

Summary Record

of the Negotiations on Development Cooperation between the Royal Government of Cambodia and the Government of the Federal Republic of Germany

held in Phnom Penh on 04 to 05 April 2017

Introduction

Negotiations on development cooperation between the Royal Government of Cambodia (RGC) and the Government of the Federal Republic of Germany were held in Phnom Penh on 4 to 5 April 2017. The delegation of Cambodia was headed by H.E. Chhieng Yanara, Minister attached to the Prime Minister and Secretary General of the Cambodian Rehabilitation and Development Board (CRDB) of the Council for the Development of Cambodia (CDC). The delegation of the Federal Republic of Germany was headed by Mr Klaus Supp, Head of the Division for China, Central Asia, East Asia, Laos and Cambodia at the Federal Ministry for Economic Cooperation and Development (BMZ). Lists of the two delegations are attached as Annexes 2 and 3.

The negotiations took place in an open atmosphere of constructive dialogue. Based on the results of the preparatory consultations held on 4 October 2016, the delegations reached agreement on the allocation of the available funds.

The results of the negotiations are recorded below:

1. General context for development cooperation and political dialogue

The opening statements of the Cambodian Head of Delegation, the German Ambassador and German Head of Delegation are attached as Annexes 4, 5 and 6.

The 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs)

The German side informed the Cambodian side that the German government has endorsed a national Sustainability Strategy in January 2017 based on the 2030 Agenda, which attaches greater importance to the social dimension of global supply chains than in the past: aspects such as decent working conditions and fair wages, compliance with social and

labour standards, and reducing of malnutrition as well as supporting girls and women are enshrined with new and precise indicators. With regard to sustainable production and consumption patterns (SDG 12), approximately 34% of all products and services bought through public procurement need to be certified in accordance with sustainability standards by 2030.

In the same manner as it guides policy decisions on the German side, the Strategy also serves as guidance for Cambodian-German development cooperation. The universal 2030 Agenda offers a unique opportunity to end poverty and transform the world to better meet human needs through inclusive sustainable economic growth while protecting the global environment, ensuring social peace and realizing human rights.

Implementation of the 2030 Agenda in Cambodia. Among the findings of the UN Rapid Integrated Assessment as well as the mid-term-review of the National Strategic Development Plan (NSDP) 2014-2018, more emphasis will be given to the following aspects:

- a multi-sectorial planning approach promoting inter-linkages between the SDGs,
- definition of priorities for accelerating progress,
- sound costing and budgeting,
- results-based monitoring and good quality data.

The Cambodian side emphasised the importance of the ongoing localisation process of the 2030 Agenda for sustainable development and SDGs and confirmed that the RGC will integrate the Cambodian SDGs in the next planning cycle while taking account of the above-mentioned themes in the next NSDP preparation. In this context, the German delegation offered technical assistance in the area of representative statistical data and its quality in order to strengthen the institutional capacity of the Government for results- based monitoring systems.

Sustainable Global Supply Chains

Both sides agreed to continue efforts towards building a fair and sustainable globalized economy, responsible supply chains and trade relations. Global value chains must be made sustainable not only in economic but also in social and ecological terms. The International Labour Organization (ILO) core labour standards, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among others, provide an important set of safeguards for all related endeavours.

Challenges ahead regarding sustainable consumption and production patterns are based on mutual responsibilities and joint efforts. Cambodia and Germany will continue to strive for improvements in the garment sector and further development of social security systems in

companies producing for the international, regional and domestic markets. The topic will also be part of the envisaged programme in intra-ASEAN (Association of Southeast Asian Nations) trade integration.

As part of their dialogue, the two sides discussed approaches to deepen the cooperation in this context. The progress achieved will be jointly assessed and will shape future cooperation.

Democratic Development, Good Governance and Gender

Both sides agreed that the respect, protection and fulfilment of Human Rights are key characteristics of good governance and important prerequisites for effective poverty eradication and sustainable development. Human Rights are a guiding principle for German development policy. The success of Cambodian-German development cooperation must therefore be measured against the progressive realization of Human Rights. Cambodian side underlined that the development cooperation must be guided by the principles of sincere dialogues based on mutual respect, equality and non-interference.

The German side expressed its expectations for fair and free elections in Cambodia and its sincere hope that the ruling party and the opposition party will return to the culture of dialogue for peaceful and transparent elections. Cambodian side underscores the culture of dialogue must be based on mutual trust and respect, rule of law, non-defamation, and non-incitement of hatred, uprising and discrimination.

Recognizing the important contribution of NGOs and civil society, both sides agreed to work together in the spirit of partnership to promote their engagement in Cambodia's development process based on the rule of law and respect for human rights.

German side noted the importance of a safe and enabling environment for politicians, human rights defenders and civil society. Cambodian side reiterated its firm commitment to promoting and protecting the rule of law, democratic principles and fundamental freedoms. German side reported that several international NGOs at the moment face long-lasting registration procedures. Cambodian side clarified that the registration process takes 45 working days after the submission of all necessarily required documents. Cambodian side further ascertained that a large number of NGOs have demonstrated their firm commitment to full and effective enforcement of the Law on Association and NGOs, and have fulfilled their obligations and roles as stipulated in this new system in a transparent, cooperative and sincere manner.

Cambodia is ranked 156th out of 176 countries on the 2016 corruption perception index of Transparency International, which is third to last in the Asia-Pacific region and last in South East Asia.

The German delegation underlined in this regard the urgency of implementing the key recommendations of the National Integrity System Assessment (NISA) and the United Nations Convention against Corruption (UNCAC) Peer Review of Cambodia:

- a) Reform of the judiciary (open courtrooms, published decisions, and transparent recruitment and appointment procedures).
- b) Pass the law on access to information.
- c) Strengthen the anti-corruption law (as recommended in the UNCAC Peer Review).

The German delegation further pointed to a number of challenges that negatively affect Cambodian citizens in their daily life and are a constraint on the RGC's efforts to serve the people better, namely weak work attendance of civil servants, the reported practice to pay extra charges to receive services or to accelerate administrative processes.

Opaque practices and "the envelope system" also hamper investments from German companies with compliance rules. These are exposed to a lack of transparency in payments of corporate taxes, customs and fees for permits and licenses, which in turn might lead to competitive disadvantages.

The Cambodian side noted that for these very reasons the fight against corruption had been stepped up. The findings of specific surveys were challenged, however, as the methodology was not robust and they were not based on founded evidences. The Royal Government had not been involved in the survey design or its implementation. The Royal Government's own information, which includes direct input from citizens, points to significant improvements based on the leadership and continued efforts of the Royal Government to clamp down on corruption and to hold individuals to account in line with the rule of law.

The German side would appreciate if the RGC could share the above-mentioned information on significant improvements.

Against this background both sides underlined that continuing the on-going fight against corruption is essential to maintain Cambodia's economic growth rates, to achieve further progress in human development and to ensure quality and equity in accessing public services.

The German delegation encouraged the Cambodian side to identify new initiatives in addition to on-going activities, particularly those with a direct benefit for Cambodian citizens. The

Cambodian side fully agreed that the fight against corruption needed to be maintained and strengthened and pointed to several on-going and new initiatives, including to provide mechanisms for citizens to directly notify the Royal Government of any instance of public corruption. Both sides agreed to include activities that aim at improving integrity and anti-corruption measures in new projects and programmes under Cambodian-German development cooperation.

Despite continued good progress, gender inequalities and gaps need to be improved in Cambodian politics and decision-making, the formal economy as well as in upper-secondary and tertiary education. Access to justice and services for female survivors of gender-based violence is sporadic, while perpetrators must be held accountable for their crimes.

Against this background, both delegations underlined the necessity for commitment by all stakeholders to implement national policies for gender equality. Gender needs to be mainstreamed in sector policies more consistently and the national budget for gender equality should be increased to the maximum extent possible, particularly in response to gender-based violence. Both sides agreed that the public sector has a role to play as a model when it comes to equal representation of women and men. In this regard, Samdech Prime Minister Hun Sen emphasised increasing the ratio of female civil servants in decision-making positions at the national and the subnational level by affirmative action in recruitment and promotion procedures during the 2017 annual meeting of the Cambodian National Council for Women. This commitment was welcomed by the German delegation.

Mid-term Perspective for Development Cooperation

The German delegation valued Cambodia's economic achievements, particularly its average annual economic growth of 7 percent over the past decade as well as the substantial reduction in poverty.

In order to sustain these achievements and avoid a middle income trap, both sides underlined the importance of inclusive growth and sustainable development in order to ensure Cambodia's smooth transition to an upper middle income country by 2030 and to ensure that poor and vulnerable families, particularly those in rural areas can benefit from economic growth and public services. Both sides underlined the importance of the identified seven key areas in the NSDP MTR¹ which will be considered in the next NSDP cycle.

¹ Poverty Reduction and Inclusive Growth; Revitalizing Agriculture; Competitiveness; Migration and Urbanization; Climate Change and Deforestation; Governance; Human Resource Development.

Both sides agreed that the Industrial Development Policy, 2015 – 2025, is a new growth strategy as it focuses on transforming and modernizing Cambodia's industrial structure from labour-intensive to skill-driven by 2025.

It was acknowledged that intensified industrial development and Association of Southeast Asian Nations (ASEAN) market integration are drivers for urbanisation as well as for internal and border-crossing seasonal migration. Despite the positive effects of Cambodia's economic development, low-skilled migrant workers without legal documents and urban poor are currently not well covered by the Cambodian social security system and are more at risk of being left behind.

The Cambodian side has proactively responded to these challenges and is continuing to implement a range of policy responses. These include the National Social Protection Policy, the National Strategy for Food Security and Nutrition, and the Labour Migration Policy for Cambodia and several actions and supports have been provided to the most needed migrant workers. The Cambodian side informed that the National Policy Framework for Social Protection 2016- 2025 which was adopted at the Cabinet meeting on 24 March 2017 is comprehensive and covers both public and private sectors as well as citizens, including a clear cut division of roles between policy-making, regulator and operator.

National resource mobilization is gaining importance given the changing delivery modes of Official Development Assistance (ODA). Cambodia has now reached a Lower Middle Income Country status. Therefore, ODA grants will continue to decline with an increase in loan provision that will be closely managed and monitored by the RGC's Debt Strategy. This is of relevance for future German development cooperation.

The German side congratulated the RGC on the progress achieved in connection with tax collection, which has enabled a substantial increase in the national budget without increasing the budgetary deficit. The German side further underlined that apart from expanding the tax revenue base, equity and fairness aspects need to be given attention to the ongoing reform of the national taxation system. In this regard, the German side referred to the United Nations Addis Tax Initiative which was co-initiated by Germany and launched at the 3rd Financing for Development Conference. Part of this initiative is to support reforms to tax policy and tax administration in order to increase the self-financing capacity of partner countries through domestic revenue mobilization.

The Cambodian side confirmed that the RGC Revenue Mobilisation Strategy has been successfully and effectively implemented resulting in the revenue target for 2016 being surpassed. Further policy initiatives intended to further raise revenue, together with improved

revenue administration efforts, are also anticipated. The Cambodian side also welcomed the global initiative on tax established at the 3rd Financing for Development Conference and committed its full support to a coordinated international effort to reform and strengthen tax policy, including those related to cross-border flows. The German side welcomed this progress and invited the RGC to continue these efforts.

Development effectiveness

In May 2016, the first monitoring report of the European Development Cooperation Strategy for Cambodia 2014-2018 was endorsed by EU Heads of Mission and Switzerland after consultations with the RGC, civil society and private sector. The German delegation informed the RGC that the mid-term review of the joint strategy has addressed issues raised during these consultations. This will lead to a revised results framework of the strategy to be shared with the RGC in mid-2017. Both sides agreed that the European Strategy has proved to be a useful tool for closer coordination, more efficient dialogue and better results. As such, European joint programming is a welcome contribution to the agenda of the Global Partnership for Effective Development Cooperation.

Both sides agreed on the importance of the RGC role in actively participating in the elaboration of the second phase of European joint programming. CDC/CRDB, which has been particularly supportive for the success of the current joint European Strategy, will continue facilitating dialogue between European partners and the RGC.

The German delegation referred to the set of additional principles for a harmonized approach on Daily Subsistence Allowances (DSAs) and other allowances based on RGC's own DSA regulations, agreed and signed by development partners in Cambodia in November 2016 (Annex 7). These additional principles together with the agreed principles of November 2014 are a joint DP effort to make the allocation of financial resources more predictable, transparent and targeted. The German delegation further referred to discussions between the Global Fund to fight HIV/Aids, Tuberculosis and Malaria (GFATM) and the RGC to fully finance travel expenses for Government officials from the national budget.

2. Dialogue on priority areas of bilateral development cooperation; commitments

The priority areas of Cambodian-German bilateral development cooperation are currently:

- Health ("Social Health Protection")
- Rural Development ("Regional Economic Development")
- Democracy, Civil Society and Public Administration

These fields of cooperation are in line with the priorities articulated in the Rectangular Strategy Phase III.

2.1. Financial commitments and reprogrammed funds

The total volume of bilateral Technical and Financial Cooperation since 1960 amounts to €392.16 million. The Government of the Federal Republic of Germany undertakes to provide the Royal Government of Cambodia with a new amount of €36.8 million for bilateral Technical and Financial Cooperation. This comprises €16.0 million € for Financial Cooperation projects/programmes and €20.8 million for Technical Cooperation projects/programmes.

The total volume of funding available for Technical and Financial Cooperation projects and programmes thus amounts to €36.8 million. A table showing the commitments is attached as Annex 1.

2.2. Principles for Cambodian-German development cooperation

In order to increase the sustainability of joint programmes and projects, both delegations agreed on the following principles:

- I. Daily Subsistence Allowances (Technical Cooperation/ Financial Cooperation): Subject to be approved by the RGC, the national budget will cover Daily Subsistence Allowances based on the government regulations for Government Officials when travelling on a national mission linked to project and programme activities of Cambodian-German development cooperation within the next NSDP cycle; preferably by January 2020.
- II. Co-funding of programmes and projects:
 - a. In-kind partner contributions include inter alia the adequate supply of office space for the programmes of technical cooperation in partner institutions, and the provision of sufficient counterpart staff, taking over executing tasks linked to the implementation of the projects or programmes.
 - b. Additional financial partner contributions will be addressed and agreed upon in government negotiations and will be reflected in the design phase of the planned project/ programme with the objective of increasing them over time.
 - c. A step-wise increase in partner contributions in FC infrastructure programmes (grants). In this regard, a concrete proposal by the RGC on the increase of financial partner contributions will be subject for discussion latest by the next governmental negotiations.

2.3. Priority area “Democracy, Civil Society and Public Administration”

The provision of equitable access to quality public services requires committed and coordinated implementation of the RGC’s public sector reform agenda, in particular its Public Administration Reform (PAR), Subnational Democratic Development Reform (SNDD) and Public Financial Management Reform (PFM). This in turn will contribute to Cambodia’s further development and the well-being of its citizens.

Joint Action Plan of three Reform Secretariats. That said, the German side re-emphasized the recommendation of Deputy Prime Minister and Minister of Interior Sar Kheng during the closing of the NCDD Annual Work Plan and Budget Workshop in December 2016 that the three reform Secretariats need to cooperate more closely by holding regular meetings and by formulating a joint Action Plan, so as to ensure consistent and effective implementation of each reform. The Cambodian side will consider the introduction of annual joint field visits at the local level. These may enable decision-makers from the three Secretariats and sector ministries to have a common understanding on developments at the local level, including SNA capacity and accountability, planning and budgeting linkage issues, and financial or human resource management so that evidence-based solutions can be jointly found.

The Cambodian side described how quarterly cross-cutting reform program meetings were regularly taking place between the NPAR, PFM and D&D reforms, that when issues have arisen the three programs have worked quickly and cooperatively to resolve them, and that they had integrated their work into a joint annual action plan.

The German side asked the Cambodian delegation to share the joint annual action plan.

Enhanced collaboration between the Secretariat of the National Programme for Subnational Democratic Decentralization (NCDD-S) and the Ministry of Civil Services (MCS). German support through the GIZ Decentralization and Administration Reform Programme (DAR) is designed to support the coherent implementation of both reforms – SNDD and PAR – with a focus on service-delivery at the sub-national level. Germany emphasized that close cooperation between the Ministry of Civil Service (MCS) and the Secretariat of the National Programme for Democratic Decentralization (NCDD-S) is instrumental to achieve the programme’s agreed objectives and those of the two reforms respectively. The German side particularly requested regular and active coordination between MCS and NCDD-S as well as the strengthening of the D&D Working Group within the MCS.

Both sides reconfirmed the objectives and indicators jointly approved in the agreed minutes (September 2015) and in the implementation agreement (November 2016) of DAR programme and agreed to focus their joint activities in 2017 and 2018 on the subnational level.

Harmonized and well-coordinated Skills Training for Civil Servants. Both sides agreed that coordination between the three reforms (including PFM) is essential for harmonized and well-coordinated skills training for civil servants at the national and subnational levels, both for initial and for refresher trainings. The German side recommended that such coordination should strengthen gender equality through the governance reforms, which could be supported by German cooperation through GIZ DAR, particularly by focusing on the capacity of female councillors. The German side took note of the 'Sub-Decree for the Establishment of a National School of Local Administration' and asked representatives from MCS and MOI to explain the division of labour between the new school and the Royal School of Administration. The German side suggested working on a harmonized and coordinated skills training curriculum as a tangible milestone in the Action Plan mentioned above.

The Cambodian side clarified that the MCS Royal School of Administration is mandated to build the capacity of middle and high-ranking official for both levels of administration on public management/administration and leadership whereas the MOI National School of Local Administration is mandated to build the capacity for officials working at the SNA with a focus on local governance and local development. With ADB support, a curriculum will be developed by the National School of Local Administration. This will take into account the different capacity development responsibilities of all relevant actors. The current implementation plan (IP3-phase 2) is also evaluating the processes used, approach, quality and effectiveness of SNA capacity development which will be holistically addressed in the formulation of the IP3-III. Moreover, harmonized and well-coordinated approaches to skill training and the planned development of integrated training programs in the context of Public Administrative Reform are of great importance.

Sound implementation of the Sub-National Democratic Development Reform. The German side congratulated the RGC on the decision to reassign substantial functions in priority sectors to sub-national governments, among them health and education, and valued the role of the Secretariat of the NCDD-S in this regard. It was underlined by both sides that the transfer of functions will not automatically lead to better services and greater accountability and hence requires strong and joint efforts and ownership by relevant sector ministries, governance reform ministries, NCDD-S as well as by the subnational level. The German delegation pointed to the risks that are linked to the decentralization process in the

case of weak ownership and encouraged particularly involved line ministries to actively engage in this important process in the last and third phase of the Implementation Plan of the SNDD reform, 2018-2020.

