

# **Summary Record**

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

### **Introduction**

Negotiations on development cooperation between the Royal Government of Cambodia (RGC) and the Government of the Federal Republic of Germany were held in Berlin on 14 and 15 May 2019. 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 of the Council for the Development of Cambodia (CRDB/CDC). The delegation of the Federal Republic of Germany was headed by Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development (BMZ) Norbert Barthle. Lists of the two delegations are attached as Annexes 2 and 3. The opening statements of the two delegations are attached as Annexes 4 and 5.

The negotiations took place in an open atmosphere of constructive dialogue. Based on the results of the preparatory consultations held on 29 November 2018, the delegations reached an 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**

#### **Long-term outlook for Cambodian-German development cooperation**

The German side emphasised that the implementation of the 2030 Agenda for Sustainable Development played a pivotal role in the development debate and was a priority for all countries. Reducing poverty and inequality and achieving sustainable development within planetary limits are fundamental challenges that need to be tackled jointly by all countries on the basis of a new universal agenda.

The 2030 Agenda serves as guidance for Germany's development cooperation. The German side also drew attention to the need to successfully implement the 2030 Agenda within a new global partnership entailing responsibilities for all countries. The German side would welcome the continuation of a strategic dialogue and continued exchange on this topic.

EU partners are currently preparing the next cycle of the European Development Cooperation Strategy for Cambodia for 2020-2024 which will be aligned with the Rectangular Strategy Phase IV of the RGC. As in the previous cycle, the European joint Strategy will serve again as the BMZ's country strategy for Cambodia.

The RGC supports the German position on the need to successfully implement and achieve Sustainable Development Goals (SDGs). To ensure the SDGs are fully integrated in the RGC's own policies and budget, the Cambodia SDG Framework was formulated through an inclusive consultation process and approved by adapting the global goals to the national context. While the global SDGs contain 17 goals, the adapted results framework includes 18 Goals (with an additional goal of mine clearance). The CSDG Framework which reflects both global commitments and the RGC's own priorities articulated in the Rectangular Strategy – Phase IV, serves as a basis for mobilising all sources of development finance and for coordinating development partnerships. Currently, Cambodia has undertaken its first Voluntary National Review and will present its findings at the UN High-Level Political Forum in New York in July this year.

The European Joint Strategy has been an excellent example of how development partners align their resources with national priorities and cooperate effectively in the implementation of joint programmes, and it has also strengthened government ownership and leadership in the development process. The success in reaching national development goals depends on the results and impact of these combined efforts and resources. We therefore look forward to working with European partners on the formulation of the next phase of the Joint Strategy to build upon the collective learning and experience of each individual European partner and to ensure the overall joint effort makes an important contribution to national development and the CSDGs.

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

The German side further underlined Cambodia's achievements in widening its tax base and gradually taking over measures so far financed by development partners.

Both sides are satisfied with the negotiation progress made since the consultations in November 2018 with regards to the introduction of concessional loans (Reduced Interest Loans) in bilateral development cooperation.

Reduced Interest Loans for financing of infrastructure investments will enable both sides to significantly expand the volume of their cooperation, and hence achieve better visibility and higher impact (e.g. to fight climate change or to reduce rural poverty).

## **Sustainable Global Supply Chains**

Both sides agree to strive to make globalisation and global trade relations fair and sustainable. Global value chains must be made sustainable not just in economic but also in social and ecological terms. The ILO core labour standards, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among others, are essential sources of guidance for this work.

By initiating the Partnership for Sustainable Textiles, the German side has created an instrument to foster environmental and social standards in textile supply chains. The German side will continue its engagement in its regional textile programme to improve sustainability standards in the textile sector. With the support of a German brand, the programme is currently developing an approach to improve transport safety of employees in cooperation with the factories. The German side welcomed the recent increase in the minimum wage, but urged the Cambodian side to ensure the tripartite character of the wage fixing mechanism.

## **Role of private sector and framework conditions for sustainable development / education and training**

The private sector is the driving force for development. Both sides agree that economic development can be successful and help create a prosperous society only with a conducive environment for investment and inclusive growth. The German side highlighted that this requires a framework in which adequate labour, social and environmental standards can be guaranteed, and in which government institutions, the private sector and civil society – in particular free trade unions – can operate in line with international law. The German side is ready to support the RGC in its efforts to foster economic development, and help address economic, environmental and social needs, as envisaged in the 2030 Agenda. This includes support for efforts to improve the investment climate, and outreach to German and European enterprises and German and European chambers and associations. Support to education and vocational training will also be vital in this pursuit of sustainable development.

## **Religion and Development**

Compassion is the common thread uniting all religions of the world. Religions are advocates for the poor, the vulnerable and the marginalised. Religions pursue goals that are key objectives of the 2030 Agenda: peace, justice and the integrity of creation. Both sides are aware of the potential offered by religious communities. The German side is ready to support a dialogue among religious communities, and between religious communities and government institutions and civil society, in their capacity as active partners for sustainable social and environmental development. The dialogue between the two sides will be used to explore possibilities for involving religious communities in their practical work.

## **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 realisation of human rights.

Both sides agreed that maintenance of peace, stability and the strengthening of the rule of law, democracy and human rights are prerequisites for the development of Cambodia.

The Cambodian side underlined, that in the spirit of national unity, solidarity and democracy, after the 2018 election, Samdech Techo, Prime Minister initiated the formation of the Supreme Council of Consultations to serve as a formal venue for 16 political parties having no representation in the National Assembly to make policy suggestions, review the draft laws and report on inaction by government officials.

The Cambodian side informed that in the coming weeks Cambodia is scheduled to hold the third election for capital, provincial, district and municipal councils. The National Election Committee is committed to ensuring the greatest extent of transparency and fairness of this election.

The German and the European Parliament, the EU Commission and the UN Special Rapporteur on human rights in Cambodia, Ms Rhona Smith, as well as some actors of Cambodian, German and international civil society have raised their concern about limits on political and human rights in Cambodia prior to the parliamentary elections on 29 July 2018.

The German side noted that the EU Commission has launched a formal procedure review of “Everything but Arms” trade preferences. The German side underlined that the procedure is an invitation to dialogue, based on Cambodia’s ratification of the ILO core labour standards and the UN human rights conventions. The German side was confident that a withdrawal of trade preferences can be averted, if the RGC commits itself to opening political and civic spaces.

The German side welcomed first steps towards opening political and civic spaces and expressed the hope that more measures will follow such as:

- The release of Kem Sokha from restricted detention and the swift conclusion of the investigation in his case to ensure his right to a trial within a reasonable time based on a clear and transparent evaluation of the evidence, or for the charges to be dropped. This would be in line with the conclusions of the UN Working Group on Arbitrary Detention, which concluded that the detention of Kem Sokha was arbitrary, that the arrest was clearly no in flagrante delicto and thus a violation of his parliamentary immunity and that he should be released immediately

and unconditionally. It concluded that the Cambodian government failed to demonstrate that the prosecution on charge of treason was a “necessary, reasonable and proportionate response in protecting national security or public order.” According to the UN Special Rapporteur on Human Rights for Cambodia, Kem Sokha remains under detention.

- Full rehabilitation without any conditions of former CNRP members who are currently banned from politics.
- The unconditional release of Sam Sokha (labour activist), Rath Rott Mony (dissident), Ieng Cholsa and Kong Mas (former opposition member) based on the exercise of their right to freedom of expression;
- The dropping of charges against Kim Sok (political commentator), Uon Chhin (RFA journalist) and Yeang Sothearin (RFA journalist);
- Quash conviction against Tep Vanny (land rights activist) from 27 August 2018 for making death threats related to community dispute based on her right to peaceful assembly and right to freedom of expression;
- Assurance of civic and political space in accordance with the national constitution and international obligations without harassment for members of civil society, the political opposition and its supporters such as the recent summons of 25 former CNRP members and supporters in Battambang province for participating in the so-called clean finger campaign
- The assurance that Radio Free Asia and Voice of America will receive unhindered access to FM frequencies so they can begin radio broadcasting again;
- Respect for the constitutional right to freedom of expression and of the press by allowing media to fulfil its watchdog role.

The Cambodian side informed that the mentioned accusations, charges, convictions and respective legal processes were based on the Cambodian constitution and the Cambodian laws and further provided clarification on the above mentioned cases as follows:

- The arrest of Kem Sokha was conducted in line with the constitution, criminal procedure code and law on the status of members of national assembly of Cambodia and it was a flagrante delicto case. He was charged with foreign conspiracy to overthrow the legitimate government. Kem Sokha is under judicial supervision, rather than detention.
- According to the Law on Political Parties, Article 45, those whose political activities have been suspended by the court will be able to reinstate their full political rights after the ruling of the Supreme Court has expired or in the case that their rights are reinstated by the King after a request from the prime minister as proposed by the interior minister.

- Sam Sokha was accused of insulting public officials. Rath Rott Mony created fake news in shooting the film titled “my mother sold me”. The permit requested for shooting was focused on success and achievements of the Cambodia after Khmer Rouge and genocide; Ieng Cholsa was charged with insulting the King; and Kong Mas was convicted of spreading false information.
- Kim Sok already served his prison term and he is now living abroad; the former RFA journalists were released on bail.
- The conviction against Tep Vanny was overturned by Royal Pardon in August 2018. Up to now there has been no information on the new charges. The Cambodian side would check with the Cambodian relevant authorities.
- Radio Free Asia and Voice of America are free to open their offices in Cambodia as stated in the Statement of the RGC on 3 December 2018.

The German side further expressed the hope that the RGC will review certain laws, such as the law on NGOs and associations (LANGO) and the Law on Political Parties, in particular the 2017 amendments. In this regard the German side referred to the constitutional rights of free expression, free assembly and multi-party democracy and the need to ensure that national legislation corresponds respectively.

The German side reiterated Germany’s recommendations during Cambodia’s 2019 Universal Periodic Review at the United Nations Human Rights Council:

- Ensure the independence of the judiciary by repealing or amending domestic laws – including the Law on the Organisation of the Courts, the Law on the Statute of Judges and Prosecutors and the Law on the Organisation and Functioning of the Supreme Council of the Magistracy to remove excessive powers granted to the Executive to control and influence the professional functions and operations of judges and prosecutors.
- In consultation with affected stakeholders in civil society, bring the Law on Associations and Non-Governmental Organisations (LANGO) in line with international human rights obligations, by taking into account recommendations made by OHCHR in its human rights analysis of the law.
- Repeal or amend the three rounds of amendments to the Law on Political Parties (LPP) in line with Cambodia's Constitution and international human rights laws and repeal the amendments to articles 34, 42, 49 and 53 of the Constitution.
- Reform the Criminal Code by repealing or amending articles 437-bis (Insulting the King), 305 (Defamation), 307 (Insult), 495&496 (Incitement), 522 (Unlawful Coercion of Judicial

Authorities) and 523 (Discrediting Judicial Decisions), to bring it in line with Cambodia's obligations and to guarantee the freedom of expression under Article 19 of ICCPR.

- Ensure an enabling environment for freedom of expression online by revoking the inter-ministerial Prakas (No.170 Br.K) on websites and social media control of 28 May 2018.
- Develop a national action plan to implement the UN Guiding Principles on Business and Human Rights with participation of civil society and thereby address issues on land grabbing by foreign and national investors.

The German side recognises the second National Action Plan to Prevent Violence against Women 2014-2018. The German side is concerned about the continuing high prevalence of sexual and domestic violence against women and girls and insufficient prosecution thereof. The German side encourages Cambodia to develop a third national action plan and to intensify efforts regarding the enforcement of the Law on the Prevention of Domestic Violence and Protection of Victims.

The Cambodian side expressed its regret over the EC decision to launch the procedure for temporary withdrawal of the EBA preferences from Cambodia. The RGC considered this decision as extreme injustice when the EC disregards the concrete measures and substantial progress toward the implementation of the 15 UN and ILO core conventions as well as the Government's Statement on 3 December 2018 regarding the strengthening of political and civil society space, promoting labour rights and addressing land issues and economic land concessions. With all due respect, the RGC continues to engage with the EU on EBA.

Respectful that the court proceeding must go through its proper procedural course, the RGC hopes that the investigating judge would speed up the investigating process so that the final court hearing could be held at the earliest time possible. In the spirit of national reconciliation, the Law on Political Parties was amended to pave the way for the lifting of the ban on the conduct of political activities by former CNRP senior members. So far, 9 former CNRP leaders have their political rights reinstated. Regrettably, Sam Rainsy has discouraged other former CNRP senior members by every means from having their political rights reinstated.

The Cambodian side informed that during the 2019 Universal Periodic Review, Cambodia accepted 173 out of 198 recommendations since they were consistent with Cambodia's policies and reform programmes, which protect and promote freedom of the people. In this spirit, Cambodia will consider reviewing some existing important laws.

The Cambodian side explained that it is noteworthy that since the LANGO is adopted no NGO has been striped their legal entity, and at least 20 to 30 new NGOs per month have been officially registered. To address the concerns raised by CSOs, relevant ministries conducted forums of partnership between the government and civil society for the purpose of reexamining

the cooperation situation between both parties, identifying challenges faced by all CSOs and finding effective measures to truly improve cooperation.

For legislative review, Cambodia always takes all necessary measures and has concrete arguments for upholding democracy, the rule of law and human rights through inclusive consultation with experts and all stakeholders and a prior comprehensive and scientific research. However, the RGC realises that there is occasionally an imperfection of law and legislation that need to be reviewed and revised at a time during the implementation process so that law and legislation are more responsive to the need of society and the changing context of Cambodia.

The RGC is committed to modernising its legal framework pertaining to the judiciary by reviewing certain existing legislation including the three fundamental laws, criminal code, and procedure code and establishing other new legislation as deemed necessary. This may need sufficient time for inclusive consultation and scientific-based research prior to revising or establishing new legislations. The judicial reform is a continuing process, and it demands constant improvements from shortcomings that may arise from the implementing process.

The amendments of the Law on Political Parties were conducted by the legislative body of Cambodia, which represents the will of the Cambodian people. Furthermore, the Constitutional Council validated the constitutionality of these amendments.

