

Summary Record
of the Negotiations on Development Cooperation between
the Royal Government of Cambodia and the Government of
the Federal Republic of Germany
held in Phnom Penh on 3-4 December 2013

Introduction

Negotiations on development cooperation between the Royal Government of Cambodia and the Government of the Federal Republic of Germany were held in Phnom Penh on 3-4 December 2013. The delegation of the Royal Government of Cambodia was headed by H.E. Minister Chhieng Yanara, Secretary General of the Cambodian Rehabilitation and Development Board at the Council for the Development of Cambodia (CDC). The delegation of the Federal Republic of Germany was headed by Dr. Andreas Pfeil, Head of the Central Asia, East Asia, Laos and Cambodia Division at the Federal Ministry for Economic Cooperation and Development (BMZ). Lists of the two delegations are attached as Annexes 2 and 3.

The negotiations took place in an open atmosphere of constructive cooperation. Based on the results of the government consultations held on 17 October 2013, the delegations reached agreement on the allocation of the funds available. They discussed ongoing and future cooperation and other relevant issues.

The results of the negotiations are recorded below.

1. General context for development cooperation and political dialogue

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

Development effectiveness

In September 2013, the Royal Government of Cambodia released its Rectangular Strategy Phase III, which is the socio-economic development agenda for the Kingdom of Cambodia for the period of 2014 – 2018. The German delegation congratulated the Royal Government of Cambodia on this comprehensive strategy and is looking forward to the new National Strategic Development Plan that will make the Rectangular Strategy operational, providing objec-

tives, indicators and a results framework. The German delegation welcomed that the next Cambodian Development Cooperation Forum will take place in March 2014.

The German delegation welcomed the forthcoming Development Cooperation and Partnerships Strategy (2014-2018). The strategy reflects the shift from aid to development effectiveness that focuses on inclusive partnership with all development actors, in the private sector and civil society organizations and explores new partnering modalities such as south-south and triangular cooperation. The German side welcomed the introduction of results-based approaches and would welcome a stronger inter-sector coordination.

European Development Cooperation Strategy for Cambodia 2014-2018

This European strategy provides the overall direction for European development cooperation in Cambodia by setting out a common vision, priorities and targeted results. The purpose of the joint endeavour is to enhance the effectiveness of European development cooperation and eventually have better development results. The European strategy will serve as Germany's country strategy for Cambodia. The Royal Government of Cambodia indicates its support to the initiative and will be actively involved in the process.

Medium-term outlook for development cooperation

As laid out in the Rectangular Strategy Phase III, Cambodia aspires to reach the status of an upper-middle-income country by 2030. Cambodia's graduation will change the nature of donor relationships and the priorities to which Official Development Assistance (ODA) is directed. Against this background, both sides agreed the importance of discussion among all development actors the opportunities and challenges associated with MIC-graduation. Both delegations noted that enhanced economic status goes hand in hand with increased financial responsibilities, that is to say higher partner contributions from the side of the Royal Government of Cambodia.

Good governance and democratic development

Both delegations agreed that the **respect, protection and fulfilment of human rights** are key characteristics of good governance and are important prerequisites for effective poverty reduction and sustainable development. Human rights are a guiding principle for German development policy. The success of Cambodian-German development cooperation thus also has to be measured against the progressive realization of human rights.

The German delegation expressed the hope that both the Royal Government of Cambodia and the opposition will continue their dialogue and that the results of this dialogue will further strengthen democratic principles.

While economic growth is crucial for overall development, it must go hand in hand with social progress and protection of the environment. Thus, business interests should be weighed against their **social, environmental and economic costs and benefits** before any decisions are taken. In this respect, government institutions have taken concrete measures to ensure that affected communities' rights for consultation and (potentially) compensation are respected and disputes are settled in a transparent manner according to the rule of law. Further efforts will be undertaken.

The German delegation congratulated the Royal Government of Cambodia on the ratification of the UN Convention on the Rights of Persons with Disabilities in December 2012. Both delegations confirmed their interest in **mainstreaming disability** in their joint health programme and governance projects.

The German delegation also raised the concern that the reintroduction of incentive payments in the programmes of the **Global Fund to Fight Aids, Tuberculosis and Malaria** would have distortive effects on the health sector and beyond.

A Global Fund investigation in Cambodia has uncovered financial wrongdoing related to the procurement of mosquito nets, among other things. The Global Fund has already undertaken important steps to ensure to prevent this kind of misuse in ongoing and future programmes. A Global Fund mission team is expected to meet with concerned authorities. The Anti-Corruption Unit expressed its strong commitment to fight corruption by carrying out its own investigation and to make accountable those who have accepted bribes or supported the corrupt behaviour.

Public sector reform

Both sides agreed that the success of German-Cambodian development cooperation is closely linked to the successful implementation of the Cambodian public sector reform agenda, particularly in the areas of public financial management, public administrative reform and sub-national democratic development. One specific concern continues to be the low level of basic salaries in the Cambodian civil service, which is not only hindering the achievement of project results but can also affect the development of Cambodia in general. The German delegation noticed that the Royal Government of Cambodia has strong commitment as indicated in its Political Platform (political agenda presented to parliament) and Rectangular Strategy Phase III in conducting compensation reform based on the principles of national budget affordability, equity, improved productivity and effectiveness.

The German side voiced its expectation that, with the creation of the new Ministry of Civil Service, **compensation reform** would receive the necessary impetus for progress. In this

regard, the German delegation reiterated that Germany had stopped paying Priority Operating Costs (POCs) in June 2012, which is fully in line with the policy of all European development partners.

With regard to the Cambodian national budget and external resources, it was underlined by both delegations that all funds must be allocated efficiently and in a predictable way as to implement goals and objectives of the National Strategic Development Plan effectively. Both delegations agreed that further attention needs to be paid to transparency, budget integration and comprehensiveness, as well as public disclosure.

Both delegations confirmed that there is a need to **harmonize externally provided allowances** according to Government rates. The German delegation appreciated the announcement by the Ministry of Economy and Finance to review current rates as defined in Anukret 10 to reflect real costs and expenses.

The German delegation took note of the institutional changes that are linked to the formation of the new government, in particular the **creation of new ministries** as well as the dissolution of Councils such as the Council for Administrative Reform and the integration of subordinate councils into new or existing ministries. With these structural changes an impetus to renewed reform and an early decision on the institutional set-up and on the allocation of competences within the respective ministries is desirable.

Civil society organizations in Cambodia fulfil an important role in the provision of social services and the enhancement of democratic participation. The Royal Government of Cambodia appreciates the added value by civil society organizations and is seeking closer cooperation with these actors. On this basis and given the number of organizations, the Royal Government of Cambodia has formalized coordination and established a dialogue mechanism to further strengthen mutual trust and understanding.

Khmer Rouge Tribunal

Advancing justice and the rule of law is a key priority for Germany. Impunity for the atrocities of the former Khmer Rouge regime is not an option. The international community as well as the Royal Government of Cambodia share the responsibility to ensure that the Extraordinary Chambers in the Courts of Cambodia (ECCC) can complete their mandate.

Germany has supported the tribunal from the very beginning. This year, Germany has contributed €620,000 to the international component of the ECCC, €700,000 is foreseen for 2014. From 2008 to 2013, the German government supported the Victims Support Section (VSS) of the ECCC with €3.4 million. Since 2007, the German government has also supported outreach projects with civil society organizations in order to promote national reconcilia-

tion and justice. Germany commended the ECCC's Victims Support Section for implementing a Reparation Programme in order to enable civil parties to claim and receive meaningful reparations through their participation in the legal proceedings.

Germany welcomed the recent Royal Government's contribution of \$1.8 million, which enables the national side of the ECCC to perform its work without further interruption until the end of the year 2013.

However, serious financial challenges for the Extraordinary Chambers in the Courts of Cambodia remain. The Cambodian delegation confirmed that it continues to be committed to its obligations towards the ECCC. The German side stated that it would support all efforts contributing to sustainable funding for the ECCC.

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

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

- Health ("Social Health Protection")
- Rural Development ("Regional Economic Development" and "Support for the Land Sector Programme")

as well as the cross-cutting area of

- Good Governance: Democracy, Civil Society and Public Administration.

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

2.1. Financial commitments and reprogrammed funds

The total volume of bilateral Technical and Financial Cooperation since cooperation began in 1960 amounts to €303 million. The Government of the Federal Republic of Germany undertakes to provide the Royal Government of Cambodia with a new amount of €47.05 million for bilateral Technical and Financial Cooperation. This comprises €23 million for Financial Cooperation projects/programmes and €24.05 million for Technical Cooperation projects/programmes.

In addition, €9,196,500.45 from commitments made in 2005, 2009 and 2011 will be reprogrammed (of which €9 million under Financial Cooperation and €196,500.45 under Technical Cooperation).

The total volume of funding available for Technical and Financial Cooperation projects and programmes thus totals €56,246,500.45. An overview of financial commitments for 2013 and 2014 is attached as Annex 1.

2.2. Priority Area “Health”

2.2.1. Dialogue on the priority area of health

The German delegation congratulated the Royal Government of Cambodia on its efforts to further strengthen the health system and improve social health protection for the Cambodian people. In this regard, the Cambodian delegation confirmed that the draft Health Financing Policy will provide the framework for further consolidating and integrating existing social health protection mechanisms and agreed that early endorsement of the policy is important with a view to accelerating the move towards universal health coverage.

The continuous roll-out combined with the annual budget increase is a clear indication of the prioritization and ownership of the Royal Government of Cambodia with regard to Health Equity Funds as a social protection mechanism for the poor population working in the informal sector. The German delegation acknowledged and welcomed this commitment and agreed to further align its instruments of Technical and Financial Cooperation accordingly. The Cambodian delegation welcomed this step as a means of achieving greater aid effectiveness. In order to further decrease transaction costs, both sides agreed to set up one single steering committee for both Technical and Financial Cooperation led by Ministry of Health and with the involvement of all relevant stakeholders.