The NCDD-S explained that although it is the government's policy to transfer meaningful functions to SNAs, to bring service delivery and accountability closer to the people, ministries are proceeding at different speeds, have different visions, and are addressing risk in different ways. There is extensive international experience showing the link between decentralization and improved services delivery. Despite this, the RGC recognizes that strong ownership is essential to realize these improvements and that the implementation of decisions to decentralize service delivery needs to be supported through comprehensive capacity development, resource allocation, decentralized human resource management, and the development and enforcement of service delivery standards. The Secretariat of NCDD plays an important coordinating role in this process.

Promoting the use of the General Mandate. The German side also appealed for steps to be taken to ensure that the functional transfer is not substituting for or at the expense of the overall general mandate of sub-national authorities. The vision of decentralization reform is that sub-national authorities can respond to local development needs and aspirations. The German side therefore asked the Cambodian side to encourage and further strengthen the Council's right of initiative in 2017, particularly by increasing the financial allocations to the District and Municipality Fund (DM Fund), in particular its social development component so as to increase investments in social services. In this regard Germany suggests ring-fencing the development component in order to protect it from expenditure on salaries and administration at the sub-national level. Germany has offered support to strengthen sub-national authorities' financial management capacities.

The RGC is actively seeking ways to increase funding of development through the DM fund. The DM Fund was designed to finance the general mandate. This past year steps were taken to share some tax revenues from Provincial to District level. This allocation is not formula based so it will have a different impact on each District, according to its tax basis. The general mandate has always been seen by the government, as a way SNAs can best respond to local needs and priorities. Many of these needs and priorities are in the social sectors, like health and education, and once these functions are transferred to Districts and Municipalities, the government expects the general mandate to increasingly fill in gaps and to top up community needs in these areas. The government has always seen the functional transfer and the general mandate as complementing one another.

Civil Society as an important player in decentralization. The German side shared its concerns with regard to the current human rights situation, in particular the freedoms of expression and association as key elements for a vibrant democratic society. The German Embassy has received manifold reports about Civil Society Organisation (CSO) partners increasingly being monitored and supervised by sub-national authorities. Both sides stressed the need of an environment of mutual trust and inclusive partnership at the local level, based on the principles of human rights.

Study visit on the German federal system. Both delegations are delighted about the upcoming study visit to Germany in the end of November, headed by Deputy Prime Minister Sar Kheng, and underlined that this visit will be an excellent opportunity for the Cambodian delegation and the German side to exchange views on the German federal system and to share experiences regarding the German social security system. The German side informed that the formation process of the new government after the national elections might still be on-going, limiting talks on high political level. A concept note was handed over to NCDD-S and both sides agreed to jointly prepare the study trip and to share the costs.

Public Administration Reform. The German side valued the Ministry of Civil Services' commitment to implementing the National Programme for Public Administrative Reform (NPAR). The Ministry has put great efforts into increasing annual salaries and harmonizing the national allowance system. MCS has further developed the legal and regulatory framework for public service delivery and human resources management and development.

Sequenced and rationalized approach to salary increase. In the area of pay reform, both sides underlined the need to remain committed to the RGC policy for a sequenced and rationalized approach to salary increases as well as the need to increasingly link better pay to performance. Regarding the latter the MCS elaborated on its activities to improve public service delivery through better staff management such as strengthening the implementation of HRM's regulations and guideline, attendance control, development of job descriptions, and performance management system.

Autonomous and performance-based sub-national human resource management. The German side welcomes the endorsement of a number of legal instruments for human resources management and development at the sub-national level as a key requirement for achieving further progress in decentralization reform. The German side encouraged the Ministry of Civil Services to speed up the drafting process for the missing regulations and guidelines that are required to ensure that Sub-National Administrations (SNAs) have the autonomy to manage and administer their personnel, to ensure that staff members are accountable to SNAs, and to ensure that personnel can be easily transferred from the line

ministries to SNAs. At the same time, the German side asked the Cambodian side to actively support SNAs in implementing and applying existing human resources instruments with a focus on improving the management and performance of staff. Districts and municipalities are keen to learn and apply the Performance Management System (PMS) recently approved by the Committee of Public Administration Reform but need support and facilitation in utilizing it. The German side underlined that such interactions between MCS and sub-national administrations should be intensified in 2017 and in parallel to the finalization of the remaining guidelines and regulations, including the PMS Sub-Decree and the implementation manual, currently being drafted by the Ministry.

The Cambodian side replied that MCS has finalized the missing HRM's rules and procedures for the implementation of Royal Decree on Particular Statute of SNA Staff's Management which already approved by 13th NCDD Meeting. MCS right now has being finalized the HRM Manual for SNA staff and other relevant regulations including PMS Sub-Decree and the implementation Manual. As a next step, both sides agreed that MCS will assist the sub-national administration in applying these rules and procedures.

Support from other development partners. While agreeing that the support received from the German government is vital for implementing key areas of the National Programme for Public Administration Reform, both sides agreed that additional support from other development partners would be instrumental in speeding up reform implementation. The German side confirmed its intention to continue working with MCS with a focus on the subnational level and will continue advocating for additional support from other development partners. It was acknowledged that skills development and training would be one entry point in this regard.

New Commitment: Decentralisation and Administrative Reform Programme, 2017.2004.4, €4.8 million, continuation

This cooperation will continue with new funds for another three years. The new project is expected to start by January 2019. As in the ongoing programme, the new project will concentrate on capacity development for sub-national administrations (incl. councils) and line agencies at the district and municipal levels with a view to promoting improved delivery of quality public services. The main objective of the project will be to enable subnational administrations to deliver efficient, effective and transparent health and education services as well as other sectorial services in a more harmonised, accountable, transparent and responsive manner. Subnational administrations and councils will be strengthened to serve

citizens better. Support will not only be directed towards the implementation of the SNDD and PAR reforms but also towards the PFM reform. Thus, all relevant aspects of decentralised service delivery will be taken into consideration, and at the same time national reform programmes are interwoven with implementation at the sub-national level.

The Cambodian side informed that MCS/PAR secretariat and NCDD-S jointly submitted a new project for the next three years cooperation by focusing on improving quality of public service delivery at SNA. They further emphasized that the new programme provides a unique opportunity to develop policy based on piloting, experimentation, and SNA level results. The Cambodian side emphasized its expectation that the new programme will develop clear, well-reasoned policy papers based on implementation experience that can be used to improve SNA service delivery, especially in terms of the general mandate and transferred functions.

Addressing integrity and anti-corruption measures in the provision of public services will be a new dimension of the project. Gender-related activities will also become a particular focus, acknowledging the important role of female councillors at the local level and the objective of the RGC to increase the number of female civil servants in decision-making positions in the Cambodian civil service.

During the negotiations in 2015 the German side offered to provide funding for an integrated expert (CIM) to support the Royal School of Administration. Acknowledging ongoing developments in the area of capacity development and skills training, the Cambodian side suggested discussing this kind of support during the design phase of the next project with relevant ministries to ensure the capacity development and skills training program respond to the need of female civil servants.

2.4. Priority area “Health/ Social Protection”

Germany congratulated the RGC on its achievements in terms of improved health outcomes, which are well documented in the health-related results of the Millennium Development Goals 2015. Likewise, progress observed in key health sector reforms, namely social protection, quality of health care and democratic decentralization, is encouraging and reflects Cambodia’s status as an LMIC and aspiration to reach upper middle income status by 2030.

Both sides agreed that these reforms are necessary to prepare the Cambodian health sector to achieve equally good results with regard to the SDGs by 2030. This will lead to several fundamental changes at all levels of the Cambodian health system – at the facility level, at the level of sub-national administration (SNA) and at the central government level. The

German delegation encouraged the Ministry of Health (MoH) to actively guide and lead this process reflecting on its current and future role and functions. While managing the health services was the main focus of the Ministry's mandate to date, regulating and managing quality of care will gain importance. Germany reiterated its commitment to support this process during the implementation of the third Health Strategic Plan.

Independence of the “Payment Certification Agency”. In the area of social health protection, important steps have been initiated by the RGC in order to establish a coherent and financially sustainable social protection system for all Cambodians, including people working in the informal, the private and the public sector. The German side valued the RGC's efforts to draft a policy framework for social protection which encompasses an institutional framework to achieve Universal Health Coverage (UHC) by 2030. Germany also welcomed the progress to date in setting up an independent national payment certification agency certifying payments for Health Equity Funds benefits provided and quality scores achieved by health facilities under the Service Delivery Grant system, which will take over this role by mid-2018 from donor supported international agencies. The independence of this institution, both from health service providers and purchasers, has been stressed by both sides in order to avoid conflicts of interests.

Expansion of Health Equity Funds (HEF) and their promotion. As out of pocket expenditures for health care are among the main causes for falling back into poverty, the German side further stressed the need to expand the HEF scheme to cover additional vulnerable population groups such as children below 5, people living with disability and elderly persons. The German side valued the decision of the Ministry of Health to exempt persons with disabilities and elderly persons from paying user fees at health facilities. Yet, exempting groups from paying without reimbursing the facilities through the HEF or another financing scheme undermines the motivation of the health staff to provide treatment for such a person. Germany further encouraged the expansion of the HEF standard benefits package to allow for targeting services of particular public health priorities. Germany also stressed the important role of HEF promoters increasing HEF user rates amongst others and underlined the importance of this instrument in boosting demand for particular public health priorities. Evidence and lessons learnt for the issues mentioned are available from the joint Voucher Programme for Reproductive Health and Vulnerable Groups.

Both sides agreed that the new financial commitment from Germany for the Health Equity and Quality Improvement Project (H-EQIP) will be also used to strengthen HEF Promotion. It was further agreed to integrate the services currently covered by the voucher scheme into the HEF benefit package. The German delegation underlined that the Voucher programme

could support the integration of services by financing costings of this endeavour based on its experience and practice.

The Cambodian delegation expressed that the expansion of HEFs to cover additional target/vulnerable groups such as children under 5, people with disabilities, and elderly, as well as social health protection for informal sector population are among the RGC's policy interventions as clearly indicated in the National Policy Framework for Social Protection. In this regards, expansion of HEF to cover peoples with disabilities and elderly needs to be in line with this policy framework by taking fiscal capacity into account.

The Cambodian delegation updated that a number of the services currently covered by the voucher scheme have already been integrated into HEFs, such as reproductive and family planning. The MoH also has specified health services and non-health services to be further included in HEFs' benefit packages when finalizing the Guidelines for HEFs' Benefit Packages and Provider Payment Mechanisms— specific services for specific target group e.g. safe abortion for general women of reproductive age (WRA) or only for poor WRA).

The German side encouraged the RGC to provide adequate additional partner contributions from the national budget along with the new financial commitment from Germany to H-EQIP in order to ensure keeping similar co-funding proportions under an updated cost and financing plan for H-EQIP as under the original H-EQIP arrangements

The RGC will consider an increasing additional financing contribution from the national budget to H-EQIP during the course of the project implementation based on affordability of fiscal space, since the current financing contribution from the RGC has already been high. Currently, the H-EQIP partners have contributed USD 80 million (including USD 30 million from IDA) out of the total of USD 174 million for H-EQIP, and the rest is financed by the RGC, in addition to an increase in the Government-funded lump sum grant as an integral part of SDG/H-EQIP.

Quality assurance of health care services. The German side welcomed the renewed attention of the MoH to improving the quality of health care, including patients' and health care workers' safety. The adoption of a new Licensing Law for health professionals is a fundamental step to ensure the quality of health care services. Appropriately licensed and registered health care practitioners' needs to become a precondition for any public or private health facility requesting licensing, registration or accreditation as part of a comprehensive quality management process. Both sides agreed that reviewing the National Policy for Quality in Health and the Quality Improvement Masterplan are further essential steps to address the quality and safety of health care. In this regard the German delegation asked the

Cambodian side to elaborate on responsibilities and financial resources when it comes to implementing the Masterplan. The improved staffing situation in the Quality Assurance Office of the Hospital Service Department was acknowledged by the German delegation, underlining that staff needs to be skilled and motivated to fulfil their important tasks. The German side is looking forward to the early adoption of the new Policy for Quality and Safety in Health, which could also provide an opportunity for institutional changes in the MoH.

The Cambodian side explained that a review and updating of the National Policy for Quality in Health and Quality Improvement Plan come up with a final draft, currently. The implementation of the plan will be carried out by relevant health institutions at all levels across the health system, in particular health facility level with support of ODs and PHD, as well as Quality Assurance Office (QAO). H-EQIP provides opportunity to build capacity of Provincial Quality Improvement Units and of QAO staff associated with strengthening of routine quality monitoring processes. Potential sources of funding to implement the plan include, but are not limited to, H-EQIP/SDG and national budget (lump grants to promote supportive environment for overall quality improvement) and program-based budget.

Decentralization in Health. The Cambodian delegation informed the German side about the RGC's plans to reassign health functions to subnational administration. The Ministry of Health and NCDD Secretariat have prepared legal tools to support transfer and implementation of transferred health functions at subnational level. The MoH has decided to transfer health service management function of provincial health system, including OD system, to provincial administration in form of "decentralization" in three provinces, namely Phnom Penh, Battambang and Kampot for the first phase.

The German side thanked the Cambodian side for this update and pointed to the following key issues to be addressed in the further reform process in order to ensure that decentralization reform can unfold its potential for 'bringing better public services closer to the Cambodian citizens':

- the lack of congruence between operational districts and administrative districts;
- the need for more capacity within the MoH to manage the functional reassignment process to subnational level;
- the need to intensify dialogue between MoH and National Committee for Sub-National Democratic Development (NCDD-S) as well as Public Administration Reform (PAR) and Public Financial Management Reform (PFM) in the functional reassignment process.

The Cambodian side commented that the current rationalized-health system is a population-based health system organization, aiming at ensuring full coverage of population by health service delivery; without overlaps or gaps. Full alignment of operational district catchment area with administrative district needs to strategically consider cost-effective health service delivery and economy of scale in terms of investment in health infrastructure within resource constraints.

Dialogue on the transformation and adaptation of Social Protection Programme. The German side invited the RGC to begin a dialogue on developing a joint approach to support the evolving Cambodian social protection system to be supported during the consolidation phase of the German-Cambodian Programme on Social Health Protection. Future cooperation should be based on the achievements and experiences of nearly 25 years of Cambodian-German cooperation in support of the health sector, with specific emphasis on social protection and the ID Poor cross-sectorial instrument. The German delegation proposed designing assistance for Cambodia's social protection system in accordance with

- the RGC's Industrial Development Policy
- the National Policy Framework on Social Protection, and
- the particular needs of a country transitioning to middle income status.

Additionally, attention should be paid to Cambodia's ability to respond adequately and timely to external events, for example unexpected economic or extreme weather events. The German side proposed a cross-sectorial dialogue, which should lead to concrete and focused actions within the limits of available funds.

The Cambodian side agreed to the proposed dialogue on developing a joint approach to supporting the Cambodian social protection system founded on the joint work in health and social protection as well as making full use of the ID Poor instrument for targeting and providing free access to services. This should include exploring ways to extend identification in a cost-effective manner to different groups (e.g. disabled, near-poor households, vulnerable households, etc.) that are prioritised for social protection measures.

Social protection and vulnerability. The German side welcomed that the "Identification of Poor Households" was reconfirmed as the key targeting mechanism for poor families in urban and rural areas along with the National Policy Framework on Social Protection which was recently adopted at the cabinet meeting. Both sides valued the achievements to date by developing and implementing a working system that routinely identify poor households for targeting pro-poor services as well as the trustful cooperation. They confirmed that the project is on track to complete urban ID Poor, which will be handed over to the RGC by the

end of the current project phase complementing rural coverage. In this regard, the Cambodian side reconfirmed that the costs for the ID Poor rounds, both urban and rural, will be fully covered by the national budget in 2019. They noted, however, that the National Policy Framework on Social Protection will go beyond using only poverty as targeting criteria resulting in a potential need for technical support in enhancing ID Poor to identify other groups. Noting that this successful cooperation is scheduled to come to an end in 2019, both sides agreed to commissioning a study to take stock of the achievements over the past decade as well as to identify areas that need further attention until 2019 and beyond in order to ensure the overall success of the ID Poor approach.

Financial Cooperation

Social Health Protection (SHP) II (Vouchers for Reproductive Health Services and Health Services to Vulnerable Groups Phase II), 2009.6612.7, total commitment: €6.0 million (grant) - ongoing

Programme on Social Health Protection III (Vouchers for Reproductive Health Services and Health Services to Vulnerable Groups Phase III), 2011.6554.7, total commitment: €7 million (grant) - ongoing

German contribution to the Cambodian Health Equity and Quality Improvement Programme (H-EQIP) - 2, 2015.6755.1, total commitment: €12 million (grant) for investment - ongoing,

Accompanying measures for the German contribution to the Health Equity and Quality Improvement Programme (H-EQIP), 2015.7010.0, up to €2 million (grant) - ongoing

New Commitment: German contribution to the Cambodian Health Equity and Quality Improvement Programme (H-EQIP) - 2, 2017.6701.1, up to €8.0 million (grant)

New Commitment: Accompanying measures to German contribution to the Cambodian Health Equity and Quality Improvement Programme (H-EQIP) - 2, 2017.7008.0, up to €1.0 million (grant)

The H-EQIP was launched in September 2016. The project is co-financed by Australia, Germany, Korea and the World Bank under a pool fund arrangement for supporting the Cambodian Third Health Strategic Plan (2016-2020).

The H-EQIP promotes the HEF as a nationwide social health protection mechanism for the poor. It also contains a number of innovative and flexible performance-based tools such as

the Service Delivery Grants and the Disbursement Linked Indicators to trigger better health outcomes and to improve the quality of care. The H-EQIP is fully integrated into the Cambodian health system, using the RGC's own systems.

Intensified HEF promotion and a more comprehensive benefit package are expected to increase the number of eligible users at health facilities as well as the total costs for the HEF scheme.

The new FC commitment will provide additional funding to the H-EQIP. The RGC will consider an increasing additional financing contribution from the national budget to H-EQIP during the course of the project implementation based on affordability of fiscal space. Both sides agreed that the additional funding will focus on:

- 1) Increasing funding for intensifying HEF Promotion. Lessons learnt and expertise from the Voucher Programme will support preparation of enhanced HEF promotional activities and structures.
- 2) Integrating in principle services currently covered by the Voucher Programme into the HEF standard benefits package (ID Poor only), with consideration being given to:
 - Long-term family planning (including safe abortion)
 - Growth-monitoring, nutrition counselling and transport allowances
 - Cataract surgeries
 - Cervical-cancer screening and treatment
 - Transportation costs for physically disabled people
- 3) Examining
 - the inclusion of social allowances (transport, food) to patients for selected HEF services;
 - the provision of priority health services under the HEF to additional target groups beyond the identified poor households
 - the integration of persons with disabilities into the HEF mechanism.