Cambodia is open to all forms of expression guaranteed by the constitution. Conditions on the freedom of expression are also stipulated by laws. The Criminal Code of Cambodia protects dignity and honors of people, which are the principles of human rights, rather than hinder freedom of expression and peaceful and legal assembly. The Code provides for punishment against offenders, who violate the law and human rights. Defamation is not subject to imprisonment but it is a criminal offence that can be fined for perpetrators. Early last year, the National Assembly voted unanimously for the amendment of the law on the criminal code over insult to the King. The Constitution clearly stipulated that the King shall be Head of State for life and be inviolable. His reputation and dignity must be respected and protected as undertaken by a number of countries around the world.

The Cambodian side stated that last years' issued inter-ministerial Prakas to manage websites and social media are in line with the Law of Press Regime of Cambodia to protect national defense, security, social order and economy against chaos and to prevent discrimination against national tradition and culture.

Cambodia recently established a new National Authority to Resolve Land Disputes led by Ministry of Land Management, Urban Planning and Construction. To ensure full transparency, the taskforce would invite representatives from the European Union and CSOs to participate

in the process. The Cambodian side underlined the complexity of the land issue in Cambodia where land titles were completely abolished by the Khmer Rouge regime. The Ministry of Land Management has so far resolved many land disputes and plans to have registered 83 per cent of the country's estimated seven million land plots by this year, 94 per cent by 2020, and 100 per cent by 2021.

The Cambodian side emphasized that women play an important role in Cambodian society and are the backbone of the national economy and social development. Therefore, the Government paid great attention to women's economic inclusion and empowerment. On prevention of violence against women, the RGC worked with all stakeholders including development partners and CSOs to address this issue through the successful implementation of the National Action Plan to Prevent Violence against Women 2014-2018. Currently, the Government is in the process of formulating the third National Action Plan to Prevent Violence against Women 2019-2023, which would be finalized soon. In this regard, the RGC appreciates the support that the German side has provided so far.

The RGC identifies an increasing need to promote multi-stakeholder consultations. Through the Development Cooperation and Partnerships Strategy (2019-2023), to uphold multi-stakeholder partnership arrangements and constructive dialogue at the national, sectoral and sub-national levels, the RGC introduces various initiatives such as sectoral multi-stakeholder dialogue, Government-NGO consultative meeting and sub-national partnership dialogue to complement to the existing mechanism of Technical Working Groups. These mechanisms enable all stakeholders including grassroots communities, academia, the private sector, NGOs, development partners, sub-national authorities, and line ministries/ agencies to discuss and collaborate in an inclusive and consultative manner.

### **Fight against corruption**

The German side noted improvements regarding petty corruption in the daily life of Cambodian citizens. Despite these improvements, Cambodia is currently ranked 161<sup>st</sup> out of 180 countries on the 2018 corruption perception index issued by Transparency International, slightly down from 2017.

Both sides underlined that continuing the ongoing fight against corruption is essential in order to maintain Cambodia's economic growth rates, achieve further progress in human development, and ensure quality and equity in accessing public services.

In 2017, both sides agreed to include activities aimed at improving integrity and anti-corruption measures in new projects and programmes under Cambodian-German development cooperation.

The Cambodian side informed that the RGC has made fundamental progress in modernising its governance system through undertaking concrete measures to tackle corruption and strengthen accountability and integrity of public institutions. Expanding and enhancing the effectiveness of the three key measures encompass: 1) strengthening education to stop corrupt practices and increase public awareness that encourages the adherence of zero tolerance on corruption; 2) preventing corruption through deterrence and prevention strategies; and 3) suppression of crimes by referring cases to court through law enforcement strategies.

The RGC takes note of the corruption perception survey and fully acknowledges that combating corruption is a prerequisite for inclusive and sustainable development as well as quality and effective public service delivery. In this regard, the RGC demonstrates its efforts to tackle corruption for ensuring accountability and transparency and welcomes the commitments made by the German side. To ensure that the German support is well consistent with the ACU's priorities, close collaboration, effective partnership and joint efforts in design, implementation, monitoring and evaluation processes are of essential.

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

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

- Democracy, Civil Society and Public Administration
- Health/ Social Protection
- Rural Development

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

### **2.1. Financial commitments and reprogrammed funds**

The total volume of bilateral Technical and Financial Cooperation since cooperation began in 1960 amounts to €461.66 million. The Government of the Federal Republic of Germany undertakes to provide the Royal Government of Cambodia with a new amount of €48.6 million for bilateral Technical and Financial Cooperation. This comprises €35.1 million for Financial Cooperation projects and €13.5 million for Technical Cooperation projects.

The total volume of funding available for Technical and Financial Cooperation projects thus amounts to € 48.6 million. A table showing the commitments is attached as Annex 1.

## **2.2. Principles for Cambodian-German development cooperation**

Both sides acknowledge the need to promote the use of country systems and enhance alignment with national, sectoral policy and strategy, and development priorities. As agreed at governmental consultations in November 2018, the German side will stop its development cooperation financing of Daily Subsistence Allowances for governmental officials by 2020, as agreed at negotiations in 2017.

With regard to funding of DSA after 2019, both sides agreed that discussion and agreement on its provision shall be secured with RGC's Ministry of Economy and Finance and line ministries for both, ongoing and future projects.

## **2.3. Priority area "Democracy, Civil Society and Public Administration"**

**Reform efforts in decentralisation.** The German side congratulated the RGC for its efforts to speed up the reform pace to assign functions towards Subnational Administrations (SNA). Especially the steps towards a unified administration and the envisaged increase of SNA budgets until 2023 are important milestones towards a more efficient decentralized system. Also the aim to amend the laws on fisheries, protected areas and forestry shall allow the further delegation of functions towards SNA and the assignment of tasks of solid waste management are steps towards a further decentralisation. The process to transfer functions and resources in the sectors most important for local citizens – education and health – sadly has not proceeded to the expected level. While the assignment of tasks and funds towards the SNA is essential for a decentralisation reform, districts and municipalities on the other hand should not be overburdened with tasks which are better dealt with on provincial or national level. In the area of solid waste management, districts and municipalities can organize the collection and sorting of waste and can contribute towards environmental education. But this has to be complemented by strong national actions to avoid waste, recycle it and if necessary dump it in a hygienic secure way. The German side particularly emphasized the need to set the incentives right to avoid single-use plastic and thereby referred exemplarily to the EU discussions for a new regulation to avoid marine litter. This aims inter alia to include a plastic ban on certain products (cutlery, plates, straws, drink stirrers etc.), introduce obligations for producers to cover the cost of waste management and collection targets for single-use plastic bottles through deposit systems. In terms of transfer of administrative functions to SNAs, significant progress has been made in 2018 by opening more One Window Service Offices (OWSO) in the districts. The German side welcomed the intensification to open OWSOs in all districts and the systematic introduction of local ombudsmen. Germany signaled its readiness to support

the initiative to roll-out the complaint mechanism of the local Ombudsman through capacity building measures for staff and coaching to new Ombudsmen in selected partner districts.

**Decentralisation and regional economic development.** The German side encouraged the RGC to further support the districts – and in a second step the provinces – to utilize their mandate to actively promote economic development. A culture of learning is needed which allows for experiments and innovation. The German side therefore suggested no-cost incentives which honor innovative initiatives implemented by the districts. This refers to initiatives such as the campaign “Germany - Land der Ideen” (Germany - The Country of Ideas), which honors associations and municipalities with a medal for being particularly innovative. Small symbolic incentives like a certificate or medal, handed over by Samdech Prime Minister Hun Sen or Samdech Deputy Prime Minister Sar Kheng, could be a public acknowledgement encouraging districts to use their new authority and mandate.

**Visit on decentralisation of Samdech Deputy Prime Minister Sar Kheng to Germany.**

Both sides agreed to further develop the program on the basis of the draft in Annex 9 and agree on a finalized version until the end of June 2019. The German side reiterated that the scope of the invitation include 12 members of the RGC. The Cambodian side will inform the German side on the names and functions of the Cambodian delegation until early June 2019.

The visit will start in Berlin with political talks with members of the German Government, including the German Federal Ministry for Economic Cooperation and Development (BMZ) and the German Foreign Office.

The second part of the visit will take place in the federal state Baden-Württemberg including political meetings, meetings with representatives from local authorities and technical visits on waste management, health services and forestry.

Both sides agreed to share the costs of the visit between the RGC and the German Government. The Cambodian side will cover the flight expenses to/from Germany – including the flight from Berlin to Stuttgart.

The visit is foreseen from 25 to 29 September 2019.

**Strengthening cooperation with civil society.** In this regard the German side welcomes the most recent plans of the RGC to improve the relationship between the supply and the demand side by introducing multi-stakeholder participatory forums allowing civil society to have a say in local decision-making and particular extending this mechanism to the district level.

It furthermore appreciates the approach of the Implementation Plan for the Social Accountability Framework (ISAF) under the responsibility of Ministry of Interior (MoI) to strengthen the demand side for better social services. By working with NGOs as interlocutors between citizen and the administrations it can also contribute to foster mutual trust between

civil society and government. The German approach towards supporting the decentralization reform has focused in the past only on the supply side but shall in the future with the Decentralisation and Administrative Reform programme (DAR II) and a German contribution to a multi-donor trust fund for ISAF managed by the World Bank focus on supply and demand side.

**Tuol Sleng Genocide Museum.** The German side referred to the meeting of BMZ Parliamentary State Secretary Norbert Barthle with Samdech Prime Minister Hun Sen, where Norbert Barthle recommended towards the Cambodian government to apply for putting the Tuol Sleng genocide museum on the world heritage list to preserve this place as a remembrance place for future generations. Samdech Prime Minister assured to examine this proposal with the Minister of Culture and Fine arts. Germany offered the possibility of supporting the application process by the German integrated expert of the Civil Peace Service at Tuol Sleng museum, if wished so by the Cambodian government.

### **Financial Cooperation**

**New commitment: ISAF II: Contribution to World Bank multi-donor trust fund to support the Implementation Plan for the Social Accountability Framework, 2019.6842.9, €5.0 million (grant)**

The Implementation Plan for the Social Accountability Framework (ISAF) in Cambodia aims to empower citizens, strengthen partnerships between Sub-National Administrations (SNAs) and citizens, and leverage the enhanced accountability of SNAs with a view to improving local service delivery.

ISAF - Phase II is being designed with an aim at improving the performance of public service providers through improved transparency, strengthened citizen engagement and responsive action. Funding for ISAF - Phase II activities for 2019-2023 will be channeled through a World Bank-managed multi-donor trust fund (MDTF), to which Germany commits an amount of €5.0 million.

### **Technical Cooperation in the strict sense**

**Decentralisation and Administrative Reform Programme, 2017.2004.4, €4.8 million - on-going**

## 2.4. Priority area “Health/ Social Protection”

The German side 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, the progress observed in key health sector reforms, namely social health protection, quality and costs of health care services, and democratic decentralisation, is encouraging and reflects Cambodia’s status as a Lower Middle Income Country (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 manage its limited resources based on sound and regular analysis of **costs, quality and quantities** with a view to achieving equally good **results** with regard to the Sustainable Development Goals 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 side encouraged the Ministry of Health (MoH) to actively guide and lead this process, reflecting its current and future role and functions. While managing public health care providers was the main focus of the Ministry’s mandate in the past, regulating and managing the quality and costs of health care, ensuring access, and monitoring and validating health outcomes will become increasingly important. The German side reiterated their commitment to support this process during the implementation of the third Health Strategic Plan (2016-2020).

**Road map for a single payer system for social health insurance schemes.** In the area of social health protection, important steps have been initiated by the RGC to establish one coherent and financially sustainable social protection system for all Cambodians, in line with the National Social Protection Policy Framework. The German side valued the RGC’s efforts to implement a policy framework for social protection system which encompasses an institutional framework to achieve Universal Health Coverage (UHC) by 2030. The German side welcomed in particular the progress in setting up an independent national Payment Certification Agency (PCA) to verify user fee reimbursements and other cash benefits from the Health Equity Fund (HEF) provided to IDPoor card holders and also to validate results of quality assessment under service delivery grant system. The PCA still requires further capacity building to be able to fulfil its crucial role as part of the purchaser-provider split. The impartiality of this institution, vis-à-vis both health service providers and the fund holder/ purchaser, has been stressed by both sides (in order to avoid conflicts of interests). Both sides agree that joint handling of the HEF and the National Social Security Fund holds great potential for synergies and economies of scale. The future role of the PCA vis-à-vis a single fund holder needs to be further clarified.

**Expansion of the Health Equity Fund (HEF) and its promotion.** As out-of-pocket spending on health care is one of the main causes for falling into poverty, the German side further stressed the need to expand the HEF scheme to cover additional vulnerable population groups (such as people affected by certain diseases such as HIV and tuberculosis). The German side appreciates the position of the MoH with regard to exempting persons with disabilities and elderly persons from paying user fees at health facilities. Equally important as exempting groups from paying fees is reimbursing facilities for service provision in order to maintain staff motivation and the sustainability of the provision of services. The German side further encouraged the expansion of the HEF standard benefits package to include services that target particular public health priorities. The German side also stressed the important role of HEF promoters in increasing HEF user rates amongst others, and underlined the importance of this instrument in boosting take-up 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.

The additional financial commitment by Germany for the Health Equity and Quality Improvement Project (H-EQIP), which has been committed in 2017 and has been disbursed into the MDTF in December 2018 enables the MoH to expand its service delivery package and include non-communicable diseases in its service package and intensive utilisation through the HEF benefit package.

As clearly indicated in the National Social Protection Policy Framework, the Cambodian side is considering the expansion of HEFs to cover additional target/vulnerable groups, including informal sector population. The expansion of HEF to cover people with disabilities and elderly people needs to be in line with this policy framework, taking fiscal capacity into account.

The German side welcomes RGC's reviewing plans of the effectiveness of its financing of H-EQIP with a view to optimize budget utilization and enhance the performance impact, and will take corrective actions accordingly.

The German side encouraged the RGC to consistently take over donor-funded activities. Such a commitment will be definitive for the consideration of a continued German contribution to H-EQIP (or a successor project).

