



Informal Translation

Keynote Address

By

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Prime Minister of the Kingdom of Cambodia

at the

***Launching Ceremony of the National Strategic Development Plan
Update 2009-2013***

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***Your Excellencies, Ladies and Gentlemen,
Distinguished Participants!***

1. Today, I am very pleased and most privileged to once again represent **Samdech Akka Moha Sena Padei Techo HUN SEN**, Prime Minister of the Kingdom of Cambodia, to preside over the launching of the ***National Strategic Development Plan Update 2009-2013***. In this auspicious occasion, I wish to congratulate and highly appreciate the efforts of Senior Minister **Chhay Than** and Ministry of Planning, and other concerned ministries and institutions including the Supreme National Economic Council, Development Partners, national and international organisations, civil society and private sector for their inputs and active cooperation in realizing this important achievement – the ***National Strategic Development Plan Update 2009-2013***. On behalf of the Royal Government, I would like to express our gratitude and appreciation to our legislative bodies for the review and adoption of this important document.

2. I am strongly convinced that the ***National Strategic Development Plan Update 2009-2013*** would produce a better result than the previous plans, since we gained experiences and learned many lessons from previous implementations. Furthermore, the updated plan has been prepared based on a further refined methodology, which aligns the responsibility of ministries/institutions to the priorities of ***Rectangular Strategy, Phase II***, defines specific activities of responsible ministries/institutions to pursue those priorities, and provides precise cost estimates of those proposed activities for 2009-2013.

Your Excellencies, Ladies and Gentlemen!

3. We all have noted that, in the past years, Cambodia has experienced significant transformation not only in political and security sphere but also in economic and social aspects. Peace, political stability, security, and safety as of today are the prerequisites for Cambodia to capitalize on its socio-economic potentials. The 1993 General Elections brought about a constitution that uphold the principles of pluralist democracy, market economy, and human rights, freedom and dignity. In addition, the Royal Government of Cambodia (RGC) formulated the **National Programme for Rehabilitation and Development of Cambodia (NPRD)** in 1994, the first five-year **Socio-Economic Development Plan (SEDP-I, 1996-2000)** defined vision for rehabilitation and development focusing on macroeconomic stability, social development, and poverty reduction.

4. Moreover, Cambodia's image was remarkably changing for 1998-2003 that constituted an important historical epoch and was not only in socio-economic spheres but also in political aspect. Evidently, the General Elections in 1998 and the successful "**Win-Win Policy**" of **Samdech Techo Hun Sen** led to completely dismantling political and military organisations of the Khmer Rouge, begetting full peace for the whole nation, achieving first ample territorial unity for a long history of Cambodia, and integrating former Khmer Rouge soldiers and people of their zones into the mainstream of Cambodian society. In this context, the Royal Government of Cambodia formulated the 2nd **Socio-Economic Development Plan (SEDP II 2001-2005)** in order to guide the continued efforts in socio-economic development as well as successfully implemented the "**Triangle Strategy**" that focused on (1) *building peace, restoring stability and maintaining security for the nation and the people*; (2) *integration of Cambodia into the region and normalisation of relationships with the international community*; and (3) *promoting economic and social development*.

5. Another aspect of the positive and significant developments from 2003 till now includes the transparent, free and fair general elections on 27 July 2008, the successful implementation of the 2nd **Socio-Economic Development Plan (SEDP II 2001-2005)** and the "**Rectangular Strategy**" for *Growth, Employment, Equity and Efficiency*. As a result, Cambodia achieved steady macroeconomic stability and considerable economic progress, of which average annual economic growth was 8.4% in the period of 1996-2006 and 9% for 1999-2006.

Your Excellencies, Ladies and Gentlemen!

6. The "**Rectangular Strategy - Phase II**" has become a **Socio-Economic Policy Agenda** of the Royal Government of the fourth Legislature of the National Assembly. The implementation of this strategy is to further the efforts to sustain the achievements that the Royal Government has hitherto to realise the "**Millennium Development Goals**" in 2015 with the aim of improving and enhancing public institutional capacity, promoting good governance, and modernizing economic infrastructure in order to foster economic growth, create jobs for all citizens, ensure social equity, and increase public sector efficiency as well as protect natural and cultural resources, which is vital for sustainable development and poverty reduction.