The phase-out period of the Voucher Programme will be used to prepare the integration of best practices and lessons learnt of the voucher approach into the HEF mechanism.

Moreover, the new FC commitment will provide financing for additional expert support (Accompanying Measure).

Technical Cooperation in the strict sense

Programme on Social Health Protection, 2013.2137.1, total commitment: €8.0 million, - ongoing

Improving maternal and newborn care, 2014.2473.8, total commitment: €5.0 million - ongoing

New Commitment: Programme on Social Health Protection, 2017.2006.9, up to €6.5 million - continuation

The new commitment will prepare the further development of Germany's support to social protection in Cambodia and consolidate the experiences and contributions of Germany's support to the health sector in Cambodia over the past 25 years. During the three years of the project, the support will focus on the implementation of the National Quality Improvement Masterplan based on the National Quality and Safety in Health Policy. A central aim of this strategy is to provide nationwide quality health care in the public and private sector. This requires the ability of the RGC and its affiliated agencies to effectively regulate health care practitioners as well as public and private providers along the same standards. The organisational and technical capacity of the MOH, its sub-national structures and affiliated agencies needs to be developed further to ensure that this foundation for the health related SDGs are realised in light of the national decentralisation reform guided by the Ministry of Interior and the NCDD-S. There is a particular need to focus on delivering costed, quality health care services through public health facilities, with a particular emphasis on ensuring access for vulnerable groups to manage this transition successfully at all level. The cooperation with the Ministry of Finance to ensure the establishment and financing of a viable comprehensive system of social protection will be strengthened. Social health protection paving the way to achieve UHC by 2030 constitutes a strong pillar. The focus will be on developing and supporting strategies to include the informal sector and in particular the near poor as soon as possible depending on the mid-term expenditure framework and fiscal space of the RGC.

2.5. Priority area "Rural Development"

Despite rapid urban growth in Cambodia, most of the people live in rural areas and agriculture remains the backbone of rural economies. Benefitting from a stable macroeconomic environment, the positive dynamics of the rural economy have been largely based on growth in land under production, some intensification (e.g. mechanisation) and the promotion of new products such as cassava. In order to safeguard achievements made in the past, the rural economy depends upon a more diversified, value-chains-based and

climate-resilient structure. Both sides agreed that the low level of competitiveness of Cambodian agricultural products remains one of the main challenges, with food security and nutrition being key concerns, especially for poor and near-poor rural families. The local potential remains underdeveloped, in particular with respect to agro-processing capacities. Agricultural input markets are weakly regulated and cheap low-quality products hinder the introduction of high-quality and innovative agricultural inputs. Trade and supply chains for agricultural products are poorly developed, leading to cost inefficiencies and loss of quality during transport.

At the same time, growing commercialisation and regional market integration of agriculture entail new risks for poorer households, in particular increased pressure on land, and on natural and water resources. Women who exercise multiple roles in rural families are particularly affected. The RGC has started to formulate counteracting policies as laid out in the IDP.

The effects of climate change have a significant impact for successful sustainable rural development. The limited resilience of natural and socio-economic systems aggravates the situation and may lead to food security risks. Extended droughts mean that an adequate approach for water basin management and ground water management is needed in order to prevent uncontrolled and over-extraction of ground water. The lack of quality control of ground water for home consumption has been shown to cause severe health problems.

German contribution to the National Programme for Sub-National Democratic Development (NP-SNDD). Following the Organic Law (2008), the functions to be transferred and developed at local level are either obligatory or permissive functions. In the context of rural development, Germany is particularly interested in supporting the uptake and implementation of permissive functions with regard to local economic development. These may include the upgrading of value chains, the networking of small producers and the creation of employment opportunities for the rural poor.

Improved human resources for the self-managed development funds. The Regional Economic Development Programme (RED) combines access to self-managed development funds with capacity building efforts through training, coaching and mentoring in order to encourage the districts to see and use opportunities for supporting local economic development. This approach should be embedded in nationwide sub-national personnel development strategies and systems. Germany is interested in the progress the Ministry of Civil Service has made with the formulation of technical instruments for the implementation of the SNA Human Resource Management and Development Policy since it is expected that

these instruments will shape the future of training approaches and capacity development at the sub-national level.

Sustainable long-term extension services at the sub-national level. The German side wished to ensure sustainability of long-term extension services at the sub-national level. This requires more technical staff and increased budgets for the agricultural departments at the sub-national level. The German side recommended a clear, long-term plan to ensure a regular extension service which covers all areas. Furthermore, a contact point that is available through various communication channels should be established to ensure the timely provision of information.

Additionally, the sub-national agricultural department will intensify the training of local extension workers at commune and village level. The German side encourages the RGC to ensure sustainable long-term agricultural extension service at the sub-national level.

Improved public services for Social Land Concessions (SLC). Both sides have observed that SLC land recipients face obstacles in accessing markets and microfinance services and agreed to make further infrastructural improvements such as roads, electricity etc. Also, the empowerment of Agricultural Cooperatives (AC) is an essential step to improve access to markets and microfinance services. Here, the German side asked the RGC / Ministry of Agriculture, Forestry and Fisheries to fulfil its promises and strengthen the ACs in management, bookkeeping and business operation through the AC Development Fund which was established for this purpose.

Both sides also agreed to strengthen small, local production through different interventions in order to increase competitiveness vis-à-vis products from neighbouring countries.

Enhance and expand SLC approach. In 2015 for the first time, land titles were granted to households within the scope of SLCs provided these households had fulfilled their contractual agreements and had used the land for 5 years. A further 885 land titles are in the process of being granted and are expected to be granted within the course of the year. Hence, the German side acknowledges the political will to ensure the legality of land distribution so as to grant long-term, certified right to land. Further supports by both sides are also envisaged especially to assist the land recipients in terms of land preparation and initial cultivation.

The German side perceives the decentralized administrative level as very interested in enhancing and expanding the SLC approach and acknowledges the attempts to actively implement this approach. This will require further support now and in the future.

The Cambodian side stressed that the decentralized approach to SLC should be carefully examined and designed before implementation.

Access to Microfinance for the most vulnerable population. In terms of microfinance access, the German side is asking about enhancing and improving the service network of existing providers in order to make it more mobile and regular. Bank accounts that specifically target the most vulnerable population group, e.g. through group collateral, will further increase access to necessary financial services.

The Cambodian side confirmed the increasing role of microfinance in economic development, and following study and research, interest rate for micro credits has been reduced to 18% per annum in order to ensure more people can access microcredits for productive and investment purposes.

The German side is concerned that the interest rate cap mechanism could lead –drawing from experiences in other countries- to several major unintended consequences which could damage over a decade’s worth of successful financial inclusion and institution building efforts in Cambodia, and asked the Cambodian side to evaluate the impact of such regulation on access to credit in rural areas and the economic sustainability of microfinance providers.

Further efforts to improve the rural infrastructure. Rural infrastructure development (e.g. transport, power grid, irrigation) and costs for electricity are keys to promote the development of the rural economy and its inter-linkages with urban centres. Since 1995, the German government has been providing grant funding to RGC to support the rehabilitation of rural roads and off-road infrastructure. The long-standing and trustworthy collaboration with the Ministry of Rural Development (MRD) (Rural Infrastructure Programme (RIP) - Project Management Unit) is a prime example of efficient implementation by the partner. So far, each evaluation has confirmed that the measures contribute to improving the living conditions of the poor rural population. Many of the rural laterite roads renewed with German funds are still in good condition, even if the civil works were completed years ago. The rural roads improved in the RIP programme are designed in such a way that they can also be used occasionally by heavier lorries – specifically in the dry season – e.g. when rice merchants visit the farmers during harvest to buy the crops. The success of future collaboration also requires efforts to maintain what has been achieved so far.

The German side asks the RGC to consider the following:

1st Increase in partner contributions for rural infrastructure. As Cambodia’s economic development continues and the country has risen to the group of LMIC’s the German side believes that – as long as grants are made available – counterpart contributions should be

increased substantially. The steadily increased financial partner contributions would ensure the scaling-up of the jointly implemented rural infrastructure programme. In this regard, a concrete proposal by the RGC on the increase of financial partner contributions will be subject for discussion latest by the next governmental negotiations.

2nd Rise in maintenance budget and capacity for rural roads. At present, the RGC contributes a minimum total budget of 3.3 million USD annually for the maintenance of rural roads in the 12 provinces (namely Siem Reap, Kampong Thom, Kampong Cham, Tbong Khmum, Kampong Speu, Kampong Chhnang, Prey Veng, Kratie, Battambang, Banteay Meanchey, Oddar Meanchey and Preah Vihear). To exploit synergy effects, this budget should be implemented by RIP/PMU in coordination with the Department of Rural Roads (DRR), as the ongoing RIP capacity building component encompasses support for DRR. Under budget constraints, sealing rural roads with DBST – a higher road standard and more costly to maintain – should only be provided to sections that show sufficient motorized vehicle traffic demand or to meet specific requirements for climate resilience, if technically justified.

To fulfil its tasks successfully both sides agreed to ensure that DRR has sufficiently skilled staff and that DRR adopts a proper concept and technology for the maintenance of rural road sections with DBST sealing. Both the RIP/PMU and the implementation consultant would support DRR in implementing the maintenance measures.

3rd Enforcement of traffic laws and physical barriers against misuse. Large-scale and costly damage occurs when heavy trucks use rural roads which are technically not designed for permanently overloaded vehicles. In this regard, the Cambodia side confirmed that the RGC remains committed to ensure strict enforcement of traffic laws and to design and install appropriate physical barriers, if necessary, to avoid overloaded trucks bypassing weighing stations on national roads and entering the rural road networks

Strengthening quality-related services to improve competitiveness and market integration in Rural Cambodia. Germany acknowledges the importance of measurements and standards for economic development, as stipulated in the Cambodian Industrial Development Policy 2015 – 2025. In support of this policy, the German side is willing to provide additional sector funds to Cambodia in the area of quality infrastructure.

Adaptation and transformation of German support to rural development. In coordination with CDC, the BMZ is analysing options to support employment and poverty reduction in the context of manufacturing and industrialization processes in rural areas. Germany would like to support Cambodia in its strategy to further develop rural areas by promoting activities

beyond agriculture including SMEs and TVET. This analysis will be the basis for the adaptation and transformation of Germany's engagement in rural development in accordance with the Cambodia Industrial Development Policy (IDP) as well as the ongoing rural transformation from the current orientation towards primary production to an orientation towards processing and the establishment of industrial premises.

As part of a twin-track approach the most vulnerable and those suffering from malnutrition should be the main target groups of German-Cambodian development cooperation.

Financial Cooperation

Rural Infrastructure Programme IV (RIP IV), 2013.6530.3, total commitment €11.0 million (grant) – ongoing

Rural Infrastructure Programme V (RIP V), 2015.5753.6, total commitment: €9.0 million (grant) - ongoing

Rural Infrastructure Programme VI (RIP VI), 2015.6864.1, total commitment €5.1 million (grant)

Infrastructure Programme to Sustain Land Reform (IPLR), 2013.6699.6, total commitment: €9.0 million - ongoing

New commitment: Rural Infrastructure Programme VII (RIP VII), 2017.6700.3, € 7.0 million (grant)

With this new project the sequence of projects within the cooperation with Germany for rehabilitating and constructing rural infrastructure and especially rural roads will be continued. With this project the access to social institutions and markets for the rural population will be improved. Higher income, reduced poverty and improved utilization of social services, such as schools and health stations are expected for about 30.000 people. The measures are expected to be implemented in the provinces of Banteay Meanchey, Oddar Meanchey and Prey Vihear. The project has already been prepared and appraised by KfW.

As a rule construction works will be internationally open tendered. However, according to the past experiences, construction works are awarded and carried out by medium sized Cambodian companies. As also for similar projects in the past the project approach includes vocational training (Training on the Job) for the employees of such companies. It will enable the staff to better carry out also sophisticated technical works and solve related problems. It will have effect exceeding the implementation period of this project and may result in higher

salaries of the workers due to improved qualifications. In addition, advisory services for companies and University students on proper site and project management as well as on tender procedures will be considered.

Technical Cooperation in the strict sense

Regional Economic Development (RED) III, 2013.2226.2, total commitment: €4.7 million - ongoing

Regional Economic Development (RED), 2015.2150.9, €2.14 million

New Commitment: Regional Economic Development (RED), 2015.2150.9, €3.0 million - replenishment

The German side congratulates the Cambodian side on mobilizing funds for the Cambodian financial contribution (USD 738,000; EUR 658,933; exchange rate: 1.12) in the amount of 282,344 USD (EUR 252,092; exchange rate: 1.12) in 2016. For 2017, new projects have already been identified in the course of overall RED III programme planning. In 2017, the Cambodian side is encouraged to spend at least the same amount in 2017 as in 2016 if not more.

In seamless transition from RED III, the 3-year follow-up programme “Regional Economic Development IV” that Cambodia and Germany agreed upon in December 2015 will commence in April 2018.

The total German funding commitment for RED IV amounts to EUR 5,140,000, consisting of the December 2015 funding commitment (EUR 2,140,000) and the new commitment (replenishment) in the amount of EUR 3,000,000. The co-financing partner, Switzerland, has already indicated interest in continuing the successful cooperation and has earmarked 3,200,000 CHF for the RED programme.

RED IV is aimed at enlarging the outreach and scope of ongoing activities in the two provinces of Banteay Meanchey and Oddar Meanchey (e.g. covering the remaining four districts in Banteay Meanchey and one district in Oddar Meanchey) as well as at extending the programme into the province of Preah Vihear where the financial cooperation programme RIP VI is planned to upgrade roads and other infrastructure. The RED programme appraisal, to be carried out in July/August 2017, will also assess if, and to what extent, the province of Siem Reap should still be included in the target area of the programme.

Synergetic activities with the Multi-Sectoral Food and Nutrition Security Cambodia programme, which is part of the ONE WORLD – No Hunger initiative against malnutrition are

envisaged for the next phase. Additionally, a stronger emphasis on measures for vulnerable households as the main target group is foreseen. As mentioned in the political dialogue chapter under the heading results-orientation, concrete improvements at the household level regarding nutritional status and sustainable income generation should be reached and adequately measured.

New Commitment: Rural Economic Diversification and Employment Generation, 2017.2005.1, €3.0 million - new programme

The need for sustainable industrial development – especially in rural areas including SMEs– is still high in order to bring Cambodia’s economy to the next level of development. Accordingly, the CDC also recently submitted a proposal for a new project regarding rural employment in the manufacturing industries of north-western Cambodia.

As rural development has been a focal area of German development cooperation with Cambodia for many years, any new cooperation project will build strongly on results and experiences that have been achieved through these joint interventions in rural areas. In the future, however, urban growth dynamics and their potential for rural development should play a more prominent role. Urban-rural linkages are a potential strategic field of action that creates less volatile employment and income and whose potential has still not been sufficiently investigated. The aim is to support Cambodia in evolving these linkages and unleashing the potential for inclusive development. In this regard, a potential focus could be on opportunities for promotion and development of SMEs and vocational training, especially by addressing how they can contribute to industrial development.

Against this background, Germany is willing to provide Cambodia with development cooperation support for promoting sustainable economic development and implementing its IDP. Therefore, the German side has newly pledged an amount of up to €3.0 million for a technical cooperation programme to support this area. Potential entry points and intervention areas for German development cooperation in this context will need to be jointly identified by Cambodia and Germany before the German government is able to specifically commit these funds for a new project in this area. Currently, the aim is that an appraisal mission for a new development measures will take place in the fourth quarter of 2017.

New Commitment: Sustainable ASEAN Trade Integration of Cambodia focusing on Rural Production Systems (BMZ in cooperation with EU ARISE Plus – Cambodia), PN 2017.2030.9, €2.0 million - new project/programme

Further trade integration and improvements in trade competitiveness will be necessary in order for Cambodia to address pending challenges in connection with poverty reduction and inclusiveness. In spite of the significant progress in reforms achieved over the last decade, trade facilitation and logistics standards remain below the regional average, and legal and regulatory reforms related to WTO compliance, and ASEAN Economic Community (AEC) commitments have only been partially completed. As a result, Cambodia's private sector, in particular Small and Medium Enterprises (SMEs), face significant challenges as regards being competitive and integrating into regional and global value chains.

Together with the EU, the BMZ aims to support greater connectivity and economic integration between Cambodia and the rest of ASEAN. The EU conducted a project-formulation-mission in February 2017 which resulted in a proposal for a future support to Cambodia under the EU-ASEAN regional programme. The EU support plans to further contribute to the ASEAN Economic Community (AEC) Blueprint 2025 and to strengthen institutional capacity. ARISE Plus Cambodia is the national Cambodian component of the ARISE Plus regional programme which will consolidate and enhance the results already achieved with past EU trade related technical assistance programmes.

Mainly SDG 8 should be addressed; SDG 5, 10, 12, and 16 are also covered.

German development cooperation has relevant experience in managing private sector and export value chain development projects in Cambodia with a strong track record in developing national quality infrastructure. Germany is currently heavily involved in regional economic development and integration, including through the implementation of development cooperation projects in trade in services and goods (focus on non-tariff barriers and trade standards), investment promotion, SME development (and especially the adaptation of food producers to meet export requirements), competition policy and law, mutual recognition agreements, and also labour standards.

Therefore the EU plans to co-finance German development cooperation activities in this regard and the BMZ plans to commit new funds of up to €XY million for this new project together with the EU.

2.6. Cooperation outside the priority areas

Technical Cooperation in the strict sense

Study and Expert Fund, 1995.3611.1, total commitment: €11,272,932.36 - ongoing

Study and Expert Fund, 2015.3504.6, total commitment: €2.2 million - ongoing

New commitment: Study and Expert Fund, 2015.3504.6, €1.5 million - replenishment

The Fund is to be used for the preparation of future Technical Cooperation projects and for other short-term expert services. In addition, development advisors and integrated experts who are not directly working in programmes are being financed through the SEF.

An overview of ongoing activities funded through the SEF is attached (Annex 9).

Upcoming activities:

Vocational training scheme for Cambodian stone conservators. During the ongoing cooperation between APSARA and GIZ a two year long vocational training scheme for Cambodian stone conservators has been devised based on a comprehensive training handbook, designed and published bilingually in the Khmer and English languages by both cooperation partners at the outset. Accordingly, a formal curriculum has been developed and was implemented during an initial vocational training course for 20 Cambodian students, executed from March 2013 to March 2015. This training scheme has since been validated after an effective conclusion with all final exams successfully passed and certificates issued under the patronage of ICCROM, an official advisory body to UNESCO. Given the success of this first training a second course for a further 20 stone conservators is currently being prepared to commence later in 2017.

For this reason, APSARA and the German side are aiming to achieve an official formalisation of this vocational training scheme by the relevant bodies within the RGC. It is therefore envisaged for both cooperation partners to approach the relevant Cambodian Ministries (namely the Ministry of Labour and Vocational Training, the Ministry of Education, Youth and Sport and the Ministry of Culture and Fine Arts) after this year's Governmental Negotiations to start the necessary procedures in achieving this mutual objective.