Recognizing the scale of vulnerability of the poor, vulnerable and the near-poor population, the Royal Government of Cambodia adopted the National Social Protection Strategy for the Poor and Vulnerable as a long term vision of delivering comprehensive social protection. Broadening the scope of social protection will contribute to the reduction of chronic poverty, help the poor to cope with shocks, promote human capital, improve productivity and promote sustainable economic growth.

The threshold between the informal sector poor and the near-poor population is blurred, with the latter facing a severe risk of impoverishment in the case of catastrophic health expenditure. Thus, both delegations underlined the need for exploring on how to include the near-poor in existing financing mechanisms, and the German delegation expressed its willingness to further support the Royal Government of Cambodia in this regard.

The Royal Government of Cambodia is aware of the need to speed up institutional reforms in the area of quality improvement and accreditation as outlined in the National Policy for Quality in Health and the Quality Improvement Master Plan. Both delegations emphasized that the timely implementation of the roadmap for the accreditation of public and private providers is an important step. The Ministry of Health informed about the forthcoming endorsement of an accreditation system.

The German delegation appreciated the impressive progress that had been achieved by the Royal Government of Cambodia in recent years with regard to mother and child health. Both delegations shared the view that the Royal Government of Cambodia's Fast Track Initiative on Maternal and Child Health had been pivotal to achieving these results and that this initiative was an outstanding example of sector stewardship. The German delegation encouraged the Royal Government of Cambodia to increase this kind of stewardship, also with a view to inter-sector coordination. This is particularly relevant with regard to cross-cutting areas such as social protection, but also nutrition and prevention of non-communicable diseases.

For almost ten years, Germany provided funding for modern contraceptive methods covering more than 90 per cent of national demand. Now that German support has ended, the financial sustainability of contraceptive supply and continuous access of the population to modern contraceptive methods remains a great concern. Only through support of the Australian government and UNFPA has contraceptive supply been secured until the end of 2015. The German delegation welcomed the announcement of the Royal Government of Cambodia that it would establish an individual budget line for the supply of contraceptives in the 2014 budget allocations. The German government voiced its expectation that this budget line should provide a substantial amount of funding to sustain efforts and continue the positive trend in the use of modern family planning methods in the long term.

The German delegation informed the Cambodian delegation that the revision of the Cambodian-German sector strategy in the priority area of health was under way and would be shared and discussed with the Cambodian government in due course (spring 2014). The strategy will build on the current social health protection programme and the results of that dialogue and will act as a guiding framework for the design of future Technical and Financial Cooperation programmes.

2.2.2. Social Health Protection Programme

The objective of the Programme for Social Health Protection in Cambodia is to improve the access of the poor and vulnerable to effective and affordable quality health care and to ensure that such services are increasingly used by the population.

Based on the Health Strategic Plan II (2008 – 2015), the Social Health Protection Programme is supporting the Royal Government of Cambodia in three strategic areas: Health Care Financing, Health Service Delivery, and Health Systems Governance.

Germany's technical and financial contribution, provided through its implementing agencies GIZ and KfW, will contribute to improving the quality and accessibility of public and private health services in the provinces of Kampot, Kampong Thom, Prey Veng, Kampong Speu and Kep.

In the course of 2012, Germany provided an additional €2.75 million for Technical Cooperation and €3 million for Financial Cooperation in the Social Health Protection Programme. These funds are being used for the ongoing portfolio.

Financial Cooperation in Social Health Protection

2007.6604.8, total commitment €2.5 million (grant) – ongoing

2009.6612.7, total commitment €6 million (grant) – ongoing

2011.6554.7, total commitment €7 million (grant) – ongoing

New Commitment: Social Health Protection IV, 2013.6529.5, up to €12 million (grant)

Through the previous commitments, the Financial Cooperation component is being extended to all Operational Districts in the programme provinces of Kampong Thom, Kampot and Prey Veng as well as to Kampong Speu and Kep. In addition to the existing vouchers for mother and child health, new vouchers for extended health services for children are being provided. The selected health services for vulnerable groups which are to be included in this approach, as well as a potential geographical expansion of the programme, will be determined between the Cambodian and German partners in 2014. Within the Financial Cooperation component, efforts are under way to ensure effective and efficient coordination of the voucher approach with the other existing health financing mechanisms, particularly health equity funds, so as to secure synergies, thus strengthening national structures and the social health protection system as a whole.

The new commitment under Financial Cooperation will build upon these activities and experiences. The new programme phase will continue to support health care financing in Cambodia in an integrated and complementary fashion, taking into account – in particular – developments with respect to Health Equity Funds, as well as the outcomes of the review of the strategy for German development cooperation in the Cambodian health sector. Against this background, funding options and suitable instruments will be identified in a feasibility study to

be undertaken in the first half of 2014. The findings of the study will then be discussed jointly, before the appraisal of the new programme takes place in the second half of 2014.

Technical Cooperation

Programme on Social Health Protection II, 2009.2171.8, total commitment €6,548,689 – on-going

New Commitment: Programme on Social Health Protection II, 2009.2171.8, up to €3.6 million

New Commitment: Programme on Social Health Protection III, 2013.2137.1, up to €2.5 million

In the current implementation phase, good progress has been achieved in all three programme components. In the area of Health Care Financing, the programme has successfully provided advice on the drafting of the Health Financing Policy. Once adopted, the policy will form a solid basis for the Royal Government of Cambodia to take further decisions along the path to universal health coverage. With regard to linkage schemes that have been developed under the programme, the decision of the Ministry of Health to increase user fees at health facilities in 2012 is expected to have adverse effects on the near-poor informal population, the target group for voluntary insurance schemes. In the area of Health Service Delivery, the Royal Government of Cambodia has adopted several guidelines and check lists that will be applied at facility level to improve service quality. The programme accompanies the introduction of these guidelines through training and capacity building measures. In the area of Health System Governance, the programme continues to facilitate dialogue and collaboration between commune councils, health facilities and civil society to better respond to the needs of people at community level.

The current phase will be extended to August 2015 with an additional budget of €3.6 million for the continuation of ongoing interventions in the areas of health care financing, health service delivery, and health system governance, with a specific focus on vulnerable groups across the entire programme. Beneficiaries are the poor, the near poor, people with disabilities and the elderly. Two integrated experts – one working at the Ministry of Health and another one at the National Social Security Fund – will be financed under this commitment from mid-2014.

Furthermore, €2.5 million will be committed for a follow-up project that will be determined in a project appraisal mission in the second half of 2014. The Technical Cooperation activities will continue to focus on key strategic areas of the Royal Government's Health Strategic Plan and the Universal Health Coverage Policy, based on mutually agreed priorities.

Mother and Child Health, 2011.2194.6, total commitment €3.64 million – ongoing

New Commitment: Mother and Child Health, 2011.2194.6, up to €2 million

In the context of the G8 Muskoka Initiative on Maternal, Newborn and Child Health and the “Fast Track Initiative Road Map” of Ministry of Health, the Government of the Federal Republic of Germany is increasing its commitments to further improve maternal and child health in Cambodia. The Mother and Child Health component is part of the Social Health Protection Programme and supports the Ministry of Health and the National Center for Maternal, Neonatal and Child Health in further reducing maternal and child mortality in the target provinces of Kampot, Kampong Thom, Kampong Speu and Kep.

The ongoing project focuses on procuring medical equipment and rehabilitating health facilities in order to improve basic emergency obstetric care, as well as awareness raising and behavioural change. The project is being implemented in close cooperation with UNICEF. The additional commitment is to be used to further improve neonatal care and access of women with disabilities to reproductive and child health services.

2.3. Priority Area “Rural Development”

2.3.1. Dialogue on the priority area of rural development

The German delegation noted with appreciation the considerable progress made in the agricultural sector and rural areas. Broad-based productivity improvements, increasing diversification and the increasing commercial orientation of smallholder agriculture have led to stable growth and considerable poverty reduction. Obvious improvements in rural infrastructure, in particular rural roads, have enhanced access to health, education and other services as well as markets. Increased migration to urban centres is another characteristic of this important transformation. However, manifold challenges remain. Agribusiness has only been developing slowly; and due to low and poorly developed processing capacities, Cambodia remains a low-value raw material supplier.

Building on achievements, it is essential to ensure that future growth is inclusive, pro-poor and sustainable. In particular, both sides underlined the importance of ensuring equitable and secure access to natural resources such as land, forests and fisheries; safeguarding natural resources and promoting environmentally sustainable development; and reducing the vulnerability of those households that are no longer considered poor but are at risk of falling back into poverty due to shocks, e.g. food price changes and extreme weather events such as floods and droughts. This needs to be embedded in spatial planning, proper management of

national parks and protected areas, and allocation and management of economic land concessions in compliance with existing law.

The private sector plays a crucial role for increasing productivity in agriculture. Private sector activities require proper facilitation and regulation as well as sound complementary public service provision. It could be useful to assist central but still rural locations in developing into local growth and service centres, and to support accompanying infrastructure investments.

The German delegation acknowledged the great progress achieved in land management, administration and distribution so far and welcomed the detailed objectives on land reform in the Rectangular Strategy Phase III. Both delegations agreed that intensifying and deepening the implementation of land reform and of inclusive land registration in particular is crucial for the future development of Cambodia. Land reform has a high potential for poverty reduction. However, there is a need to connect land reform with other efforts, especially in agriculture, in order to ensure food security and environmental sustainability as well as gender equality. Holding land titles is one first step on a long path to sustainable livelihoods for most Cambodians. The Cambodian Delegation informed that the land dispute resolution mechanism in Cambodia is implemented through either a court system or an out-of-court system. Land disputes about registered land are solved through the court system, and disputes about unregistered land are solved through Cadaster Commissions. Both delegations see the need to improve accessibility and further strengthen human and institutional capacity of dispute resolution mechanisms so that legal rights of all Cambodians are protected. Subsequent registration is another aspect with regard to the sustainability of land reform.