**Quality of health care services.** The German side acknowledged that the roll-out of the Quality Enhancement Monitoring Tool (QEMT), as the internal quality management tool of the MoH, will be concluded in 2019. Both sides agreed that it is necessary to complement this internal tool with an impartial external accreditation and licensing agency for public and private health care providers. A draft law has been developed and the German side encourages the MoH to initiate the necessary steps for its promulgation during the present year, so that

implementation may start as outlined in the National Policy on Quality and Safety in Health and its Quality Improvement Master Plan. In this connection, the German side asked the Cambodian side to elaborate on responsibilities and financial resources when it comes to implementing the Master Plan.

While the RGC deserves to be complimented for successfully rebuilding and expanding jointly with development partners the infrastructure of the health care system and for re-establishing a health work force during the recent decades, it has to be noted that the qualification and capacities of the health work force across all disciplines are not yet equal to those of Cambodia's neighbours. If this situation continues it will jeopardise Cambodia's leap to become a middle-income country. Both sides therefore agreed that, in the short to medium term enormous efforts will be required to close the skills gap for all health care workers through a consolidated and focused effort to lift standards for pre-service and in-service training under the leadership of the MoH.

**Decentralisation in Health.** The German side has noted that, so far, the RGC's longstanding plans to reassign health functions to sub-national administrations have not been implemented. The MoH has continued to de-concentrate its administration while at the same time preparing, together with the NCDD Secretariat, the necessary legal tools to support the transfer of health functions and their implementation to the sub-national level.

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

- Clearly define the role of administrative districts in health service delivery.
- The need for more capacity within the MoH to manage the functional transfer of health services to the sub-national level and to support its implementation.
- The need to intensify the dialogue between the MoH and the National Committee for Sub-National Democratic Development (NCDD), as well as stepping up the functional reassignment process as outlined in the Public Administration Reform (PAR) and the Public Financial Management Reform (PFM).

**Dialogue on the transformation and adaptation of the Social Protection Programme.** The German side invited the RGC to engage deeper in a dialogue on developing a joint approach to promote the evolving Cambodian social protection system to be supported during the next two years of the present German-Cambodian Programme on Social Health Protection. Future cooperation should be based on the achievements and experiences of the past 25 years of Cambodian-German cooperation in support of the health sector, with specific emphasis on social protection, ID-Poor cross-sectorial instrument and the development under H-EQIP as a

possible platform. The German side proposed designing assistance for Cambodia's social protection system in accordance with

- The Royal Government of Cambodia's Industrial Development Policy
- The National Social Protection Policy Framework , 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, such as unexpected economic or extreme weather events. The German side encouraged a cross-sectorial dialogue, which should lead to concrete and focused actions within the limits of available funds.

### **Financial Cooperation**

German contribution to the Cambodian Health Equity and Quality Improvement Programme (H-EQIP) - 1, 2015.6755.1, total commitment: up to €12 million (grant) for investment - ongoing

Accompanying measures for the German contribution to the Health Equity and Quality Improvement Programme (H-EQIP) -1, 2015.7010.0, up to €2 million (grant) - ongoing

German Contribution to the Cambodian Health Equity and Quality Improvement Project (H-EQIP) – 2, 2017.6701.1, total commitment: €8.0 million (grant) - ongoing

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

The Financing Agreement for the additional German contribution for H-EQIP was signed in December 2018. Funds have been disbursed into the MDTF and implementation of the additional project activities has started.

**New Commitment under the special initiative “One World - No Hunger”:** Cambodia Nutrition Project, 2018.0115.8, up to €10.0 million (grant)

The World Bank's “Cambodia Nutrition Project” is a multi-donor programme established recently. The Project Executing Agency is the MoH, with the National Committee for Sub-National Democratic Development (NCDD) as implementing agency for certain components. The German funding amounting to €10.0 million is being made available from the 2018 allocation of the BMZ's One World – No Hunger Initiative. The Financing Agreement for the German contribution is expected to be signed by MEF and KfW before the end of May 2019. Based on the positive experiences made during the implementation of H-EQIP, the German side encouraged the RGC to continue taking over donor-funded activities and multi-sectoral exchange.

In addition to the above-mentioned ongoing projects, both sides confirmed their commitment to conduct a fact-finding study in 2019 to develop and prioritise options for future cooperation and additional activities within the framework of Financial Cooperation. In particular, universal healthcare and social protection should be the focus of such an endeavour. The funding of this study will be made available by BMZ's Study and Expert Fund. KfW and the MoH will coordinate further details in due course.

### **Technical Cooperation in the strict sense**

Programme on Social Health Protection, 2017.2006.9, total commitment: €6.5 million - ongoing

**New Commitment:** Programme on Social Health Protection, 2017.2006.9, up to €2.0 million - replenishment

Over the next two years and under the leadership of the National Social Protection Council, the new commitment will enable the designing of Germany's support to a broader social protection programme beyond 2021, underpinning Cambodia's transition towards a middle-income economy.

Identification of Poor Households - IDPoor V, 2015.2093.1, total commitment: €1.7 million – ongoing

**New Commitment:** Identification of Poor Households - IDPoor V, 2015.2093.1, up to €1.3 million - replenishment

The new commitment will be added to the ongoing support to IDPoor. It will serve to accelerate the implementation of an additional, flexible 'on-demand IDPoor' (OD-IDPoor) mechanism allowing households who did not receive the IDPoor card during the regular IDPoor rounds (e.g. because of migration, a change in circumstances or procedural weaknesses) to apply for an individual IDPoor interview. This approach has been successfully piloted in 2018 and the new commitment will focus on funding its initial roll-out and capacity building during 2019 and subsequently in a decreasing manner. The Cambodian side affirms its commitment to add OD-IDPoor as a third identification procedure, equal to the existing rural and urban IDPoor. This will help all relevant social protection programmes and schemes reach all those who qualify, based on demand expressed by social service providers under the National Social Protection Policy Framework. The new commitment will also assist in improving and consolidating IT capacity for the operation of the IDPoor database system.

## **2.5. Priority area “Rural Development”**

**Maintenance of rural roads.** The German side described that for more than 20 years Germany has supported investments in rehabilitating and rebuilding more than 2,200 km of

rural roads and bridges as well as several schools and markets in Cambodia, thereby improving living conditions of more than one million people. Many infrastructures are still in good condition today, especially because the Ministry of Economy and Finance (MEF) has provided regular and sufficient funds for the maintenance of rural roads. Both sides agree on the importance to provide sufficient funding for maintenance of rural roads.

**Rural Infrastructure – coordination.** Germany welcomes the Cambodian intention to continue and expand the long-standing cooperation in the field of rural infrastructure. Germany is pleased to note that also other important donors are providing significant funds for investment in rural infrastructure. Against this background and to increase effectiveness of our common interventions, the both sides encourage to ensure pro-active and effective donor coordination and collaboration.

**Agricultural risk insurance.** With the objective to reduce the vulnerability of the rural population to extreme weather events and related losses of income, the Cambodian government has developed initial ideas for agricultural risk insurances. The German side welcomes MEF's coordination role in the course of further preparation of a potential German-funded project, so that the results of the activities of other donors will be adequately taken into account, duplications avoided and synergies created. Based on the findings of a fact finding study funded by BMZ and conducted by KfW and subsequent discussions during the Government Consultations held in November 2018, both sides agreed on the importance to develop available options in the area of agricultural risk insurance in Cambodia. A feasibility study will be initiated in 2019. This study will be financed by the "Study and Expert Fund" provided by Germany and coordinated by KfW together with MEF. Based on the results of the study the German side would consider funding for a respective project.

**Capacities for chemical analysis.** The German side encourages the Cambodian side to consider enhancing analytical capacities of professional laboratories for agricultural goods and food in the country which would allow to improve controls and thus food safety in the country. Cambodian Exporters of agricultural goods and food lack of accredited laboratories to comply with international standards. The Cambodian side welcomes the initiative and encourages the German side to support such capacity building.

**Master plans for regional economic development.** The German side recommended that provinces could design and implement master plans for regional economic development. Based on solid data, facts and figures those plans could take into account the respective strengths and weaknesses of a province and consolidate socio-economic data (e.g. IDPoor prevalence, infrastructure, growing areas, geographic and climatic conditions) for further economic planning by the provinces.

For both, the district as well as the provincial economic development, the promotion of innovative digital technologies such as remote sensing, satellite data or geo-information systems was suggested. The Cambodian side welcomes the recommendation as this would help to foster a culture of innovation and would open avenues of international cooperation and investment. It would also support the start of Cambodian technology based enterprises, thereby providing opportunities to retain a growing number of well-educated young people and to integrate them into the economy of the country.

### **Financial Cooperation:**

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

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

**New Commitment:** Rural Infrastructure Programme VII (RIP VII), 2017.6700.3, up to €0.1 million (grant) - replenishment

Funding for the Rural Infrastructure Programme VII (RIP VII) was made available by the German government in 2017. A Financing Agreement has not yet been concluded as RIP VII will now be integrated into a larger scale investment programme with several components to be implemented by the Ministry of Rural Development (MRD) as Project Executing Agency (RIP VIII / RID4CAM, see below).

Funding of RIP VII will be increased by a new commitment of €0.1 million (grant).

Implementation will be coordinated with RIP VIII (RID4CAM), see below.

**New Commitment:** Rural Infrastructure Programme VIII (RIP VIII), 2019.6766.0; €30.0 million (Reduced Interest Loan)

Responding to the Cambodian side's request for more support in rural infrastructure investment, Germany commits a Reduced Interest Loan (€30.0 million) for a new phase of the Rural Infrastructure Programme, Phase VIII (RIP VIII) to be executed by the MRD. RIP VIII is intended to be implemented within the framework of a large-scale investment programme (Rural Infrastructure Development for Cambodia – RID4CAM) comprising components funded by a highly concessional package contributed by Germany (RIP VII and RIP VIII) and tentatively AFD (France) and the European Union (subject to the approval of the respective competent authorities) with a project volume of up to €80 million. KfW will have a leading role on the lenders' side. Both sides emphasize the importance of coordination and pooling of

resources to increase development impact. The preparation process has started and a Loan Agreement is expected to be signed mid-2020.

Energy Efficiency in Rural Power Supply (planned), 2018.6820.7, €30 million (Reduced Interest Loan), plus €2,000,000.00 for Accompanying Measures (2018.7049.2)

Germany committed funding for the project “Energy Efficiency in Rural Power Supply” by Verbal Note in December 2018. This commitment was the first commitment for a Reduced Interest Loan, in recognition of Cambodia’s dynamic economic development. The approval process on both sides is well underway and a Loan Agreement is expected to be signed before the end of 2019.

Both sides agreed that further investments in Cambodia’s infrastructure to improve its energy efficiency in rural areas may be considered for financing as future cooperation.

### **Technical Cooperation in the strict sense**

Sustainable ASEAN-Trade Integration - EU Arise Plus, 2017.2030.9, €2.0 million - ongoing

Development Support to Micro, Small and Medium-Sized Enterprises, 2017.2005.1, €3.0 million - ongoing

Regional Economic Development (RED), 2015.2150.9 total commitment: €5.14 million – ongoing

The German side commends the Cambodian side for the financial contribution equivalent to around 10 % of the project costs.

In a seamless transition from this phase, a 3-year follow-up programme “Regional Economic Development” that Cambodia and Germany agreed upon at the bilateral consultations in November of 2018 will commence in October of 2021 (see description below).

Germany remains committed to the promotion of local economic development. Of great importance is an increase in incomes and food security through the sustainable use of land and improved productivity, market integration and higher local value creation. The following aspects are of particular relevance:

- strengthening the competitiveness of rural products and regions through market-based promotion of agriculture and other rural industries in conjunction with the promotion of value chains
- qualifying public administrations at the provincial and district levels in the areas of “Good Economic Governance” and local economic and investment planning

- readying local multi-stakeholder-based bodies (for example by setting up so-called sub-national committees) for the task of identifying and implementing of municipal business development projects
- strengthening the capacities and skills of micro, small and medium-sized enterprises in the operational and management sectors
- promoting employment and vocational training in cooperation with the private sector and state vocational training centres, and with job placement agencies
- improving the access of the rural population to alternative employment opportunities in the manufacturing sector
- promoting diversified, resource-efficient and organic food production to safeguard and improve nutrition, especially among women of reproductive age and infants under the age of two
- financing infrastructure (in particular roads, bridges, markets, electricity and water supply) in rural areas and associated rural development centres, creating a sustainability-based maintenance system for rural area infrastructure, and developing and promoting a system for transparent procurement.

Cambodia's future economic growth is likely to be far less dependent on the expansion of primary agriculture. The development of the industrial and service sectors is playing an increasingly important role. The medium-term aim of the "Cambodia Industrial Development Policy (2015-2025)" for modernising and diversifying the economy is to move away from production by cheap, unskilled labour towards a system based on high-quality products and a skilled workforce. Systematic promotion of micro, small and medium-sized enterprises (MSMEs) is a second pillar of this policy. In rural areas, companies largely employ workers with no relevant formal education, many of whom left school early. The existing training offered by the mostly state training centres is usually not suitable for the needs of these companies.

**New Commitment: Regional Economic Development (RED), 2019.2130.3, up to €8.0 million - continuation**

RED will address the need for sustainable economic development and diversification. The project will pay special attention to the situation in rural areas as these areas are still home to about 78% of all poor households. Extreme weather events, financial burdens (medical expenses, expenses for traditional ceremonies, etc.) and rising debt levels can rapidly worsen the situation of such families. Other aspects that the project will address are:

- promoting diversification, productivity and the quality of industrial and agricultural production
- supporting the commercial orientation of micro, small and medium businesses and foster their competitiveness
- supporting the increase in processing capacities and capabilities
- promoting the export of processed agricultural and non-agricultural products
- supporting access to adequate financial services for farmers and MSMEs
- integrating TVET services into a broader-based MSME support approach

## **2.6. Cooperation outside the priority areas**

### **Technical Cooperation in the strict sense**

Study and Expert Fund, 2015.3504.6, total commitment: €5.92 million - ongoing

**New Commitment: Study and Expert Fund, 2015.3504.6, €2.2 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 8).

**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 in both Khmer and English by the two 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 effective conclusion with all students successfully passing their final exams and certificates being issued under the patronage of ICCROM, an official advisory body to UNESCO. Given the success of this first training course, a second course for up to 20 more stone conservation professionals has been repeatedly discussed in principle by the Authority but, due to recent and ongoing restructuring within the management system of APSARA, the exact details of an implementation timeline for a future training course could not be finalised thus far. Meanwhile, a detailed draft budget for a new vocational training scheme has been submitted in line with official time requirements to the Angkor Training Centre, APSARA's own body responsible for the implementation of

training measures within the Authority, to be reviewed as well as included in their own budget proposals to the relevant Cambodian Ministries (namely the Ministry for Culture and Fine Arts and the Ministry of Economy and Finance).

