

**Development Cooperation and Partnerships
Strategy Consultation Meeting**
Siem Reap 13-14 November 2013

**Planning Process
NSDP 2014-2018**

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Content

- Background
- Process
- Objectives
- Key sectoral policies
- CMDGs
- Implementation
- M & E

Background

- Build on the **good achievements** in growth and poverty reduction during 2009-2013
- Concentrate on **deepening** the process of development: broaden the current **narrow economic base** and increase **productivity**
- Distribute **gains of development** to all
- Effectively **integrate** into ASEAN (2015)
- Adjust to current **global economic crisis**
- Restructure the architecture of the economy to being **MIC**, and live without large international assistance (**grants** will reduce)

Process

- TWG presentation, Approach Paper, June 15, 2012
- GDCC Presentation – Sept 4, 2012
- DP sharing, Oct. 31, 2012
- Consulting at High Level Meeting at SNEC Nov. 15, 2012
- DP/Govt. dialogue Dec. 2012- Mar 2013
- Guidelines/training with LMs April 2013
- 3-Pillar Meeting April 2013

Objectives – RSIII

1. Ensuring annual **economic growth** at 7%. Growth to be sustainable, inclusive, equitable and resilient to shocks thru diversified economic base & competitive economy. Low inflation, stable exchange rate & steady growth in international reserves.
2. Creating more **jobs** especially for youth thru further improvement in competitiveness to attract domestic and foreign investments.
3. Achieving $\geq 1\%$ **reduction in poverty** rate annually, realizing **CMDG** targets, placing higher priority on human resources and sustainable management environmental and natural resources.
4. Further strengthening **institutional capacity** and **governance** at all levels, and ensuring the effectiveness and efficiency of public services.

Key Sectoral Policies for Accelerating Growth, Jobs and Good Governance

1. **Industrial** Development Policy

2.1 Increase in paddy yields and create a major export thrust (Processed **Rice Export** Policy)

2.2 **Rubber** and other commercial crops export policy

3. **Tourism** promotion policy

4. **Human capital** policy

5. Infrastructure

6. Govt. capacity, incentives and accountability

Cambodia Millennium Development Goals

Achieve the remaining, unfinished tasks in achieving
CMDGs & go beyond

***Emphasis in Human Development: Std. of Living,
human capital, health, gender***

- Poverty & Inequality
- Child nutrition
- Child education (9 years basic education + quality)
- Consolidate gains in Health
- Introduce Social Protection
- Rollout MAF for Gender

Cambodia Millennium Development Goals (cont')

Emphasis in Human Development: Environment

- Environment and Forest
- Universalization of safe Water and Hygienic Sanitation

Emphasis on Human Development: Goal8 + and Goal9

- Partnerships
- Demining

A Results Framework – brief outline

Goals	Sustainable $\geq 7\%$ inclusive & resilient growth, diversification	1% poverty rate reduce, income inequality reduce, create non-farm jobs	Peace, Better governance, rule of Law, Stability	Quality human capital (HC), Quality education & health, Gender equity (cross-cutting)
Outcomes	Strong macro mgt., ASEAN integration, NR, demined land, Labor-using industry, diversified high yield agriculture, tourism grows, Reduced landlessness, Safety nets		Predictable governance, Functional courts, Land cases addressed	HC formation at all levels, More schools & skilling institutions, Labor market flexibility
Policies (outputs)	Revenues $\sim 18\%$ of GDP, PFMR, 3 macro balances, ASEAN Integration Framework, IDP, Agricultural policies, Land plans (incl. NR & demining), Tourism policy, 0-budgeting & staff/jud reforms, D&D, NR policies, Budget & policies for HD & skills devp			
Strategies (inputs)	Monetary & fiscal policies, Pvt. Investment, SME, Entrepreneurship, Agr strategy, Tourism plan, Trade fac., Industrial Database, inst. cap building (incl. D&D), Strengthen arbitration, Cadaster, NR & demining, Pov Red. policies & Soc. Safety nets, Edn exp. $\geq 3\%$ GDP, Health $\geq 2\%$, Roll out HC roadmap, Strengthen M&E			