Acceleration of communal land titling for indigenous communities is crucial, as indigenous communities' rights are threatened by land encroachment and some holders of economic land concessions. The lengthy and complex process that precedes a communal land title being issued requires well-trained officials at the district and provincial levels as well as legally and technically qualified non-governmental organizations to facilitate the process of pre-registration. With reference to the forthcoming National Strategic Development Plan 2014-2018 which provides for the issuance of communal land titles for 10 indigenous communities per year, the German delegation encouraged to exceed this target.

While the implementation of the *New Actions on Existing Policies for the Land Sector* has boosted land reform, challenges remain. Even though around 1.2 million ha has been cut off under Directive 01 (2012-2014), the identification of state land for distribution to the landless remains challenging. Also, there is a need for a medium-term strategic approach on how state land will be distributed to the landless and land-poor groups. A comprehensive register,

including information on forestry and economic land concessions and land occupied by informal settlers, would facilitate improved implementation of land reform.

Legally binding land use planning will greatly simplify initial land registration, support decentralization and deconcentration as required by the Organic Law, and pave the way for socially, economically and ecologically sustainable as well as poverty-oriented land use. Land reform, in particular access to land, needs to be grounded in a broader territorial development approach as laid out in the draft Land Policy (White Paper). As inter-ministerial coordination and cooperation remains crucial, the German delegation inquired how this would be ensured after the Council for Land Policy had been dissolved. The Cambodian delegation informed that the inter-ministry coordination and cooperation is composed of several elements:

- Land Administration: State Land Management Committee, Administrative Commission for Systematic Land Registration, Cadastral Committee for land dispute
- Land Management: National Committee for Land Management and Urban Planning
- Land Distribution: National Social Land Concession Committee
- Legal and policy framework: Office of the Council of Ministers.

Due to the complex and interlinked issues addressed by all programmes of Technical and Financial cooperation in the priority area “Rural Development”, both delegations agree to explore the possibility to develop a platform to facilitate inter-ministerial exchange of information and coordination. While each Ministry is responsible for individual Programmes, synergies can be created when current and planned activities are better coordinated and aligned.

2.3.2. Regional Economic Development

Financial Cooperation

Rural Infrastructure Program RIP II, 2009.6611.9, total commitment €7 million (grant) – ongoing

The German government appreciates the timely and continuous provision of funding for maintenance under this programme. Programme phase II started in June 2011 and will continue until the end of 2014. A baseline study was carried out in June 2011 and ex-post results on road rehabilitation were identified by a study after implementation in July 2013. The impacts identified are very positive. The two markets which have been constructed under this project have been handed over to local market committees. The Ministry of Rural Development will continue to support the market committees in order to make them fully operational.

Rural Infrastructure Programme RIP III, 2011.6553.9, total commitment €4 million (grant) – ongoing

The Financial Agreement and the Separate Agreement were signed on 29th November 2013. Under this programme phase, rural roads and probably two markets in district capitals will be rehabilitated in Kampong Cham and Kampong Chhnang.

The Cambodian side confirmed to continuously provide rural road maintenance funding; not less than \$2.2 million annually for the provinces which are part of the RIP (i.e. Siem Reap, Kampong Thom, Kampong Cham, Kampong Speu, Kampong Chhnang, Prey Veng and Kratie). In addition, the Royal Government of Cambodia will contribute €0.4 million (i.e. 10 per cent of the amount of German funding) to the programme for financing operation costs and investment measures. Programme implementation is planned to start in December 2013.

Flood Repair Measures to Rural Infrastructure FRRI, 2011.6712.1, up to €8 million (grant) – ongoing

In response to floods in 2011, the German government made available €8 million in late 2011 to rehabilitate and improve flood damaged rural roads and school buildings in six provinces (Siam Reap, Kampong Thom, Kampong Cham, Kampong Chhnang, Prey Veng and Kratie). The German delegation welcomed the significant contribution of \$4 million to the programme by the Royal Government of Cambodia. Implementation is being completed by the beginning of 2014.

New Commitment: Rural Infrastructure Programme RIP IV, 2013.6530.3, up to €2 million (grant)

Reprogrammed Funds: Rural Infrastructure Programme RIP IV, 2013.6530.3, up to €9 million (grant) from the Programme on Land Policy and Land Management, 2011.6652.9

The programme with an overall German commitment of up to €11 million will consolidate the positive results of the previous phases and further improve the rural roads and complementary infrastructure in order to strengthen the rural development process and reduce rural poverty. The selection of provinces for programme phase IV will follow the established criteria, namely: a) poverty indicators, b) coverage of province by present and planned development measures, and c) linkages to other German Technical or Financial Cooperation programmes. Potential programme activities will be assessed by a feasibility study that will be

launched in the beginning of 2014 for the following provinces: Odar Meanchey, Banteay Meanchey, Battambang and Preah Vihear.

Both delegations agreed that there is a need for a comprehensive rural road maintenance system as a planning tool to carry out regular maintenance of rural roads. In the long run, rural road maintenance will be financed through the national budget. The Ministry of Rural Development informed that a single in-house developed software system as a data management and decision tool will be established. In order to ensure the efficient use of funds, close cooperation between the Ministry of Rural Development, the Asian Development Bank (ADB) and KfW will be ensured by responsible ministerial staff. KfW is willing to support the establishment of a unified and countrywide rural road maintenance system, e.g. through technical, financial and training support.

With regard to counterpart funding, the German delegation pointed out that a level of only 10 per cent of Cambodian funding does not reflect well the mature cooperation that has been established. As target provinces and districts of phase IV will most likely include areas that were affected by flooding in 2013, the Cambodian delegation was kindly asked to increase counterpart funding. The Ministry of Economy and Finance announced its willingness to discuss counterpart funds after concrete investment sites have been identified.

New Commitment: Economic Infrastructure Programme to Sustain Land Reform Implementation, 2013.6699.6, up to €9 million (grant)

The programme will focus on the improvement of living conditions for the poor population in rural areas of Cambodia, with a special focus on the indigenous population, poor and vulnerable households as well as small-scale farmers that received or will be receiving land titles. Investments under this programme will potentially include rural roads and markets, water supply including small scale irrigation and sanitation systems, rural electrification etc. and thus spur rural economic development. The project executing agency will be the Ministry of Rural Development.

A fact-finding study is currently under way in order to identify needs and possible activities.

Transmission Line Takeo-Kampot, 2001.6626.4, total commitment €12,169,378.22 (grant), completed

Rural Electrification, 2005.6613.3, total commitment €6 million (grant) - ongoing

Rural Electrification, 2007.6602.2, total commitment €4 million (grant) - ongoing

The rural electrification projects focus on reliable energy supply and reduced energy costs for the population in rural areas of Cambodia, namely the provinces of Kampot, Takeo and Kampong Speu, in order to boost social and economic development in the regions.

The construction of the transmission line Takeo-Kampot including a substation has been completed and the facilities started operating in the first quarter of 2012. Further construction of lines under the two rural electrification projects is under way and expected to be completed by mid-2014.

The grants provided to the Ministry of Economy and Finance have been made available to Electricite du Cambodge (EDC) as concessional loans. It has been agreed to use all revenues from interest payments and loan repayments to co-finance additional projects for rural electrification development. Ministry of Economy and Finance stands ready to discuss with EDC and KfW on the use of the recovered funds for implementing projects in the power sector.

Technical Cooperation

Regional Economic Development (RED) - Green Belt II, 2009.2170.0, total commitment €5,484,713.82 – ongoing

New Commitment: Regional Economic Development (RED) III, 2013.2226.2, up to €4.7 million

Both sides stated their satisfaction with the results and impacts of the programme. In January 2014 a joint programme progress review will take place to assess the programme's implementation and its impact and contribute to the design of the follow-up programme envisaged to start in September 2014. As discussed during the government consultations, the follow-up programme is to replicate successful approaches in one or two additional provinces adjacent to Siem Reap. Both sides welcomed the interest of the Swiss government in co-financing the follow-up programme and participating in the envisaged review and design mission in January 2014. The joint mission is to finalize the selection of the additional provinces based upon agreed criteria and in line with available funding. In addition to successful approaches such as strengthening value chains and enhancing public-private dialogue and cooperation, the following topics will also be considered in the upcoming mission: food security, environmental sustainability and resilience to climate change as well as gender equality.

In view of the envisaged operation of the RED follow-up programme in several provinces, the mission will further review and adjust the management and coordination set-up of the pro-

programme. In line with the decentralization policy, responsibility for the management of programme implementation is to remain with the respective provinces. In addition, a steering committee composed of the government institutions concerned is to be set up at national level to provide guidance, to monitor implementation, to ensure coordination and facilitate the transfer of models and solutions to national-level strategies and programmes.

The German delegation expressed its expectation that the remaining allocation of the Cambodian financial contribution committed for RED Phases I and II will be made available as soon as possible. The Royal Government of Cambodia confirmed that it would release the remaining funds from RED I and RED II, amounting to €1,572,385 minus the amount disbursed until the end of phase II (August 2014), so that the funds can be used for implementation activities including the next phase.

2.3.3. Support for the Land Sector Programme

Technical Cooperation

Land Rights Programme I, 2009.2169.2, total commitment: €8,555,330.00 - ongoing

New commitment: Land Rights Programme II, 2013.2225.4, €3.9 million

Phase I started in March 2011 and an implementation agreement was signed on 25 May 2011. Whilst there is evidence of good progress in most activities, the registration of indigenous communities' land and implementation of Circular 03 still need more attention to produce the agreed results in good time. In this context, the German side urged the Cambodian side to identify an area suitable for piloting Circular 03 in Phnom Penh.

The release of additional funds committed during the 2011 government negotiations was linked to the fulfilment of two short-term milestones by June 2012. As no joint assessment of the milestones could be agreed throughout 2012, the BMZ decided to extend phase I until June 2014 and released €2.288 million of the €4 million commitment made at the government negotiations in 2011 (Land Rights Programme II, 2011.2146.6).