To increase the sustainability of any prospective training courses of this kind in the future, APSARA and the German side have expressed a mutual desire to realise the official formalisation of this vocational training scheme by the relevant bodies within the RGC. This can only be successfully achieved if both cooperation partners together 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). An indication of this intention was already included in the summary record of the last Governmental Negotiations in 2017, but initial attempts at facilitating first steps in establishing the fundamental requirements for formalisation by all stakeholders involved in this process have not yet led to any significant results.

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

For both the above-mentioned objectives to be implemented successfully in the future, all Cambodian stakeholders (namely the APSARA Authority, the Ministry of Culture and Fine Arts, the Ministry of Economy and Finance as well as the Ministry of Education, Youth and Sport and the Ministry of Labour and Vocational Training) would be required to first establish a common position, in line with their actual needs and requirements, on each topic and then decide on a realistic strategy for realising this intention together with their German cooperation partners. Only then can sustainable progress on these matters, realistically be achieved.

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

#### **3.1 Khmer Rouge Tribunal**

Advancing justice and the rule of law is a priority for German development policy. The RGC and the international community share responsibility for 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 2017 and 2018, Germany contributed €500.000 each year to the international component of the ECCC, for 2019 the same amount is foreseen. Further financial support will be provided depending on the finalisation of the on-going court cases and the decision on cases 3 and 4 being taken up. With an additional €205,000 in the period 2016 – 2018 Germany has contributed to the national component. Since 2007, the German government has also supported outreach projects with civil society organisations in order to promote national reconciliation and justice.

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

#### **3.2 Mekong River Commission**

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

Within the framework of its cooperation with the Mekong River Commission (MRC), Germany is supporting the strengthening of transboundary water cooperation in the areas of sustainable hydropower development, climate change adaptation and wetland management. The MRC project focuses on the joint environmental monitoring of mainstream dams and the joint management of floods and droughts in the border area between Cambodia and Thailand (Banteay Meanchey and Ubon Ratchathani Provinces).

Germany is also supporting the protection and sustainable use of wetlands in two Ramsar sites (Prek Toal and Stung Treng), through a regional project on Wetland Management and Conservation in the Lower Mekong Basin (2012.6597.4). The German side emphasises the need for the RGC, in particular the Ministry of Environment (MoE) as Project Implementing Agency to accelerate implementation of this project, as progress to date is far behind schedule. Special attention should be paid by MoE to the timely allocation of counterpart contributions, and adequate staffing for project management capacities. A KfW mission in February 2019

has agreed with MoE about measures to accelerate project implementation by MoE. In light of the considerable ecotourism potential for the Prek Toal project site, an equitable benefit retention and sharing scheme for the revenues generated through ecotourism needs to be developed as part of the project activities by MoE before investments can be made into ecotourism infrastructure, in order to ensure sustainable financing of the protected area.

The German side takes note of the opening of the Lower Sesan 2 Dam and encourages Cambodia to further disclose relevant project documents, especially the environmental impact assessment, given the potential impact of the dam on livelihoods and food security. Regarding planned measures on the Mekong Mainstream, the German side encourages the RGC to adopt appropriate strategies and technologies to avoid, minimise and mitigate the potential transboundary impacts of planned dams.

### **3.3 Regional programmes**

The German side pointed out that, currently, the BMZ is funding more than 26 regional programmes in Asia. 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 projects and programmes, some of these might be addressed through regional programmes and activities.

Annex 6 shows a complete list of all German-funded regional programmes with activities in Cambodia. Those programmes with issues to be addressed during the negotiations are explicitly mentioned below.

#### **Promotion of Sustainability in the Garment and Textile Sector in Asia (former Social and Labour Standards in the Textile and Garment Sector in Asia), 2018.2056.2 - ongoing**

Germany is supporting the regional programme “Promotion of Sustainability in the Garment and Textile Sector in Asia” (formerly “Social and Labour Standards in the Textile and Garment Sector in Asia”, **2014.2279.9**), which is operating in Bangladesh, Cambodia, China, Myanmar, Pakistan and Viet Nam. The programme started its work in Cambodia in May 2015 and an MoU with the Ministry of Labour and Vocational Training (MLVT) was signed in January 2016. An extended MoU was signed in June 2018. The activities focus on improved dialogue between management and workers at factory level in order to foster a fair balance of interests between employers and employees. At state level, activities focus on improving framework conditions and capacity development for state regulation and labour inspections. The continued commitment of the MLVT is an important condition for the successful implementation of the objectives jointly set in the Memorandum of Understanding. In this context, the successful work of the Project Advisory Committee is important for further progress. The programme will continue to work with the Ministry to promote the sustainability of the sector for

example by providing regional and international good practices for strengthening the inspection system and the role of national institutions. Reinforcing gender equality and developing the individual competencies of women is crucial to improve their economic participation. Here the Ministry can create awareness and strengthen co-determination by women.

The openness of the MLVT to regional and international cooperation is highly appreciated and Germany highly supports 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 March 2021.

### **Regional Fit for School Programme (PN 2018.2058.8) - ongoing**

The Fit for School Programme is aimed at transforming schools into healthy learning environments where routine hygiene practices turn into long-term habits; this is done in an easy-to-apply and sustainable manner. The current programme will run from December 2015 to May 2020.

To date, in Cambodia the programme has directly reached over 190,000 primary school students from 570 schools. To reduce diseases in school-age children that are related to hygiene deficiency, 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 teeth-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 is supporting MoEYS on the roll-out of the training package developed by the School Health Department, in order to familiarise all provincial and district offices of education with the Minimum Requirements for WASH in Schools guidelines and thus enable them to train and support all schools across the country. The specific focus, including the deployment of a short-term development worker, will be on 5 north-western provinces (Battambang, Siem Riep, Preah Vihear, Pailin, Banteay Mancheay) in addition to continued cooperation with the Provincial Office of Education in Kampot. 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 first-ever country-wide data collection in schools in order to monitor status according to the Minimum Requirements for WASH in Schools and to provide baseline data for better planning on all levels, and expressed the hope that MoEYS will further strengthen its leadership and guidance so as to achieve better alignment and coordination of existing WASH in Schools initiatives, and increase funding from the national budget so as to reach more schools.

The MoEYS expressed its intention of using special WASH funds from the Ministry of Economy and Finance and support from the European Union to scale up WASH in schools. The budget in 2019 is 0.9 million USD. This is complimented by contributions from local communities and other development partners/NGOs.

#### **3.4 Physikalisch-Technische Bundesanstalt (PTB): Strengthening Quality Infrastructure in Cambodia, €0.8 million - new project**

In addition to various regional projects which PTB is implementing to support quality infrastructure in Asia, a new bilateral project started in January 2018. The project will run until December 2020. Its focus is on enhancing cooperation and coordination between the individual quality infrastructure institutions in Cambodia (National Metrology Center, Institute of Standards, Industrial Laboratory Center and Department for Accreditation), as well as on strengthening the individual institutions through capacity development. Using the example of an agricultural value chain, the project is also analysing potential scope for improvement in terms of quality infrastructure services in Cambodia, and is helping to connect quality infrastructure service suppliers with the demand side. Ultimately, Cambodian consumers as well as exporters can benefit from these measures.

### **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. It is planned that there will be a second extension of one year up to September 2020. The planned budget is €800,000.00. 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 using their allocated land.

##### **Multi-Sectoral Food and Nutrition Security Cambodia, 2014.0968.9 up to €7.7 million - ongoing**

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 women of reproductive age, infants and young children (0-23 months). The project will run from March 2015 to March 2023 and is being implemented in the provinces of Kampot and Kampong Thom. Addressing food security, basic hygiene and nutrition effectively is a complex undertaking as it requires efforts in different sectors and collaboration by a number of government stakeholders at the national and the sub-national level. MUSEFO is responding to this challenge by applying a multi-sectorial approach. The Council for Agricultural and Rural Development (CARD) is the government partner, and has a number of implementing partners at the national and sub-national levels, namely the Ministry of Health and its National Nutrition Programme as well as the sub-national departments of agriculture, health, rural development and women’s affairs, led by the Board of Governors (BoG).

In 2018, the BMZ decided on an extension of the project up to March 2023. In February 2019, a fact-finding mission was conducted to assess the future concept of the MUSEFO project from 07/2020 to 03/2023.

In December 2018, Germany (in the shape of the German Embassy) took over the SUN donor convener role and the role of co-facilitator within the Technical Working Group on Social Protection and Food and Nutrition Security (TWG SP&FSN) with technical support from the project.

The German side praised the progress achieved to date in implementing MUSEFO. The project participated actively in the process of formulating the new National Strategy on Food Security and Nutrition (NSFSN) 2019-2023 and provided inputs on the project's experiences regarding nutrition governance at the sub-national level. Supporting CARD as the focal point in the SUN process and in the implementation of the new NSFSN 2019-2023 at provincial, district and commune level in the pilot provinces of the MUSEFO project was identified as one of the priorities.

### **Results of the planning mission on sustainable integrated aquaculture in Cambodia**

As part of the "One World No Hunger" Initiative, Germany announced the possibility of a new project aiming at improving the livelihood focusing on sustainable aquaculture practices of villages close to the Tonle Sap during the government consultation in 2018. A planning mission took place in March 2019 in Kampong Thom.

The mission identified a high potential in the province Kampong Thom to support small-scale aquaculture in order to improve livelihoods, food security and increase the resilience of families who rely mostly on fish as their food and income source. The proposed project shall be closely linked to the project "Improvement of livelihoods and food security of former landless and land-poor households" (ILF I+II). As project partner, the Fisheries Administration under the Ministry of Agriculture, Forestry and Fisheries was identified and recommended during the mission. The planned project will be closely coordinated with other development partners, including the EU.

### **Global Business Network Programme, 2016.1004.7**

The German government underlines the necessity of combining private investments, specifically investments by small and medium-sized enterprises, and development cooperation to leverage efforts aimed at developing the private sector in Cambodia. In this regard, the German side has established a Business & Cooperation Desk (BCD) in Cambodia under the new "Global Business Network Programme". The BCD has the goal of strengthening business relations between local and German/European companies or business associations in Cambodia. Interested Cambodian and German/European companies can get information about business opportunities, supporting services/instruments of development cooperation, and can create collaborations in selected focus sectors.

### **3.6 Civil Peace Service**

The Civil Peace Service, supported by the BMZ, is active in Cambodia, working to support the inner Cambodian processes of dealing with the past and thereby contribute to an inclusive society.

### **3.7 Deutsche Welle Akademie (DW Akademie)**

DW Akademie, Germany's leading media development organization, focuses 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. The programmes aim to help them find relevant information and use media in a responsible manner. DW Akademie is currently implementing its Cambodia programme for 2018-2020.

## **4. Declarations and final clauses**

### **4.1. Provisos for project 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 appraisals have been carried out by KfW, GIZ and/or any other organisation commissioned with implementing the project,
- overall financing for the project has been secured,
- the agreements under international law to be concluded (intergovernmental agreements and project agreements), the financing and loan 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.

New Financial Cooperation commitments shall be made at the following terms:

- up to €30.0 million as a concessional loan (Reduced Interest Loan) with a maturity of up to 20 years including a grace period of up to 5 years, for the project Rural Infrastructure Programme, Phase VIII (RIP VIII)
- up to €5.1 million as financial contribution for the projects
  - 1) Rural Infrastructure Programme VII (RIP VII), up to €0.1 million (topping up)
  - 2.) ISAF II: Contribution to World Bank multi-donor trust fund to support the Implementation Plan for the Social Accountability Framework, up to €5.0 million

## **4.2. Preparation of Financial Cooperation projects**

Both sides agree that in order to prepare and support the Financial Cooperation projects 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 relevant line institutions. 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. ODA Loan**

Recalling the previous Summary Record in 2015, the German side emphasized the need for the RGC to make available at the appropriate time sufficient amounts of freely convertible currency to fully service the debt towards KfW (transfer of foreign exchange) and make all efforts to comply with this obligation promptly at all times. It further emphasized the need for the RGC to put KfW on a footing at least equal to the multilateral financing institutions.

## **4.4. Sunset clause**

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 loan or financing agreement and in the case of Technical Cooperation an implementation agreement, has been concluded. Thus, commitments made during the 2019 negotiations are subject to a 31 December 2023 deadline.

## **4.5. Anti-corruption statement; transparency**

Both delegations agree that their cooperation projects 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). 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 Phnom Penh in 2021.

Both sides agreed the first draft of the Summary Records should be sent at latest six weeks ahead of the governmental negotiations to the Royal Government of Cambodia which will respond at least two weeks ahead of negotiations in order to allow meaningful consideration of the draft.

