



**EUROPEAN UNION**  
DELEGATION TO THE KINGDOM OF CAMBODIA

Phnom Penh, 9 May 2014

JFC//jp

Ref.:

Please indicate reference number in your reply.

**NOTE FOR THE ATTENTION OF**  
**MR UGO ASTUTO, DIRECTOR SOUTH AND SOUTH EAST ASIA, EEAS I.A**  
**MR DIRK MEGANCK, DIRECTOR ASIA, CENTRAL ASIA, MIDDLE EAST/GULF AND**  
**PACIFIC, DEVCO H**

**Subject:** *Submission of the final joint European Development Cooperation Strategy for Cambodia 2014-2018*

Further to my note dated to 3 April 2014 (Ref. Ares(2014)1040415 - 03/04/2014), I would like to inform you that the HoMs in Cambodia have endorsed the attached finalized joint European Strategy.

The process of Joint Strategy drafting has actively started in March last year and has involved the EU Delegation, France, Germany, Sweden, the Czech Republic, Finland, Ireland, Spain, the United Kingdom and Switzerland.<sup>1</sup> It has also included active consultation meetings with the civil society and private sector actors in Cambodia and in particular with the Royal Government of Cambodia, who has given the joint programming process and the Joint Strategy document its full endorsement and support.

The Joint European Strategy is fully aligned in priorities and timing with the Royal Government's own core national Strategic document for the period, the Rectangular Strategy Phase III. It includes the European partners' agreed division of labour per sectors and indicative financial allocations per partner and per sector. The estimated partners' bilateral funding for Cambodia as covered in the Joint Strategy for the five-year period is around 1.4 billion euros.

The joint European Strategy will serve as the basis of and guidance for the EU/EC MIP 2014-2020 for Cambodia, in place of the Country Strategy Paper. It will also serve as a guidance for all other European partners' further bilateral programming documents, likewise replacing in some cases on a voluntary basis their bilateral strategic papers for Cambodia (the case of Germany).

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<sup>1</sup> European partners in Cambodia participating with active *bilateral* development programmes (the ones covered by the joint European Strategy) in the 2014-2018 period include the EU Delegation, France, Germany, Sweden and Switzerland. Partners without active bilateral programmes but supporting the joint programming efforts to coordinate the European development assistance in Cambodia include the Czech Republic, Finland, Ireland, Spain, and the United Kingdom.

## **Overview and key milestones of the European joint programming process in Cambodia**

The EU development partners in Cambodia have adopted the EU Road Map for Increased Aid Effectiveness already in 2006. The EU Code of Conduct on Division of Labour was also developed in 2008 and actively pursued ever since, to enhance the complementarity of programmes and reduce the transaction costs. EU lead donors were nominated for individual sectors for leading the dialogue with the Government and the wider donor community. There are also many other regular development coordination mechanisms and processes in place among the EU partners (monthly EU Development Counsellors (DC) meetings, annual retreats, joint positions on development policy issues etc.), which are functional and well established.

Cambodia was not originally foreseen by Headquarters as one of the pilot countries to undertake the joint programming (JP) process. However, taking note of the January 2012 joint letter of HR/VP Ashton and Commissioners Piebalgs and Füle which stated that countries not identified as pilot could assess JP potential and draft an opinion on JP possibilities, the EU HoMs retreat in Cambodia in March 2012 recognised the potential advantages of JP in Cambodia. As a result, HoMs mandated the EU DC group to prepare a feasibility study on JP, with the EU Delegation leading the exercise in consultation with EU Member States. Based on the report of the feasibility study from July 2012 the HoMs formally proposed in September 2012 to their Headquarters to take forward JP in Cambodia. Brussels Headquarters endorsed the proposal in March 2013.

Following the endorsements by Brussels and Member States' Headquarters, the EU DC retreat in Phnom Penh in March 2013 launched the process on the ground and set out a practical JP roadmap for Cambodia and a draft outline of the future EU Joint Strategy document structure. Following the preparatory steps, the HoMs informed the Government (Council for Development of Cambodia – CDC<sup>2</sup>) in May of the intention of embarking on JP in Cambodia and requested its endorsement and support, on which a positive feedback was received in June 2013.