Based on two letters from the Ministry of Land Management, Urban Planning and Construction (13 June 2013, 31 October 2013, as annexed) that informed the German government of the progress made with regard to all milestones agreed in 2011, the German delegation found that sufficient progress had been made to continue German support for the land sector reform.

The German and Cambodian delegations agreed to extend the Technical Cooperation activities: Phase II would draw on the remaining 2011 commitment of €1.712 million plus the new

commitment of €3.9 million, totalling €5.612 million. Special attention will be given to the regularization of informal settlers in urban and rural areas, indigenous communities' land registration, and improved approaches for land distribution to the poor. In addition, the new commitment might also cover land management, especially spatial planning; drafting of policy and legal framework; improvement of systematic land registration (avoidance of exclusion) and subsequent land registration; land conflict resolution; and strengthening of capacity at the sub-national level. The sustainability and pro-poor orientation of land reform remain at the heart of all efforts. Joint activities will contribute to the progressive realization of the right to adequate food and housing.

The final selection of programme areas and activities will be further assessed jointly through an appraisal mission in February 2014. The programme concept will be consulted in spring 2014 to allow for harmonization with international development partners (WB, IFAD, Finland) and German Financial and Technical Cooperation. Goals and indicators of the Land Rights Programme phase II will be aligned to the Cambodian Land Sector Reform and activities will be part of the overall workplan.

FAO "Voluntary Guidelines on Responsible Governance of Tenure of Land, Forests and Fisheries in the Context of National Food Security" will serve German Development Cooperation as the main reference for its new commitment in the land sector. The German delegation welcomed detailed objectives on land reform in the Rectangular Strategy Phase III.

The Joint Supervision Mission for the Cambodian Land Sector Reform Programme will be used as the review mechanism for joint Cambodian-German activities as agreed and defined in the Land Rights Programme phase I and II.

2.4. Cross-cutting area "Good Governance: Democracy, Civil Society and Public Administration"

2.4.1. Dialogue on the cross-cutting area of good governance

The German delegation took note of the progress made by the Royal Government of Cambodia on governance reforms and welcomed confirmation that those reforms remain at the heart of the Rectangular Strategy Phase III.

Both sides agreed on the importance of the core reforms, namely Fighting Corruption, Legal and Judicial Reform, and Public Administrative Reform, for poverty reduction, development and inclusive growth. In this regard, the German side emphasized that progress on these reforms is also pivotal for achieving the agreed results of the projects and programmes of Cambodian-German cooperation and that after adopting the respective laws, policies and

strategies in the reform areas, the fifth legislature should have a clear focus on implementation, application and enforcement, including the allocation of the respective funds.

In particular, reforms in public financial management, public administration, and sub-national democratic development are strongly interconnected and have implications for the progress on other sector reforms (e.g. health, land). Thus, the German side encouraged the Royal Government of Cambodia to further strengthen coordination of these reforms with all governmental stakeholders concerned.

Both delegations confirmed their joint understanding that the democratic principle of the separation of powers (judiciary, legislative, and executive) is an important element for further strengthening democracy in Cambodia. Germany appreciated the efforts undertaken so far and is most willing to continue to support the Senate, the National Assembly, sub-national councils and the National Audit Authority with a view to capacity development and the effective functioning of these institutions.

With regard to the dissolution of the Council on Legal and Judicial Reform and the integration of the Council's General Secretariat into the Ministry of Justice, the German side requested the Royal Government of Cambodia to ensure that all commitments under existing contracts be transferred to the Ministry of Justice.

2.4.2. Technical Cooperation

Decentralization and Administrative Reform IV, 2011.2081.5, total commitment €3 million - ongoing

New commitment: Decentralization and Administrative Reform IV, 2011.2081.5, up to €1.58 million

The German delegation congratulated the Cambodian government on its progress on the decentralization reform and particularly on the progress on implementing the first three-year plan of the 10-year National Programme for Sub-National Democratic Development. Support for the three-year Implementation Plan with its emphasis on local participation and democratic accountability constitutes a key area of current cooperation for European development partners, namely the EU, Sweden and Germany. German support will continue to be an element of the joint European approach, which is making use of the comparative advantages of each partner. The focus will be on strengthening sub-national councils, particularly district and municipal councils, and supporting an enabling legal and policy environment for their autonomy and discretionary space.

Both sides agree that there is a need to accelerate progress in key areas of the decentralization reform, especially in terms of ensuring that district and municipal councils will - where the capacity is in place - as soon as possible, be equipped with sufficient funds of their own by making the district and municipal fund operational, as well as with functions and resources transferred from line ministries.

The German delegation welcomed the proposal that was submitted by the Ministry of Interior in July 2013 to the German government and stands ready to continue support beyond 2014. Given that a new three-year implementation plan (2015 – 2017) will be designed in 2014 and given the need for close alignment of the new project phase with this implementation plan, the two delegations agreed that the ongoing project would be provided with a new budget allocation of €1.58 million, so that it can continue its support to the decentralization reform at the present level until December 2015.

After six years of cooperation, the administrative reform component of the project will end in December 2014 as planned. The German delegation welcomed the formation of the new Ministry of Civil Service as well as the announcement of renewed and intensified commitment to administrative reform, particularly compensation reform and implementation of the policy on human resources to enhance the management and development of civil servants. The German delegation underlined that possible German re-engagement in the field of administrative reform could be considered at the next round of government consultation if the announced acceleration and intensification of the public administrative reform will be realized.

Access to Justice for Women, 2009.2172.6, total commitment €2.85 million – ongoing

Reprogrammed Funds: Access to Justice for Women, 2009.2172.6, up to €196,500.45

Good progress has been achieved in the current implementation phase of the Access to Justice for Women project. In the two target provinces Siem Reap and Kampong Thom, the number of survivors of violence against women who were able to access quality legal and social services was significantly increased. Judicial Police Agents of the Ministry received legal training. A draft for a new *National Action Plan to Prevent Violence against Women* has been developed in a participatory way and based on evidence.

In order to bridge activities from the current to the future phase of the Access to Justice for Women project, the Cambodian delegation agreed to reprogramme remaining funds from Technical Cooperation projects that have been completed:

Support to Health Sector Reform, 2005.2173.2, €101,038.37

Support to Gender Equity and Women's Rights, 2005.2174.0, €74,049.87

Targeting - Identification of Poor Households, 2005.2178.1, €21,412.21

New commitment: Access to Justice for Women II, 2013.2139.7, up to €2.27 million

The two government delegations agreed to continue their cooperation and to focus even more on the improvement of the sub-national referral systems for victims. Other areas of cooperation are a coherent data management system on gender-based violence, the strengthening of inter-ministerial coordination and the strengthening of the communication role of Ministry of Women's Affairs to improve public accountability. Both sides welcomed that the next phase could be up-scaled by co-financing from the Australian government. Given the Cambodian commitment to promoting the implementation of the *National Action Plan to Prevent Violence against Women* (Rectangular Strategy Phase III) and the increase of development partner funds, the German delegation would welcome an appropriate increase of the share of the budget of the Ministry of Women's Affairs in the national budget.

In addition to the Access to Justice for Women project, the Ministry of Women's Affairs is being strengthened by two integrated experts, one legal advisor and one advisor on economic empowerment.

Support to the National Audit Authority III, 2011.2083.1, total commitment €1 million – ongoing

Both delegations agreed that the managerial and administrative autonomy of the National Audit Authority as well as the allocation of sufficient financial resources to the Authority are key prerequisites for further improving the auditing of public funds. The timely publication and dissemination of the annual reports is equally important.

The project has so far made significant progress regarding the institutional structure. During the third and last phase (from January 2013 to December 2014) the cooperation between the National Assembly, the Senate and the National Audit Authority will be further improved.

The German delegation informed the Cambodian delegation about a new regional project that commenced in 2013 to support the ASEAN Supreme Audit Institutions (ASEANSAI). The project is based in Phnom Penh and provides an excellent opportunity to build on current activities and to provide further support to the National Audit Authority, although in a different manner. The project focuses, in particular, on the Supreme Audit Institutions of Cambodia, Laos, Myanmar, and Vietnam. Overall priorities are the strengthening of auditing capacities,

the organizational development of ASEANSAI members, and the enhancement of the role and status of external financial auditing in the region.

Identification of Poor Households – ID Poor IV, 2011.2247.2, total commitment €0.3 million – ongoing

Both delegations agreed that the programme co-financed by Germany and Australia has made a significant contribution to the development of the ID Poor instrument. The German delegation congratulated the Royal Government of Cambodia on the fact that the instrument is being widely used by various development stakeholders when targeting the poor for development activities. The German delegation also appreciated that the ID Poor instrument has been declared the national instrument in the National Social Protection Strategy and would appreciate close collaboration with the Ministry of Health regarding a harmonized approach for post-identification at health facility level.

Both sides agreed that there is a need to increase and ensure the sustainability of the instrument, so that data will be updated regularly and the instrument further developed. This includes the necessity to develop methods to identify the urban poor, as well as to consider near-poor and vulnerable groups in the future to reach the universal target population. The German government appreciates the substantial efforts of the Royal Government of Cambodia to cover an increasing part of the operational cost of the instrument from its official budget, and that the government is well on its way to securing the total cost of the programme by 2015, when the current project is intended to end.

The German delegation confirmed that presently no funds have been earmarked to continue support beyond 2015. If however the Royal Government of Cambodia would like to discuss how to further develop the instrument in strategic areas and secure support for this, the Ministry of Planning is invited to put forward such a proposal at the next round of government consultations.

2.5. Study and Expert Fund

Study and Expert Fund for Financial Cooperation II, 2001.7040.7, total commitment €1,022,583.76, funding still available: €166,163.04

The fund is to be used for the preparation of future Financial Cooperation projects and for other short-term expert services.

Study and Expert Fund for Technical Cooperation, 1995.3611.1, total commitment €7,652,932.36, open €1,566,214.81 - ongoing

New commitment: Study and Expert Fund for Technical Cooperation 1995.3611.1, up to €3,500,000.00

The fund is to be used for the preparation of future Technical Cooperation projects and for other short-term expert services. In addition, those development advisors and integrated experts who are not integrated in programmes are financed through the Study and Expert Fund for Technical Cooperation. For example, one development advisor is supporting capacity building for stone conservation in Angkor in cooperation with APSARA.