Done at Berlin on 15 May 2019



**Chhieng Yanara**

For the Royal Government of  
Cambodia



**Norbert Barthle**

For the Government of  
the Federal Republic of Germany

## Annex 1 Overview of financial commitments for 2019 and 2020

Project	New commitment €	Reprogrammed funds €	Total €	Replenishment (R) / Continuation (C)	FC loan conditions	FC instrument
<b>Priority area Democracy, Civil Society and Public Administration</b>						
ISAF II: Contribution to World Bank multi-donor trust fund to support the Implementation Plan for the Social Accountability Framework  ISAF II: Beitrag zum Weltbankfonds zur Förderung des Implementation Plan for the Social Accountability Framework (Umsetzungsplan zur sozialen Rechenschaftslegung)  2019.6842.9	5,000,000.00	0.00	5,000,000.00	-		Grant
<b>Sub-total FC</b>	5,000,000.00	0.00	5,000,000.00			
<b>Sub-total FC und TC</b>	5,000,000.00	0.00	5,000,000.00			
<b>Priority area Health / Social Protection</b>						
Identification of Poor Households – ID Poor V  Targeting – Identifizierung armer Haushalte  2015.2093.1	1,300,000.00	0.00	1,300,000.00	R		
Programme on Social Health Protection  Programm Soziale Absicherung im Krankheitsfall  2017.2006.9	2,000,000.00	0.00	2,000,000.00	R		
<b>Sub-total TC</b>	3,300,000.00	0.00	3,300,000.00			
<b>Sub-total FC und TC</b>	3,300,000.00	0.00	3,300,000.00			
<b>Priority area Rural Development</b>						
Rural Infrastructure Programme VII (RIP VII)  Ländliches Infrastrukturprogramm VII (RIP VII)  2017.6700.3	100,000.00	0.00	100,000.00	R		Grant
Rural Infrastructure Programme VIII	30,000,000.00	0.00	30,000,000.00	C	Duration: up to 20 years	Reduced Interest Loan

Ländliches Infrastrukturprogramm VIII  2019.6766.0					Grace period up to 5 years  Interest rate: to be determined	
<b>Sub-total FC</b>	30,100,000.00	0.00	30,100,000.00			
Regional Economic Development RED  Regionale Wirtschaftsentwicklung  2019.2130.3	8,000,000.00	0.00	8,000,000.00	C		
<b>Sub-total TC</b>	8,000,000.00	0.00	8,000,000.00			
<b>Sub-total FC und TC</b>	38.100.000,00	0.00	38.100.000,00			
<b>Outside the priority areas</b>						
Study and Expert Fund  Studien- und Fachkräftefonds  2015.3504.6	2,200,000.00	0.00	2,200,000.00	R		
<b>Sub-total TC</b>	2,200,000.00	0.00	2,200,000.00			
<b>Sub-total FC and TC</b>	2,200,000.00	0.00	2,200,000.00			
<b>Total</b>	<b>48.600,000.00</b>	<b>0.00</b>	<b>48.600,000.00</b>			

## **Annex 2 Cambodian Delegation**

Mr. Chhieng Yanara  
Minister Attached to the Prime Minister, Secretary General  
Cambodian Rehabilitation and Development Board  
Council for the Development of Cambodia  
- Head of Delegation -

Mr. Rith Vuthy  
Deputy Secretary General  
Cambodian Rehabilitation and Development Board  
Council for the Development of Cambodia

Mr. Huy Angtola  
Assistant to Minister Attached to the Prime Minister  
Cambodian Rehabilitation and Development Board  
Council for the Development of Cambodia

Mr. Ngan Chamroeun  
Secretary of State  
Ministry of Interior

Mr. Nuon Daniel  
Secretary of State  
Ministry of Rural Development

Mr. Tuon Thavrak  
Secretary of State  
Ministry of Planning

Mr. Keo Ouly  
Director, Department of IDPoor  
Ministry of Planning

Mr. Youk Bunna  
Secretary of State  
Ministry of Civil Service

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

Mr. Hem Vanndy  
Under Secretary of State  
Ministry of Economy and Finance

Mr. Meas Kim Heng  
Under Secretary of State  
Ministry of Foreign Affairs and International Cooperation

Mr. Lo Veasnakiry  
Director, Department of Planning & Health Information  
Ministry of Health

Ms. Kem Sopheap  
Director, Department of Investigation and Intelligence  
Anti-Corruption Unit

**Cambodian Embassy**

Mrs. Sopharath Touch  
Ambassador  
Cambodian Embassy to Germany

Mr. Samkal Troeung  
First Secretary  
Cambodian Embassy to Germany

Mr. Dypoly Theng  
Second Secretary  
Cambodian Embassy to Germany

### **Annex 3 German Delegation**

Mr. Norbert Barthle  
Parliamentary State Secretary to the  
Federal Minister for Economic Cooperation and Development, Berlin  
- Head of Delegation -

Mr. Klaus Supp  
Head of Division  
Federal Ministry for Economic Cooperation and Development, Berlin  
- Head of Negotiations -

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

Ms. Michaela Henning  
Policy Officer Cambodia, Mekong River Commission  
Federal Ministry for Economic Cooperation and Development, Bonn

Mr. Martin Rother  
Desk Officer Laos, Cambodia, Malaysia  
Foreign Office, Berlin

Mr. Benjamin Knödler  
Head of Cooperation (responsible for cooperation in Health/ Social Protection and Nutrition)  
German Embassy, Phnom Penh

Mr. Sascha Reeb  
Deputy Head of Cooperation (responsible for cooperation in Governance and Rural  
Development)  
German Embassy, Phnom Penh

Mrs. Ulrike Laßmann  
Regional Manager for East/Southeast Asia  
KfW, Frankfurt

Mr. Harald Hüttenrauch  
Director of KfW Office in Cambodia  
KfW, Phnom Penh

Ms. Jutta Zinnel  
General Director East Asia  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Eschborn

Dr. Günter Riethmacher (Mr.)  
Country Director Cambodia, GIZ  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Eschborn

Ms. Martina Agrell  
Country Manager Cambodia  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Eschborn

Mr. Bernd Appelt  
Programme Manager SHPP  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Mr. Ole Doetinchem  
Programme Manager ID Poor  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Dr. Stefan Hanselmann (Mr.)  
Programme Manager Regional Economic Development  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh



**Kingdom of Cambodia**  
**Nation - Religion - King**



**CAMBODIAN-GERMAN GOVERNMENTAL NEGOTIATIONS**

**OPENING ADDRESS**  
**by H.E. CHHIENG YANARA**

**Minister Attached to the Prime Minister, Secretary General of CRDB/CDC**

Berlin, 12-16 May 2019

- *H.E. Norbert Barthle, Parliamentary State Secretary*
- *Ms. Gisela Hammerschmidt, Director for Asia, Federal Ministry for Economic Cooperation and Development*
- *Mr. Klaus Supp, Head of Division for China, Central Asia, East Asia, Cambodia and Laos*
- *Distinguished members of the German Delegation*
- *Excellencies and Colleagues from the Royal Government of Cambodia*
- *Ladies and Gentlemen*

1. It is a great honour for me to speak at this opening session of our Negotiations. On behalf of my delegation, I would like to take this opportunity to express my gratitude and appreciation to the Federal Ministry for Economic Cooperation and Development of Germany for the warm welcome and hospitality being extended to us during our stay here.

*Excellencies, Ladies and Gentlemen,*

2. Since the last Negotiations in 2017, cooperation between our two countries has been given further impetus, especially by the visit of **His Excellency Norbert Barthle**, Parliamentary

Secretary of State in February 2019. There were fruitful and insightful discussions between His Excellency Parliamentary Secretary of State and **Samdech Techo Prime Minister** and **Samdech Kralahom Sar Kheng**, Deputy Prime Minister, Minister of Interior, toward progress that has been made together and opportunities to further strengthen our cooperation. It is also important to note that our Consultations in November last year in Phnom Penh represented a significant milestone in our development partnership. These Consultations were not only for reviewing progress in the priority areas of cooperation, but

also for helping further strengthen our partnerships in delivering effective development results in the fast-evolving context of Cambodia. The significant achievements realised through our joint efforts have contributed to impressive development results. This has mainly been the consequence of better alignment of German cooperation programs with Cambodia's national development priorities. Another additional important factor that contributes to the success of our partnership during the implementation phase includes our efforts to ensure the effective and transparent use of German resources that support inclusive, equitable and sustainable growth, accelerate poverty reduction, and improve the quality of public service delivery.

3. Such development in Cambodia would not have been feasible without continued support from the Government of the Federal Republic of Germany and the German People. The Cambodian people and the Royal Government of Cambodia are encouraged by this, and I would like to express, on behalf of the Royal Government of Cambodia, our sincere appreciation to the Government and the people of the Federal Republic of Germany for their continued support and commitment through which they have contributed to the development of Cambodia to date. I believe that stronger ties of cooperation in various aspects will continue to flourish.

*Excellencies, Ladies and Gentlemen,*

4. Our Negotiations today take place at a time of tremendous opportunity. Cambodia's development priorities have evolved in the fast-changing development architecture and I believe that our partnership reflects this. The Royal Government of Cambodia has put in place the Rectangular Strategy–Phase IV for the Sixth Legislature of the National Assembly, which prescribes strategic priorities for building a solid foundation toward realising the Cambodia Vision 2050. The fourth phase of the Rectangular Strategy will be operationalized through the National Strategic Development Plan (NSDP) 2019-2023, which has been prepared in parallel and is expected to be finalised soon. Also, the Cambodia Sustainable Development Goals (CSDGs) have been localised, and the CSDG framework was officially endorsed by the Royal Government of Cambodia in September 2018 with an additional goal on Mine Clearance to reflect the context and need of Cambodia. The CSDG framework will be fully integrated into the National Strategic Development Plan 2019-2023. These policy instruments will act as a

comprehensive blueprint to inform all activities and to support programming and alignment of development finance resources, especially from all development actors.

5. The Royal Government of Cambodia has made clear in the Rectangular Strategy its firm commitment to improving the welfare of all Cambodian people by ensuring sustainable and successful graduation from the Least Developed Country grouping in 2021, enabling Cambodia to fully attain the CSDGs by 2030, and achieving its ambitious goal of becoming an Upper Middle Income Country by 2030 and, ultimately, a High Income Country by 2050.

6. During the last 5 years, Cambodia witnessed another successful phase of its development. The period was driven by substantial achievements in implementing the Rectangular Strategy–Phase III. The average economic growth was approximately 7% per annum, which has transformed Cambodia's economy from a heavily agriculture-based to a more industrialised and service-based economy. As a result of this robust, inclusive and sustainable growth, poverty incidence has dramatically reduced to 13.4% in 2014 and is expected to further drop below 10% in the medium-term. In addition, with redistributive policies implemented by the Royal Government of Cambodia alongside the fruits of economic development, income inequality has been gradually diminished. This is demonstrated by the reduction in the Gini coefficient from 0.38 in 2004 to 0.29 in 2014. Major governance reform programmes such as Public Financial Management, Decentralization and Deconcentration, and Public Administration Reform have achieved remarkable results, stimulating the improved quality of public services and eventually enhancing social and economic welfare of the Cambodian people. Strong commitments have been articulated; the impressive momentum has been maintained, and progress has been rapidly made. But as **Samdech Techo Prime Minister** has made clear, continued efforts have to be assured to consolidate achievements and maintain continuity of such successes. Maintaining momentum for impressive social development and robust economic growth will therefore serve as a reference point and sets a broader context for development cooperation. I trust that these guiding principles will inform our dialogue today.

Excellences, Ladies and Gentlemen

7. As a Lower-Middle Income Country, Cambodia still requires external cooperation to serve as a source of financing for investment and also for providing Cambodia with access to technology, innovations, networks and policy solutions. On this basis, the Royal Government of Cambodia will seek to maintain its current level of ODA grants while also mobilising additional concessional loans in line with our debt strategy. To succeed in supporting this commitment, the Royal Government of Cambodia has adopted the Development Cooperation and Partnerships Strategy

(DCPS) 2019-2023. Our Partnership Strategy intends to ensure that all resources are used for maximum effectiveness by strengthening national ownership, maintaining an equal partnership in development, and promoting mutual respect with all development actors. We firmly believe that Germany will continue to be one of our committed and reliable partners during this next important phase of Cambodia development.

*Excellencies, Ladies and Gentlemen,*

8. I strongly believe that our Negotiations today will provide an important opportunity to review progress in the implementation of activities supported by Germany since our last Consultations in November 2018. The Negotiations will, as always, discuss the new financial commitments of the German government for the coming years. With this comprehensive agenda for today's Negotiations, discussions will focus extensively on three priority areas including good governance, social protection and rural development. There will also be a session on regional programmes. I wish to acknowledge with gratitude the hard work and close collaboration that have been undertaken in advance of today's Negotiations. I am therefore confident that the cooperation and partnerships that have been demonstrated so far will help ensure that at the end of our meeting, we will have reached a mutually satisfactory outcome.

9. Before concluding my remarks, I would like once again to take this opportunity to express, on behalf of the Royal Government of Cambodia, our sincere appreciation to the Government and the people of the Federal Republic of Germany for their continued support and commitments that have contributed to Cambodia's socio-economic development to date. I am confident that the Negotiations today will inform a fruitful discussion that enriches our future cooperation and development partnership in Cambodia, and I believe that our dialogue will further strengthen mutual understanding, trust and the spirit of equal partnership between our two countries.

10. I wish to conclude my remarks on this optimistic note. Thank you for your kind attention.

## Annex 5 Opening Statement by Norbert Barthle, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development

Minister Yanara,

Your Excellency, Ambassador Touch,

Distinguished representatives of the Government of the Kingdom of Cambodia,

Colleagues from the Federal Foreign Office and the German implementing organizations,

Ladies and gentlemen,

I am pleased that I had the opportunity to meet you again, Minister Yanara, this morning – just after my visit to Cambodia a few weeks ago.

- We have continued to exchange ideas about our two countries' contributions to the Sustainable Development Goals.
- And we will meet again in New York in July! I am already looking forward to your presentation at the High-Level Political Forum.

During my visit, I got a first-hand impression of your country.

You have made a lot of progress, both in economic and in social terms.

- Your economy is growing constantly at a high rate.
- Poverty has been reduced over the last twenty years from more than 50 per cent to ten per cent.
- And maternal and child mortality has fallen by two thirds since 2000.

This is really impressive.

In spite of these achievements, Cambodia still has a long way to go to achieve the Sustainable Development Goals.

- But Germany, too, still has some work to do on this.
- So let us jointly address this task.

In that spirit, a warm welcome to the Cambodian-German government negotiations 2019 here in Berlin!

