

## **TWG Network Retreat, Siem Reap, 25-26 March 2013**

### **Session 2: Development results and effective partnerships**

Comments by Japan (co-chair of the session)

[[Excellencies, distinguished participants, colleagues, ladies and gentlemen,]]

#### Introductory remarks

Thank you, Mr Ros Salin, for your excellent presentation summing up the major findings from the CDC's work on the upcoming Development Cooperation & Partnership Strategy in such a neat and concise manner.

On behalf of Japan and JICA, and also of the Development Partners present here today, firstly I would like to congratulate CDC and the Royal Government of Cambodia for its tireless work aiming at increasing development effectiveness in Cambodia. The five analytical background papers prepared so far have been very informative and useful for our own learning as well, and we find the summary and analysis based on the number of interviews conducted by CDC highly instructive.

[As presented in the Session 1,] Cambodia is expected to make a major stride towards the Middle Income Economy status in the coming five-year period of the Rectangular Strategy Phase-III and the next NSDP.

Meanwhile, as presented by Mr Ros Salin, there are some stark features of the recent trend of development assistance to Cambodia. These include the growing proportion of loan assistance, widening share of support from the countries in the Asia & Pacific region including Japan, and increasing roles played by non-traditional development partners. At the same time, private sector partners are playing an increasingly important role while CSO partners remain also a critical player in Cambodia's development.

Therefore, Cambodia today is at a juncture in terms of both its development path and the development assistance it receives. In this context the on-going review of the development cooperation & partnership strategy is extremely timely and we're very happy to be part of the discussion today.

#### About the Results Framework

In order to effectively manage and make most of the diversifying sources of support for development, we welcome the stronger focus on the use of results-based approaches in principle, as proposed as a future direction. We hope that the results-based approaches will help not just better aligning development assistance but also linking the external assistance directly with progress towards the overall development goals of Cambodia. We also hope that this leads to clear alignment of external and domestic resources as well.

#### About the partnership framework

In terms of the dialogue mechanism, Japan like many other DPs extensively utilizes both bilateral and multi-lateral dialogue channels with the government. With regard to the multi-partner dialogue framework, our experiences and views so far have been mixed. On one hand, we have greatly benefited from some TWGs which have served as an excellent platform for information exchange and coordination. On the other hand, there are some TWGs which we did not necessarily find as useful or effective, and with them, the transaction costs of participation could exceed the potential benefits. We believe many government and other DPs have similar experiences with different TWGs, and we therefore welcome the proposed review of TWG performance and functions for possible restructuring, although it is not an easy task.

We also support the need to maintain constant dialogue channel between RGC and DPs in a formal or informal manner while reducing the frequency of high level formal meetings, especially to discuss cross-cutting or urgent priority issues including the key reforms.

Consolidating the forums of private sector and CSO with DPs at the higher level may be a good proposal also, in terms of allowing all the stakeholders in Cambodia's development in one place. We would like to once again congratulate the RGC for having established processes to engage these diverse actors under the government leadership. However, coordinating a high level forum embracing DPs, PS and CSOs, setting a clear and meaningful agenda and ensuring tangible results from them could be extremely challenging. As also noted in the summary paper prepared by CDC, the new partnership arrangements mean new partnering skills, and due incentives as well as greater capacities will be needed to effectively materialize them.

In addition, it is extremely important that the same approaches and principles are applied across the board, including to the South-South partners, as also suggested by CDC in the summary paper presented. We feel that this is really critical. For instance, China, which is one of the emerging non-traditional partners, is now the top provider of development assistance to Cambodia according to CDC's ODA database. Without participation of such major actor, the effectiveness of the results-based programme approach or any development dialogue framework could very well be limited.

#### About SSC

Speaking of SS partners, corporately JICA has the policy of promoting SSC across the world particularly through linking those countries which benefited from Japan's ODA in the past, and those which receive Japan's ODA today. The focus is to allow them to share their development knowledge and technological transfers among themselves. In Cambodia, we have been facilitating and supporting SSC since 2004 in various areas particularly engaging ASEAN countries. We should note that, as a result of many years of capacity development, in areas such as hospital management, demining and urban water supply, Cambodia today is at the giving side of knowledge transfer to other countries such as Laos, Myanmar, Afghanistan,

Angola and Colombia. We welcome the emphasis on the SSC in the new Partnership Strategy, and hope to see more of such mutual South-South exchanges in the coming years.

### About PS

In terms of working with PS, with the increasing private investment into Cambodia today, there is an opportunity to put in place a system to maximize returns from the PS development for the country. The recent surge in Japanese private sector investment has drawn a lot of attention and expectations. Today JICA and some other DPs are providing support that would help create a conducive environment to attract high quality investments that would lead to economic diversification, technology transfer and employment generation in Cambodia. It should be noted that it is imperative to have strong commitment of the government in working with private sector for the country's development, in order to properly regulate and ensure quality control of the private investments.

### Use of govt resources




Now, while the total amount of ODA including loans may be on the rise, the analysis by CDC also indicates that the proportion of ODA against GDP is shows a declining trend as the country makes steady economic growth. Against the backdrop of this economic development, Cambodia has been able to constantly increase the rate of domestic tax revenue in recent years. We would like to congratulate RGC on its effort in this regard as well. As presented by Mr Ros Salin just now, development effectiveness should lead to building sustainable capacities, and one of the ultimate goals of our development assistance is for the country to become self-reliant in the future without depending on external assistance. We hope that the government will continue making a progress in revenue mobilization of its own as it approaches the MIC status, and invest further in building a better future for the country.

### For this TWG Network Retreat

Finally, once again I would like to reiterate and praise the leadership of the CDC, SNEC, MEF and MoP in leading the policy directions on development effectiveness by jointly organizing today's TWG Network Retreat. Needless to say, it is important to ensure policy consistency by having all of the RGC on one page with common understanding about the policy direction on development cooperation. Just as the same principles and practices should be applied to all traditional and non-traditional development partners, all line ministries and TWGs should be aware and guided by the common principles and practices with due inter-ministerial coordination.

We hope our discussion today and tomorrow during this retreat will serve to strengthen a common ground in this regard, and together we make a major step forward in refining an effective partnership strategy to allow all of the partners to maximize the impact of our respective work for Cambodia.

#### **Development effectiveness:**

-  Achieving Cambodia's development goals
-  Building sustainable capacities
-  Effective multi-actor development partnerships