During his visit to Cambodia in 2012, State Secretary Beerfeltz committed €250,000 to the Angkor Centre for Conservation of Biodiversity. These additional funds were made available in 2013 through the Study and Expert Fund for Technical Cooperation.

In July 2013, Germany committed €400,000 to the Reparation Programme of the Extraordinary Chambers in the Courts of Cambodia (ECCC). These funds have also been made available through the Study and Expert Fund for Technical Cooperation.

For the years 2014 and 2015, the German and Cambodian delegation agreed to use up to €500,000 out of the Study and Expert Fund to further support the Reparation Programme and its implementation, to continue meaningful victim participation, redress and national reconciliation; and to come up with a long-term strategy on remembrance and reconciliation (e.g. victims foundation). Details still will have to be discussed taking into consideration ECCC budget (2014-2015) approval and availability of necessary funding.

The German delegation agreed to regularly provide further information on activities financed through the Study and Expert Fund for Technical Cooperation.

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

3.1. German contributions to multilateral organizations

The Federal Republic of Germany contributes to many multilateral and regional institutions such as multilateral development banks and funds, the IMF, the United Nations, and in particular the European Union (about 20 per cent of the EU core budget).

3.2. Regional programmes

The German delegation pointed out that the BMZ is currently funding about 40 regional projects in Asia with total commitments of approximately €40 million per year. About 20 of these projects include activities in Cambodia or have indirect benefits for Cambodia. Please see Annex 7 for an overview of regional programmes.

Both delegations agreed that all regional German development cooperation projects and programmes in Cambodia follow the same procedures and enjoy the equal privileges as the German bilateral cooperation projects and programmes in Cambodia.

As some requests for support made by the Royal Government of Cambodia cannot be met by bilateral programmes, some can be addressed through regional projects and activities. For example, the ASEAN Sustainable Agrifood Systems (ASEAN Biocontrol) Project is already cooperating with the Ministry of Agriculture, Forestry and Fisheries. A German development advisor is supporting the Cambodian Center for Study and Development in Agriculture (CEDAC) and works as the national project coordinator for the ASEAN Biocontrol Project.

Germany is also supporting the Mekong River Commission (MRC) through regional projects. Germany is concerned about the latest hydropower projects, in particular Sayaboury and Don Sahong Hydropower Project but also Lower Sesan 2 Project, which might have negative impacts on food security and nutrition in Cambodia and Vietnam. Past and current development achievements and also poverty reduction efforts are threatened by the potential socio-economic and environmental impacts of these dams on the Mekong mainstream and its tributaries. Germany asked the Cambodian delegation to insist on the prior consultation process regarding the Dan Sahong Hydropower Project so as to ensure that Cambodian concerns can be raised and addressed as envisaged in the 1995 Mekong Agreement.

Regarding the Yali Hydropower Project on the Sesan River at the Cambodian-Vietnamese border, the German delegation proposed that the Royal Government of Cambodia approaches the MRC and requests a joint assessment of the flooding's caused by the water releases. Recently, the MRC Flood Management and Mitigation Programme was successful in facilitating a solution for a similar case at the Cambodian-Thai border.

3.3. Financial Cooperation in the finance sector in Cambodia

The German government and KfW contribute with significant financial commitments to global and regional financial sector funds. All funds active in Cambodia have a current outstanding loan portfolio of more than \$80 million. For example, the Microfinance Initiative for Asia (MIFA) Debt Fund provides microfinance institutions with needs-based refinancing like sub-

debt, long-term loans and local currency loans, partially accompanied by technical assistance. Cambodian microfinance institutions AMRET and Hattha Kaksekar are currently holding loans by the MIFA Debt Fund.

3.4. KfW promotional loans

As a way of complementing the existing set of financing instruments used in Financial Cooperation, mentioned above, KfW may conduct, on behalf of the BMZ, other projects/programmes that merit support from a development point of view. These are conducted by KfW in its own name, on its own account and at its own risk, using KfW funding. Given the nature of the projects/programmes to be financed, the Royal Government of Cambodia acknowledges the need 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 will make all efforts to comply with this obligation promptly at all times. In this matter, the Royal Government of Cambodia assures KfW that it will put it on a footing at least equal to the multilateral financing institutions.

The Ministry of Economy and Finance and KfW recently discussed the exemption from withholding tax for development projects/programmes in Cambodia for which KfW would raise additional financial resources on capital markets. Any decision is made based on existing Cambodian law. The German delegation would appreciate a smooth and timely processing and approval.

3.5. Trilateral cooperation

Complementary to the regional programme *Sustainable Port Development in the ASEAN Region* a German-Malaysian-Cambodian triangular cooperation supports trainings on Corporate Social Responsibility (CSR) in the autonomous ports of Phnom Penh and Sihanoukville since September 2012. German Development Cooperation covers 70% and Malaysia 30% of overall costs.

German development cooperation and Thailand agreed on exploring triangular cooperation in 2008. As joint undertaking, sanitation in rural areas in Cambodia has been identified. The financial contribution of the Thailand International Development Agency (TICA) amounts to at least 30% of total costs.

3.5 Further players

Please see Annex 8 for further German players in development cooperation.

4. Declarations and final clauses

4.1. Provisions for project/programme implementation

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

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

4.2. Preparation of Financial Cooperation projects and programmes

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

4.3. Sunset and project/programme replacement clause; residual funds from earlier projects/programmes

The German side drew particular attention to the fact that the commitments made under Financial Cooperation and Technical Cooperation will lapse if within seven 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 2013 negotiations are subject to a 31 December 2020 deadline.

Should one or more of the projects/programmes mentioned not be implemented or only be partially implemented, it/they may be replaced in mutual agreement between the two governments by another project/programme or projects/programmes.

Any balance that remains after the performance of all services under a contract for a Technical Cooperation project shall be transferred to the Study and Expert Fund without the need for a specific agreement to that effect.

4.4. Anti-corruption statement; transparency

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

The Government of the Federal Republic of Germany and the Royal Government of Cambodia agreed 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.

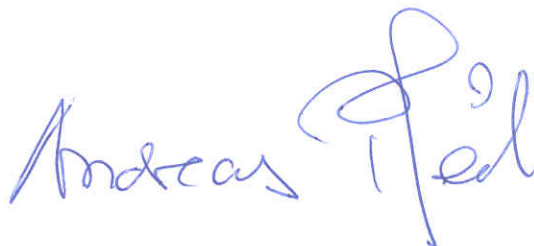
5. Next government negotiations

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 Bonn in 2015.

Done at Phnom Penh on 4 December 2013



H.E. Chhieng Yanara
For the Royal Government of
Cambodia



Dr. Andreas Pfeil
For the Government of
the Federal Republic of Germany

Annex 1 Overview of financial commitments for 2013 and 2014

Project/programme	FC/TC	BMZ project number	New commitment €	Reprogrammed funds €	Total	Continuation Yes/no	FC instrument
Priority area "Health"							
Social Health Protection IV (Programm Soziale Absicherung im Krankheitsfall IV)	FC	2013.6529.5	12 million		12 million	yes	grant
Sub-total Financial Cooperation			12 million		12 million		
Social Health Protection II (Programm soziale Absicherung im Krankheitsfall II)	TC	2009.2171.8	3.6 million		3.6 million	yes	
Social Health Protection III (Programm soziale Absicherung im Krankheitsfall III)	TC	2013.2137.1	2.5 million		2.5 million	yes	
Mother and Child Health (Verbesserung der Mutter-Kind-Gesundheit)	TC	2011.2194.6	2 million		2 million	yes	
Sub-total Technical Cooperation			8.1 million		8.1 million		
Sub-total Health			<u>20.1 million</u>		<u>20.1 million</u>		
Priority area "Rural Development"							
Rural Infrastructure Programme IV (Programm Ländliche Infrastruktur IV)	FC	2013.6530.3	2 million	9 million	11 million	yes	grant
Economic Infrastructure Programme to Sustain Land Reform Implementation (Wirtschaftsbezogene Infrastrukturmaßnahmen zur nachhaltigen Absicherung der Landreform)	FC	2013.6699.6	9 million		9 million	no	grant
Sub-total Financial Cooperation			11 million	9 million	20 million		
Land Rights Programme II (Beitrag zur Sicherung der Landrechte II)	TC	2013.2225.4	3.9 million		3.9 million	yes	
Regional Economic Development (Programm Regionale Wirtschaftsentwicklung III)	TC	2013.2226.2	4.7 million		4.7 million	yes	
Sub-total Technical Cooperation			8.6 million		8.6 million		

Project/programme	FC/ TC	BMZ project number	New commitment €	Repro- grammed funds €	Total	Continua- tion Yes/no	FC instru- ment
<i>Sum total Rural Development</i>			<u>19.6 million</u>	<u>9 million</u>	<u>28.6 million</u>		
<i>Cross-cutting area "Governance"</i>							
Decentralization and Administrative Reform IV (Dezentralisierung und Verwaltungsreform IV)	TC	2011.2081.5	1.58 million		1.58 million	yes	
Access to Justice for Women I (Zugang zu Recht für Frauen I)	TC	2009.2172.6		196,500.45	196,500.45	yes	
Access to Justice for Women II (Zugang zu Recht für Frauen II)	TC	2013.2139.7	2.27 million		2.27 million	yes	
<i>Sub-total Governance</i>			<u>4,046,500.45</u>		<u>4,046,500.45</u>		
<i>Others</i>							
Study and Expert Fund (Studien- und Fachkräftefonds)	TC	1995.3611.1	3.5 million		3.5 million	yes	
<i>Sub-total Others</i>			<u>3.5 million</u>		<u>3.5 million</u>		
Sum total			47,050,000.00	9,196,500.45	56,246,500.00		