When I was in Cambodia, I talked to representatives of the government and of civil society about the possible withdrawal of EU trade preferences.

Again, I would like to underline that – in my view – the procedure is an invitation to start a dialogue.

Moreover, the outcome is totally open.

- After all, Cambodia recently started to broaden political and civil society space.
- If you continue that course, your country will still be able to prevent the withdrawal of EU trade preferences in time.

We all realize that the withdrawal of preferences has disadvantages for *all* stakeholders –

- be it the private sector and the people of Cambodia or German enterprises with investments in Cambodia.

So I am really very pleased that

- the Cambodian side is willing to enter into this dialogue between equal partners
- and that it wants to cooperate closely with the European side.

I want to encourage you to continue your course of opening political and civil society space.

I was pleased about the latest announcement that some important laws will be reviewed, for example

- the law on associations and nongovernmental organizations,
- the lèse-majesté law,
- and the law on trade unions.

In the next two days, you will

- discuss our priority areas (good governance, social protection and rural development)
- and give thought to aspects such as
  - more dialogue with citizens and better complaints management in the decentralization program,
  - the expansion of social protection beyond health,
  - and the protection of people from the impact of climate change,to name but a few.

At the end of November 2018, we agreed that concessional loans would be introduced.

- This additional instrument of bilateral development cooperation will now be integrated in all activities related to physical infrastructure.
- This is also in line with Cambodia's stronger economic performance and with the successful reforms in the fiscal system.

At the end of November this year, Cambodian Deputy Prime Minister Sar Kheng will head the visit of a delegation to Germany.

- I am glad that we will be able to continue our close dialogue with Cambodian government representatives so soon,
- and to take a closer look at each other's approaches in municipal decentralization.

But now I would like to wish you every success with the negotiations.

Thank you very much!

## Annex 6 Regional Programmes

Module	Political Partner	Implementing Partner	Brief Description	Activities and Partner in Cambodia	Partner Organisation in Cambodia
<b>Regional Cooperation with ASEAN - Focus: Environment / Climate Change</b>					
Biodiversity-based products as an economic source for the improvement of livelihoods and biodiversity protection (BBP) (PN: 2013.2048.0)	ASEAN Centre for Biodiversity (ACB)	TC (GIZ) through GFA	The aim of the module is to improve biodiversity conservation and contribute to poverty reduction through economic valuation and commercialisation of biodiversity-based products. This shall be achieved by increasing capacity and awareness for sustainable production, marketing and consumption of BBPs in ASEAN countries, following the GIZ ValueLinks concept.  Project BBP closing end of June 2019.	Selected villages in the buffer zone of Phnom Kulen National Park are supported through training and capacity building in the sustainable growing and harvesting of black ginger for medicinal tea and the production of handcraft from a climbing fern/ vine. Market access for the villagers is enhanced through close cooperation with private sector businesses, e.g. professional tea producers in Phnom Penh and the Angkor Handicraft Association (AHA) in Siem Reap.	Ministry of Environment (MoE); ACB's National Focal Point Ms. Somaly Chan
ASEAN – German Energy Programme (AGEP) (PN: 2015.2226.7; 2018.2205.5)	ASEAN Centre for Energy (ACE)	TC (GIZ)	The aim of the project is to improve the prerequisites for regional coordination of AMS measures for promotion of renewable energies and energy efficiency.	<b>1. Renewable Energy Assessment of Cambodia</b> The study aims to develop Cambodia Energy Outlook up to 2040, with a target-based scenario that covers Total Primary Energy Supply projection by fuel, installed fossil fuel and RE power generation projection by technology, Total Final Energy Consumption projection by fuel and by sector, and scenarios saving. Activities: - Country visit to Phnom Penh organized by the ASEAN Centre for Energy. Days: April 2019 - RE Assessment of Cambodia is planned to be launched at the Renewable Energy Sub-Sector Network (RE SSN) meeting in May 2019	Ministry of Mines and Energy (MIME)  Electricité du Cambodge (EDC)

				<p><b>2. ASEAN Energy Outlook (AEO) 6</b></p> <p>The development of AEO 6 aims to provide policy makers with an understanding of the energy trends and challenges being faced by the region in the coming decades under guidance and involvement of the 10 ASEAN Member States. AEO6 complements the strategies of the ASEAN Plan of Action for Energy Cooperation (APAEC) 2016-2015 to derive strategies within ASEAN in addressing future energy concern.</p> <p>Activities:</p> <ul style="list-style-type: none"> <li>- Focus Group Discussion on the Scenarios' Development 'Consolidating the Aspirations, Shaping the Directives for the Sustainable Energy in ASEAN' with international organisations and prominent global institutions. Days: 26 March 2019 in Phnom Penh.</li> <li>- 2nd working meeting to discuss and finalize model and scenario to be used for AEO6 with Energy Modeler and Policy Makers who are in charge for the energy planning in the Ministry of Energy or related Ministries from each AMS. Days: 26-28 March 2019 in Phnom Penh.</li> <li>- 3rd working meeting in October 2019 (location: tbc) to discuss the modelling result and analysis for AEO6 report development with representatives from all Specialised Energy Bodies and Sub-Sector Networks.</li> </ul>	
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<p>ASEAN Sustainable Agrifood Systems (ASEAN SAS/RIICE) (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 organisation, and vice versa. The current phase of the project is focusing on crop insurances.</p>	<p>At the national level, the project works in close collaboration with the Remote Sensing-based Information and Insurance for Crops in Emerging Economies (RIICE) project. RIICE is a public private partnership between Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the International Rice Research Institute (IRRI), the software company Sarmap (SA), the Swiss Agency for Development and Cooperation (SDC) and Swiss Re. The project supports the establishment of a National Agricultural Insurance Scheme with MAFF and MEF and coordinates development partner contributions especially from ADB and IFAD. Further training material for crop insurance literacy is developed, trainers educated and pilots with farmer groups conducted.</p>	<p>Ministry of Agriculture, Forestry and Fisheries (MAFF)  Ministry of Economy and Finance (MEF)</p>
<p>Facilitating Trade in Agricultural Goods in ASEAN (FTAG) (PN: 2015.2099.8)</p>	<p>Global Fund/ close cooperation with ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The objective of the fund measure is to align the regulatory framework concerning food safety and phytosanitary measures and procedures for specific agricultural goods between ASEAN and specific ASEAN member countries. The project is implemented in Thailand, Vietnam and Cambodia in close cooperation with the ASEAN Secretariat and respective ASEAN working groups.</p>	<p>As a result of public and private consultations, the following fruits with high potential to increase trade between Cambodia, Thailand and Vietnam: bananas, dragon fruit, longan, lychee, mango and chilli. In the framework of a regional study, the trade barriers of these fruits were identified and activities agreed. In Cambodia the project supports the Human Capacity Development of Inspectors and Plant Quarantine Officers, the dissemination of SPS information to the private sector, the translation of the International Standards for Phytosanitary Measures and to formulate a market access request for the export of longan to Thailand as model process for other fruits and crops to follow.</p>	<p>Ministry of Agriculture, Forestry and Fisheries (MAFF)</p>

<p>Institutional Strengthening of the Biodiversity Sector in ASEAN (ISB II) (PN: 2018.2059.6)</p> <p>Successor to ISB I (PN: 2008.2089.4; 2014.2288.0)</p>	<p>ASEAN Centre for Biodiversity (ACB)</p>	<p>TC (GIZ)</p>	<p>The objective of the module is to support the ASEAN Centre for Biodiversity (ACB) to successfully implement elements of its revised strategic framework to enhance biodiversity conservation and mainstreaming in the ASEAN region.</p> <p>Project ISB I closing end of February 2019</p>	<p>The project will support activities that would (1) strengthen organizational structure of ACB; (2) enhance the ASEAN Heritage Parks Programme; (3) enable the AMS to draft regional positions for international negotiation; and (4) support mainstreaming biodiversity conservation in the region.</p> <p>An inception workshop will be organised to draft the project work plan.</p> <p>No implementation activities expected in Cambodia under ISB II.</p>	<p>Ministry of Environment (MoE)</p>
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Regional Cooperation with ASEAN - Focus: Regional (economic) integration					
Support to ASEAN Supreme Audit Institutions (ASEANSAI) (PN: 2012.2074.8; 2014.2103.1)	ASEAN Supreme Audit Institutions	TC (GIZ)	<p>The project is supporting the regional organisation of Supreme Audit Institutions in the ASEAN Member States (ASEANSAI). ASEANSAI aims to build capacities for auditing through regional exchange of expertise and capacity building approaches, such as regional trainings or peer-to-peer learning, to eventually enhance the role and status of external financial auditing – thus, contributing to good financial governance in ASEAN.</p> <p>Project ASEAN SAI closing end of April 2019</p>	<p>The National Audit Authority (NAA) of Cambodia is one of the ten members of the regional organisation of Supreme Audit Institutions in the ASEAN Member States (ASEANSAI). Until 2017, NAA was the Chair of ASEANSAI before the Chairmanship was handed to Laos. The project aims to close the existing capacity gaps between stronger Supreme Audit Institutions (SAIs) in ASEAN and those of the CLMV countries, needing more support. This happens through regional trainings and knowledge exchange approaches, while learnings are being followed-up on national level.</p> <p>The overall objective here is to improve the transparency of the public finance systems and the accountability of governments in ASEAN, including Cambodia.</p>	National Audit Authority (NAA)
Sustainable Design of Urban Mobility in Middle-sized Metropolitan Regions (SMMR) (PN: 2015.2227.5)	ASEAN Secretariat	TC (GIZ)	<p>Medium-sized cities in the ASEAN region increasingly face traffic congestion, air pollution and deteriorating liveability resulting from rapid population growth and private motorization. SMMR addresses these urban mobility challenges by integrated urban and transport planning, improved management and governance, and pilot projects in sustainable transport.</p> <p>The project works on the ASEAN level, as well as in three Metropolitan Regions, namely Phnom Penh (Cambodia), Can Tho (Vietnam) and Vientiane – Nong Khai (Lao PDR and Thailand).</p>	<p>Team in place as of beginning of March 2019. Kick Off Mission planned for 2<sup>nd</sup> week of April 2019.</p>	Ministry of Public Works and Transport (MPWT), Phnom Penh Capital Administration

<p>Promotion of Sustainable Agricultural Value Chains in ASEAN (AGRITRADE) (PN: 2017.2131.5)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The project will support the ASEAN Sectoral Working Group on Crops and its national focal points in selected Member States (including Cambodia) on promoting sustainable agricultural value chains. This includes strengthening the interaction between relevant stakeholders in the public and private sector, as well as awareness campaigns, also with civil society to increase consumer demand for safe food products. Lessons learnt from pilot activities in selected value chains (so-called development partnerships with the private sector) will be assessed and provided to decision-makers in the public sector for continued implementation, replication and wider rollout.</p> <p>To the extent possible, an „ASEAN helps ASEAM“ approach to facilitate the exchange of expertise and experiences between the CLMV countries and the ASEAN-6, will be incorporated.</p>	<p>The project will start its implementation in Cambodia in May 2019, earliest after the ASEAN formalisation process is finalised. An activity plan will then be agreed upon with the partner organization in Cambodia.</p>	<p>Ministry of Agriculture, Forestry and Fisheries (MAFF)</p>
<p>Promotion of Competitiveness within the Framework of the Initiative for ASEAN Integration (COMPETE) (PN: 2017.2132.3)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The objective of the project is to support Cambodia, Laos, Myanmar and Vietnam (CLMV) in implementing ASEAN agreements in the areas of competition policy and trade in services.</p> <p>There will be three thematic fields to be supported:</p> <p>1) <i>Implementing key action lines of relevant ASEAN Strategic Action Plans:</i> Here the CLMV countries are supported to take up a leading</p>	<p>The project was formalised with ASEAN in early 2019. An activity plan will then be agreed upon with the partner organization in Cambodia.</p>	<p>Ministry of Commerce (MoC)</p>

			<p>function (host) in implementing selected action lines of relevant ASEAN action plans. This will enable the CLMV countries in becoming more visible and active within the relevant ASEAN sector working groups.</p> <p>2) The thematic field <i>“Improving institutional effectiveness”</i> is about strengthening the institutions involved in the implementation of existing laws and ASEAN agreements on trade in services. The CLMV countries are supported to develop a more strategic approach to fulfil ASEAN commitments in trade in services and competition policy.</p> <p>3) <i>Improving human resource development systems</i>: For this purpose, suitably qualified staff are identified and trained in the responsible ministries and authorities in order to act as multipliers (trainers or mentors).</p>		
Consumer Protection in ASEAN (PROTECT) (PN: 2016.2186.1)	ASEAN Secretariat	TC (GIZ)	The project pursues a two-tier approach by promoting regional dialogue and cooperation through the ASEAN Committee on Consumer Protection (ACCP), as well as strengthening national consumer protection systems. In Cambodia, the focus lies on supporting the drafting of a competition law and creating consumer awareness, among others on food safety and standards.	The project was formalized with ASEAN in early 2019. An activity plan with the partner organization in Cambodia is presently being prepared.	Ministry of Commerce (MoC)

<p>Strengthening Regional Structures for Small and Medium Enterprise Promotion in ASEAN (ASEAN SME) (PN: 2015.2228.3)</p>	<p>ASEAN Secretariat</p>	<p>TC (GIZ)</p>	<p>The project is supporting ASEAN in improving the information and promotion services for SME within the framework of the ASEAN Strategic Action Plan for SME Development 2025. Specifically, the project support is foreseen to be delivered in the following thematic fields: a) Improving the ASEAN SME Service Centre in Bangkok b) Strengthening national SME information centres (including Cambodia) c) Promoting national SME services for internationalisation (including Cambodia)</p>	<p>The project will start its implementation in Cambodia in March 2019. An activity plan will then be jointly agreed upon with the focal point of the Ministry of Industry and Handicraft in June 2019.</p>	<p>Ministry of Industry and Handicrafts (MIH)</p>
<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 trade.</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>

