

**Declaration by the
Royal Government of Cambodia and
Development Partners
on Harmonization and Alignment**

December 2, 2004
Phnom Penh

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Introduction

The Royal Government of Cambodia (RGC) and Cambodia's development partners declare their willingness to create an effective development partnership based on mutual commitment, trust, respect and confidence. We do so in the interests of the people of Cambodia—aiming to reduce poverty, improve our collaboration and sustain development gains towards achieving Cambodia's Millennium Development Goals. The objective of this Declaration is to enhance aid effectiveness through harmonization and alignment of donor and RGC practices and procedures to achieve quality outcomes and greater development impact.

The spirit of this understanding follows from the Royal Government of Cambodia's statement at the Fourth Consultative Group (CG) Meeting, *A New Development Cooperation Partnership Paradigm for Cambodia* (May 2000), the work of the OECD/ DAC, the resolutions of the Monterrey Consensus (March 2002), and the Rome Declaration on Harmonization (February 2003). This Declaration has been developed following discussions and exchanges at four Harmonization and Alignment Workshops held in Cambodia during January - October 2004 to implement the Rome Declaration's commitments.

We the Royal Government and the development partners of Cambodia are committed to the Rome Declaration on Harmonization and through this Declaration express our willingness to support the following:

Rome Declaration #1: Ensuring that development assistance is delivered in accordance with partner country priorities, including poverty reduction strategies and similar approaches, and that harmonization efforts are adapted to the country context.

In Cambodia, we will align our programs to existing government strategies such as the Rectangular Strategy (RS), the National Poverty Reduction Strategy (NRSP) and the Socio-Economic Development Plan II (SEDPII), and we will work together to help the government produce an integrated National Strategic Development Plan NSDP (2006-2010).

Rome Declaration #2: Reviewing and identifying ways to amend, as appropriate, our individual institutions' and countries' policies, procedures and practices to facilitate harmonization. In addition, we will work to reduce donor missions, reviews, and reporting, streamline conditionalities, and simplify and harmonize documentation.

In Cambodia, we will turn best practice in the following areas into common practice:

- *working towards Sector Wide Approaches where appropriate, and in all cases we will harmonize our resources, provision of TA and channels of delivery around one*

strategy; strengthening the involvement of civil society - as appropriate - to support the activities of government and donors in achieving the goals identified by the government in its national policies and strategies;

- *working to improve the government systems--such as procurement and financial management--to international standards so that we can adopt them; and*
- *Harmonizing, streamlining and simplifying donor requirements through joint formulation/ missions/projects/workshop/reporting etc.*

Rome Declaration #3: Implementing progressively—building on experiences so far and the messages from the regional workshops—the good practice standards or principles in development assistance delivery and management, taking into account specific country circumstances. We will disseminate the good practices to our managers and staff at headquarters and in country offices and to other in-country development partners.

In Cambodia, we will produce a Partnership Report every six months for the Consultative Group meeting and the mid-CG Meeting. These reports will take stock of progress and will enable government and donors to share emerging good practices with the donors' headquarters and with the international community.

Rome Declaration #4: Intensifying donor efforts to work through delegated cooperation at the country level and increasing the flexibility of country based staff to manage country programs and projects more effectively and efficiently.

In Cambodia, we will encourage all development partners to look at ways to provide assistance through delegated cooperation -- especially those donors without an in-country presence.

Rome Declaration #5: Developing, at all levels within our organizations, incentives that foster management and staff recognition of the benefits of harmonization in the interest of increased aid effectiveness.

In Cambodia, this will mean that increasingly we will recognize and reward results achieved through collaboration rather than the number of inputs.

Rome Declaration #6: Providing support for country analytic work in ways that will strengthen government's ability to assume a greater leadership role and take ownership of development results. In particular, we will work with partner governments to forge stronger partnerships and will collaborate to improve the policy relevance, quality, delivery, and efficiency of country analytic work.

In Cambodia, we will make efforts to have all analytic work carried out in harmony with the relevant sectoral TWG, thereby avoiding duplication, and achieving government ownership and building government capacity. Furthermore, both the RGC and donors recognize the importance of civil society in undertaking policy research and dialogue. Donors will support the government in fulfilling its responsibilities to undertake open, inclusive and respectful consultations with Cambodian civil society when undertaking studies or developing policies.