The joint political economy analysis of Cambodia was prepared between June and August 2013 and the drafting of the Joint European Development Cooperation Strategy 2014-2018 started in cooperation of EU Delegation and Member States. Originally, the Joint Strategy was planned to be based on the National Strategic Development Plan (NSDP) 2014-2018, of which the first draft was expected in June 2013. However, with continuous delays in the NSDP preparations, linked to the post-election context/political stalemate it was agreed by the HoMs to proceed with the drafting of the Joint Strategy based on the Government's Rectangular Strategy Phase III (unveiled in end September 2013), which is a key national strategic socio-economic platform based on which the NSDP (still not adopted) will be operationalized.

With the first draft of the EU Joint Strategy produced in end October 2013 the EU Delegation requested the CDC to help organize Government consultations on the draft Strategy. It was initially agreed that the consultation meeting will be held on 22 January 2014 and chaired by the CDC. However, due to the grave and violent unrests during the last week of December and early January 2014 (trade unions' and opposition protests) and the resulting escalating political tensions, the EU HoMs took the decision to postpone the consultation meetings until after the EU-Cambodia Joint Committee. Consultations with the private sector and the civil society representatives were held on 5 and 6 March respectively. Following the successful 8<sup>th</sup> EU-Cambodia Joint Committee meeting from 10-13 March 2014, very productive and detailed

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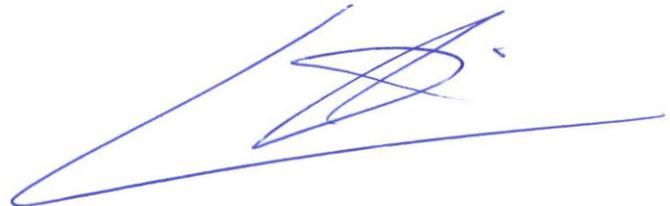
<sup>2</sup> The highest/central Government body responsible for coordination of all development aid to Cambodia.

consultations on the draft Joint Strategy were also held with the Royal Government on 25 March, as described in my previous note.

EU DC annual retreat on 9-10 April was dedicated to the finalization of the Joint Strategy, which was then further discussed and endorsed (pending the inclusion of some additional comments) at the annual HoMs retreat on 29 April. HoMs also agreed they will increase coordination with the Development counsellors for a strengthened promotion of the Joint Strategy priorities at all levels, technical and political. Following the endorsement of the Joint Strategy, further discussions will take place among the DCs on more detailed modalities of the follow-up the agreed division of labour in practice, as well as on further details of the agreed monitoring and evaluation arrangements, as indicated in the Joint Strategy text.

With the EU joint programming processes and Joint Strategy documents around the world varying in structure, substance and scope, and meant to be locally driven by the partners involved, according to specific local contexts, we are pleased that we have managed to produce a comparatively elaborate first/pilot Joint Strategy for Cambodia. After long and extensive drafting process there is now also a very high degree of ownership of the document by all European partners involved, regardless of the fact that the EU Delegation has been in charge of coordinating the process. The process has also resulted in a more intense cooperation of European partners in general.

As agreed, all European partners involved will be submitting the final Joint Strategy document to their capitals for official endorsement by the end of this week. We have all been sharing the draft versions of the document with our respective headquarters since late last year. **We are planning to share the final document with the Government end of June**, as well as disseminate it publicly in line with our aid transparency commitments, as well as for the purpose of EU visibility. We are seeking your official endorsement in time to proceed with this timeline.



Jean-François Cautain  
Head of Delegation

**Enc:** Joint European Development Cooperation Strategy for Cambodia 2014-2018

**Cc:** Mr Viorel Isticioaia Budura, Ms Ranieri Sabatucci, Ms Marlene Flageollet, Mr Fernandez-Shaw Felix, EEAS  
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