Regional Cooperation in general					
Social and Labour Standards in the Textile and Garment Sector in Asia (SLSG) (PN: 2014.2279.9)	-	TC (GIZ)	<p>The overall project aim is to improve working conditions in the textile and garment sector in Asia by strengthening regional coordination and exchange of experiences on standards and good practices.</p> <p>Project activities started in May 2015. 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>Project SLSG closing end of March 2019.</p>	<p>In Cambodia, the project is working at factory, national and regional level. In January 2016, a MoU was signed with the MLVT, being renewed in May 2018. The MLVT is the primary implementing partner for project activities. The main field of cooperation is the modernisation of the labour inspection system and further implementation. The Ministry is supportive of the project and several joint activities have taken place since 2016, e.g. the drafting of legal documents, a published code of conduct for labour inspectors 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 at their training institute). It furthermore exchanges experiences regularly with unions and other important actors at national level. Dialogue trainings took place with management and workers in more than 30 factories.</p>	Ministry of Labor and Vocational Training (MLVT)
Promotion of Sustainability in the Textile and Garment Sector in Asia (PN: 2018.2056.2)  Successor to SLSG	-	TC (GIZ)	<p>The Project aims to improve sustainability standards and working conditions in the textile and garment sector in Asia by strengthening regional coordination and exchange of experiences on standards and good practices.</p> <p>Project activities start in April 2019.</p>	<p>In Cambodia, the project continues to work at factory, national and regional level. It works in strong partnership with the MLVT and also closely with the garment business association GMAC.</p> <p>Areas of collaboration with the MLVT are strengthening of the inspection system, gender</p>	Ministry of Labor and Vocational Training (MLVT)

(PN: 2014.2279.9)				<p>topics and exchange of experiences with relevant countries in the region.</p> <p>The project in general aims at strengthening the capacities of partners for regional networking, exchange of experience and knowledge transfer. It will facilitate the implementation of regional lessons learnt via activities at national and company level in the partner countries Bangladesh, Pakistan, Myanmar, Cambodia, Vietnam and China.</p>	
<p>Development of and Support to Financially Sustainable Social Security Systems in Southeast Asia (PN: 2012.2004.5; 2013.2046.4; 2017.2130.7)</p>	-	TC (GIZ)	<p>The regional programme is supporting capacity building within social security organisations for analysing and designing national health and pension systems and reforms in the ASEAN region.</p>	<p>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.</p> <p>Based on the former ILT Social Security in SEA the programme is developing and establishing an international short course programme for Social Protection in cooperation with the National Economics University in Hanoi and University of Heidelberg. Employees of the above-mentioned partner institutions have successfully participated in the interim training programme International Social Protection Studies (ISPS).</p>	Ministry of Health (MoH)

<p>Regional Fit for School Programme – School Health Programme Southeast Asia (PN: 2011.2227.4; 2014.2289.8; 2018.2058.8)</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 support Ministries of Education in the 4 partner countries to sustainably scale-up WASH in Schools to create healthier learning environments for students through 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. Within the nationally endorsed framework of the Minimum Requirements for Water, Sanitation and Hygiene (WASH) in Schools in Cambodia, based on the ‘Three Star Approach for WASH in Schools’, a step-by-step approach to reaching national standards, the programme in close cooperation with UNICEF, WFP and other development partners supports the Ministry in developing training models and monitoring tools for improved planning and advocacy.</p>	<p>The main implementing partner in Cambodia is the Ministry of Education, Youth, and Sport (MoEYS), especially the School Health Department. Other Ministries (Ministry of Health, Ministry of Rural Development) and other national partners (Centre for Malaria Control) are collaborating partners for implementation and research (Fit Programme Assessment Study).  During the first phase (2011 – 2015) the programme supported the 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.  Based on the experiences from the first phase the programme supported 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 formalised.  The current third phase (2018-2020) will use the experiences from scaling up WASH in Schools in the framework of the Minimum Requirements for WASH in Schools in Kampot province and apply the principles of working closely with provincial and district education offices in at least 5 north-western provinces while continuing to support MoEYS with WinS data collection, analysis and use for advocacy.</p>	<p>Ministry of Education, Youth and Sport (MoEYS) / School Health Department (SHD)</p>
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<p>Regional Cooperation to Improve the Quality and Labour-market Orientation of Technical and Vocational Education and Training (RECOTVET) (PN: 2013.2065.4; 2016.2130.9)</p>	<p>-</p>	<p>TC (GIZ)</p>	<p>The programme promotes regional cooperation in TVET in the ASEAN context. It contributes with own indicators to the ASEAN Workplan on Education 2016-2020 and reports annually to the Senior Officials Meeting Education (SOM-ED). The programme provides its contributions in the fields of quality of TVET, business and industry cooperation in TVET, training of TVET personnel and regional knowledge sharing.</p> <p>Regional cooperation partners are the ASEAN Secretariat (ASEC, here: education and labour division in the Social and Cultural Community as well as connectivity and stakeholder engagement (SME) in the Economic Community) as well as the Southeast Asian Education Ministers Organisation (SEAMEO) and here the SEAMEO Center for TVET – SEAMEO VOCTECH in Brunei.</p> <p>In its events and communities of practice, RECOVET works with representatives of national TVET line ministries and their specialised agencies as well as chambers and business associations.</p> <p>RECOTVET has initiated a high level working group of private sector representatives that advises ASEAN on business and industry involvement in TVET. It cooperates on this topic with the ASEAN Business Advisory Committee (ABAC).</p>	<p>Cambodian organization participate in various regional activities organized by RECOTVET that take place in different countries across Southeast Asia. Cambodian representatives are active in regional communities of practice on quality of TVET, teacher education and in-company training.</p> <p>Events and participating institutions:</p> <p><b>Regional Policy Dialogues</b> on Regional Cooperation in TVET: MLVT and MoEYS (via SLOM and SOM-ED focal points).</p> <p>Regional Steering Group on the <b>In-Company Trainer Standard for ASEAN</b>: MLVT and YEAC</p> <p><b>Technical WG on the further development of the In-Company Trainer Standard for ASEAN</b>: YEAC</p> <p>Participants in the multiplier trainings on the <b>In-Company Trainer Standard for ASEAN</b> have come from CAM-ASEAN, Polytechnic Institute of Angkor, MLVT and PDAO.</p> <p>A multiplier training for Cambodia is scheduled for summer 2019 in cooperation with the GIZ SME Programme (AV /CTA Dr. Stefan Hanselmann).</p> <p>Participation in the consultation and validation <b>workshops on Quality in TVET</b>: NTTI, MLVT and PolyTech Sen Takeo</p>	<p>Ministry of Labor and Vocational Training (MLVT);</p> <p>Ministry of Education Youth and Sport (MoEYS);</p> <p>National Technical Training Institute (NTTI)</p> <p>National Polytechnic Institute (NPIC)</p> <p>Young Entrepreneur Association of Cambodia (YEAC)</p> <p>Cambodian Federation of Employers and Business</p>
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			<p>RECOTVET supports the development of regional training modules for in-service trainings of TVET personnel on topics ranging from industry 4.0 via quality to business and industry cooperation. The programme promotes regional standards for TVET teachers and in-company trainers as well as their national adaptation. For in-company trainers RECOTVET trains regional master trainers, among others in co-operation with HRD Korea. With SEAMEO VOCTECH, RECOTVET has set up a regional one-stop shop for TVET information: SEA-VET.NET – the TVET platform for Southeast Asia.</p>	<p>Members of the <b>regional Business and Industry Working group</b> of ASEAN and participants in a study trip to Germany: CAMFEBA and YEAC</p> <p>Participation in the <b>technical workshops on the regional TVET teacher standard</b>: MoEYS, NTTI and MLVT</p> <p>Participation in <b>technical workshops on regional training modules</b> for TVET personnel: NTTI, MLVT and MoYES</p>	<p>Associations (CAMFEBA)</p> <p>Cambodia-ASEAN International Institute (CAM-ASEAN)</p> <p>Peace and Development Aid Organization (PDAO)</p>
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<p>Support of Economic Cooperation in Sub-regional Initiatives in Asia (SCSI) (PN: 2014.2101.5) (Before: Regional Economic Cooperation and Integration in Asia) (PN: 2010.2152.6; 2014.2101.5)</p>	<p>-</p>	<p>TC (GIZ)</p>	<p>The SCSI programme aims to strengthen core processes of regional economic cooperation and integration within selected sub-regional initiatives in Asia including China as development partner. It supports regional and national stakeholders in Cambodia, Laos, Mongolia and Vietnam by providing capacity building, organising training courses and dialogue events, and conducting sector studies. The key areas are trade facilitation, cross-border cooperation and private sector development.</p> <p>Project SCSI closing end of March 2019 – currently the preparation with BMZ of a follow-up phase with the same focus countries is under way - successor working title “Regional Economic Cooperation in Asia”.</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 with China, by providing step-by-step export guidelines in Khmer to the Chinese market for the Cambodian business community as well as respective ministerial departments. Guidelines for fresh banana, mango, and longan were issued and introduced to the business community through workshops, trainings and a field trip to a banana plantation. The fruits were jointly identified with Cambodian partners due to their export potential and considerations of sustainability. In combination with desk research, an expert team utilised a participatory approach through seeking input from all involved export actors. To accompany the guidelines, the programme published a study on SPS issues in the region and disseminated it among respective partners as well as conducted regional workshops on trading with China. The main political partner of the programme are the General Directorate of Agriculture (GDA), Ministry of Agriculture Forestry and Fishery (MAFF) as well as the Ministry of Commerce (MoC) to some extent.</p>	<p>General Directorate of Agriculture (GDA)</p> <p>Ministry of Agriculture Forestry and Fishery (MAFF)</p>
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<p>Improving of Land Management in the Mekong Region (PN: 2014.2099.1; 2018.2207.1)</p>	<p>-</p>	<p>TC (GIZ)</p>	<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 Vietnam. The focus during implementation is 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 relating to land governance and land tenure.</p> <p>Building on Phase 1 successes, the project Phase 2 (from April 2019 onwards) remains focused on addressing land governance issues in the CLMV region, but with a shift towards supporting the strategic engagement of reform actors in the policy making processes at national, sub-national and regional levels.</p>	<p><b><i>Learning and Capacity Development Networking Activities:</i></b>  <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 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><b><i>Quick Disbursement Fund Project (max. 6 months &amp; 50,000 USD):</i></b> <u>Project Topic:</u> Representing IP Community in Orona Village against the Encroachment on their Collective Registered Land <u>Applicant/Implementer:</u> Vishnu Law Group</p> <p><b><i>Innovation Fund Project (max. 24 months &amp; 250,000 USD)</i></b></p> <p>-----</p> <p>MRLG-2 will establish alliances of reform actors at regional level in each country to collaborate on two main thematic areas: the recognition of Customary Tenure (CT) and Responsible Agricultural Investment (RAI). Land Rights Awareness Raising, Land Conflict</p>	<p>Non-governmental-organisations (NGO)</p>
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				Transformation and Gender are crosscutting themes fundamental to MRLG strategic approach.	
Transboundary Water Cooperation in the Lower Mekong Basin (Before: Implementation of organizational reform) (PN: 2012.2531.7; 2013.2275.9; 2018.2117.2)	Mekong River Commission (MRC)	TC (GIZ)	The project goal is to strengthen cooperation between countries in the Lower Mekong Basin in the areas of sustainable hydropower development and climate change adaptation, through the Mekong River Commission (MRC). The project is divided into three components: i) strengthening of the MRC Basket-Fund and Strategic Plan, ii) piloting of the MRC Joint Environmental Monitoring Programme to the Don Sahong Hydropower Project and iii) coordination of a <b>Joint Project on flood and drought management</b> between Cambodia and Thailand.	The project is supporting the development of joint mitigation measures to reduce the negative impact of floods and droughts in the 9t/9C sub-basin (i.e. part of the Banteay Meanchey and Ubon Ratchathani Provinces), through the preparation of feasibility studies and the mobilisation of funding for the implementation of the priority measures.	Cambodian National Mekong Committee (CNMC)  Ministry of Water Resources and Meteorology (MOWRAM)
Sustainable Freight Transport and Logistics in the Mekong Sub-region Project (EU-SWITCH Asia/Green Freight) (PN: 2014.2486.0)	Ministry of Public Work and Transport (MPWT)	TC (GIZ)	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  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.	There are 4 areas of support  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 ASEAN and GMS protocols based on EU ADR 3. Access to finance to invest in more efficient, environmentally sound and safer technologies 4. Policy support and customer awareness measures, such as standard and labelling, economic incentives and regulations	Cambodia Freight Forwarders Association (CAMFFA); Cambodia Truck Association (CAMTA); Ministry of Public Work and Transport (MPWT)

			<p>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. The project therefore aims at increasing sustainable freight transport and logistics in the Mekong Region, mainly through energy efficiency and safety measures in at least 500 SMEs in Cambodia, Lao PDR, Myanmar, Viet Nam (CLMV) and Thailand.</p>		
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<p>Protection and Sustainable Use of Wetlands in the Lower Mekong Region (PN: 2012 65 974)</p>	<p>Mekong River Commission (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)  Ministry of Agriculture, Forestry and Fisheries (MAF)  Cambodia National Mekong Committee (CNMC)</p>
<p>Promotion of Rural Development (Employment and Income) through Financial Sector Development in CLMV Countries ( PN: 2015 36 572, 2017 36 503, 2017 36 636; 2018 36 584)</p>	<p>n/a</p>	<p>FC (KfW)</p>	<p>Loan to the Cambodian ACLEDA Bank to be used to enhance the capitalisation of the bank for expanding its lending activities in CLMV Countries (Cambodia, Lao, Myanmar, Vietnam).</p>	<p>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.</p>	<p>ACLEDA Bank Plc.</p>

MIFA Debt Fund	n/a	FC (KfW), Blue Orchard as fund manager	MIFA Debt Fund is contributing to the debt financing of microfinance institutions (MFIs) which are institutions that provide microfinance services to the working poor in developing countries.	Refinancing facilities have been provided to the following MFIs in Cambodia: <ul style="list-style-type: none"> <li>• HATTHA KAKSEKAR Ltd.</li> <li>• LOLC Cambodia</li> <li>• First Finance Plc</li> <li>• VisionFund Cambodia</li> <li>• KREDIT MFI</li> <li>• AMRET</li> <li>• PRASAC</li> </ul>	MFIs
Microfinance Enhancement Facility (MEF) (PN: 2009 36 575; 2011 36 662; 2014 36 641)	n/a	FC (KfW), Blue Orchard, Cyrano Global LLC, responsibility, Symbiotics as fund managers	MEF was set up in February 2009 as a major facility to provide short and medium-term financing to microfinance institutions (MFIs) worldwide.	Refinancing facilities have been provided to the following MFIs in Cambodia: <ul style="list-style-type: none"> <li>• AMK Microfinance Institution Plc</li> <li>• Amret Co Limited</li> <li>• Hattha Kaksekar</li> <li>• LOLC Cambodia Plc</li> <li>• PRASAC Microfinance Institution Limited</li> <li>• Sathapana Limite</li> <li>• Vision Fund Cambodia</li> </ul>	MFIs
Rural Impulse Fund II S.A., SICAV-SIF (PN: 2020 96 741)	n/a	FC (KfW), Incofin as fund manager	Rural Impulse Fund specializes in providing loan and equity to rural microfinance institutions. The fund seeks to invest in commercial micro finance institutions worldwide.	The fund has invested in the following MFIs in Cambodia: <ul style="list-style-type: none"> <li>• AMK Microfinance Institution Plc</li> <li>• LOLC Plc</li> </ul>	MFIs

## **Annex 7 Other Players**

### **7.1. German Academic Exchange Service**

2017 and 2018, the German Academic Exchange Service (DAAD) funded scholarships and partnerships worth about €185.277

### **7.2. 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 217.7 million EUR (as of February 2019); of this 90 million EUR are currently committed to investments in the field of finance and agriculture with 8 companies and banks.

