and engender a real momentum for change. We look forward to working together with the Royal Government on these activities over the rest of 2010 and through 2011.

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

*Excellencies, Ladies and Gentlemen,*

I would like to end my remarks by returning to our original purpose for meeting at the Cambodia Development Cooperation Forum and for our overall partnership. We are here today to deliver on development commitments so that the ordinary Cambodians enjoy healthy, happy and secure futures. Cambodia faces complex development challenge, and Development Partners remain committed to support the Royal Government in pressing forward on implementation of reforms and policy priorities to address these challenges and seize the opportunities to ensure prosperous and sustainable economic growth and social development.

Development partners believe this Third Cambodia Development Cooperation Forum has delivered a clear platform in order to achieve our shared development goals and we look forward to continuing our partnership to deliver these important results. Important choices and numerous implementation challenges are ahead of us. Continued leadership at all levels of Government will be necessary to deliver on these results. We are looking forward to our continued partnership toward delivering these results.

Thank you.