Establishing the occupational profile of stone conservators in the Kingdom of Cambodia will enable our partners to implement and observe recognised standards for all training initiatives and therefore ensure an effective and sustainable execution thereof whilst embedding all future achievements within this field into the Cambodian educational system and ensuring a maximum of conformity to existing vocational standards.

3. Other instruments and contributions available as part of German development cooperation

3.1. German contributions to multilateral organizations

The Federal Republic of Germany contributes to many multilateral and regional institutions such as multilateral development banks and funds, the International Monetary Fund (IMF), the United Nations inter alia the World Food Programme (WFP), the International Labour Organisation (ILO) and in particular to the European Union (about 25 per cent of the EU core budget).

3.2. Khmer Rouge Tribunal

Advancing justice and the rule of law is a priority for German development policy. The RGC and the international community share the responsibility of ensuring that the Extraordinary Chambers in the Courts of Cambodia (ECCC) can complete their mandate.

Germany has supported the ECCC from the very beginning. In 2016 Germany contributed €500.000 to the international component of the ECCC. €500,000 is foreseen for 2017. The same amount per year is requested for 2018 and 2019. Since 2007, the German government has also supported outreach projects with civil society organizations in order to promote national reconciliation and justice.

However, serious financial challenges for the Extraordinary Chambers in the ECCC remain. The Cambodian delegation confirmed that it continues committed to its obligations towards the ECCC.

3.3. Regional programmes

The German delegation pointed out that, currently, the BMZ is funding more than 30 regional programmes in Asia with a total commitment of approximately €46.8 million per year; 22 of these programmes include activities in Cambodia or have indirect benefits for Cambodia.

As some requests for support made by the RGC cannot be answered by bilateral project and programmes, some can be addressed through regional programmes and activities.

Annex 10 shows a complete list of all German-funded regional programmes with activities in Cambodia. Below, those programmes with issues to be tackled within the negotiations are mentioned explicitly.

Mekong River Commission

Germany and Cambodia believe that close cooperation and coordination in accordance with the 1995 Mekong Agreement is the best way to ensure the sustainable development and management of water resources for the benefit of all inhabitants in the Lower Mekong Basin.

Germany is supporting the strengthening of institutional capacities in Cambodia in the areas of sustainable hydropower through regional projects implemented with the Mekong River Commission (MRC). In cooperation with the MRC Secretariat, Germany is also supporting the protection and sustainable use of wetlands in the Ramsar pilot sites of Prek Toal and Stung Treng through the regional Lower Mekong Basin Wetland Management and Conservation Project.

Germany encourages the RGC to continue the lawful resettlement and compensation of those affected by the Lower Sesan 2 dam and to publicly disclose all project-related documents. Regarding planned measures on the Mekong Mainstream, the German side encourages the RGC to duly assess the transboundary impacts of the proposed dams in the process of seeking the potentially least harmful options for the basin. The relevant government ministries/agencies will consider documents that can be disclosed.

Labour and Social Standards in the Textile and Garment Sector in Asia, 2014.2279.9 - ongoing

Germany is supporting the regional programme “Labour and Social Standards in the Textile and Garment Sector in Asia”, which is operating in Bangladesh, Pakistan, Myanmar, China and Cambodia. The programme started its work in Cambodia in May 2015 and a MoU with the Ministry of Labour and Vocational Training was signed in January 2016. The activities focus on improved dialogue between management and workers at factory level and capacity development for improved labour inspections at the national level. The continued commitment of the MLVT is an important condition for the successful implementation of the jointly set objectives in the Memorandum of Understanding. In this context, the successful work of the Project Advisory Committee is important for further progress. A transparent and morally and ethically sound inspection system is of crucial importance for the successful development of the garment sector. Both sides would therefore very much like to see the jointly prepared “Code of Conduct” for labour inspectors published soon and being used as a standard reference tool. The work on a new standard curriculum for labour inspectors and guidelines on the process of labour inspection are jointly set objectives for 2017, which will be a further milestone for a well-functioning labour inspection system in Cambodia.

Furthermore, the openness of the MLVT for regional and international cooperation is highly appreciated and Germany highly supports the continued exchange with other government representatives and other relevant actors in the region in order to achieve higher social standards in the garment sector in Asia. The agreed period for the regional programme is until January 2018.

Regional Fit for School Programme (PN 2014.2289.8) – ongoing

The Fit for School Programme aims at transforming schools into healthy learning environments where routine hygiene practices turn into long-term habits; it does so in an easy to apply and sustainable manner. The current programme runs from December 2015 to November 2018.

To date, in Cambodia the programme has reached over 185,000 primary school students from 530 schools. To reduce hygiene deficiency related diseases in school-age children, the programme focuses on improving basic hygiene, including dental hygiene and preventing worm infections. The programme promotes the use of simple techniques such as daily supervised group hand washing with soap, daily supervised group tooth brushing with fluoride toothpaste and bi-annual deworming. These activities were integrated into the Minimum Requirements for WASH in Schools as a national guideline of the Ministry of Education, Youth and Sports (MoEYS), endorsed in December 2016. The programme supports MoEYS on the development of sustainable scale up strategies to implement the Minimum Requirements for WASH in Schools in the whole country. Cooperation between MoEYS and the Ministries of Health and Rural Development, as well as capacity development of sub-national MoEYS departments are key success factors for the programme. The German side congratulated the MoEYS on the endorsement of the Minimum Requirements for WASH in Schools and the establishment of a national Technical Committee for WASH in Schools and expressed the hope that MoEYS will further strengthen its leadership and guidance to achieve better alignment and coordination of existing WASH in Schools initiatives and to increase funding from the national budget to reach more schools.

The MoEYS expressed its intention to scale up the WASH in schools initiative. The budget in 2017 is USD 0.75 million. This is complimented by the communities and other development partners/NGOs.

3.4. Physikalisch-Technische Bundesanstalt (PTB): Strengthening Quality Infrastructure in Rural Cambodia, €0.8 million – new project/programme

In support of Cambodia's Industrial Development Policy 2015 – 2025, Germany is providing additional sector funds for a new project on quality infrastructure, implemented by PTB,

Germany's national metrology institute. The project will assist in upgrading Cambodia's system of metrology, standards and conformity assessment in order to increase the competitiveness of the productive sector. Particular attention will be paid to quality-related gaps in agricultural value chains.

3.5. Global Programmes

BMZ Special Initiative "One World – No Hunger":

Improving the livelihoods and food security of former landless and land-poor households in Cambodia – ILF I, 2014.0972.1, and ILF II, 2016.0120.2, up to €9.7 million – on-going

The programme "Improving the livelihoods and food security of former landless and land-poor households" (ILF I) started in October 2014 and has been extended to the end of September 2019. In July 2016 the programme "Improving the food security of former landless and land-poor households" (ILF II) was additionally commissioned for a term of 5 years. Both projects are assisting land recipients in the provinces of Kratie, Tboung Khmum, Kampong Thom, Kampong Speu and Kampong Chhnang in sustainably improving their livelihoods and food security by using their allocated land.

Multi-Sectoral Food and Nutrition Security Cambodia, 2014.0968.9 up to €4.8 million – on-going

The objective of the programme "Multi-Sectoral Food and Nutrition Security Cambodia" (MUSEFO) is to improve the food and nutrition situation of food and nutrition-insecure Cambodians, especially of women of reproductive age, infants and young children (0-23 months). The project runs from March 2015 to December 2019 and is implemented in the provinces of Kampot and Kampong Thom. Addressing food security and nutrition effectively is a complex undertaking as it requires efforts in different sectors and collaboration of a number of government stakeholders at national and subnational level. MUSEFO responds to this challenge by applying a multi-sectorial approach. The Council for Agriculture and Rural Development (CARD) is coordinating the project, which has a number of implementing partners at national and subnational level, namely the Ministry of Health and its National Nutrition Programme as well as the sub-national departments of agriculture, health and women's affairs.

In February 2017, a mid-term review has been conducted to assess the progress of the project which provides the basis for BMZ to decide upon an extension beyond 2019 and on the new financial commitments. This decision is expected to be taken by the end of 2017.

The German side valued the progress achieved to date in implementing MUSEFO. Referring to the findings of the mid-term review, Germany encouraged CARD to fulfil more actively its coordination role, particularly with a view to the subnational level. Activating existing multisectorial coordination mechanisms at sub-national level and calling for regular meetings as agreed in the Joint Monitoring Indicator (2017-2018) was jointly identified as one of the priorities.

3.6. Deutsche Welle Akademie (DW Akademie)

DW Akademie, Germany's leading media development organization, is focusing on facilitating access to information for people in Cambodia – especially for youths and women. Together with the Ministry of Education, Youth and Sport as well as several NGOs, DW Akademie is working to develop media and information literacy programmes for young people. In addition, DW Akademie is cooperating with the Ministry of Women's Affairs and the Women's Media Centre of Cambodia to improve access to information relevant for women. A further focus in a cooperation project with the Documentation Center of Cambodia is increasing young people's knowledge about the Khmer Rouge past.

DW Akademie is currently preparing the next phase of its Cambodia programme, 2018-2020.

3.7. Other players

See Annex 8 for other German players involved in development cooperation.

4. Declarations and final clauses

4.1. Provisions for project/programme implementation

Both delegations agree that all the contributions envisaged by the German side and recorded in the present document can only be made when

- the Government of the Federal Republic of Germany has taken a positive decision once project/programme appraisals have been carried out by KfW, GIZ and/or any other organisation commissioned with implementing the project or programme,
- overall financing for the project/programme has been secured,
- the agreements under international law to be concluded (intergovernmental agreements and project/programme agreements), the financing agreements and the implementation agreements with KfW/GIZ and, if applicable, any other implementing organisations have entered into force. Both delegations underline their intention to rapidly conclude the

agreements under international law. Both agree that they will carry out all necessary processes without delay.

4.2. Preparation of Financial Cooperation projects and programmes

Both sides agree that in order to prepare and support the Financial Cooperation projects and programmes agreed upon during the present government negotiations, they shall conduct studies, produce expert opinions and deploy experts as the need arises. Such activities shall be coordinated between KfW and the Cambodian relevant line authorities. The funds for such efforts shall be made available by the Government of the Federal Republic of Germany in addition to the bilateral Financial Cooperation commitments mentioned. Both sides shall report on the implementation and outcome of such activities at the next government consultations and/or negotiations.

4.3. Sunset and project/programme replacement clause; residual funds

The German side draws particular attention to the fact that the commitments made under Financial Cooperation and Technical Cooperation will lapse if within four years of the year in which the commitment was made no implementation arrangement, i.e. in the case of Financial Cooperation a financing agreement and in the case of Technical Cooperation an implementation agreement, has been concluded. Thus, commitments made during the 2017 negotiations are subject to a 31 December 2021 deadline.

The German side's obligation to disburse funds relating to the German Contribution to the Cambodian Health Equity and Quality Improvement Programme, 2017.6701.1, mentioned in para. 2.4 ends on 30 June 2021.

4.4. Anti-corruption statement; transparency

Both delegations agree that their cooperation projects and programmes shall be selected and designed according to development criteria.

The Government of the Federal Republic of Germany and the Royal Government of Cambodia agree upon the following assessment of the negative effects of corruption:

- It undermines good governance.
- It wastes scarce resources and has a far-reaching negative impact on economic and social development.

➤ It undermines the credibility of, and public support for, development cooperation and compromises the efforts of all those who work to support sustainable development.

➤ It compromises open and transparent competition on the basis of price and quality.

Both governments intend to cooperate closely in order to ensure transparency, accountability and probity in the use of public resources and eliminate any opportunities which may exist for corrupt practices in their development cooperation.

Transparency and accountability are vital to achieving development results and aid effectiveness as enshrined in international declarations (Paris Declaration, Accra Agenda for Action, Busan Global Partnership on Development Effectiveness). Both delegations therefore agree that information on the agreed goals, programmes, activities and results of development spending and on the conditions attached to the disbursement of funds may be published by both sides.

5. Next government negotiations

The next negotiations on development cooperation between the Royal Government of Cambodia and the Government of the Federal Republic of Germany are scheduled to take place in Berlin in 2019.

Both sides agreed that the first draft of the summary records should be send at latest six weeks ahead of the governmental negotiations to the Royal Government of Cambodia which will respond two weeks ahead of the negotiations in order to allow meaningful consideration of the draft.

Done at Phnom Penh on 5 April 2017



Chhieng Yanara

For the Royal Government of
Cambodia



Klaus Supp

For the Government of
the Federal Republic of Germany

Annex 1 Overview of financial commitments for 2017 and 2018					
Project/programme	FC / TC	BMZ project number	New commitment €	Reprogrammed funds €	Total
Cross-cutting area Governance					
Decentralisation and Administrative Reform Programme	TC	2017.2004.4	4.8 million		4.8 million
<u>Sub-total Cross-cutting area Governance</u>			<u>4.8 million</u>		<u>4.8 million</u>
Priority area Health					
Accompanying Measures to German Contribution to the Cambodian Health Equity and Quality Improvement Programme (H-EQIP) - 2	FC	2017.7008.0	1.0 million		1.0 million
German Contribution to the Cambodian Health Equity and Quality Improvement Programme (H-EQIP) - 2	FC	2017.6701.1	8.0 million		8.0 million
<u>Sub-total FC</u>			<u>9.0 million</u>		<u>9.0 million</u>
Programme on Social Health Protection III	TC	2017.2006.9	6.5 million		6.5 million
<u>Sub-total TC</u>			<u>6.5 million</u>		<u>6.5 million</u>
<u>Sub-total Health</u>			<u>15.5 million</u>		<u>15.5 million</u>
Priority area Rural Development					
Rural Infrastructure Programme VII (RIP VII)	FC	2017.6700.3	7.0 million		7.0 million
<u>Sub-total FC</u>			<u>7.0 million</u>		<u>7.0 million</u>
Diversification of Rural Economy	TC	2017.2005.1	3.0 million		3.0 million
Regional Economic Development (RED) IV	TC	2015.2150.9	3.0 million		3.0 million
ASEAN Trade Integration; Rural Production Systems	TC	2017.2030.9	2.0 million		2.0 million
<u>Sub-total TC</u>			<u>8.0 million</u>		<u>8.0 million</u>
<u>Sum total Rural Development</u>			<u>15.0 million</u>		<u>15.0 million</u>
Programming Flexibility					
Study and Expert Fund	TC	2015.3504.6	1.5 million		1.5 million
<u>Sub-total Programming Flexibility</u>			<u>1.5 million</u>		<u>1.5 million</u>
<u>Sum total</u>			<u>36.8 million</u>		<u>36.8 million</u>

Annex 2 Cambodian Delegation

Mr. Chhieng Yanara
Minister Attached to the Prime Minister and Secretary General of CRDB
Council for the Development of Cambodia (Head of Delegation)

Mr. Tuon Thavrak
Secretary of State
Ministry of Planning

Mr. Sar Sovann
Secretary of State
Ministry of Land Management, Urban Planning and Construction

Mr. Heng Sokkung
Secretary of State
Ministry of Industry and Handicraft

Mr. Hing Thoraxy
Secretary of State
Council Ministers

Prof. Eng Huot
Secretary of State
Ministry of Health

Mrs. Hou Samith
Secretary of State
Ministry of Women's Affairs

Mrs. Tekreth Kamrung
Secretary of State
Ministry of Commerce

Mr. Mam Vannak
Secretary of State
Ministry of Labour, and Vocational Training

Ms. Chhy Vichara
Under Secretary of State
Ministry of Civil Services

Mr. Ngan Chamroen
Under Secretary of State, Ministry of Interior
Deputy Executive Head of the National Committee for Sub-National Democratic Development (NCDD) Secretariat

Mr. Chhiv Yi Seang
Under Secretary of State
Ministry of Foreign Affairs and International Cooperation

Mr. Nuon Daniel
Under Secretary of State
Ministry of Rural Development

Mr. Rith Vuthy
Deputy Secretary General of CRDB
Council for Development of Cambodia

Mr. Kong Sophy
Director General of Civil Services
Ministry of Civil Services

Mr. Lim Sothea
Director General of Policy and Planning
Ministry of Education, Youth and Sport

Mr. Sok Silo
Deputy Secretary General
Council for Agriculture and Rural Development

Mr. Tauch Chankresna
Deputy Director General of International Cooperation and Debt management
Ministry of Economy and Finance

Mr. An Sokkhoeurn
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Mr. Nuth Unvoanra
Assistant to Secretary General of CDC
Council for the Development of Cambodia

Ms. Ly Sokleap
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Mr. Sok Sothy
Director of Policy Development Department of NCDD
Ministry of Interior

Dr. Lo Veasnakiry
Director of Department of Planning & Health Information
Ministry of Health

Ms. Ket Marady
Department Director
Ministry of Women's Affairs

Mr. Chhiang Huy
Director of Commerce, Finance and Bank Department
Council Ministers

Mr. Thol Nara
Director of Europe, Middle East and Africa Department
Ministry of Commerce

Mr. Srey Sunleang
Director, Department of Freshwater Wetlands Conservation
Ministry of Environment

Ms. Reth Krisna
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Ms. Than Setharath
Deputy Director of School Health Department
Ministry of Education, Youth and Sport

Mr. Kim Keomonirot
Deputy Director of Bilateral Cooperation, General Department of International Cooperation
and Debt management, Ministry of Economy and Finance

Mr. Paul Sengky
Deputy Director European Department
Ministry of Foreign Affairs and International Cooperation

Ms. Theme Viravann
Deputy Director of Department of International Cooperation
Ministry of Health

Mr. Lorn Kimheng
Deputy Director of Inter-Sectoral Reform Coordination
Ministry of Civil Services

Mr. Sou Chankresna
Deputy Director
Council for Agriculture and Rural Development

Mr. Dok Doma
Director of LASED II
Ministry of Land Management, Urban Planning and Construction

Mr. Kim Lumangbopata
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Council for the Development of Cambodia

Mr. Hang Vannak
Chief of VSS, Extraordinary Chamber in the Court of Cambodia

Mr. Te Kimhok
Aid Coordination Officer in Charge of Germany, Europe and America Department
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Mr. Seng Chanpheakdey
Official of Europe Department
Ministry of Foreign Affairs and International Cooperation

Mr. Chhit Ravuth
Official, Ministry of Labour, and Vocational Training

Annex 3 German Delegation

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Head of Division
Federal Ministry for Economic Cooperation and Development, Bonn

Mr Björn Schildberg
Senior Policy Advisor
Federal Ministry for Economic Cooperation and Development, Bonn

Dr Ingo Karsten
German Ambassador to Cambodia
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Ms Maraile Görgen
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Mr Ole Doetinchem
Programme Manager ID Poor
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Dr Dagmar Baer
Programme Manager Access to Justice for Woman
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Mr Claudius Bredehoeft
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Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Annex 4 Opening Statement by Minister Chhieng Yanara, Head of the Cambodian Delegation

- *H.E. Dr. Ingo Karsten, German Ambassador to Cambodia*
- *Mr. Klaus Supp, Head of Division for Central Asia, East Asia, Laos and Cambodia, the Federal Ministry for Economic Cooperation and Development and Head of German delegation*
- *Distinguished members of the German Delegation*
- *Excellencies and Colleagues from the Royal Government of Cambodia*
- *Ladies and Gentlemen*

1- It is a great pleasure and privilege for me to welcome the German delegation to the governmental negotiations between our two governments. I would like to thank you all for participating in these negotiations and, on behalf of the Royal Government of Cambodia and the Cambodian delegations, I would like to extend our warmest greeting to H.E. Dr. Ingo Karsten, the German Ambassador to Cambodia, and Mr. Klaus Supp, Head of Division, Central Asia, East Asia, Laos and Cambodia, the Federal Ministry for Economic Cooperation and Development, Head of the German delegation, and the other members of German Delegations. I would also like to welcome Excellencies and colleagues from government ministries and agencies to these important negotiations.