Implementation Process – General

- Make firm and transparent **decisions** and **time-bound** execution
- Establish **rule-based** processes
- Strengthen **conflict-resolution** mechanisms incl. courts
- Reform civilian and military bureaucracies and build capacities – insist on **delivery and results**
- Make special attempts for integration into ASEAN – match tax rates, increase trade and investments, labor laws and migration, human capital and TOT/indigenization

Special attention: Land Laws and Implementation

Implementation Process – D&D

Continue strengthening the **D&D Process**

Offer more financial autonomy at sub-national levels

Provide greater devolution of powers and authority to sub-national levels

Concentrate on **building capacities** at sub-national levels

Strengthen **database** for local level planning and M&E

New M&E Architecture

1. M&E Architecture to emerge from **Results Framework** for M&E for the economy and society
2. Develop a **hierarchy of M&E processes** to link **inputs** with **implementation**, then with **outputs**, and finally with **outcomes** and **impacts** (i.e. from projects to programs to sectors, & to the national level and with budgets)
3. Have a component of national M&E Architecture to address **sub-national issues**
4. Conduct **special studies** to establish relationships and bottlenecks
5. Integrate **Outcome Monitoring Process** with **JMIs** (under discussion...suggestions invited)

New M&E Architecture

NSDP 2014-2018 has identified key **Outcome / Impact** Indicators to match with *RSIII*. The performance on these indicators would be matched against the **set targets** at the beginning of the plan – e.g. poverty reduction, GDP growth, others.

*Each target is so set to be broadly consistent with the **sectoral programs (outputs) and the associated budgets (inputs)**. Put conversely, each ministry is expected to draw up their programs and budgets/strategies to be consistent with the national targets. In either case, national targets & activities are linked to RFs at sectoral/sub-national levels.*

New M&E Architecture (cont')

Create new indicators to capture hitherto **unmonitored processes**

Liberally use **proxy indicators**

Strengthen **database** at both national and sub-national levels

Strengthen and standardize **data generating processes**

Strengthen Administrative databases

Strengthen **statistical literacy** at all levels

Special focus: Data Generating Process and quality data

M&E: Highest level, 20 core key indicators

(1) Sustainable Growth: Real GDP Growth Rate, Per-capita GDP, Inclusive Growth Index, GDP Structure, Paddy Yield Rate, %Forest Cover, Total Cumulative Areas Cleared of Mines/ERW

(2) Poverty Reduction: Poverty Rate, Gini Coefficient of consumption Inequality

(3) Stability: Investment Rate

(4) Human Development

- *Education and Skills: Completion Rate Grade 6, Completion Rate Grade 9, Skill Level (Index)*

- *Gender: % Women Holding Decision-making Positions in Public Sectors*

- *Health: Attended Births, IMR, % Stunted Children, MMR*

- *Water and Sanitation: % Population Having Access to Safe Water, % Population Having Access to Improved Sanitation*

M&E: Outcome level, 47 core key indicators

- (1) Macroeconomic Management (6 indicators)
- (2) Sectoral Growth and Diversification (8 indicators)
- (3) Management of Natural Resources (2 indicators)
- (4) Infrastructure: (5 indicators)
- (5) Governance: (3 indicators)
- (6) Human Development Details
 - Poverty*: (3 indicators)
 - Education*: (4 indicators)
 - Gender*: (6 indicators)
 - Health*: (8 indicators)
 - Water and Sanitation*: (2 indicators)

M&E: Input and output indicators

Project and Program-level Indicators to be maintained by implementing ministries and agencies as per the RF developed for each program

A list of tentative output/sectoral 90 indicators are identified by the NWGM&E, but ministries and departments have the prerogative to make their own indicators

Current progress

Based on RSIII, we have developed framework for sectoral strategies

We have an M&E Draft

We have a section on Past Performance drafted

We are working on sectoral strategiespa

Budgeting will be worked out as soon as all inputs are received.



THANK YOU