Annex 2 Cambodian Delegation

H.E. Chhieng Yanara
Minister attached to the Prime Minister
Council for the Development of Cambodia
- Head of Delegation –

H.E. Rith Vuthy
Deputy Secretary General
Council for the Development of Cambodia

Mr. Chou Heng
Senior Policy Staff
Council for the Development of Cambodia

Ms. Orm Phearom
Desk Officer
Council for the Development of Cambodia

H.E. Ros Seilava
Under Secretary of State
Ministry of Economy and Finance

Dr. Ngy Laymithuna
Technical Official
Ministry of Economy and Finance

H.E. Ngy Chanphal
Secretary of State
Ministry of Interior

Mr. Chhin Tepirum
Officer
Ministry of Interior

H.E. Hing Thoraxy
Secretary of State
Office of Council of Ministers

H.E. Uk Someth
Deputy Director General
Apsara National Authority / Office of Council of Ministers

Mr. Lek Bopha
Advisor
Office of Council of Ministers

H.E. Noun Daniel
Deputy Director General
Ministry of Rural Development

H.E. Prof. Eng Hout
Secretary of State
Ministry of Health

Dr. Lo Veasnakiry
Director of Planning Department
Ministry of Health

H.E. SarSovann
Secretary of State
Ministry of Land Management, Urban Planning and Construction

Mr. Meng Bunnarith
Director of Land Administration Subsector Programme
Ministry of Land Management, Urban Planning and Construction

Mr. Tou Sothou
Deputy Head of the Secretariat of the Technical Working Group Land
Ministry of Land Management, Urban Planning and Construction

Mr. Lor Salath
Advisor of the Technical Working Group Land
Ministry of Land Management, Urban Planning and Construction

Mr. Te Bunna
Officer
Ministry of Land Management, Urban Planning and Construction

Ms. Ngeth Mavylen
Deputy Director
National Audit Authority

H.E. Sy Define
Secretary of State
Ministry of Women's Affairs

H.E. Tes Chansaroeun
Under Secretary of State
Ministry of Women's Affairs

Mr. Trak Sokundara
Vice Chief of Human Resource Department
Ministry of Women's Affairs

H.E. Rong Chhorng
Senior Administrative Officer
Extraordinary Chambers in the Courts of Cambodia

Mr. Hang Vannak
Chief of Victim Support Section
Extraordinary Chambers in the Courts of Cambodia

H.E. Pan Bunthoeurn
Secretary of State
Ministry of Planning

Ms. Chou Putheany
Deputy Director General

Ministry of Planning
Mr. Keo Ouly
Director
Ministry of Planning

H.E. Paul Pidou
Secretary of State
Ministry of Civil Service

Ms. Plek Ryneth
Director
Ministry of Civil Service

Mr. Kong Aphiwath
Officer
Ministry of Civil Service

H.E. Ith Rady
Under Secretary of State
Ministry of Justice

H.E. Pen Pichsaly
Director General
Ministry of Justice

Annex 3 German Delegation

H.E. Joachim Baron von Marschall
Ambassador
German Embassy, Phnom Penh

Dr. Andreas Pfeil
Head of Division for Central Asia, East Asia, Laos and Cambodia
Federal Ministry for Economic Cooperation and Development, Bonn
- Head of Delegation -

Ms. Stefanie Ruff
Desk Officer Cambodia, Mekong River Commission
Federal Ministry for Economic Cooperation and Development, Bonn

Ms. Ludgera Klemp
Counsellor, Head of Cooperation
German Embassy, Phnom Penh

Ms. Birgit Strube
First Secretary, Deputy Head of Cooperation
German Embassy, Phnom Penh

Dr. Christine Heimbürger
Director East Asia and Pacific
KfW Entwicklungsbank, Frankfurt

Ms. Eva Schneider
Country Manager Cambodia, Lao PDR, Mongolia, MRC
KfW Entwicklungsbank, Frankfurt

Mr. Gerald Läser
Director of KfW office in Cambodia
KfW Entwicklungsbank, Phnom Penh

Mr. Kiet Vann
Senior Project Coordinator
KfW Entwicklungsbank, Phnom Penh

Mr. Immanuel Gebhardt
Director of East Asia Division
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Eschborn

Mr. Adelbert Eberhardt
Country Director GIZ Cambodia
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Dr. Petra Schill
Deputy Country Director GIZ Cambodia
Responsible for Access to Justice for Women Project
Responsible for ID Poor Project
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Dr. Bernd Schramm,
Programme Manager Social Health Protection Programme
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Mr. Martin Orth
Programme Manager RED
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Mr. Franz-Volker Müller
Programme Manager Land Programme
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Mr. Christoph Backhaus-Fleddermann
Programme Manager Administrative Reform and Decentralization Programme
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Mr. Jürgen Lehmborg
Project Manager National Audit Authority Project
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Mr. Alexander Beetz
Project Manager ASEANSAI Project
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

Mr. Marcos Smith
Coordinator Civil Peace Service
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Phnom Penh

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

- *H.E. Joachim Baron von Marschall, Ambassador of the Federal Republic of Germany*
- *Dr. Andreas Pfeil, Head of Division for Central Asia, East Asia, Laos and Cambodia
Federal Ministry for Economic Cooperation and Development, Head of Delegation*
- *Distinguished members of the German Delegation*
- *Excellencies and Colleagues from the Royal Government of Cambodia*
- *Ladies and Gentlemen*

1. It is my pleasure to welcome Dr. Andreas Pfeil and colleagues from Germany to Cambodia. I wish you a healthy stay during our negotiations. It's my great honor to lead the Cambodian delegation in today's negotiations and I wish to take this opportunity to acknowledge the presence of His Excellency Ambassador Marschall as well; it's our great honor indeed.

2. Our negotiations today, I believe, will be conducted in an atmosphere of friendship and partnership. Against the backdrop of solid relations established decades ago between the two countries, cooperation between Cambodia and Germany can be characterized as a story of success in development. Support from the German people and government has positively contributed to social well-being and economic progress of Cambodia.

3. Since the 2011 Negotiations, progress has been made in implementing jointly agreed actions, as will be further assessed when we go through our agenda. What I wish to highlight here is that the Royal Government is committed to maintain and consolidate these achievements. Established following the July elections, the Royal Government outlined priorities for socio-economic development of the country before the National Assembly and articulated them foremost in the first cabinet meeting in the Rectangular Strategy Phase 3. This commitment to continue reforms is ever strong and at the same time the Royal Government is working toward addressing the political issues that resulted from the recent political changes with all parties in Cambodia.

Excellencies, Ladies and Gentlemen

4. We have an extensive agenda before us today. It also represents extensive preparation by both parties and the technical consultations that were conducted in October. Both parties will have an opportunity to review progress and set new directions in areas of cooperation. I wish to reiterate here the Royal Government's assurance that German funds are being used in the most effective and efficient manner.

5. I wish to acknowledge the excellent preparatory work by the German Embassy here, in particular Dr. Ludgera Klemp and her team, ahead of today's Negotiations; also to my Royal Government colleagues who have participated along the process. I hope this spirit of partnership will accompany the discussion that follows today and tomorrow.

6. Excellencies, Ladies and Gentlemen, I believe this spirit of partnership will help us to conduct our negotiations in an atmosphere of mutual goodwill and partnership, and I would therefore like to declare the official opening of the Cambodian-German Negotiations.

Thank You.

Annex 5 Opening Statement by H.E. Ambassador Marschall

Excellency Minister Chhieng Yannara
Dr. Pfeil
Excellencies
Dear colleagues
Ladies and gentlemen

Two years have gone by since our two governments last had come together to discuss the development cooperation, and it has been four years since these talks were held here in Cambodia. These negotiations are an important moment when we are taking stock of what has been accomplished and discussing what still needs to be done. I would like to take this opportunity to thank all those who have been working hard during the past few weeks and months to prepare this conference, notably my two colleagues Ludgera Klemp and Birgit Strube as well as the colleagues from the BMZ, GIZ and KfW and our partners of the Royal Government of Cambodia.

Things have moved on since the last conference. Cambodia has moved forward, and remarkable accomplishments have been reached in numerous areas. German-Cambodian development cooperation has continued successfully. Only a few days ago I was able to see for myself the truly impressive work which both GIZ and KfW are doing in the so-called "Green Belt" and rural infrastructure project in the Siem Reap province.

There also have been elections in our countries since the last government negotiations. Elections always are an important event – this is when the voice of the electorate is being heard and this voice in a democratic state always serves as the guideline for the newly elected government. In the case of Germany, the new government has not been formed as yet, although much points in the direction of another grand coalition formed by the conservative Christian Democratic Union and the Social Democratic Party of Germany. A draft coalition treaty provides for a continued commitment to development cooperation of the future German government, and although there may still be changes in detail, I believe we can safely assume that the general course of German development cooperation will not be altered, be it here in Cambodia or elsewhere.

Election results in this country have been telling. There has been an increased share of young people who have voted for the first time, and this may be at the root of an election result which many observers interpret as a call for reform and change coming from a considerable part of the Cambodian population.

The German government is following this with great attention and interest. Of course it rests with the Royal Cambodian Government to draw its own conclusions with regard to policy changes it may deem necessary to undertake. But Germany would like to encourage the Cambodian government to listen to this call for reform. German development cooperation will be implemented in such a way as to support and facilitate a reform process. Special attention will be given to an approach which includes civil society and, in particular, women. The question of securing land titles, a question which is at the core of a sound economic development but also of social peace and justice will continue to be part of German development cooperation. It is of paramount importance to us that this cooperation always works *for*, not against those whose livelihood depends on the land they are dwelling. - For cooperation in the administrative sector an important yard stick will be the successful reform of the Cambodian civil service. The aim must be to make civil servants independent of non-governmental sources of income.

No doubt, much still needs to be done. To our Cambodian friends I am saying: The German government stands at your side and we are looking forward to a continued good cooperation. I consider it my duty to help to promote and deepen the relations which exist between our two countries, and this of course – for the time being - includes development cooperation.