2- Allow me to start by emphasizing that the Cambodian-German development cooperation and partnership is well-prepared through a series of consultations and exchanges of views and ideas. Today's negotiations signify another step to further strengthen the partnership for development cooperation between our two countries. Having said this, today's negotiations will provide us with an opportunity to review the agreed programmes and projects that were discussed during our bilateral technical consultations that was taken place in October last year here at the Council for the Development of Cambodia. At the consultations we reviewed progress in the implementation of on-going cooperation projects and discussed lessons learned in order to optimize and improve the effectiveness of Germany's assistance. This will contribute to real development results through better alignment of German cooperation activities with Cambodia's national development priorities and to ensuring the effective use of German resources to support equitable growth, accelerated poverty reduction and effective public service delivery.

Excellencies, Ladies and Gentlemen

3- Our Negotiations today are taking place at a particularly critical time – a time of opportunity and emerging new challenges. On a positive note, Cambodia has built a solid foundation of impressive socio-economic development that provides the broader context for development cooperation between Cambodia and Germany. These achievements demonstrate the Royal Government's firm commitment to raise the welfare of all Cambodian people. By consolidating peace, political stability, and social order, economic growth over the last decade has been recorded at an impressive annual rate of more than 7%, making Cambodia one of the best performing economies in the world. Robust economic growth has significantly contributed to poverty reduction. The poverty rate has declined by more than 1% per annum over the past decade and has reduced from 53.2% in 2004 to 13.5% in 2014, ranking Cambodia as the 5th most successful country in poverty reduction by achieving CMDGs poverty reduction target well before the end of 2015, along with four other CMDGs. This impressive momentum was maintained into 2016, and we have now graduated to become a Lower-Middle Income country; however, we will continue to be categorized as a Least Developed Country (LDC) for at least a decade more. Cambodia expects to maintain GDP growth of around 7 per cent in the next four years.

4- To strategically achieve this, the Royal Government has worked hard in taking steps to launch and implement the ten-year Industrial Development Policy 2015-2025, designed to elevate Cambodia's economy to a higher level in the regional and global value chain. This will maintain sustainable and inclusive high economic growth through economic diversification, strengthening competitiveness and promoting productivity, while recognizing the important roles for a wide range of national and external actors, including the development partners. In addition, the Royal Government has now finalised the Mid-Term Review of the National Strategic Development Plan 2014-2018, which reviews progress and reflects on the fast changing environment and evolving development needs of Cambodia. The NSDP continues to provide a guide for medium-term implementation of our national development priorities.

5- At the global level, we observe a highly dynamic and fast-changing situation. While we focus on effective development principles and practices in Cambodia we also need to be mindful of the wider context that will affect our work and our partnership. The localisation of the universal Sustainable Development Goals into our Cambodia Sustainable Development Goals and the establishment of monitoring and partnership arrangements for implementation are now under way. The Royal Government has also participated in the Second Round of Monitoring of the Busan Global Partnership to monitor the results-based partnership in

Cambodia in line with global and national development effectiveness norms. The recent global High Level Meeting in November 2016 in Nairobi has provided a platform for discussion on how development cooperation can be an important component of broader Financing for Development and the SDGs.

6- The wider global and regional context tells us that we must learn from the experiences of other Middle Income Countries if we are to avoid the “traps” that have obstructed their development paths. We also need to be mindful of current economic conditions that directly affect our own performance as an open economy that looks to become ever more integrated with the global economy. As we begin to talk about the SDGs and development financing, we need to look closely from both the perspectives of the domestic and external sectors as well as the public and private sector. As a result, the Royal Government has also taken early steps in analyzing and mapping out how to finance and support its next stage of national development. The Royal Government fully realizes it needs to be able to mobilize and manage a wide range of diverse development resources. We have therefore recently prepared a Development Finance Assessment that presents a comprehensive view of resources available for financing development over the medium-term. The Development Finance Assessment exercise identifies a range of sources of development finance – public and private; domestic and external – that are likely to be relevant to either the current or future funding of national development priorities and the Cambodian Sustainable Development Goals.

7- Through the IDP and other strategies of the Royal Government, our partnership work that has been set out in the Development Cooperation and Partnerships Strategy 2014-2018 can be applied so that it can help drive our national development and secure the intended results. The recent Technical Working Groups Network Meeting provided an opportunity for government and development partners to reflect on and discuss how to effectively work together in partnership to achieve results. In particular, the findings of the NSDP Mid-Term Review and the SDG localization process was presented and discussed in a consultative manner. Updates on the revised Joint Monitoring Indicators for ensuring mutual accountability between the Government and development partners at sector level for the period of 2017-2018 were agreed and the Development Finance Assessment was presented. This has demonstrated commitment to transparency at the policy level and outlined the concrete actions we propose to bring together government, development partners and civil society to address issues of mutual interest and concern.

Excellencies, Ladies and Gentlemen

8- We have been satisfied with the progress made and we gratefully appreciate the support of all development partners in contributing to our achievements to date. Given the many challenges that we still face, it is worth emphasizing that Cambodia still needs support, in various forms, from its development partners to help consolidate and sustain its achievements. We can all see that this will bring many new opportunities as Cambodia is recognised as a manufacturing destination for the region and for the world. But there are also challenges: the SDG agenda promises that we will leave no-one behind; the nature of development issues will become more complex as the economy grows; our current sources of development finance will change - some will grow while others may decrease. The future will bring many challenges and opportunities and we must be ready. The Royal Government is now looking actively at these issues of economic transition and social advancement and we are committed to renewing our partnerships so that our progress can be consolidated and sustained.

9- On this note, Germany has for long been one of Cambodia's main development partners. And I would like to express, on behalf of the Royal Government and the Cambodian delegation, my Government's sincere appreciation to Germany for its continuing contribution and commitment to support the implementation of the Royal Government's development priorities and reform programs. The Royal Government believes that Germany will continue to be our appreciated and committed partner for the years to come.

10- Finally, based on this background, I strongly believe that our negotiations today will provide an opportunity to review implementation progress since our last consultations. We will discuss new financial commitments and future directions for the coming years. We have a comprehensive agenda for today that covers all development cooperation priority areas, including health, rural development and democracy, civil society and public administration. In addition, we will have opportunities to discuss a number of on-going regional and global programmes that will be presented by both the BMZ and the Royal Government counterparts. Before I conclude, I acknowledge with gratitude the hard work and cooperation that have been contributed by both sides in advance of today's negotiations. I thank all of those involved and I am confident that our negotiations will yield fruitful results.

Excellencies, Ladies and Gentlemen

I wish to conclude my opening remarks on this positive note and I am confident that our strong commitment to partnership and cooperation, combined with the preparations that have already been made, will lead us to a successful result of our negotiations today. I am looking

forward to seeking frank and fruitful discussions and to continuing the spirit of mutual goodwill and understanding in the relationship between our two countries. With these words, I would like to declare the official opening of the Cambodian-German Governmental Negotiations.

Thank you.

Annex 5 Address by Dr Ingo Karsten, German Ambassador to the Kingdom of Cambodia

Your Excellency Minister Chhieng Yanara, Head of the Cambodian Delegation,

Dear Mr. Klaus Supp, Head of the German Delegation,

Excellencies and distinguished members of the Cambodian delegation,

Dear colleagues,

Diplomatic relations between the Federal Republic of Germany and the Kingdom of Cambodia have existed for 50 years in 2017. After Cambodia became independent the governments of both countries agreed on trade relations in 1960 and established a consulate in 1964. In November 1967 Germany and Cambodia established full diplomatic relations. Today we can rightly say that the cordial relationship between our countries proves itself every day anew. It is shaped by mutual trust, respect and friendship.

The Kingdom of Cambodia and the Federal Republic of Germany are closely connected by deep bilateral cooperation in all aspects of politics, business and trade, culture and social life. Though it may be governments that determine the framework for intergovernmental relations it is the people above all who fill the partnership with life. Cambodia with all its beauty and cultural heritage has become a more and more popular travel destination for German tourists, especially young people.

For many decades of our relations Cambodia has been a priority partner for development cooperation in Southeast Asia. Our attention is focused on rural development, health and good governance. In all sectors we aim at poverty reduction and sustainability. Various German governmental organizations as well as Non-governmental organizations are contributing to the development of Cambodia with admirable engagement and support. The representative of the German Federal Ministry for Economic Cooperation and Development (BMZ) will make more specific remarks about our long established and successful cooperation later.

For continuous peaceful and stable development of Cambodia to the benefit of its people Cambodia should continue its path of democracy, human rights and rule of law as laid down in the constitution and established by international law. In view of the upcoming elections Cambodia can further strengthen democracy by creating the conditions for free, fair and transparent elections in which the outcome is accepted by all parties. The EU has supported voters' registration and is confident that all parties can operate freely to guarantee to the Cambodian people to choose whom they wish to represent them at commune and national level. A serious concern expressed by international development partners has been the

appearance that a safe and enabling environment for politicians, human rights defenders and civil society was not fully guaranteed; in particular that legal action was being disproportionately pursued against critics of the government. I would highly welcome if the competent authorities and institutions reconsidered the cases of the detained Cambodian parliamentarians which the Delegation of the Committee of Economic Cooperation of the German Bundestag paid visit in February 2017. We also hope that the respective court will soon bring an end to the prolonged detention of the members of the human rights NGO “ADHOC”.

In Germany and France this organization and its activities gained attention when it received the “Franco-German Prize for Human Rights and the Rule of Law” by the German and French Ministers for Foreign Affairs at the beginning of this year. I hope that Cambodia will further strengthen its efforts to bring its actions in line with its commitments to the rule of law and to international conventions.

Viewing the enormous progress and stability Cambodia has achieved since the conclusion of the Paris Peace Treaty I am very optimistic that the Kingdom of Cambodia will cope with all political, economic and social challenges of the future. I am confident that Cambodia will continue its path towards stability, peace, development and democracy. Germany remains a trustful partner and close friend, in particular in the field of development cooperation.

Thank you very much.

Annex 6 Opening Remarks by Klaus Supp, Head of German Delegation

Your Excellency Minister Chhieng Yanara, Head of the Cambodian Delegation,

Honourable Ambassador Dr. Ingo Karsten,

Excellencies and distinguished members of the Cambodian delegation,

Dear colleagues,

Thank you, Ambassador Dr. Karsten for your clear words in your introductory remarks. I fully agree that democracy, fair elections, the respect for human rights and an active civil society are guiding our bilateral development cooperation. They are the basis for the German human rights-based development cooperation.

Let me inform briefly about recent challenges and strategies of German development cooperation, globally: Firstly, the continued focus on fighting the causes of migration and secondly, the Marshall Plan with Africa have effects on German development cooperation on global level.

1. Fighting the root causes of migration and a corresponding focus on Africa and the Middle East are shaping German development cooperation again in 2017 and will do so in coming years. However, we will not forget our responsibility for other partner countries. We try to shoulder the additional efforts while maintaining the high standard of our well established cooperation.
2. The recently announced Marshall Plan with Africa incorporates aspects being valid for German development cooperation in general: A holistic approach, covering aspects of development-oriented global structures and institutions, for example on fair global trade rules, and the use of official development assistance as a mean to pave the way and mobilise private investments as well as to improve national tax collection. The Marshall Plan also sends strong signals on enhanced German expectations regarding good governance and reform willingness, the fight against corruption and a much stronger mobilization of national resources.

Excellencies, Ladies and Gentlemen,

Cambodia has shown tremendous and stable growth rates of annually 7% in the last decade and a remarkable success in poverty eradication. Having reached the status of a Lower-Middle-Income-Country in 2016 was a milestone in Cambodia's transition to an emerging economy. The Industrial Development Policy (IDP) is a central element of the Cambodian growth strategy as it focuses on transforming and modernizing Cambodia's industrial structure from a labour-intensive to a skill-driven industry by 2025. To sustain Cambodia's growth path, further investments in public infrastructure and the stringent implementation of core governance reforms are necessary. In this regard the fight against the endemic corruption as well as strengthened budgetary transparency and accountability are key elements.

We know that the inclusiveness of Cambodia's economic growth is key for Cambodia. The same is true for German development cooperation. Despite the impressive reduction of

Cambodia's poverty rates from over 50 down to 13.5 percent in 2016, additional efforts are needed to reach the goal of the universal Agenda 2030 "Leaving no-one behind". Inter alia we need strengthened rural-urban economic linkages and access to unleash the potential of Cambodia's economic power.

Based on its stable economic growth the Cambodian governments widened the tax base and the fiscal space for development oriented investments increased substantially. The high share of the Cambodian government in financing the Health Equity Funds of already close to 70% is exemplary in this regard. We welcome this development. With respect to this increased Cambodian capacities we have we had discussions on the modes of delivery of German development cooperation as well as raised expectations on the coverage of Daily Subsistence Allowances by Cambodian means already during the consultations in October 2016.

The general positive response from the Cambodian side and the already taken steps in this regard in several programmes are encouraging. Today and tomorrow we will hopefully agree on a common path to fully resign from the praxis of Daily Subsistence Allowances to assure that means of German-Cambodian development cooperation will be channelled even more effectively to reach the envisaged development results on the ground.

Excellencies, Ladies and Gentlemen,

Germany has recently endorsed its national Sustainability Strategy based on the Agenda 2030, which places more importance on the social dimensions of global supply chains: compliance with social and labour standards, decent working conditions and fair wages or the reduction of malnutrition are enshrined.

In the same manner as for the German side, the Strategy serves as guidance for Cambodian-German development cooperation. The universal 2030 Agenda offers a unique opportunity to end poverty, transform the world to better meet human needs through inclusive sustainable economic growth, while protecting our environment, ensuring social peace and realizing human rights.

Cambodia has reached a considerable progress in localising the 2030 Agenda and we are committed to support Cambodia in its efforts of implementation. Although Cambodia is well prepared to implement the 2030 Agenda and was one of the front-runners in reaching the MDGs additional efforts are necessary: Multi-sectoral approaches instead of isolated projects or an improved results-based monitoring are two of the main challenges.

Excellencies, Ladies and Gentlemen,

Today, we will negotiate about our future cooperation, about German commitments to joint development cooperation programmes in our three priority areas of Health, Rural Development and Good Governance.

Today we should also start a dialogue on a transition and further development of our bilateral cooperation in rural Cambodia. This transition should reflect on the one hand side the tremendous economic and institutional achievements of Cambodia, but on the other hand

side should in parallel not leave out the core purpose of German development cooperation the eradication of poverty while maintaining the basis for future generations following the 2030 Agenda vision “leaving no-one behind”.

Today, we will also discuss development paths respecting the Cambodian ambitions worked out in its industrialization policy, the reality in rural poor Cambodia and the expectations of German tax payers to clearly focus on poverty eradication and the need for inclusive approaches.

I would like to thank all of you, who play an important role in making our development cooperation work, and I would like to extend a special thank you to the CDC, our main partner in setting the framework for our common programmes and projects.

Let me assure you once again that Germany is committed in keeping up its constructive and successful development cooperation with Cambodia. We are looking forward to continuing this in mutual trust and good partnership.

Thank you very much for your attention.

Additional Annex – Intervention speech by HE Dr. Chhiv Yiseang, Under-Secretary of State Ministry of Foreign Affairs and International Cooperation

- Excellency Chhieng Yanara, Minister attached to the Prime Minister, Secretary General of CRDB,
- Excellency Mr Klaus Supp, Head of Division for China, Central Asia, East Asia, Cambodia and Laos of BMZ, head of the German Delegation,
- Excellency Dr Ingo Karsten, German Ambassador to Cambodia,
- Excellencies, Lok Chumteav, delegates, Ladies and Gentlemen!

It is a great pleasure and honor for me to attend Cambodian-German Governmental Negotiations on Development Cooperation this morning.

On behalf of the ministry of Foreign Affairs and International cooperation, I wish to bring some clarifications to the statements made by H.E German Ambassador concerning elections and “disproportional” use of legal entrance with some human right activists and parliamentarians, which could affect the rule of law as well as by H.E Klaus Supp regarding the long-lasting registration procedures of NGOs.

First of all, let me recall that Cambodia is a sovereign country. This sovereignty must be fully respected. Cambodia values its bilateral relations with Germany, which are based on long-standing friendship as well as mutual support and respect. It is our hope that the discussion on development cooperation would be guided by the principles of sincere dialogues based on mutual respect, equality and non-interference.

Regarding political situation, Cambodia has overall enjoyed political stability along with the government’s firm commitment to promoting and protecting the rule of law, democratic principles and fundamental freedoms.

For the democratic principles implementation, after 1993 general elections organized by UNTAC in implementation of Paris Agreements, the Royal Government of Cambodia (RGC) is committed to organize by itself with support of international community (cf. EU and Japan in 1998) national elections every five years in accordance with the Constitution and since early 2000s local elections.

The upcoming commune election is scheduled on 04 June 2017. The newly reformed National Election Committee (NEC), with support of European Union and Japan, has successfully completed its new registration process (digital method) to ensure that the electoral process is free, fair, inclusive, and transparent. About 81.5% of the total eligible voters (about 9.6 million) have registered for this coming commune election under a very peaceful atmosphere.

The preparation for the commune election has been going smoothly in full compliance with election law, electoral regulation and procedures, and electoral calendar. Twelve political parties have already registered for this democratic contest. All government institutions and agencies have been fulfilling their respective roles in accordance with electoral laws and regulations with a view to guarantee that this communal election is held in a free, fair and peaceful fashion.

After 2013 National Elections, “the culture of dialogue” has been launched between the ruling party and opposition party. You may be aware that Samdech Techo HUN Sen, Prime Minister of the Kingdom of Cambodia, is a staunch advocate of the culture of dialogue throughout his political career.