7. The **National Strategic Development Plan** has been updated as the global financial crisis and economic slowdown had impacted on Cambodia's socio-economic foundations particularly resulted in the decline in demand for Cambodia's export and exposed its macro-economic and financial system to some risks. These external developments presented many unexpected challenges. Having been faced by these challenges, the Royal Government has taken systematic and sequential measures to

minimize the negative impacts of the international financial cataclysm and global economic recession on our financial and economic system, and to protect our hard earned achievements. These external developments made it necessary for all our ministries and agencies to re-examine their plans to implement the **Rectangular Strategy, Phase II**. In this context, The **National Strategic Development Plan Update (NSDP Update), 2009-2013** has been prepared to accomplish two primary goals; first, to synchronize the time period covered by the **NSDP Update** with the term of the *Fourth Legislature of the Royal Government* in order to ensure that the actions, programs, and projects of all ministries and agencies are aligned to implement our prioritized policies that are outlined in the **Rectangular Strategy Phase II**; second, to ensure that the actions to be laid out by line ministries and agencies to implement these prioritized policies are formulated taking into account the potential impact of the global economic downturn on our economy.

Your Excellencies, Ladies and Gentlemen!

8. The **National Strategic Development Plan Update 2009-2013** inclusively and succinctly outlines the actions, programs and projects for implementing the key policy priorities during the Fourth Legislature of the National assembly. In this regard, I think that there is no need to go into details again of the **NSDP Update**, because it certainly is the restitution of inputs for this document. However, I would like to briefly draw attention to the following central points which can be considered to be the general implementation strategy:

First- Strengthening peace, political stability, security and social order to promote the rule of law, protect human rights and dignity and multi-party democracy in order to create a conducive political and social environment for sustainable development in longer term.

Second- Promoting and maintaining a high economic growth rate and ensuring rapid poverty reduction is a high priority for all RGC institutions. It requires not only a more effective and dynamic cooperation between the government, its development partners and the private sector, but also more effective coordination and collaboration within and across government ministries, and the development community, particularly in key areas such as agriculture and rural development, and associated infrastructure development, irrigation and water resource management, and trade facilitation.

Third- Effective implementing a strategy to ensure a broad-based development of rural economies to create new jobs and increase incomes, to uplift the economic status of rural communities and to enable them making a greater contribution to the national economy requires coordinated planning and implementation of programs by a number of RGC institutions. This broad-based development will be focused on enhancing the productivity and diversification of the agriculture sector, development of agro-industries, rehabilitation and construction of rural roads network and expansion of the education, technical and vocational training, and health services in the rural areas.

Fourth- Further strengthening trade facilitation and integration of the Cambodian economy in the dynamic regional markets, in particular within the ASEAN, GMS and Cambodia-Lao-Vietnam cooperation framework requires RGC institutions to more closely coordinate their strategies and development programs for areas such as transportation infrastructure -- roads, railways, ports, and airports; private sector development-- especially the planning and development of Special Economic Zones; trade facilitation, and industrial development -- in particular creating the enabling conditions to integrate the informal sector small and medium size enterprises in the formal economy.

Fifth- Strengthening capacity of the RGC institutions to efficiently deliver public services and to foster a culture of transparency and accountability. The development and implementation of a comprehensive capacity development strategy covering all public sector institutions in close collaboration with these institutions is a high priority of the RGC.

9. **Referencing** to the idea above, this **National Strategic Development Plan Update** will be served as the roadmap and main tools for measuring the achievements and outcomes of our policy implementation.

Your Excellencies, Ladies and Gentlemen!

10. Another key factor that deserves our attention to overcome the challenges in the implementation of the **National Strategic Development Plan Update 2009-2013** is the issue of budget which is in the difficult stage. Therefore, through this **NSDP Update 2009-2013**, the Royal Government has set a target of 25,740.6 billion CR (equivalent to US\$ 6,278.1 million) for public sector investments to implement RGC's prioritized policies for the Fourth Legislature, of which (i) 17,540.6 billion CR (equivalent to 4,278.1 million US\$) for public sector capital investment requirements; (ii) 4,100.0 billion CR (equivalent to 1 billion US\$) for providing targeted support to the development and diversification of rural economies in order to alleviate poverty in rural and remote areas and to the emergency support to mitigate the adverse impact of the global financial crisis and economic downturn on the vulnerable and the poor; (iii) 2,050.0 billion CR (equivalent to 500 million US\$) for expansion social sectors services to achieve CMDGs targets; and (iv) 2,050.0 CR (equivalent to 500 million US\$) for strengthening the capacity of RGC institutions to efficiently deliver their programs and services.

