

Annual Ministerial Review
Executive Summary of the National Report
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1. As a signatory of the Millennium Declaration in 2000, Cambodia has expressed its full commitment to the Millennium Development Goals (MDGs). In 2003, the global MDGs have been localized in Cambodia and these are called Cambodia Millennium Development Goals (CMDGs). The CMDGs reflects Cambodia realities based on a strong national consensus. Through adopting a participatory process of consultation, specific indicators have been identified for each CMDGs, including the benchmark and the short, medium and long term target values to be reached during 2005, 2010 and 2015. In all, the CMDGs cover 9 goals, 25 overall targets, and 106 specific targets covering (i) extreme poverty and hunger; (ii) universal nine-year basic education; (iii) gender equality and women's empowerment; (iv) child mortality; (v) maternal health; (vi) HIV/AIDS, malaria and other diseases; (vii) environmental sustainability; (viii) global partnership for development; and (ix) de-mining, UXO and victim assistance.

2. During the last eight years, Cambodia and its people have enjoyed the benefits of peace, political stability and rapid economic growth. Indeed, the hard gained peace, political stability, safety, social order and enhanced security are the most important pre-conditions to Cambodia's realization of its real economic and social potentials. Based on this peace and stability, which have become more and more entrenched day by day, the Royal Government have undertaken with strong determination the reforms in various sectors within the framework of the "**Rectangular Strategy**" for Growth, Employment, Equity, and Efficiency and the "**National Strategic Development Plan (NSDP)**". These efforts have taken deep root in the socio-economic foundation of Cambodia and provided impetus for rapid economic development. The Cambodian economy has become more and more resilient and dynamic by achieving the average growth of approximately 9.4% per annum during 2000-2006.

3. The Royal Government of Cambodia recognizes that these achievements cannot be made possible without the generous contribution from all Cambodia's cooperation partners. It also reflects the gradual improvement in the efficient and effectiveness of utilization of all kinds of cooperation financing that Cambodia has received from its external cooperation partners

4. To implement Rome Declaration, the RGC's Action Plan on Harmonization & Alignment 2004-2008 was endorsed in November 2004. An important element of this Action Plan is the RGC's commitment to prepare a single National Strategic Development Plan (NSDP) 2006-2010 that will serve as a framework for alignment of all ODA supported activities. The RGC stands strongly committed to achieve CMDGs by adopting these as the key pillars of Cambodia's National Development Policy & Strategy.

5. The NSDP 2006-2010 is a combination of early Socio-economic Development Plan (SEDP), National Poverty Reduction Strategy (NPRS), National Population Policy (NPP) and other sectoral policies & strategies to implement Rectangular Strategy which is the platform of the RGC in the 3rd legislature of the National assembly 2003-2008, for reducing poverty & achieving CMDGs. The NSDP was a CMDGs-based plan aiming to ensure Cambodia's rapid progress towards achieving the CMDGs & other socio-economic goals.

6. For preparing a CMDGs-based plan, the NSDP had three important features: (i) NSDP shall adopt CMDG-consistent targets, where applicable, as its targets in 2010; (ii) Strategies/policies/programs/financial allocations & sectoral priorities of NSDP will be geared towards achieving these targets; (iii) M & E framework of NSDP shall include appropriate indicators to regularly monitor progress towards achieving the CMDGs. Sub-goals & disaggregated & detailed targets & plans to achieve them will be spelt out in greater precision in sectoral & sub-national plans. Progress of NSDP will be annually reviewed & monitored. There are 15 macro-goals (7 CMDG macro-goals) & 43 critical indicators (28 CMDG critical indicators) to be monitor annually.

7. The NSDP is a single, overarching document containing RGC's priority goals & strategies to reduce poverty rapidly, and to achieve other CMDGs & other socio-economic development goals for the benefit of all Cambodians. The existing three-year rolling Public Investment Programme (PIP) mechanism will be used to identify, plan, phase and cost estimate specific activities every year for the next three years. PIPs therefore form an integral part of the NSDP.

8. To support the development of NSDP, 18 Technical Working Groups (TWGs) have been set up: one Technical Working Group on Planning & Poverty Reduction(TWG-PPR) and 17 TWGs at sectoral and thematic level. These joint TWGs provide a useful forum for strengthening partnerships across all stakeholders, including Government & EDPs. To ensure coordination among the TWGs, a Gvt-Donor Coordination Committee (GDCC) has been established to provide policy guidance, to set priorities & to propose measures to resolve issues raised by the TWGs. The RGC has decided to assume full ownership & leadership of the annual aid mobilization consultation by transforming the Consultative Group (CG) process to a Cambodia Development Cooperation Forum (CDCF) from 2007.

9. Cambodia's present performance in relation to the CMDGs is mixed and uneven. There are significant improvements in poverty rates in urban and more accessible rural areas, expansion of primary education to more children, significant reduction in mortality rates for both infants and under-five year olds, improved immunization against major childhood diseases and breastfeeding, reduction of gender disparity in most areas especially in primary education, adult literacy, and wage employment in agriculture and industry, reduction of

communicable diseases, especially HIV/AIDS; and improved urban access to safe water and rural access to improved sanitation

10. There are still many Shortcomings and challenges that Cambodia must overcome to realize the agreed goals and targets such as high rural poverty rate, limited progress in achieving the goals of universal nine-year basic education particularly those beyond primary education, gender disparity in secondary and tertiary education, persistent of domestic violence against women, and access to quality health services especially in case of women and maternal health etc. There are significant discrepancies among provinces in terms of progress toward CMDGs. The situation varies from one CMDG to another.

11. The First Development Challenge is to maintain a high growth rate to generate productive employment & income earning opportunity for an ever-growing population and to pursue a growth strategy, which will benefit all Cambodian: (i) Pro-poor growth policies through investment in sectors where the poor are concentrated & can find decent work & sustainable employment; (ii) growth should translate into increased Government revenue and; (iii) Growth Should be allocated to social protection programs for those unable to seize economic opportunities.

12. Cambodia 's progress toward CMDG is constrained by a number of impediments. An important one is the chronic shortage of investment funds to meet its priority requirements. There is a danger of debt services that will absorb more and more the limited of national budget.

13. If Cambodia is to achieve CMDG, greater financial flows through aid, reduced debt servicing and increased current account inflows, as outlined in MDG 8 are critical to bridge the resource gaps & foster the country's required growth.

14. Such assistance needs to ensure that donors support is aligned to Cambodia national priorities, that it is managed for results & that there is mutual accountability between RGC & External Development Partners (EDP).

15. The urgent need of Cambodia is to secure adequate external assistance and targeted support in specific areas. These areas include agriculture and rural development, infrastructure and technology, health, education and capacity building in trade related areas. Massive investments in these areas are needed in order to be on track to meet the CMDGs.

16. Complement from EDPs and global community to its pro-CMDG national strategy will require financial, technical & other supports and by creating win-win partnerships. A collective effort is the key to achieving CMDG & ensuring sustained growth & stability in Cambodia.