On 31 January 2017, the roles of majority and minority leaders of the National Assembly (NA) have been cancelled after the NA approved unanimously the proposed amendment to new Article 48 (III) of new Chapter 12 of the NA’s internal regulation. The goals of the amendment are to put to an end, first, an attempt to use this mechanism to abuse the judicial power (CNRP tries to use planned talks between the two parties to push for the release of five current and former rights workers), second, the culture that allows the minority to hold majority hostage and third, an attempt to accuse CPP of avoiding negotiations.

Without trust and mutual respect, this culture of dialogue was derailed by the opposition parties. The government expects a “genuine culture of dialogue” where the opposition parties fulfil their roles as elected representatives by jointly discussing development policies at the parliament. Germany should urge opposition parties to respect the Constitution and Cambodian laws and behave as the “loyal opposition” that respects civilized and democratic practices. They should not drive political support through provoking racial hatred, defamation, incitement and subversive deeds.

Concerning the cases of Human Rights Activists, Cambodia does not have any political prisoners, but politicians and individuals who have committed flagrant offences and been punished by the laws accordingly. Four NGO officers and one NEC official were charged of suborning a witness according to Article 548 of the Criminal Code. The Cambodian Criminal Code was elaborated with French Assistance. We are implementing legal text with origin of European legal culture. They were not charged arbitrarily but in line with applicable laws with solid evidences. Their case is in the jurisdiction of the judiciary, which is independent of the executive.

Cambodia appreciates genuine and honest contribution of social, environmental and human rights workers to the development of Cambodia. However, we deplore those who use and exploit the rights agenda for political purposes. It is our hope that NGOs would train people to exercise their rights responsibly, to abide by the law, and to avoid violating the laws.

- Excellencies, Lokchumteav, Ladies and Gentlemen!

Regarding registration and operation of NGOs in Cambodia, we would like to request the German Side to further elaborate the long-lasting registration procedures.

According MFAIC’s notification dated 28 October 2016 concerning delivery of public services, the registration duration is 45 working days after MFAIC receives all required documents (see attached documents). MFAIC noted that some NGOs might not have submitted all required documents. Thus, they are demanded to provide all necessarily required documents before MFAIC can process the application for registration. A large number of NGOs have demonstrated their firm commitment to full and effective enforcement of the Law on Association and NGOs, and have fulfilled their obligations and roles as stipulated in this new system in a transparent, cooperative and sincere manner.

According to Law on Association and NGOs (article 24), all associations and NGOs must be politically neutral. Therefore, local authorities simply fulfil their role in order to enforce the law and to promote the rule of law.

The government always considers NGOs and civil society an indispensable development partner. As a result, its “Rectangular Strategy Phase III” attaches importance to the strengthening of an effective partnership between the government and NGOs based on rule of law. With nation-wide operation of almost 5,000 local and international NGOs working on numerous fields, it is imperative that a comprehensive legislation be mandatory to better to ensure transparency and to coordinate their activities and efficiency with a view to preventing any unlawful deeds camouflaged under the banner of NGOs and associations. Therefore, the LANGO is not intended to restrict the freedom of NGOs and civil societies, but to expand their freedom to operation within a legal framework and to enhance effective cooperation between non-state actors and the government in socio-economic development as well as in promoting the rule of law and democratic society in Cambodia.

In conclusion, I would like to repeat that the Royal Government of Cambodia is committed to strengthen democratic principles and the rule of law in the country.

Before getting the current level of democracy, European countries, such as Germany and France, spent several centuries. Cambodian side has experienced just several decades ago. So we cannot be perfect. It is the same for the rule of law. Please do not make small issues on democratic process and the rule of law on the front of political situation scene which would hide tremendous efforts and achievements of the Royal Government of Cambodia in these fields since 1990s.

I thank you for your attention.

Additional Annex - Additional Statement given by Dr Ingo Karsten, Ambassador of the Federal Republic of Germany to the Kingdom of Cambodia

Germany fully respects the sovereignty of the Kingdom of Cambodia and does not interfere in its internal affairs. As an international partner and long-term friend Germany, however, encourages Cambodia to continue to follow its path of democracy as laid down in its constitution and as committed to international covenants and law. Observing and commenting on the human rights situation does not constitute interference in internal affairs. For Germany technical and financial projects of development cooperation can only be implemented in a conducive political environment respecting the principles of democracy, human rights and the rule of law.

Regarding the internal political situation Germany does not take the side of any political party in Cambodia. In view of the upcoming elections we hope that all political parties find ways that will lead to free, fair and transparent elections. The EU has supported the process of voters' registration and is confident that the elections will have an outcome accepted by all parties.

Annex 7 Additional Principles for a Harmonized Approach on Daily Subsistence Allowances (DSA) and other Allowances

Written Amendment:

**Additional Principles
for a Harmonised Approach to
Daily Subsistence Allowances and other Allowances
for Government Counterparts**

November 2016

Written Amendment

Additional Principles for a Harmonised Approach to Daily Subsistence Allowances and other Allowances for Government Counterparts¹

Written Amendment

The following 'Additional Principles for a Harmonised Approach to Daily Subsistence Allowances and other Allowances for Government Counterparts' complement the 'Agreed Principles for a Harmonised Approach to Daily Subsistence Allowance (DSA) for Domestic Travel by Government Counterparts' of November 2014 as written amendment.

Written Amendment

Additional Principles for a Harmonised Approach to Daily Subsistence Allowances and other Allowances for Government Counterparts¹

Further to the 'Agreed Principles for a Harmonised Approach to Daily Subsistence Allowance (DSA) for Domestic Travel by Government Counterparts' of November 2014, and

Acknowledging the promulgation of specific implementation guidelines by the Ministry of Economy and Finance (Prakas), in particular:

- **Prakas 830:** *On Regulations and Procedures for Application of Daily Subsistence Allowance for Domestic and Overseas Missions for Sub-national Administrations,*
- **Prakas 1589:** *On Rules and Procedures for the Implementation of the Domestic and Foreign Mission Allowances,*
- **Prakas 838:** *Procedure and Protocol of Payment for Training and Workshops of the Programme Based Budgeting Institutions/Ministries,*

Underlining that DSA is not a salary supplement but should serve to cover actual travel costs and recognising the Royal Government of Cambodia's (RGC) responsibility for covering travel costs of civil servants and other Government officials;

Underlining that Development Partners (DPs) restrict themselves to reimbursing only those mission costs that are related to travel and transport of Government counterparts on duty travel, and where these costs are not already covered by the Government budget or another party;

Re-emphasising that DPs contribute to the cost of supported development activities to the extent of approved programme allocations and budgets;

The undersigned DPs active in Cambodia have agreed on the following for harmonising DSA and other allowances to Government counterparts:

1. The 'Agreed Principles for a Harmonised Approach to Daily Subsistence Allowance for Domestic Travel by Government Counterparts' of November 2014 are confirmed.¹
2. DPs align with **Prakas 830** and **Prakas 1589** regarding domestic mission allowances to the extent operationally and financially feasible; DPs will however follow their internal rules and regulations with regard to transport costs.
3. DPs align with **Article 11 of Prakas 830** as follows:
 - a. No allowance is paid up to a distance of 20km (one way);
 - b. *Maximum* food/pocket money allowance for a distance >20 km (one way) is USD 14 per day; DPs may determine their level of allowances in accordance with available resources and reasoning within this amount;

¹ This includes aligning with Category E, Art. 7 of SD 216 (USD34).

Written Amendment

Additional Principles for a Harmonised Approach to Daily Subsistence Allowances and other Allowances for Government Counterparts¹

- c. Additional accommodation allowance of USD 20 is paid only when overnight stay is required and upon endorsement by the budget manager.

If necessary Article 11 may be applied equitably to Government counterparts who fulfill their duty at sub-national level with no distinction made between civil servants under the jurisdiction of the subnational Councils or under the jurisdiction of the central government.

4. DPs do not support payments associated with **Prakas 838**² and will not pay teacher, trainer or facilitation fees to Government counterparts.
5. For meetings, workshops and trainings, DPs/ implementing partners are encouraged to preferably use direct funding arrangements for expenses, including for meals and block booking of accommodation instead of individual DSA payments for participants.
6. Existing sector specific arrangements for DSA and other allowances payments that are not in alignment with **principle 1 to 4** will be phased out by DPs as soon as operationally feasible but no later than by the end of the current project/ programme phase. No new arrangements will be agreed by DPs.
7. With the objective to phasing-out DSA payments in the medium-term - within the next NSDP cycle - DPs will work with RGC to ensure that DSA costs are increasingly integrated into national budgeting for civil servants when they travel as part of their routine work, including activities of joint programmes and projects.

² Prakas 838 is specifically related to the Government's policy of programme based budgeting. Payments are therefore covered by the budget of the Royal Government of Cambodia. Prakas 838 is a separate arrangement from mission travel and transport costs as laid out by Sub Decree 216.

Written Amendment

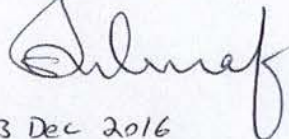
Additional Principles for a Harmonised Approach to Daily Subsistence Allowances and other Allowances for Government Counterparts¹

The DPs listed below each hereby expresses the intention and desire to implement as best as operationally feasible these seven (7) principles to further harmonise DSA and other allowances for Cambodian government officials traveling within Cambodia and financed with DP resources.

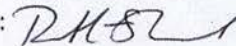
With respect to each DP, this expression of intent takes effect as of the date indicated alongside the signature of its representative below, and should remain in effect until terminated by such DP through written notice to the Lead Development Partner Facilitator and copy to Alternate Lead Development Partner Facilitator.

Our signatures below record our joint and individual expression of these agreed principles. Any other partners who wish to join this harmonisation effort are welcome to sign on any time.

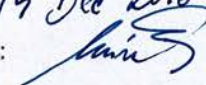
Mr. Samiuela Tukuafu
Country Director Cambodia Resident Mission
Asian Development Bank

Date: 02 Dec. 2016
Signature: 

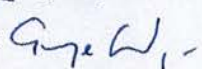
Ms. Ruth Stewart
Deputy Head of Mission
Embassy of Australia

Date: 13 Dec 2016
Signature: 


Ms. Dagmar Minarikova
Chargé d'Affaires a.i.
Embassy of the Czech Republic

Date: 14 Dec 2016
Signature: 

Mr. George Edgar
Ambassador
Delegation of the European Union

Date: 7 December 2016
Signature: 

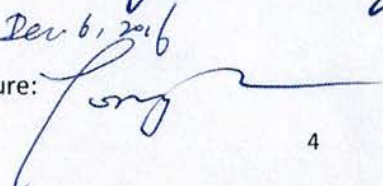
Mr. Guillaume Narjollet
Cultural Counsellor
Embassy of France

Date: 6/12/2016
Signature: 

Ms. Ludgera Klemp
Head of Cooperation
Embassy of Germany

Date:
Signature: 

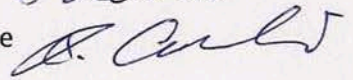
Ms. Yong Sarah Zhou
Resident Representative
International Monetary Fund

Date: Dec 6, 2016
Signature: 

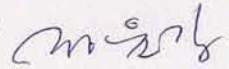
Written Amendment

Additional Principles for a Harmonised Approach to Daily Subsistence Allowances and other Allowances for Government Counterparts¹


Mr. Itsu Adachi
Chief Representative
Japan International Cooperation Agency

Date: 6 Dec. 2016
Signature: 

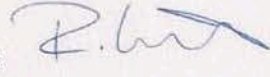
Mr. Jeong Yun Gil
Country Director
Korean Office for International Cooperation

Date: 12 Dec. 2016
Signature: 

Ms. Kristina Kühnel
Head of Cooperation
Embassy of Sweden

Date: 13 December 2016
Signature: 

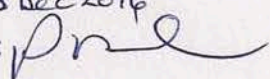
Ms. Rahel Bösch
Director of Cooperation
Embassy of Switzerland

Date: 5 December 2016
Signature: 

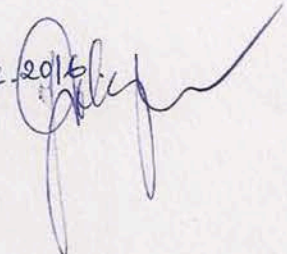
Ms. Claire Van der Vaeren
UN Resident Coordinator
United Nations, on behalf of the UN Country Team

Date: 6 Dec 2016
Signature: 

Ms. Polly Dunford
Mission Director
United States Agency for International Cooperation

Date: 13 Dec 2016
Signature: 

Ms. Inguna Dobraja
Country Manager Cambodia Country Office
World Bank

Date: 8 Dec 2016
Signature: 

Date:
Signature

Date:
Signature

Date:
Signature

Date:
Signature

Annex 8 Other Players

8.1. German Academic Exchange Service

2015 and 2016, the German Academic Exchange Service (DAAD) funded scholarships and partnerships worth about €255,592.

8.2. DEG – German Investment and Development Company

DEG – German Investment and Development Company has the mandate to finance private sector investment in developing and transitional countries and is wholly owned by KfW Group. In Cambodia, DEG is providing finance to local agricultural companies for value chain development as well as to banks and microfinance institutes to ensure credit lines to small and medium-size enterprises. Since DEG started their activities in Cambodia, total commitments amount to 185 million EUR; of this 132 million EUR are currently committed to 7 companies and banks

8.3. Public-Private Partnership (develoPPP)

The German delegation highlighted Public-Private Partnerships, which strengthen the effects of official development cooperation and private business activities by co-financing mutual projects.

DEG is currently financing five Public-Private Partnership activities in Cambodia: one on social standards in the textile industry in cooperation with SGS Vietnam Ltd., one on sustainable agriculture in cooperation with GEMES Abfallentsorgung & Recycling GmbH, one on LED solar systems in cooperation with Philips Electronics Vietnam Ltd., one on ecological cultivation of Kampot pepper in cooperation with Kreativmarkt Handels GmbH and one on the introduction of an effective waste water treatment plant in suburban and rural regions in cooperation with aquatic-Reuter e.K.

8.4. Civil Peace Service

The Civil Peace Service (CPS / GIZ) is conducting peace-supporting measures in Cambodia from Phnom Penh reaching the provinces of Kampong Chhnang, Pursat, Battambang and Siem Reap. The CPS is working to support reconciliation and justice in the context of the Khmer Rouge Tribunal. In 2016 the CPS program in Cambodia had a volume of €1.7 Mio. (including 0.24 Mio. € of the special initiative for refugees) and currently 15 civil peace advisors are part of it. The advisors work at the Victims Support Section of the ECCC, Toul Sleng Museum, the Royal University of Phnom Penh and several civil society organizations in the respective fields mentioned above.

8.5. Non-governmental cooperation (foundations, churches, NGOs)

Substantial support is being provided in many areas to NGOs, churches and foundations. While they receive financial support from the BMZ, these organisations are fully responsible and accountable for their activities.

The Konrad Adenauer Foundation, Heinrich Böll Foundation, Friedrich Ebert Foundation, Rosa Luxemburg Foundation, Friedrich-Naumann Foundation and Hanns-Seidel Foundation provide support through their regional programmes (democracy support, market economy, social justice). The Konrad Adenauer Foundation and the Heinrich Böll Foundation also have offices in Phnom Penh.

The central departments of the Catholic and Lutheran Churches are supporting projects concerned with rural development, good governance, health, the climate change, income and food stability, and integrated local programmes.

The DGRV – Deutscher Genossenschafts- und Raiffeisenverband e V. – a German cooperative apex organization and auditing federation, is providing long-term support for strengthening cooperative structures and networks in Cambodia. DGRV is contributing to the promotion of the agricultural sector in Cambodia by strengthening rural enterprises (cooperatives). DGRV is cooperating closely with the Ministry of Agriculture, Forestry and Fisheries, as well as with NGOs involved in this field. The German delegation appreciates the RGC's willingness to provide DGRV with the formal prerequisites for its work.

BORDA – Bremen Overseas Research & Development Association – and the DVV – Deutscher Volkshochschulverband – are providing long-term support for sustainable resource management, education of adults and the strengthening of cooperative structures and networks in Cambodia.

8.6. Senior Expert Service

The Senior Expert Service (SES) seconds highly qualified retired experts (60+) to SMEs, civil service, chambers, economic associations, social and health facilities or education institution on short-term missions (1-6 month). Since October 2016, there is also – in the frame of the 30+ programme - the possibility for employed persons to teach voluntarily in their field of work.

8.7. Development Volunteers Service “weltwärts” (“world-wards”) Programme

Currently there are 30 weltwärts volunteers in Cambodia via 8 sending organizations, working with 15 local partner organizations. The volunteers contribute to development projects primarily in the areas of childcare and education, people with disabilities, health care

and environment. The idea behind the volunteer service is the successful formula of learning by serving. It will enhance intercultural understanding and help increase awareness and acceptance within society of how development policy issues impact on our common future. Since 2016 the Cambodian Embassy issues Courtesy visas free of charge in favour of German volunteers participating in the weltwärts programme. Currently there is one volunteer from Cambodia participating in the South North Component (Reverse Component) of the weltwärts programme.

Annex 9 Studies and Experts Fund (SEF)

Studies and Experts Fund (SEF)

Project number: 2015.3504.6
GIZ Country Director: Thomas Waldruff
Donor: Federal Ministry for Economic Cooperation and
Development (BMZ), department 221
Counterpart: The Council for the Development of Cambodia - CDC
Period: 01.01.2017 - 31.12.2018

1. Short description of the project and the German contribution

The Royal Government of Cambodia (RGC) and the BMZ should have the possibility to implement technical cooperation projects with low financial volume on a short-term basis and with short administrative procedures. Therefore the Studies and Experts Fund had been established to be used for the preparation of future Technical Cooperation and for short-term services. Besides it is possible to finance development advisors, integrated experts and Human Capacity Development (HCD).

EUR 2.7Mio. have been allocated during the government-to-government negotiations in December 2015. This amount will be reduced by EUR 0.5 Mio. to be reprogrammed to the project "Access to Justice for Women – ATJW" for the out phasing year (PN 2013.2139.7). The Studies and Experts Fund with the project number 1995.3611.1 has ended 31.12.2016. Remaining funds will be reprogrammed to the new project number.

2. Information on implementation data

- **Support to Parliament of Cambodia – No. 1+2**
Budget: EUR 265.000
Period: 01/2016 – 12/2017

The Friedrich-Naumann Foundation as well as the Konrad-Adenauer Foundation have received a financial agreement to support the members of the Parliament. The aim is to enhance the regulations and the sector expertise of the Parliament. The parliamentary capacity and the democratic structures should be strengthened.

The political partners are the National Assembly and the Senate of Cambodia.