### **7.3. Public-Private Partnership (develoPPP.de), SEWOH and Business Support Services (BSS)**

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 strategy consulting for Cambodian and Vietnamese textile entrepreneurs, one on training of retailers as to the implementation of vision tests and the provision of visual aids, one on capacity building of medical staff and creation of public awareness on diabetes health care in Cambodia, one on the establishment of educational partnerships and qualification of supply chains in Cambodian agriculture and one on the establishment of assessment centers for food production.

Furthermore, DEG supports the fruit supply chain development for pineapple and guava fruit farmers in the Mekong delta in the context of the Special Initiative “A World Without Hunger”.

Moreover, DEG supports three Business Support Services:

- 1) Improvement of Supply Chain Management. Angkor Kasekam buys rice from several tens of thousands of small farmers in the region and processes it further. The goal is the introduction of a modern management information system.
- 2) Development of Environment & Social management system for insurance company in Cambodia
- 3) Support of Hattha Kaksekar Limited in the field of Customer Value Composition

### **7.4. Civil Peace Service**

The Civil Peace Service (CPS / GIZ) conducts peace-supporting measures in Cambodia from Phnom Penh reaching the provinces of Kampong Chhnang, Pursat, Battambang and Siem Reap. The CPS works on supporting reconciliation and justice in the context of the Khmer Rouge Tribunal as well as on capacity development in conflict transformation within

communities. Currently the CPS program in Cambodia has a volume of € 1,7 Mio. (including the special initiative for refugees) and currently 11 civil peace advisors are part of it. The advisors work at Toul Sleng Genocid Museum, the Royal University of Phnom Penh, the Preah Sihanouk Raja Buddhist University Battambang and eight civil society organizations in the respective fields mentioned above.

### **7.5. 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 and Friedrich-Naumann 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 DVV International – Deutscher Volkshochschulverband – are providing long-term support for sustainable resource management, education of adults and the strengthening of cooperative structures and networks in Cambodia.

### **7.6. Senior Expert Service**

Senior Experten Service (SES) seconded 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 Weltendienst 30+ programme - the possibility for employed persons on a temporary leave to offer training as volunteers in their field of work.

### **7.7. Development Volunteers Service “weltwärts”**

Currently there are 36 weltwärts volunteers in Cambodia via 8 sending organizations, working with 22 local partner organizations. The volunteers contribute to development projects primarily in the areas of childcare and education, 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 are four volunteers from Cambodia participating in the South North Component (Reverse Component) of the weltwärts programme.

## **Annex 8 Studies and Experts Fund (SEF)**

Project number:	2015.3504.6
GIZ Country Director:	Dr. Günter Riethmacher
Donor:	Federal Ministry for Economic Cooperation and Development (BMZ), department 311
Counterpart:	The Council for the Development of Cambodia - CDC
Period:	01.01.2017 - 31.12.2021

### **1. Short description of the project and the German contribution**

Through the Studies and Experts Fund (SEF) the Royal Government of Cambodia (RGC) and the BMZ have the possibility to design and implement technical cooperation projects as well as conduct other related services with low financial volume on a short-term basis and with minimal administrative procedures. In addition, the SEF allows financing requested development advisors, integrated experts and Human Capacity Development (HCD) which complement ongoing programmes and projects.

Around EUR 5.9 million were allocated to the fund, partially through reprogramming. So far 15 projects have been implemented, out of which 7 are ongoing and 8 are completed.

### **2. Information on implementation data**

- **Support to Parliament of Cambodia**  
**Budget: EUR 208.658**

**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 was to enhance the regulations and the sector expertise of the Parliament. The parliamentary capacity and the democratic structures should be strengthened.

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

- **Climate Assessment of the German Portfolio**  
**Costs: EUR 51.835**

**Period: 04/2016 – 06/2016**

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 was 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 Northwestern Cambodia) handed over to the German delegation during the consultations in 2016. This channeled into the new project "MSME promotion".

- **Support to sub-national regional planning**  
**Costs: EUR 355.120**

**Period: 07/2016 – 12/2017**

The aim was to support sustainable urban and regional planning and to enhance planning capacities to draft regional plans in a participatory way. The measure supported 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 focused on decentralized good governance to avoid degradation of natural resources and a dynamic but unplanned urbanization process.

This measure has been implemented in the three provinces Battambang, Kampong Chhnang and Takeo with the assistance of two development workers.

The political partners were the Municipalities of the provinces.

- **Supply of a generator to stabilize the room temperature in the archive of the Toul Sleng Museum in Phnom Penh**  
**Costs: EUR 12.655**  
**Period: 05/2016 – 06/2016**

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 was 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**  
**Budget: EUR 236.000**  
**Period: 09/2016 – 03/2018**

The aim was 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 promoted understanding for SGBV and gender justice through art, dialogue, documentation and psychological support. The theatre performances started on 20<sup>th</sup> January 2017. They have been 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**  
**Budget: EUR 240.249**  
**Period: 01/2017 – 12/2017**

The main purpose, besides stimulating networking, was 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 advise 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 was on Cambodia where the regional advisor was based. It covered as well Bangladesh, Lao PDR, Viet Nam, Indonesia and Afghanistan as BMZ focal countries for inclusion.

The political partner was the Ministry of Health (MoH).

- **Meaningful Civil Party Participation and Redress at the VSS / ECCC**  
**Budget: EUR 205.000**  
**Period: 01/2017 - 03/2019**

The Victim Support Section is enabled to implement effectively and efficiently reparations and compensation measures for victims of the Khmer Rouge regime. Civil parties were coordinated to attend hearings, empowered through legal counselling and outreach events and rehabilitated with reparations and non-judicial measures. Therewith, the government and civil society partners were 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**  
**Budget: EUR 1.764.000**  
**Period: 01/2017 – 12/2021**

At present, three Integrated Experts are financed under the SEF to support the Ministry of Women Affairs, Ministry of Health and the Council for the Development of Cambodia (RED / Banteay Meanchey). The Integrated Expert to support the MoH is a follow up measure of MUSKOKA which has been completed in April 2019. The Integrated Expert will train midwives at a children's hospital in Phnom Penh for two years from end of 2019 onwards.

- **Assignment of Development Advisors (DA)**  
**Budget: EUR 775.000**  
**Period: 01/2017 – 03/2021**

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 Rural Development**  
**Budget: EUR 177.991**  
**Period: 01/2017 – 12/2017**

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 2017?);
- Decision to postpone the reorientation of the focal area
- Appraisal mission for the new project MSME promotion.

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**  
**Budget: EUR 20.000**  
**Period: 01/2017 – 12/2020**

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 secretariat 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.

- **High Level Delegation to Germany**  
**Budget: EUR 120.000**  
**Period: 04/2017-12/2019**

The journey of a High Level Delegation from Cambodia to Germany has been postponed and is now scheduled for autumn 2019.

- **Assignment of Development Advisors (DA) to identify measures for MSME promotion and vocational training in the Northwest of Cambodia**  
**Budget: EUR 95.301**

**Period: 10/2017 – 06/2018**

MSME promotion and vocational training play an important role in new BMZ strategy for rural development. This measure was complementary to the two appraisal missions for RED IV and MSME promotion and supported to identify the relevant economic sectors, subsectors and cooperation partners. The results have been considered in the project concepts of the two projects mentioned above.

- **Appraisal Mission EU Arise Plus**  
**Budget: EUR 190.000**

**Period: 11/2017-02/2019**

The appraisal mission took place in 2018. The project ASEAN Regional Integration Support – Cambodia Trade-Related Assistance (Arise Plus Cambodia) will provide trade-related technical assistance to the Royal Government of Cambodia. The overall objective of the project is to support greater connectivity and economic integration between Cambodia, ASEAN and the rest of the world.

The project is funded by an EU – BMZ multi-donor action.

The Minutes of Meetings have been signed between Ministry of Commerce and GIZ on 2<sup>nd</sup> April 2018.

- **Mapping Memories Cambodia**  
**Budget: EUR 75.000**

**Period: 01/2018 – 03/2019**

The "Mapping Memories Cambodia" project supports a university education project in Phnom Penh, Cambodia. Students learn sensitive journalism in Dealing with the Past. As part of the academic journalism training in the field of "broadcast journalism" they research, develop and create multimedia content and their user-friendly treatment. The individual measure aims to increase the media literacy and the historical knowledge of both students and users on the basis of the Khmer Rouge history. For this purpose, a web application will be developed, which identifies historical places on a map, makes possible victims and offenders references to these places with the help of journalistic researched contents visible and networked with the city and land area.

- **Do-no-harm analysis**  
**Budget: EUR 24.000**

**Period: 02/2018 – 08/2018**

In the new political context, following the dissolution of the largest opposition party CNRP, the BMZ wished a political analysis with a focus on decentralization to steer the two TC projects Regional Economic Development (RED) and Decentralization and Development Administrative reform (PN 2017.2004.4 - DAR). The analysis should provide information on how the projects should be designed in their current planning phase in order to act in a conflict-sensitive manner in the field of decentralization.

The measure has been implemented together with Swiss Development Cooperation (SDC), the co-financier at RED and took place in March 2018.

## Annex 9 Draft Programme of Visit on Decentralisation

### Visit of the Deputy Prime Minister Mr. Sar Kheng

September 24<sup>th</sup> to September 29<sup>th</sup> 2019

Arrival in Berlin on Tuesday, September 24<sup>th</sup>

Start of the program on Wednesday, September 25<sup>th</sup>

- Discussion with the **Parliamentary Committee on Economic Cooperation and Development** (tbc)
- Discussion with the **state secretary of the Ministry of Foreign Affairs** (EBA, Human Rights, support to political dialogue) (tbc)
- Scientific introduction: Lecture and dialog with a **university professor** on the history of the German decentralized system and challenges for the reform of federalism (tbc)
- Meeting with **MP Christoph Hoffmann** on the topic of sustainable forest management
- Evening: The Delegation will meet the **Cambodian diaspora-community** – organized by the Royal Embassy of Cambodia

Thursday, September 26<sup>th</sup>

- Optional: Meeting with other Ministries: **Federal Ministry of Health**: Roles and responsibilities on the different administrative levels for providing health services; **Federal Ministry of the Environment, Nature Conservation and Nuclear Safety**: Cooperation among the different administrative levels (tbd)
- Talk on civic engagement in Germany with an invitation to the **German Institute of Human Rights**
- Flight to **Stuttgart**

Friday, September 27<sup>th</sup>

- Meeting with **Minister President Winfried Kretschmann of Baden-Wurtemberg** (equivalent to governor). (Mr Kretschmann is from the green party which is on federal level currently an opposition party while being part of the government on level of the Bundesland Baden-Württemberg) (tbc)
  - *Alternative option: Meeting with Minister of the Interior of Baden-Wurtemberg* (tbc)
- Onward journey to Schwäbisch Gmünd (constituency of Parliamentary State Secretary Mr. Barthle) and visit of a local authority:
  - Exchange with representatives of **local authority departments** about the competence of the departments and the practice of management of local authority matters (if feasible with a member of the regional parliament of Baden-Wurtemberg) (tbc)
  - Local authority services for **waste management / recycling center** (together with responsible representatives on the decentralized level), if feasible: Visit of a recycling company (tbc)

- Visit of the **TVET institute** Technische Akademie Schwäbisch Gmünd (<https://www.technische-akademie.de/>) and the Wissenswerkstatt Eule Schwäbisch Gmünd (<https://gmuendereule.de/>)
- **District hospital** (i.a. self-management, flat-rate payment) (with representatives of the state / of health department) (tbc)

Saturday, September 28<sup>th</sup>

- (Option): Flight with the **private aircraft of Mr. Eberhard Gienger** (MP); Possibility of getting an overview of the decentralized supply and the industrial settlement (Samdech Sar Kheng and Parliamentary State Secretary Norbert Barthle) (tbc)
  - *Parallel program for other members of the delegation (i.e. spare time for shopping)*
- Visit of a forest and discussion about “Competences of different department levels in respect of forestry and forest conservation” (Proposal for further clarification will be discussed with MP Hofmann)

Sunday, September 29<sup>th</sup>

- Private meeting with **Parliamentary State Secretary Mr. Norbert Barthle** in the municipality Waldstetten, Althütte or Auerwald with the mayor and if feasible with municipal councilors (f.b.c.)
- Return to Cambodia