11. I think that having in hand the **National Strategic Development Plan Update 2009-2013** that is disseminated today is not sufficient for the development of our nation. According to the main thrusts of this document, we still have a great deal of tasks to accomplish and on behalf of the Royal Government I would suggest the following advices and recommendations:

First- to enhance policy coordination with community of development partners and financiers, to strengthen governance aiming at especially fighting against corruption, as well as promoting the implementation of the deeper and more comprehensive reform programs in all sectors, in which all works must combine in an interconnected and cross-supporting system for the goals of socio-economic development and better natural resources and environmental management.

Second- all relevant ministries and institutions must prepare its own sectoral strategic development plan or update it through reviewing all existing and new projects and programs that supported by domestic and foreign resources in order to ensure the alignment and linkage with priorities of the **NSDP Update** as well as timely preparing its Public Investment Programs and budget estimation for its own sector to put in the three-year rolling **Public Investment Program**.

Third- all provinces-municipalities must update their-own provincial/municipal strategic development plan and must pay attention on formulation three-year-rolling public investment program in conformity with the **NSDP Update 2009-2013** as a tool for implementing de-concentration, decentralization and decision making on the investment proposal that set out in the organic law on *Administrative Management of Capital , Provinces, Municipality, Districts and Khan*.

Fourth- I would like to urge multilateral and bilateral development partners as well as Non-Governmental Organizations to make sure that their assistance strategies are aligned and matched with the priorities of the **NSDP Update 2009-2013** and their development assistance are also aligned with the **Public Investment Programs**. All development partners have to confirm that resources channelling through NGOs are in line with priorities and development goals stipulated in the **NSDP Update 2009-2013** and those resources must be utilized in the manner of transparency and responsibility.

Fifth- The Royal Government would like all ministries and agencies and development partners who are financing any action/program/project to give a high priority for carrying out periodic monitoring and evaluation of the implementation of the action/program/ project and copying those reports to the Ministry of Planning after they have been finalized. This would enable the Ministry of Planning to reflect them in the overall assessment of development progress of NSDP Update 2009-2013.

12. Taking this opportunity, on behalf of the Royal Government, I would like to appeal to all government's ministries-institutions, development partners, private sector, civil society and NGOs to provide the full cooperation and support to the Ministry of Planning in the monitoring and evaluating the implementation of the **National Strategic Development Plan Update** to be successful and highly effective. In this connection, may I appeal to all partners for further attention to strengthen the capacity building of the officials in preparing plan, monitoring and evaluating the implementation of the national plan, especially officials within the Ministry of Planning and involved agencies.

13. Before closing, may I profoundly thank and highly appreciate the Ministry of Planning, the World Bank and the UN System that play the important and active roles in facilitating and coordinating in the process of the preparation of this plan, and especially, I would like to thank to UNFPA in providing budget support for publishing the **National Strategic Development Plan Update 2009-2013**. I would also thank every ministry, institution, private sector, civil society, national and international organisations as well as all government representatives from friendly countries for active cooperation in the preparation of this **NSDP Update 2009-2013**.

14. I would like to appeal to the managements and officials in every ministry, institution, arm force, and local authority to provide supports and to actively participate in the implementation of this **National Strategic Development Plan Update 2009-2013**, and wish the implementing process to be successful.

15. At the end, I would like to ask all the participants to join me in wishing **Samdech Akka Moha Sena Padei Techo Hun Sen**, the Prime Minister of the Kingdom of Cambodia, a full and good health in order to successfully accomplish his greatest mission for the nation. Moreover, I wish *Your Excellencies, Ladies and Gentlemen* with the four gems of Buddhist blessing and declare the official dissemination and launching of the **National Strategic Development Plan Update 2009-2013** from now on.