- **Climate Assessment of the German Portfolio– No. 3**
Budget: EUR 55.500
Period: 03/2016 – 05/2016 (finalized)

Cambodia, especially the rural sector, will be negatively affected by climate change. Therefore it is important to support the Royal Government of Cambodia to plan and implement climate mitigation measures with regard to the rural sector. The aim is to identify options within the German portfolio to link to the national development strategies with regard to climate activities.

One idea of the study resulted in the project proposal of CDC regarding Promotion of Rural Employment in the Manufacturing Industries of North-Western Cambodia) handed over to the German delegation during the last consultations.

- **Support to sub-national regional planning – No. 4+5**

Budget: EUR 250.000

Period: 07/2016 – 10/2017

The aim is to support sustainable urban and regional planning and to enhance planning capacities to draft regional plans in a participatory way. The measure supports sub-national regional planning processes, the people's feedback to the draft of the regional plan as well as arguments and explanations to defend the plan in the process of approving.

The activities focus on decentralized good governance to avoid degradation of natural resources and a dynamic but unplanned urbanization process.

This measure is implemented in the two provinces Battambang and Kandal with the assistance of two development workers.

The political partners are the Municipality in Battambang and the Ministry of Interior in Kandal.

- **Supply of a generator to stabilize the room temperature in the archive of the Toul Sleng Museum in Phnom Penh – No. 6**

Budget: EUR 10.000

Period: 07/2016 (finalized)

A generator was supplied to be permanently installed in the archives' room at the Toul Sleng Museum to guarantee a constant power supply. This enables the adequate storage of the documents which belong to the UNESCO world document heritage.

The political partner is the Ministry of Culture and fine Arts. The museum's director guaranteed to finance the running costs.

The generator has been handed over during the farewell visit of the German Ambassador.

- **Pka Sla Krom Angkar – No. 7**

Budget: EUR 236.000

Period: 09/2016 – 03/2018

The aim is to strengthen the capacity of the VSS during the ECCC processes and to implement adequate reparation and compensation measures for the SGBV (sexual and gender based violence) victims under the Khmer Rouge (Pka Sla project). The Pka Sla project promotes understanding for SGBV and gender justice through art, dialogue, documentation and psychological support. The theatre performances started on 20th January 2017. The project is suggested as an official reparation project to the ECCC so that accessory prosecutors at the ECCC and SGBV victims under the Khmer Rouge could obtain satisfaction and rehabilitation.

- **Mainstreaming of the BMZ Action Plan for Inclusion of persons with disabilities in Cambodia and Asia 2017 – No. 8**

Budget: EUR 205.000

Period: 01/2017 – 12/2017

The main purpose, besides stimulating networking, is to analyse and document achievements and challenges, linked to the BMZ Action Plan for inclusive development, to extract lessons learnt with the twin-track approach, as well as to advice German development cooperation on how to further enhance inclusion with an evidence based approach, inspired by good (inter)national practices, both within German cooperation as well as from other champions on inclusive development. The focus is on Cambodia where the regional advisor is based. It covers as well Bangladesh, Lao PDR, Viet Nam, Indonesia and Afghanistan as BMZ focal countries for inclusion.

The implementation agreement with the Ministry of Health (MoH) has been signed.

- **Meaningful Civil Party Participation and Redress at the VSS / ECCC – No. 9**
Budget: EUR 60.000
Period: 01 - 06/2017

The Victim Support Section is enabled to implement effectively and efficiently reparations and compensation measures for victims of the Khmer Rouge regime. Therewith, the government and civil society partners are contributing to the fact that the victims of the Khmer Rouge regime experience symbolic and collective reparation, which contributes to further reconciliation in Cambodia.

- **Funding (Subsidies) of Integrated Experts – No. 10**
Budget: EUR 850.000
Period: 01/2017 – 02/2019

At present, three Integrated Experts are financed under the SEF to support the National Assembly, the ECCC and the Ministry of Women Affairs.

- **Assignment of Development Advisors (DA) – No. 11**
Budget: EUR 395.000
Period: 01/2017 – 12/2018

The majority of DA is integrated in the ongoing programs. At present, two DA are financed to support the Stone Conservation Unit at the Authority of the Protection and Management of Angkor and the Region of Siem Reap (ASPARA) in its activities as well as in vocational training of local stone conservers.

- **Sector analysis on Rural Development – No. 12**
Budget: EUR 176.000
Period: 01 – 05/2017

Germany considers reorienting the current focus on rural development probably towards sustainable economic development (NaWi). Before decisions are made in this area, further options for cooperation in the sector should be examined.

The German Ministry for Economic Cooperation and Development (BMZ) is looking for options to support sustainable development and poverty reduction in the context of the industrialization processes of Cambodia. Sustainable economic development (NaWi) could become a new focal area. In this context BMZ wants to commission a new project for development cooperation. Potential entry points and intervention areas are manifold and yet have to be decided, but more factual information and assessment of entry points and challenges is needed.

In order to be able to gain the necessary sector information, BMZ, die *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)* and the *Kreditanstalt für Wiederaufbau (KfW)* as the two main implementing agencies of German development cooperation (GDC) with Cambodia have agreed on a three-step procedure:

- Analysis of the industrialization processes in Cambodia, their challenges and their potential entry points for contributions of GDC in the context of a sector study, including the proposal of cooperation areas/options between Cambodia and Germany (desk study in February);
- Fact finding mission, reviewing the feasibility of predetermined options in April;
- Appraisal mission for a new development measures in September.

The steps and results have been discussed with CDC.

- **Support to enhance the coordination and alignment of the Cambodian-German cooperation and to facilitate a coordination between bilateral and multilateral approaches – No. 13**
Budget: EUR 20.000
Period: 01/2017 – 12/2018

The Royal Cambodian Government and the Development Partners follow the Development Effectiveness Agenda as well as the agreements of Paris, Accra and Busan. The central coordination mechanisms of the much differentiated cooperation architecture in Cambodia are the so called Technical Working Groups (TWG) in which the sector dialogues take place. Germany represents the bilateral donors in the TWG in the sector of Health and together with the US government the bilateral donors in the Country Coordinating Mechanism of the GFATM (CCC). A Cambodian-German Steering Committee has been established to coordinate and supervise the German Health programme.

In order to function and act in an effective and efficient way it is necessary to have a high level of coordination and process support. Therefore additional activities of exchange and networking are needed in the relevant sectors for Cambodian German Development Cooperation.

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Module	Political Partner	Implementing Partner	Brief description	Activities and partner in Cambodia	Partner Organisation in Cambodia
Regional Cooperation with ASEAN - Focus: Environment / Climate Change					
Biodiversity-based products as an economic source for the improvement of livelihoods and biodiversity protection (PN: 2013.2048.0)	ASEAN Center for Biodiversity	TC (GIZ)	<p>The aim of the module is to improve biodiversity conservation and contribute to poverty reduction through economic valuation and commercialization of biodiversity-based products.</p> <p>This shall be achieved by increasing capacity and awareness for sustainable production, marketing and consumption of BBPs in the Lower Mekong region and in other ASEAN countries. The dynamics of the Green Growth Concept shall be used to identify specific processes and synergies to strengthen the protection and sustainable use of biodiversity.</p>	<p>Currently, identification of potential project sites in the vicinity of ASEAN Heritage Parks or other selected protected areas, which are suitable for the successful piloting of GIZ Values Approach.</p>	<p>Ministry of the Environment (MOE);</p> <p>ACB's National Focal Point Ms. Somaly Chan</p>

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			<p>The Bio Trade principle, so far mainly developed and applied in South American countries, may provide insight into opportunities for BBP development.</p>		
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<p>Renewable Energy Support Programme for ASEAN (ASEAN-RESP) (PN: 2002.2570.6; 2013.2066.2)</p>	<p>ASEAN Center for Energy (ACE)</p>	<p>TC (GIZ)</p>	<p>The aim of the project is to deepen the regional dialogue among ASEAN member states and international stakeholders in order to improve the regulatory framework of and the conditions for renewable energies at the national level.</p>	<p>Consultation with the ASEAN Renewable Energy Sub-Sector Network (RE SSN) Focal Point as well as with the Energy Efficiency Sub-Sector Network (EE SSN) Focal Point on the review of the current phase of the ASEAN RESP and possible next phase of ASEAN RESP Study on the business model for Solar PV-Hybrid mini-grid system (desktop research, stakeholder interview, and field visit) was done in 2014.</p> <p>1. Ministry of Mines and Energy:</p> <ul style="list-style-type: none"> a. Department of New and Renewable Energy – General Department of Energy b. Department of Cooperation and ASEAN Affairs – General Department of General Affairs Electrification Office, Department of Energy Development <p>2. Electricité du Cambodge</p> <ul style="list-style-type: none"> a. Generation Department b. Rural Electrification Fund 	<p>Ministry of Mines and Energy / Electricité du Cambodge</p>
<p>ASEAN – German Energy</p>	<p>ASEAN Center for</p>	<p>TC (GIZ)</p>	<p>The aim of the project is to improve the prerequisites for regional coordination of AMS</p>		<p>Ministry of Mines and Energy /</p>

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<p>Programme (AGEP) (PN: 15.2226.7)</p>	<p>Energy (ACE)</p>		<p>measures for promotion and renewable energies and energy efficiency.</p>		<p>Electricité du Cambodge</p>
<p>ASEAN Sustainable Agrifood Systems (ASEAN Biocontrol) SAS (GAP-CC: ASEAN-German Programme on Response to Climate Change in Agriculture and Forestry) (PN: 2013.2061.3)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The programme is striving to support ASEAN in further advancing the implementation of regionally coordinated strategies and policies for food security within its Member States. It is aimed at channelling lessons from efforts in individual countries into the work of the regional organization, and vice versa. The ASEAN Member States have established the ASEAN Integrated Food Security Framework (AIFS) as a binding framework.</p>	<p>Support is being provided to integrate the AIFS and ASEAN Biocontrol Agents (BCA) Guideline. Organic and sustainable agrifood value chains are being supported in collaboration with the Cambodian Center for Study and Development in Agriculture (CEDAC) and the private agri-input sector. Partnering projects are being financed through the United States Agency for International Development (USAID) and the Asian Development Bank (ADB).</p>	<p>Ministry of Agriculture, Forestry and Fisheries (MAF) (General Directorate of Agriculture, Department of Agricultural Legislation) and Council of Agriculture and Rural Development</p>

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<p>Forestry and Climate Change (FOR-CC) (Before: Adaptation and Mitigation Strategies in Support of AFCC) (GAP-CC: ASEAN-German Programme on Response to Climate Change in Agriculture and Forestry) (PN: 2010.2153.4 ; 2014.2286.4)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The project FOR-CC is supporting the ASEAN Secretariat and selected ASEAN working groups in improving the cooperation and common positioning of ASEAN member states on climate-change-related key issues in agriculture and forestry. These key issues are best practices in climate resilient agriculture and the further harmonization and implementation of REDD+ (Reducing Emissions from Deforestation and Degradation of Forests).</p>	<p>Until March 2015 FOR-CC was supporting the national research institute CARDI in the identification and documentation of best practices for resilient agriculture in Cambodia. CARDI shared these results with the other member states using the ASEAN Climate Resilience Network (CRN) as an exchange platform. At this stage FOR-CC is preparing as a follow-up activity support for CARDI and other relevant Cambodian partners in scaling up the identified best practices, including capacity development for access to external funding sources.</p> <p>The main partner so far is the Cambodian Agricultural Research and Development Institute (CARDI). Other partners might join in the future.</p>	<p>Cambodian Agricultural Research and Development Institute (CARDI)</p>
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<p>Institutional Strengthening of the Biodiversity Sector in ASEAN (Before: Biodiversity and Climate Change (BCCP)) (Programme: Cooperation with the ASEAN Centre for Biodiversity) (PN: 2008.2089.4 ; 2014.2288.0)</p>	<p>ASEAN Centre for Biodiversity (ACB)</p>	<p>TC (GIZ)</p>	<p>The programme is geared to contribute to the conservation of biodiversity and to the sustainable management of natural resources in ASEAN, in line with the needs of the local population. The programme has 3 modules: 1) Biodiversity and Climate Change Project (BCCP) aimed at improving the institutional capacity of the ACB to provide qualified services in biodiversity conservation and climate change, with an increasing focus on regional policy and strategy development towards the ASEAN integration process; 2) Small Grants Programme (SGP); 3) Biodiversity-based products as an economic source for the improvement of livelihoods and biodiversity protection (BBP).</p>	<p>ACB's flagship programme comprises the 35 ASEAN Heritage Parks, of which 2 are in Cambodia, activities are planned in the area of park management. Other activities include capacity building and facilitation as well as information management.</p> <p>Officers from MOE and selected other offices like ASEAN Heritage Parks participate, partly with support from GIZ, in relevant regional or international events/conferences.</p>	<p>Ministry for the Environment (MOE)</p>
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Regional Cooperation with ASEAN - Focus: Regional (economic) integration					
<p>Standards in the South-East Asian food trade (Programme: Single Market) (PN: 2010.2275.5)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>Standards for good practice and specific food quality attributes are to be implemented in a credible manner, with a focus on: (a) improving compliance with specific standards by implementing innovative pilot projects in selected value chains, in partnership with the private sector; and (b) improving the integrity and mutual recognition of standards for good agricultural practices and organic agriculture.</p>	<p>Cambodia is one of the CLMV countries that the 'Standards in the South-East Asian Food Trade' project will focus on. As this project has not been fully endorsed by the ASEAN Secretariat at this stage, official partners have not yet been selected. However, for now, private sector driven activities appear to be attainable, such as support for farmers, producer groups and traders with regard to implementing environmental standards at the national level.</p> <p>One of the main partners for activities could be CEDAC (Centre d'Etude et de Developpement Agricole Cambodgien), particularly in the ecological certification of palm sugar.</p>	<p>Ministry of Agriculture, Forestry and Fisheries (MAF)</p>

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<p>Competition Policy and Law in ASEAN (CPL) (Programme Competitiveness and Fair Competition in ASEAN) (PN: 2008.2186.8; 2013.2072.0)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The project is aimed at improving the legal and institutional prerequisites for promoting fair competition in the ASEAN Member States.</p>	<p>Focus of the cooperation: currently only facilitation of participation in international conferences.</p> <p>Drafts for new competition laws are ready for consideration and scheduled for adoption by the end of 2016. Support is being offered by the CPL project but has not started yet.</p> <p>Study visit planned to Germany and Brussels (DG Competition) for MoC in its new function as Chair of the ASEAN Expert Group of Competition (AEGC).</p>	<p>Ministry of Commerce (MoC)</p>
<p>Support to ASEAN Supreme Audit Institutions (ASEANSAI) (PN: 2012.2074.8 ; 2014.2103.1)</p>	<p>ASEAN Supreme Audit Institutions</p>	<p>TC (GIZ)</p>	<p>The project is supporting the regional organization/association of Supreme Audit Institutions in the ASEAN Member States (ASEANSAI). The professional association aims to facilitate exchanges of experience and to strengthen the</p>	<p>The National Audit Authority (NAA) of Cambodia is one of the ten members of the regional organization/ association of Supreme Audit Institutions in the ASEAN Member States (ASEANSAI).</p> <p>The chairmanship in ASEANSAI rotates alphabetically and in November 2015 the chairmanship was handed over from Brunei to Cambodia for two years. Therefore the project is working closely with NAA to prepare the chairmanship. The project is also working with the parliament of Cambodia (National Assembly and Senate) in order to improve cooperation between NAA and the budget committees. The overall objective here</p>	<p>National Audit Authority (NAA)</p>

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			capacities of member SAs to enhance the role and status of external financial auditing in the region.	is to improve the transparency of the public finance system and the accountability of the government in Cambodia.	
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<p>Support to the Initiative for ASEAN Integration (IAI) within the framework of the ASEAN Single Market (Programme: Single Market) (PN: 2012.2077.1)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The project is supporting the participation and integration of Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) into the ASEAN Single Market, with a focus on (a) strengthening capacities for the implementation of agreements on trade and investment in selected service sectors of the CLMV countries; and (b) improving the strategic and technical capacities of institutions in the CLMV countries to promote the mobility of skilled labour.</p>	<p>The project is supporting the initiative for ASEAN Integration (IAI) in the context of the establishment of the ASEAN Economic Community and will be active in the focus countries (CLMV) in the areas of “free movement of services” and “mobility of skilled workers”. Currently, the implementation agreement is being coordinated with ASEAN and the participating national ministries. Therefore, no activities have been implemented in Cambodia yet.</p>	<p><u>Political Partner:</u> Ministry of Commerce (MoC)</p> <p><u>Additional Operational Partner:</u> Ministry of Tourism (MoT)</p>
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<p>Improving Quality Infrastructure in ASEAN (PN: 2013.2265.0)</p>	<p>ASEAN Secretariat</p>	<p>TC (PTB)</p>	<p>The project is aimed at improving regional and national Quality Infrastructure (QI) capacities to foster the regional integration process in ASEAN and make it easier, especially for the less developed CLMV countries, to profit from the AEC's trade policy potential. Objective: Regional and national QI institutions take international <i>Good Practices</i> into account when implementing the <i>ASEAN Economic Community Blueprint</i> in the field of standardization and technical barriers to</p>	<p>Support for establishing accreditation services in Cambodia. Cambodia is also benefiting from project activities (regional) in the areas of standards and legal metrology.</p>	<p>Ministry of Industry and Handicraft (MIH); the Department of Accreditation (DA)</p>
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Regional Cooperation in general					
Social and labour standards in the textile and garment sector in Asia (PN: 2014.2279.9)	-	TC (GIZ)	<p>The overall project aim is to improve working conditions in the textile sector by strengthening regional coordination and exchange of experiences on standards and good practices.</p> <p>Project activities started in May 2015.</p> <p>Private and government actors in the garment sector use new dialogue and cooperation formats to observe labour and social standards in the five partner countries.</p>	<p>In Cambodia the project is working at factory, national and regional level. In January 2016 a MoU was signed with the MLVT. The MLVT is the primary implementing partner for project activities. The main field of cooperation is the modernization of the labour inspection system and further implementation. The Ministry is supportive of the project and several joint activities have taken place in 2016, e.g. the drafting of legal documents and joint training workshops.</p> <p>The project is working in coordination with the Better Factories Programme of the ILO (particularly on the subject of transport safety) and also closely together with the garment business association GMAC (an Integrated Expert shall be placed by July 2017 at their training institute). It furthermore exchanges regularly with unions and other important actors at national level. Dialogue trainings are taking place with management and workers in more than 30 factories.</p>	Ministry of Labour and Vocational Training (MLVT)

