



ROYAL GOVERNMENT OF CAMBODIA
MINISTRY OF PLANNING



PREPARATION PROCESS OF THE NSDP, 2014-2018 & RESOURCES REQUIRED

PRESENTED BY H.E. CHHAY THAN, SENIOR MINISTER, MINISTER OF PLANNING

At the 19th GDCC, 26 September 2012



- **Excellency Deputy Prime Minister KEAT CHHON, Chairman of the 19th GDCC Meeting,**
- **Excellencies, Ladies, and Gentlemen**

It is my privilege to present to the 19th GDCC Meeting, the approach we intend to adopt for formulating the new socio-economic development plan for the next 5-year planning cycle, i.e. the National Strategic Development Plan, 2014-2018 (NSDP, 2014-2018).

I begin with underlying that the NSDP plays a central role as the main policy tool in implementing national development visions pronounced in political platform and national development strategies of RGC. To ensure a consistent national development policy framework, policy objectives of the NSDP 2014-2018 are to be synchronised with the broad development goals of the new RGC of the fifth legislature of the National Assembly. At the same time, through NSDP the RGC aims to sustain the fruits of efforts achieved until so far. To be prepared to cope with the evolving external and internal factors, we recognise the need to ensure that the NSDP, 2014-2018 anticipate the emerging challenges and opportunities in the times to come, which lays ground for the formulation policies and strategies appropriate to the current development context.

The policy framework and development context that guide the NSDP 2014-2018 will be the Rectangular Strategy Phase 2 (or a later version), findings from the NSDP Update MTR of 2011, the evolving internal and external environments the country faces, and efforts the government shall make to pull the country out of its LDC Status, to integrate it with the ASEAN, to achieve most if not all CMDGs and go beyond, to put the country on a path to attain sustainable and inclusive development, and ultimately to enhance the well-being of Cambodian people.

Excellencies, Ladies, and Gentlemen

I will be focusing on the two major guiding elements of the NSDP, 2014-2018: *the development context embracing challenges and opportunities and key objectives.*

Challenges:

As the external factors have kept on evolving, there are many challenges we will be facing. Among them, readiness for Cambodia's economic integration into the ASEAN needs consideration. We must also be ready for moving Cambodia out of the LDC status, i.e. live with fewer grants/concessional loans and no easy access to preferential markets for exports. Finally, global recession and the European sovereign debt crisis will continue taking their own toll, impacting small developing countries like ours.

As highlighted in the NSDP-Update MTR of 2011, the internal challenges we are facing include paucity of physical and human resources, the need to deepen public administrative reforms, the need to improve the coordination between different ministries/agencies in the government, the need to further the D&D reforms, the need to minimise reliance on 'project-based' approaches and graduate to 'programme/sectoral-based' approaches, and the need to strengthen Monitoring and Evaluation.

Opportunities:

Nonetheless, there are new opportunities that Cambodia could take the advantages from: The country could benefit from the 'demographic dividend'; the forest policies are being geared towards expanding green cover to help us contribute to curtailing global warming and maintain our own ecological balance; the new-found mineral resources would benefit the country and its people; and rising labour costs in the neighbouring countries would permit us develop labour-intensive industries.

Key Objectives:

To grapple with the challenges and to take advantages from the prevailing opportunities, the key objectives of the Plan will put emphasis on broad development priorities as follows:

- On creating enabling environment for a broad-based inclusive development. To create the prerequisite for a broad-based inclusive development, the RGC aims to consolidate peace and political stability, make measurable strides in good governance, strengthen decentralisation and de-concentration, and promote private sector development and Public-Private Partnership.

- On economic sector: Efforts shall be concentrating on three pillars:
 - A. *Promote broad-based inclusive growth*: Four broad areas of priorities shall be the key objectives in this endeavour:
 - Facilitate modernisation of agriculture and raise yield rates.
 - Encourage growth of private sector for a broad-based industrialisation and modernisation.
 - Foster the improvement of physical infrastructure.
 - Provide an economic/business milieu for maximum 'decent' jobs.
 - B. *Create an environment for a balanced open economy*: Three broad areas of priorities shall be the key objectives in this endeavour:
 - Increase exports and openness in the economy.
 - Graduate Cambodia out of its present LDC status to 'emerging economy' status.
 - Prepare Cambodia for ASEAN economic integration.
 - C. *Improve knowledge and application of science and technology*
- On human and social development: Priorities shall be placed on poverty and equality, education and health.
 - The RGC is committed to reduce poverty, and also reduce inequality in all its dimensions: regional, educational, health, access to opportunities, others. Appropriate targets will be set for these.
 - Cambodia should be a knowledge-based society in the times to come. We will set quantitative targets for each level of education and training, improve the quality of education, and strengthen human capital and technological prowess.
 - We will also strive to meet all CMDG Targets on a sustainable basis, and look beyond 2015: in health, gender, child and youth, water and sanitation, environment, and other facets of human well-being.
- On Crosscutting issues: The government has identified at least two crosscutting issues: Gender and Climate change, and we will attempt to mainstream these in all the sectors: economic, social, others. Cambodia would like to contribute to the global efforts in combating climate change. More crosscutting issues might be identified in due course.
- On de-mining: Large parts of our lands are mine-affected, and this is an area we are committed to further grapple with.