Thank you.

Annex 6 Opening Statement by Dr. Andreas Pfeil, Head of the German Delegation

Excellency Yanara, Excellencies, Ladies and Gentlemen,

Thank you very much for hosting our Cambodian-German Government Negotiations 2013. For me, it is my second official visit to Cambodia and, last week, I had the opportunity to visit our program activities in Siam Reap and Battambang. I am impressed by the engagement of partners; by the tangible impacts and good results in applying new approaches to solve disputed land issues; by the level of citizen participation at communal levels; by the climate adapted infrastructure; and, finally, by the improvements to the livelihoods of people living in rural households.

In 2013, Germany's Federal Ministry of Economic Cooperation and Development was able to second **additional staff** to the German Embassy in Phnom Penh. With now two colleagues – Dr. Ludgera Klemp and Birgit Strube – dedicated to development cooperation, we are better equipped to ensure continuous dialogue with you, our partners, and it is our firm intention to improve the effectiveness and efficiency of our technical and financial cooperation. I would like to encourage you all to make use of this opportunity and to approach the German Embassy whenever you feel it is necessary!

At the end of 2013, **KfW will also be increasing its manpower in Cambodia**: Mr. Gerald Läzer, currently covering Laos and Cambodia, will be exclusively responsible for Cambodia. Compared with earlier government negotiations, we are able this year to **increase our commitments** for bilateral development cooperation substantially – to **47 Mio. Euro** over two years!

However, I will not conceal that, because of the merger of our three technical implementing agencies GTZ, DED and InWEnt into a single agency, GIZ, a substantial part of this increase is the result of a different cost calculation of our technical cooperation. In the past, development advisors, integrated experts and also human capacity development measures were financed from different sources. **Now all technical instruments are integrated into GIZ measures and thus included in the commitments made for each project or programme.** This means less complexity and coordination; and Technical Cooperation instruments are selected according to partner requirements and thus contribute to better development results.

The provision of additional staff and more transparent procedures are just two indicators that may illustrate to you that we are constantly working to strengthen and improve our development cooperation with your country.

Germany, through its Development Cooperation, has been working together with many of you and the Ministries you represent for quite some time, and we will continue to do so because **we are convinced that our joint efforts contribute to the reduction of poverty and to improving people's lives.**

Today, we will negotiate about our future cooperation, about German commitments to joint development programmes in our two priority areas of Health and Rural Development as well as the cross-cutting area of Good Governance. We agreed on these priority areas as they are relevant to the development of Cambodia: thus, for example, **social health protection** prevents people from impoverishment when they fall sick and also increases accessibility to health services, thereby contributing directly to better health and fewer deaths. Ensuring **tenure security** and spurring **regional economic development** contribute to food security and better income opportunities. And increasing **democratic accountability** ensures that governance actually responds to the needs of the people. These are just a few examples that illustrate why our cooperation is relevant, and what impact we can have on the progressive realization of human rights and improvement of livelihoods in Cambodia.

Excellencies, Ladies and Gentlemen,

Germany's Development Cooperation in Cambodia is closely followed by the German Parliament and by civil society in Germany. Just a few weeks ago, I hosted an open meeting in order to inform interested parties about our forthcoming government negotiations. Almost 50 representatives of different organizations attended and asked questions about our work in Cambodia.

As you may know, our support of **Cambodia's land sector** reform was put under particular scrutiny. With the aid of the two letters by the Ministry of Land Management, Urban Planning and Construction that were sent to me, I was able to explain why we were convinced that the objectives of the milestone process had essentially been reached. Looking at what has been achieved through Directive 01 and the outcomes of the Joint Supervision Mission and our consultations in October, I was also able to sketch out our future cooperation. I am looking forward to further fruitful discussions and agreements on how to shape the Land Rights Programme. We would like to focus even more on indigenous communities' land registration and the regularization of informal settlers in urban and rural areas. The internationally agreed FAO "Voluntary Guidelines on Responsible Governance of Tenure of Land, Forest and Fisheries in the Context of National Food Security" will serve as Germany's main reference for its new commitment in the land sector. In addition to a confirmation of human rights as the guiding principle for German development cooperation, this particular human rights guideline will receive even more attention and resources under the new German Government in the years to come.

We welcome the decision by the Royal Government of Cambodia to extend the moratorium on granting new economic land concessions as laid out in the Rectangular Strategy Phase III. Further land grabbing should be actively stopped by the Royal Government of Cambodia. In many cases, land grabbing and degradation of forests, even deforestation, go hand in hand. Both trends are extremely worrisome and undermine the livelihoods of Cambodians living in rural areas.

Excellencies, Ladies and Gentlemen,

The German Embassy informed me about your fruitful discussions on the **Cambodian Development Cooperation and Partnership Strategy** 2014-2018 in Siam Reap three weeks ago. We very much appreciate the guidelines it contains on strengthening partnership by seeking more opportunities for dialogue and inclusive consultation mechanisms; and, in particular, that non-governmental organizations, private sector and non-traditional donors are invited to participate. The promotion of new partnering models with the private sector could very fittingly help to increase acceptance of corporate social responsibility for social, economic and environmental aspects. This would be of mutual benefit to employers and employees. We are ready to support Public-Private-Partnerships. After the terrible fire and the collapse of the Rana Plaza building in Bangladesh which killed thousands of textile workers, German garment and footwear companies are very much under pressure to ensure that their suppliers, also here in Cambodia, respect agreed labour standards. Germany supports the Better Factories Cambodia initiative launched by ILO, and would welcome a strong stand by the Royal Government of Cambodia in support of its people in their struggle for better working conditions.

I welcome the goal of the Royal Government of Cambodia to graduate from low income status and gain middle income status by 2030. Let us keep in mind though, that an enhanced economic status will go hand in hand with increased financial responsibilities, that is to say higher partner contributions from the side of the Royal Government of Cambodia.

Finally, one last point for your information: European partners are currently developing a **joint development cooperation strategy for Cambodia** for 2014 to 2018. Germany is a strong supporter of this process, as it will ensure more efficient coordination and cooperation and, consequently, better development results. I understand that there are some reservations on the Cambodian side. We are ready to discuss any concerns you may have any time. Let me close by wishing us two constructive and productive days!

Thank you.

Annex 7 Regional Programmes

Module	Political partner	Implementing partner	Brief description	Activities and partner in Cambodia
Regional cooperation with ASEAN				
ASEAN focus "Environment / Climate Change"				
Sustainable Port Development in the ASEAN Region	ASEAN Secretariat	TC (GIZ)	The project supports selected ports in improving the quality and efficiency of their safety, health and environmental (SHE) management.	Support for the Ministry of Transport (Marine Department) with regard to facilitating the development and implementation of the SHE Management System in the autonomous ports of Phnom Penh and Sihanoukville as well as support for the national level on the related regulatory issues.
Clean Air for Smaller Cities in the ASEAN Region	ASEAN Secretariat	TC (GIZ)	This project assists small and medium-sized cities in developing and implementing clean air plans.	The project has contributed to the development of a national environmentally sustainable transport strategy with a focus on clean air. The implementation of the existing road map for clean air activities in Phnom Penh has not started yet.
Renewable Energy Support Programme for ASEAN (ASEAN-RESP)	ASEAN Center for Energy	TC (GIZ)	The project is aimed at deepening the regional dialogue and cooperation among ASEAN member states and international stakeholders in order to improve the regulatory framework of and the conditions for renewable energies in the ASEAN Member States.	The main implementing partners are the Ministry of Energy and Mines and the Institute of Renewable Energy Promotion. The programme supports the translation of "Good and Bad Mini Hydropower" into Khmer and several mini hydropower trainings. Cambodia is a potential partner for future activities on rural electrification and mini-grids.

ASEAN Sustainable Agrifood Systems (ASEAN Biocontrol) [ASEAN-German Programme on Response to Climate Change - GAP CC]	ASEAN Secretariat	TC (GIZ)	The programme seeks to support ASEAN in further advancing the implementation of regionally coordinated strategies and policies for food security in its Member States. It is aimed at channelling lessons from efforts in individual countries into the work of the regional organization, and vice versa. The ASEAN Member States have established the ASEAN Integrated Food Security Framework (AIFS) as a binding framework.	Support is being provided to the Ministry of Agriculture, Forestry and Fisheries (General Directorate of Agriculture) for translating the ASEAN Integrated Food Security Framework into the local language. Provision of implementation support; provision of training in biocontrol; field trials testing biocontrol products.
Biodiversity and Climate Change (BCCP)	ASEAN Centre for Biodiversity	TC (GIZ)	The programme is geared to contributing to the conservation of biodiversity and to the sustainable management of natural resources in ASEAN, in line with the needs of the local population.	Since its start in September 2010, BCCP has worked with officials, through ACB and within the framework of their regional mandate, from ACB's national partner (Ministry of Environment) in the area of planning and capacity building.
ASEAN focus "Regional (economic) integration"				
Competition Policy and Law in ASEAN (CPL)	ASEAN Secretariat	TC (GIZ)	The project is aimed at improving the legal and institutional prerequisites for promoting fair competition in the ASEAN Member States.	The main partner is the Ministry of Commerce (MoC), but no specific activities have taken place in Cambodia so far. The project has been facilitating the participation of MoC experts in international conferences on competition policy and law as well as consumer protection. Representatives have also been actively engaged in regional initiatives of the ASEAN Experts Group on Competition.