Rome Declaration #7: Expanding or mainstreaming country-led efforts (whether begun in particular sectors, thematic areas, or individual projects) to streamline donor procedures and practices, including enhancing demand-driven technical cooperation.

In Cambodia, this will mean that we will make efforts to provide Technical Assistance necessary for meeting capacity development needs identified at the sector/program level and within the framework of the relevant sectoral TWG -- and where appropriate, in the context of a Sector Wide Approach—so as to move towards more integrated and demand-driven technical assistance and more sustainable capacity.

Rome Declaration #8: Providing budget sector, or balance of payments support where it is consistent with the mandate of the donor, and when appropriate policy and fiduciary arrangements are in place. Good practice principles or standards—including alignment with national budget cycles and national poverty reduction strategy reviews—should be used in delivering such assistance.

In Cambodia, in addition to the actions spelled out in point 8, we will make efforts to provide full information to RGC on ODA flows (including contributions to NGOs) in a timely manner, to enable integration into budget cycle, improve predictability of resources, provide more medium-term indication of donor support to Cambodia, in the context of the Medium Term Expenditure Framework.

Rome Declaration #9: Promoting harmonized approaches in global and regional programs.

In Cambodia, we will aim to do this in the context of the Mekong River Commission, GMS, ASEAN and other regional fora.

THE WAY FORWARD

We, the Royal Government and the development partners of Cambodia express our willingness to implement the RGC's National Action Plan on Harmonization and Alignment and to monitor progress in implementing the Plan, which will be reported through the Consultative Group process twice a year.

On its part the Royal Government of Cambodia will undertake the necessary reforms to enhance transparency and accountability especially in the areas of procurement, financial management and reduction of corruption.

We, the development partners will aim to make the planning and delivery of our assistance more transparent so that we can increase the accountability of all development actors and to improve aid effectiveness to maximize its benefits for the Cambodian people.

PARTNERSHIP AGREEMENT

We, the undersigned, hereby confirm our willingness to jointly work on enhancing aid effectiveness and efficiency in Cambodia.

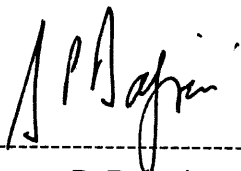
Signed this day, 2 December 2004, in Phnom Penh, Cambodia.

For the Royal Government of Cambodia:

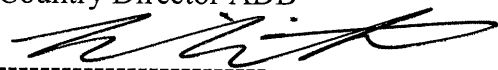
H.E. Keat Chhon, MP
Senior Minister, Minister of Economy and Finance
First Vice Chairman of the Council for the Development of Cambodia
Royal Government of Cambodia




For the Development Partners:



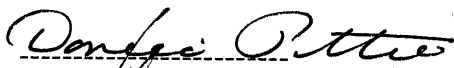
Shyam P. Bajpai
Country Director ADB



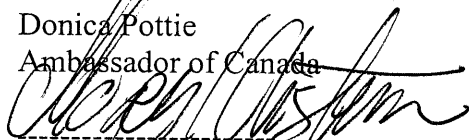
Lisa K. Filipetto
Ambassador of Australia



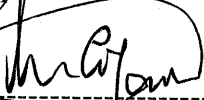
Elizabeth Smith
Representative of DFID



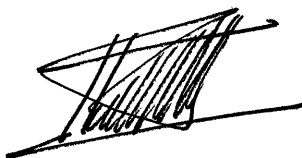
Donica Pottie
Ambassador of Canada



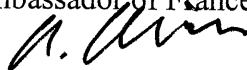
Mogens L. Christensen
Representative of DANIDA




Winston McColgan
Chargé d'Affaires a.i., EC



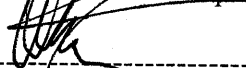
Yvon Roé d'Albert
Ambassador of France



Pius Fischer
Ambassador of the Federal Republic of
Germany



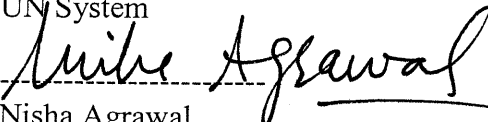
Fumiaki Takahashi
Ambassador of Japan



Claes Leijon
Representative of Sida



Douglas Gardner
Resident Coordinator
UN System



Nisha Agrawal
Country Manager, World Bank