- On Monitoring and Evaluation (M&E): With the economy becoming more complex, the need for a stronger and integrated Monitoring and Evaluation System is becoming imperative. Modest beginnings have been made at all levels: national, sectoral, and sub-national levels. This effort would become more encompassing, to form a part of the national planning process. Effort would also be made to identify more indicators for assessing outcomes, e.g. for inclusive growth, better governance (to reflect responsiveness, transparency and accountability) and the like, and to strengthen the database of the Cambodian economy.

Excellencies, Ladies, and Gentlemen

Now, I wish to give the meeting a brief account of the preparation process of the NSDP, 2014-2018, which can be divided in two stages: the preparatory stage and the formulation stage. I also wish to stress that to ensure the participatory approach a consultative process will be put in place to allow all stakeholders in the government at both national and sub-national levels to provide their inputs and comments through the existing form of inter-ministerial collaboration to the Ministry of Planning (MOP) as the coordinating body and Development Partners (DPs) to provide their feedbacks to their respective government partners through the established channels, i.e. the TWG-Mechanism.

The tentative calendar of activities is as follows:

The Preparatory Stage (2012):

A Draft Approach Paper (DAP) for the NSDP, 2014-2018, drawn up in June 2012 and discussed at a TWG-PPR (Sub-group) Meeting and at internal meetings within MOP, will be circulated to the line ministries and agencies, as well as DPs by early next month. We sincerely believe that through a two-month period (October-November), consultative processes across ministries and DPs through the TWG-Mechanism and inter-ministerial workshop should provide us rich feedback and help us strengthen our approach. In early December 2012, a high-level consultative meeting of central agencies will be held by SNEC to endorse this approach that will serve as a basis for the formulation of the RGC Circular on the Preparation of NSDP, 2014-2108. The Circular as the guiding principles of the RGC, will be issued and circulated to concerned ministries and agencies by late December 2012 or early January 2013.

The Formulation Stage (2013):

- First Inter-ministerial Meeting to release the Circular as the guiding principles of the RGC and discuss the formulation of line ministries' inputs on 'Performance and New Proposals' will be organised in January 2013.
- Line ministries and agencies are requested to prepare their inputs on 'Performance and New Proposals' in their areas of work (Period: drafts prepared through January-April, 2013).
- Reports on 'Performance and New Proposals' are submitted to MOP by early May 2013.
- Consolidation of the draft plan in MOP (Period: May-July 2013).
- Consultation with MEF on the draft NSDP for making financial projections and possible link up with MTEF (Period: August 2013).
- Draft NSDP again shared with line ministries and agencies for comments (Period: August-September 2013)
- Parallel consultations on the draft plan with DPs will be done through the established TWG Process (Period: August-September 2013).
- Presentation of the draft NSDP to the technical-level Inter-ministerial Meeting (Period: October 2013).
- Presentation of the revised draft NSDP to the Senior Management in MOP (Period: late October 2013).
- Presentation of the draft NSDP to the political-level Inter-ministerial Meeting (Period: early-November 2013)
- Presentation of the draft NSDP to a high-level consultative meeting of central agencies held by SNEC, mid November 2013.
- Presentation to Council of Ministers, late November 2013.
- Presentation to the National Assembly for approval, late December 2013.

Resource Required:

As the preparation of the NSDP, 2014-2018 would require additional resources, I would like to itemise our requirements for assistance as follows:

1. ***Preparatory Stage in 2012:*** All related activities have already budgeted for by UNFPA, UNDP, and UNICEF.
2. ***Preparation of NSDP 2014-2018 in 2013:***
 - 2.1 Extension of existing TA services currently supported by UNDP
 - 2.2 Organisation of related workshops/meetings
 - 2.3 Exposure trip or study visit
 - 2.4 Printings
 - 2.5 Equipment
3. Miscellaneous services

Excellencies, Ladies, and Gentlemen

I wish to conclude my brief presentation on the preparation process of the NSDP, 2014-2018 by expressing my sincere hope that the MOP will receive productive and effective cooperation from all stakeholders in the RGC and DPs in this challenging task.

Thank you