Promoting Innovation and Technology in ASEAN Countries (PIT)	--	TC (GIZ)	The project's objective is to strengthen innovation systems in ASEAN member states and to enhance cooperation both among ASEAN countries and between the ASEAN region and Germany on innovation and technology transfer.	Based on coordination with the Ministry of Industry, Mines and Energy, two participants from Cambodia attended the International Leadership Training Programme (until Nov. 2013). Another two participants joined the Innovation Management School Programme in June 2013 in Germany.
Improving quality infrastructure in ASEAN	ASEAN-Secretariat	TC (PTB)	The project's goal is to improve the availability of quality infrastructure services in the ASEAN member states based on international good practices, particularly for agro-industry.	Cambodia is being supported to facilitate its participation in regional technical trainings on standardization, accreditation and legal metrology.
Support to ASEAN Supreme Audit Institutions (ASEANSAI)	--	TC (GIZ)	This project's goal is to enable ASEANSAI to fulfil its mandate as a professional association aimed at facilitating the exchange of experience among its members and strengthening their capacities. The project focuses, in particular, on the Supreme Audit Institutions of Cambodia, Laos, Myanmar and Vietnam. Overall priorities are the strengthening of auditing capacities, the organizational development of ASEANSAI members and the enhancement of the role and status of external financial auditing in the region.	The programme's activities are being closely coordinated with the bilateral project which supports the National Audit Authority in Cambodia.
Regional cooperation in general				

Fit for School - Regional Programme for Essential Health Care	SEAMEO	TC (GIZ)	The programme aims to adapt the Fit for School Approach (a school health programme developed in the Philippines which focuses on daily group handwashing with soap and toothbrushing with fluoride toothpaste and the improvement of washing facilities) to country-specific situations, thereby creating a tailored implementation template and relevant human capacity development tools.	The main implementing partner in Cambodia is the Ministry of Education, Youth and Sport (MoEYS). Other Ministries (Ministry of Health, Ministry of Rural Development) and other national partners (Center for Malaria Control) are collaborating partners for implementation and research (Health Outcome Study). The programme supports 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 later scale-up.
City Development Initiative for Asia - CDIA	--	TC (GIZ) FC (KfW)	CDIA is a regional initiative established by the Asian Development Bank and the Government of Germany, with additional funding from the governments of Sweden, Switzerland and Austria and the Shanghai Municipal Government. It provides assistance to medium-sized Asian cities in the preparation of urban infrastructure projects.	CDIA has supported Battambang with two pre-feasibility studies on preparing infrastructure investment projects in the field of sewage / drainage system improvement and waste water treatment as well as in solid waste management. Both project studies were completed in 2010 and ADB has taken up the project for financing. A loan will be provided within the "Sustainable Urban Development in the Tonle Sap Basin Project" (Ministry of Public Works and Transport) comprising six cities in the region, namely Sisophon, Siem Reap, Kampong Thom, Battambang, Pursat and Kampong Chhnang. As CDIA is a demand-driven programme, more cities in Cambodia could ask for CDIA's involvement in their infrastructure projects.

Regional Cooperation Platform for Vocational Teacher Education and Training in Asia (RCP)	--	TC (GIZ)	The Platform is aimed at establishing a forum for regional professional and scientific exchange in the field of vocational teacher education in the ASEAN region and China and at improving the institutional capacity of its members, and it contributes to regional integration processes.	In January 2013, the National Technical Training Institute of Cambodia joined the RCP. It now participates as a full member in the RCP network's knowledge exchange and research activities regarding Vocational Teacher Education and Training standards and reform in the region.
Regional Economic Cooperation and Integration in Asia	--	TC (GIZ)	The aim of the RCI programme is to strengthen core processes of regional economic cooperation and integration within selected sub-regional initiatives in Asia. It supports regional and national stakeholders by providing capacity building, organizing trainings and dialogue events, and conducting sector studies. (The key areas are trade and investment facilitation, port cooperation and local cross-border economic cooperation.)	Cambodia is a member of the Pan-Beibu Gulf Cooperation (PBG), a sub-regional initiative that receives active support from the RCI programme. In particular, the RCI (and ADB) supports the development of the PBG Roadmap on the further development of the initiative and carries out activities in the field of maritime economic cooperation. It has organized capacity building events on topics that are of particular relevance for Cambodia, such as the social impacts of regional economic migration.
Development of and support for financially sustainable social security systems in Southeast Asia	--	TC (GIZ)	The regional programme supports the development of human capacity within social security organizations in analysing and designing national health and pension systems and reforms in the ASEAN region.	Support for the National Social Security Fund, the National Social Security Fund for Civil Servants as well as community-based health funds in cooperation with the Ministry of Health.
Sustainable Watershed Management in the Lower Mekong Basin	MRC	FC (KfW)	The project is concerned with the sustainable management of watersheds in the Lower Mekong Basin.	The regional component (MRC) focuses on mainstreaming best practices for watershed management in the MRC member countries. There is no national component in Cambodia.

Protection and Sustainable Use of Wetlands in the Lower Mekong Region	MRC	FC (KfW)	The project will support the Lao PDR and Cambodia in sustaining wetland areas in the Lower Mekong Basin through sustainable wetland management as well as strengthening the regional cooperation of MRC member states on the management of wetlands.	Cambodia, represented by the Ministry of Agriculture, Forestry and Fisheries, is one of the two pilot countries for the implementation of the national components of the project. Possible activities include the support of fish conservation areas, community fishery and forestry, rehabilitation of flooded forests as well as the development of alternative livelihoods for people living in and around the wetlands.
Pro-poor sustainable hydropower development	MRC	TC (GIZ)	GIZ is advising the Mekong River Commission on developing and implementing instruments for testing and improving the sustainability of hydropower projects. This includes, for example, instruments for analysing the impacts of hydropower development in catchment areas as well as approaches for establishing benefit-sharing mechanisms within water catchment areas and beyond borders. In addition, GIZ supports the exchange of experience between various river basin commissions involved in sustainable hydropower development. The project is also developing basic and advanced training measures on sustainable hydropower.	Cambodia has plans to develop its hydropower potential, including two dams on the Mekong mainstream and some large dams on tributaries, such as the Lower Sesan 2 Dam. Fish protein is vital for the diet of the majority of Cambodians. It is therefore vital to familiarize Cambodian decision-makers with approaches and instruments for sustainable hydropower.
Implementation of organizational reform	MRC	TC (GIZ)		Due to the overarching nature of this project, there is no direct impact on Cambodia. Project activities concentrate on the MRC Secretariat.

<p>Support for Climate Adaptation Measures in the Mekong Region</p>	<p>MRC</p>	<p>TC (GIZ)</p> <p>GIZ supports the Mekong River Commission's Climate Change and Adaptation Initiative to improve its services as a knowledge and information hub regarding adaptation to climate change in the Mekong region. This will increase expert capacities at the MRC in order to give advice to MRC member countries and to support their planning for targeted and effective adaptation. Initially the Commission will be supported in making available data, information and reports on climate change, such as regionalized climate projections for member states. Adaptation options will be developed; progress made in adaptation will be documented using a suitable monitoring system.</p>	<p>Cambodia is highly vulnerable to climate change and, in particular, to the effects of climate change on water resources due to its high dependence on water for irrigation and fisheries for food security. At the same time, however, its adaptation capacities are very limited. MRC's work on climate change adaptation in the water sector (both at the national/policy level and through pilot projects) therefore provides important support and capacity to the Cambodian government as well as local populations.</p>
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Annex 8 Further Players

8.1. German Academic Exchange Service

In 2012 and 2013, the German Academic Exchange Service (DAAD) funded a total of 24 scholarships worth about €160,000.

8.2. Senior Expert Service

The Senior Expert Service (SES) seconds highly qualified retired experts on short-term missions. Since 1995, SES has carried out a total of 201 assignments in Cambodia; 38 assignments in 2012 and 20 assignments until October 2013.

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

Currently there are 22 “weltwärts” volunteers in Cambodia working with 8 partner organizations. The volunteers carry out work primarily in the areas of childcare and education, people with disabilities, health care and environment. The idea behind the volunteer service is the successful formula of “learning by serving”. It will enhance intercultural understanding and help increase awareness and acceptance within society of how development policy issues impact on our common future.

8.4. Civil Peace Service

The Civil Peace Service (CPS / GIZ) is working to support reconciliation and justice in the context of the Khmer Rouge Tribunal. Nine civil peace advisors are part of the CPS programme. Both sides agreed that the CPS would continue its activities in the area of legal advice, as well as in the fields of reconciliation, remembrance, mental health and media. The civil peace advisors work at the Royal University of Phnom Penh and several civil society organizations in the fields mentioned above.

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

Substantial support is being provided in many areas by non-governmental organizations, churches and political foundations. While they receive financial support from the German Federal Ministry for Economic Cooperation and Development, these organizations are fully responsible and accountable for their activities.

The Konrad Adenauer Foundation and Heinrich Böll Foundation have offices in Phnom Penh, while Friedrich Ebert Foundation, Friedrich Naumann Foundation, Hanns Seidel Foundation, and Rosa Luxemburg Foundation provide support through their regional 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 contributes 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 Cambodian government's willingness to provide DGRV with the formal prerequisites for its work.

8.6. Deutsche Welle Akademie (DW Akademie)

Together with the Department of Media and Communication and the Women's Media Centre, DW Akademie has supported the professional training of Cambodian journalists and media professionals since 2006. DW Akademie has strengthened local media and supported high standards of journalistic quality. Currently, in cooperation with all relevant stakeholders, DW Akademie is developing a medium-term strategy to enhance and broaden its support in order to foster media development and the training of journalists in Cambodia.

8.7 DEG – German Investment and Development Company

DEG – German Investment and Development Company has the mandate to finance private sector investment in developing countries and is wholly owned by KfW Group. In Cambodia, DEG is offering loans to local banks and microfinance institutes to ensure credit lines to small and medium-size enterprises. Currently, DEG is providing loans to Acleda, Prasac and Sathapana worth \$80 million.

8.8. Public-Private Partnerships (develoPPP)

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

In 2013 alone, four so-called integrated public-private partnerships were implemented in cooperation with the Regional Economic Development Programme with total funding of €50,000.

DEG is currently financing four public-private partnership activities in Cambodia: one on mining technologies with GUB, one on solar dryer technology in cooperation with Bayer, one in cooperation with the German textile company Maag and one with German shoe producer Puma, with a total budget of €3.6 million.

Under developPPP, GIZ is cooperating with Wagner Kieswerke to establish a recycling centre in Phnom Penh (total budget €485,400).