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<p>Regional Fit for School Programme – School Health Programme Southeast Asia (PN: 2011.2227.4; 2014.2289.8)</p>	<p>Southeast Asian Ministers of Education Organization (SEAMEO) implemented through SEAMEO INNOTECH (Regional SEAMEO Center)</p>	<p>TC (GIZ)</p>	<p>The aim of the programme is to adapt the Fit for School Approach (which focuses on the improvement of schools as healthy learning environments and the implementation of daily group hygiene activities like washing hands with soap and brushing teeth with fluoride toothpaste and the implementation of national deworming programmes) to country-specific situations. The first phase focused on implementation in</p>	<p>During the first phase (2011 – 2015) the programme has been supporting the Ministry of Education, Youth and Sport (MoEYS) with the implementation of the programme in 10 model schools covering 7,564 primary school children in order to adapt the Fit for School Approach to the local context in Cambodia and to develop an implementation template for subsequent scale-up.</p> <p>The main implementing partner in Cambodia is MoEYS. Other Ministries (Ministry of Health, Ministry of Rural Development) and other national partners (Center for Malaria Control) are collaborating partners for implementation and research (Fit Programme Assessment Study).</p> <p>Based on the experiences from the first phase the programme will support MoEYS in scaling up the programme to all schools in one Province (Kampot Province) during the second phase (2015 – 2018). Furthermore, collaboration with other WASH partners could be established and formalized. As part of co-financing with UNICEF, low-cost group washing facilities are being produced to be used for daily group hand-washing in</p>	<p>Ministry of Education, Youth and Sport (MoEYS)</p>
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			<p>model schools, research and development of tailored implementation templates and capacity development tools. In the second phase the programme will support partners in scaling up the programme to subnational units (e.g. district, province) and will support the development of minimum requirements for Water, Sanitation and Hygiene (WASH) in Schools, based on the 'Three Star Approach for WASH</p>	<p>about 150 schools supported through the UNICEF WASH programme.</p> <p>Short video - Fit in Cambodia (5 min):</p> <p>https://www.youtube.com/watch?v=g_ucuDumSY4</p>	
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			in Schools', which is a stepwise approach to reaching national standards.		
Development and support to financially sustainable social security systems in Southeast Asia (PN: 2012.2004.5; 2013.2046.4)	-	TC (GIZ)	The regional programme is supporting capacity building within social security organizations for analysing and designing national health and pension systems and reforms in the ASEAN region.	Support for the National Social Security Fund, the National Social Security Fund for Civil Servants, National Fund for Veterans, National Institute of Social Affairs as well as Social Health Protection Association community-based health funds in cooperation with the Ministry of Health. Based on the former ILT Social Security in SEA the programme is developing and establishing an international Master Degree Programme for Social Protection in cooperation with the National Economics University in Hanoi, University of Indonesia, Jakarta and University of Heidelberg. Employees of the above-mentioned partner institutions have successfully participated in the interim training programme International Social Protection Studies (ISPS). An executive training course in cooperation with ADB to which high-ranking representatives from the partner	Ministry of Health (MoH)

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				institutions were invited took place late September 2015.	
Regional cooperation to improve the training of TVET personnel (RECOTVET) (Programme Development and regional integration of TVET) (PN: 2013.2065.4)	-	TC (GIZ)	The programme is promoting regional cooperation and quality improvement in technical and vocational education and training (TVET). It offers regional exchanges at policy level, HCD trainings and workshops and a platform for cooperation of universities from	<p>Policy makers of the RGC are regularly invited to attend Regional Policy Dialogues and Regional Workings Groups on Regional Cooperation in TVET.</p> <p>Representatives of the RGC benefit from HCD measures offered by RECOTVET (training courses, seminars, workshops).</p> <p>In January 2013, the National Technical Training Institute of Cambodia joined the RCP. It now participates as a full member in the RCP network's knowledge exchange and research activities regarding Vocational Teacher</p>	<p>Ministry of Labour and Vocational Training (MLVT);</p> <p>Ministry of Education Youth and Sport (MoEYS);</p> <p>National</p>

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<p>A follow-up measure has been commissioned by BMZ for the period 7/2017- 6/2020 (PN: 2016.2130.9)</p>			<p>ASEAN. Regional partners are esp. ASEAN, SEAMEO (VOCTECH) and other regional organizations. The programme is advancing in particular the capacity of TVET staff and TVET personnel.</p>	<p>Education and Training standards and reform in the region.</p>	<p>Technical Training Institute (NTTI) National Polytechnic Institute (NPIC)</p>
<p>Support of economic cooperation in sub-regional initiatives in Asia (SCSI) (PN: 2014.21015.-001.00)(Before: Regional Economic Cooperation and Integration in Asia)</p>	<p>-</p>	<p>TC (GIZ)</p>	<p>The aim of the SCSI programme is to strengthen core processes of regional economic cooperation and integration within selected sub-regional initiatives in Asia. It supports regional and national stakeholders by providing capacity building, organising</p>	<p>SCSI carries out capacity building and policy support in key areas of regional cooperation and integration that are of relevance for Cambodia. In particular the programme is addressing the issue of a low utilisation rate of the ASEAN China Free Trade Area (ACFTA) for the export-oriented private (agricultural) sector in Cambodia. SCSI supports overcoming barriers to trade, by providing translations of key standards for exporting to the Chinese markets and implementing trainings for Cambodian business associations. Furthermore, the programme is supporting Phnom Penh Autonomous Port in fostering logistic management skills through a series of tailored</p>	<p>Ministry of Commerce (MoC) Cambodian Rice Federation (CRF)</p>

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(PN: 2010.2152.6 ; 2014.2101.5)			training courses and dialogue events, and conducting sector studies. The key areas are trade facilitation, port cooperation, cross-border cooperation and private sector involvement.	training courses at the port and in cooperation with other ports in the region. The main political partner of the programme is the Ministry of Commerce. In addition there is cooperation with Phnom Penh Autonomous Port and private sector institutions (Cambodian Rice Federation, Cassava Association).	
Cities Development Initiative for Asia (CDIA) PN 15.2009.7)	None	Cooperation program with Asian Development Bank (ADB)	The Initiative provides assistance to medium-sized Asian cities to bridge the gap between their development plans and the implementation of their infrastructure investments. CDIA aims to contribute to the promotion of	CDIA supports Cambodian cities on their urban investments through Project Prioritization Tools and through Project Preparation Studies (PPS), these cities include: Battambang, Kampong Cham, Siem Reap, Sihanoukville, Taing Krasaing, Kampong Chhang, Pursat, Serei Saophoan, and Stueng Saen. CDIA supported PPS in Cambodia are in the sectors of Water Supply, Wastewater Sanitation, Solid Waste Management, Wastewater Treatment Plant, and Flood Management and Drainage.	City Governments; Ministry of Public Work and Transport (MPWT)

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			<p>sustainable and equitable urban development, leading to improved environmental and living conditions for all in Asian cities. To achieve this, CDIA bridges the gap between strategic city development planning and urban policies, services, and infrastructure project preparation.</p>		
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Improving of Land Management in the Mekong Region (PN: 2014.2099.1)	-	TC (GIZ)	<p>The ILM-MR project embodies Germany's co-financing support to the Mekong Region Land Governance Programme (MRLG), which has been designed by the Swiss Agency for Development and Cooperation (SDC). The MRLG has the objective of improving the tenure security of smallholder farmers – especially those belonging to ethnic minorities – in Cambodia, Laos, Myanmar and Viet Nam. The focus during implementation will be on building local and regional capacity, developing a sustainable platform for regional exchange and advocacy, and providing quick as well as long-term support for activities to address emerging policy issues</p>	<p><i>Learning and Capacity Development Networking Activities:</i></p> <p><u>Activity Topic:</u> Collective Learning: reflection and case studies <u>Stakeholders (Focal Point):</u> Star Kampuchea, ADIC, WMC, RECOFTC, CHAC</p> <p><u>Activity Topic:</u> Research and multi-stakeholder dialogue <u>Stakeholders (Focal Point):</u> NGO Forum, CLEC, CPS, PNCA, individual researchers</p> <p><u>Activity Topic:</u> Indigenous people community strengthening and preparedness for current/future conflicts <u>Stakeholders (Focal Point):</u> CIPO, Yak Loam, BCV-Ratanakiri, CIYA, HA, OPKC, MVI, PKH, ICSO, NTFP and IRAM.</p> <p><i>Quick Disbursement Fund Project (max. 6 months</i></p>	Non-governmental-organisations (NGO)
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			relating to land governance and land tenure.	<p>& 50,000 USD: <u>Project Topic:</u> Representing IP Community in Orona Village against the Encroachment on their Collective Registered Land</p> <p><u>Applicant/Implementer:</u> Vishnu Law Group</p> <p><i>Innovation Fund Project (max. 24 months & 250,000 USD)</i></p>	
Implementation of the organizational reform (PN: 2010.2232.6 ; 2012.2531.7)	MRC	TC (GIZ)	<p>The programme is targeted at the catchment area of the Lower Mekong with the MRC member states Laos, Cambodia, Thailand and Viet Nam.</p> <p>GIZ is supporting the Mekong River Commission (MRC) in carrying out the core river basin management functions for the Mekong in a sustainable manner at the regional and national levels.</p>	<p>Due to the overarching nature of this project, there is no direct impact on Cambodia.</p> <p>Project activities are concentrated on the MRC Secretariat. The lead executing agency and the institution responsible for the project is the Mekong River Commission.</p> <p>The four fields of activity of the project are: (1) Providing advice on the definition and implementation of the new MRC organizational structure; (2) Developing a sustainable financing system; (3) The development and implementation of a consistent planning, monitoring and evaluation system; and (4) Measures to prepare for the taking on of the core functions of the MRC by the member states.</p>	No partner organisation in Cambodia

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<p>Protection and Sustainable Use of Wetlands in the Lower Mekong Region (PN: 2012.6597.4)</p>	<p>MRC</p>	<p>FC (KfW)</p>	<p>The project supports the Lao PDR and Cambodia in sustaining wetland areas in the Lower Mekong Basin through sustainable wetland management as well as strengthening regional cooperation between MRC member states on managing wetlands.</p>	<p>Cambodia, represented by the Cambodia National Mekong Committee and the Ministry of Environment, is one of the two pilot countries for the implementation of the national components of the project. Activities include supporting conservation areas, community fishery and forestry, the rehabilitation of flooded forests and also the development of alternative livelihoods for people living in and around the wetlands. Project sites are Ramsar Wetlands in PrekToal and Stung Treng.</p>	<p>Ministry of Environment (MoE)</p> <p>Ministry of Agriculture, Forestry and Fisheries (MAF)</p> <p>Cambodia National Mekong Committee</p>
<p>Sustainable Freight Transport and Logistics in the Mekong Subregion Project (EU-SWITCH Asia/Green</p>	<p>Ministry of Public Work and Transport</p>	<p>TC (GIZ)</p>	<p>Trade and the movement of goods continue to grow across the Mekong Region along with increasing economic integration. At the same time, cleaner, more energy-efficient freight transport is becoming ever more important in order to mitigate climate change and to cut transport costs</p>	<p>There are 4 areas of support</p> <ol style="list-style-type: none"> 1. Fuel efficiency and CO2 emission reduction mainly through eco and defensive driver training, technology upgrades and maintenance, and improved financial management of SMEs as well as establish logistics alliance platform 2. Transport of dangerous goods by implementing 	<p>CAMFFA (Cambodia Freight Forwarders Association);</p> <p>CAMTA (Cambodia Truck Association);</p>

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<p>Freight) PN: 14.2486.0-003.00)</p>			<p>The development of the sector is hindered by an ageing freight fleet, most of which is over 10 years old on average. Freight is managed and moved inefficiently. Fuel use is high due to the prevalence of poor driving patterns and a disregard for safe and defensive driving practices. Fuel consumption costs often account for 40%-60% of the operating costs. Transport of dangerous goods is not up to international standards. Most SMEs are capital deficient and there is a lack of incentive and customer awareness to promote sustainable freight and logistics.</p> <p>The project therefore aims at increasing sustainable freight transport and logistics in the Mekong Region, mainly through energy efficiency and safety</p>	<p>ASEAN and GMS protocols based on EU ADR</p> <p>3. Access to finance to invest in more efficient, environmentally sound and safer technologies</p> <p>4. Policy support and customer awareness measures, such as standard and labelling, economic incentives and regulations</p>	<p>Ministry of Public Work and Transport (MPWT)</p>
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			measures in at least 500 SMEs in Cambodia, Lao PDR, Myanmar, Viet Nam (CLMV) and Thailand.		
Promotion of Rural Development (Employment and Income) through Financial Sector Development in CLMV Countries (PN: 2015 36 572)	None	FC (KfW)	A loan to the Cambodian ACLEDA Bank shall be used to enhance the capitalisation of the bank for expanding its lending activities in CLMV Countries (Cambodia, Lao, Myanmar, Viet Nam).	The objective is to support ACLEDA Bank PLC in expanding financial services to micro, small and medium sized enterprises in particular along agricultural value chains. The overall goal is to improve the socio-economic conditions by promoting employment and thus income generation.	ACLEDA Bank PLC

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Improving of Land Management in the Mekong Region (PN: 2014.2099.1)	-	TC (GIZ)	<p>The ILM-MR project embodies Germany's co-financing support to the Mekong Region Land Governance Programme (MRLG), which has been designed by the Swiss Agency for Development and Cooperation (SDC). The MRLG has the objective of improving the tenure security of smallholder farmers – especially those belonging to ethnic minorities – in Cambodia, Laos, Myanmar and Viet Nam. The focus during implementation will be on building local and regional capacity, developing a sustainable platform for regional exchange and advocacy, and providing quick as well as long-term support for activities to address emerging policy issues</p>	<p><i>Learning and Capacity Development Networking Activities:</i></p> <p><u>Activity Topic:</u> Collective Learning: reflection and case studies <u>Stakeholders (Focal Point):</u> Star Kampuchea, ADIC, WMC, RECOFTC, CHRAC</p> <p><u>Activity Topic:</u> Research and multi-stakeholder dialogue <u>Stakeholders (Focal Point):</u> NGO Forum, CLEC, CPS, PNCA, individual researchers</p> <p><u>Activity Topic:</u> Indigenous people community strengthening and preparedness for current/future conflicts <u>Stakeholders (Focal Point):</u> CIPO, Yak Loam, BCV-Ratanakiri, CIYA, HA, OPKC, MVI, PKH, ICSO, NTFP and IRAM.</p> <p><i>Quick Disbursement Fund Project (max. 6 months</i></p>	Non-governmental-organisations (NGO)
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			relating to land governance and land tenure.	<p>& 50,000 USD: <u>Project Topic:</u> Representing IP Community in Orona Village against the Encroachment on their Collective Registered Land</p> <p><u>Applicant/Implementer:</u> Vishnu Law Group</p> <p><i>Innovation Fund Project (max. 24 months & 250,000 USD)</i></p>	
Implementation of the organizational reform (PN: 2010.2232.6 ; 2012.2531.7)	MRC	TC (GIZ)	<p>The programme is targeted at the catchment area of the Lower Mekong with the MRC member states Laos, Cambodia, Thailand and Viet Nam.</p> <p>GIZ is supporting the Mekong River Commission (MRC) in carrying out the core river basin management functions for the Mekong in a sustainable manner at the regional and national levels.</p>	<p>Due to the overarching nature of this project, there is no direct impact on Cambodia.</p> <p>Project activities are concentrated on the MRC Secretariat. The lead executing agency and the institution responsible for the project is the Mekong River Commission.</p> <p>The four fields of activity of the project are: (1) Providing advice on the definition and implementation of the new MRC organizational structure; (2) Developing a sustainable financing system; (3) The development and implementation of a consistent planning, monitoring and evaluation system; and (4) Measures to prepare for the taking on of the core functions of the MRC by the member states.</p>	No partner organisation in Cambodia

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<p>Protection and Sustainable Use of Wetlands in the Lower Mekong Region (PN: 2012.6597.4)</p>	<p>MRC</p>	<p>FC (KfW)</p>	<p>The project supports the Lao PDR and Cambodia in sustaining wetland areas in the Lower Mekong Basin through sustainable wetland management as well as strengthening regional cooperation between MRC member states on managing wetlands.</p>	<p>Cambodia, represented by the Cambodia National Mekong Committee and the Ministry of Environment, is one of the two pilot countries for the implementation of the national components of the project. Activities include supporting conservation areas, community fishery and forestry, the rehabilitation of flooded forests and also the development of alternative livelihoods for people living in and around the wetlands. Project sites are Ramsar Wetlands in PrekToal and Stung Treng.</p>	<p>Ministry of Environment (MoE)</p> <p>Ministry of Agriculture, Forestry and Fisheries (MAF)</p> <p>Cambodia National Mekong Committee</p>
<p>Sustainable Freight Transport and Logistics in the Mekong Subregion Project (EU-SWITCH Asia/Green</p>	<p>Ministry of Public Work and Transport</p>	<p>TC (GIZ)</p>	<p>Trade and the movement of goods continue to grow across the Mekong Region along with increasing economic integration. At the same time, cleaner, more energy-efficient freight transport is becoming ever more important in order to mitigate climate change and to cut transport costs</p>	<p>There are 4 areas of support</p> <ol style="list-style-type: none"> 1. Fuel efficiency and CO2 emission reduction mainly through eco and defensive driver training, technology upgrades and maintenance, and improved financial management of SMEs as well as establish logistics alliance platform 2. Transport of dangerous goods by implementing 	<p>CAMFFA (Cambodia Freight Forwarders Association);</p> <p>CAMTA (Cambodia Truck Association);</p>

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<p>Freight) PN: 14.2486.0-003.00)</p>			<p>The development of the sector is hindered by an ageing freight fleet, most of which is over 10 years old on average. Freight is managed and moved inefficiently. Fuel use is high due to the prevalence of poor driving patterns and a disregard for safe and defensive driving practices. Fuel consumption costs often account for 40%-60% of the operating costs. Transport of dangerous goods is not up to international standards. Most SMEs are capital deficient and there is a lack of incentive and customer awareness to promote sustainable freight and logistics.</p> <p>The project therefore aims at increasing sustainable freight transport and logistics in the Mekong Region, mainly through energy efficiency and safety</p>	<p>ASEAN and GMS protocols based on EU ADR</p> <p>3. Access to finance to invest in more efficient, environmentally sound and safer technologies</p> <p>4. Policy support and customer awareness measures, such as standard and labelling, economic incentives and regulations</p>	<p>Ministry of Public Work and Transport (MPWT)</p>
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			measures in at least 500 SMEs in Cambodia, Lao PDR, Myanmar, Vietnam (CLMV) and Thailand.		
Promotion of Rural Development (Employment and Income) through Financial Sector Development in CLMV Countries (PN: 2015 36 572)	None	FC (KfW)	A loan to the Cambodian ACLEDA Bank shall be used to enhance the capitalisation of the bank for expanding its lending activities in CLMV Countries (Cambodia, Lao, Myanmar, Viet Nam).	The objective is to support ACLEDA Bank PLC in expanding financial services to micro, small and medium sized enterprises in particular along agricultural value chains. The overall goal is to improve the socio-economic conditions by promoting employment and thus income generation.	ACLEDA Bank PLC