

**MINISTRY OF ECONOMY AND FINANCE
Public Financial Management Reform Program**

**Annual Review
An Outline of the Program
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I. Background of PFMRP

The Royal Government of Cambodia has launched an ambitious program to reform public financial management systems and capacities. The program was formally launched in December, 2004 and commenced in February 2005. The program is led by the Royal Government of Cambodia and supported by a wide range of development partners under the framework of Partnership Principle and Multi-Donor Trust Fund.

It is envisaged that the program will extend up to 2015, but is broken down into a series of stages each with a defined set of achievements that provide a platform for moving towards subsequent stages. Specifically, the program is built up upon four sequenced and prioritized platforms: (1) a more credible budget, (2) effective financial accountability, (3) the RGC policy agenda become fully affordable and prioritized; and (4) RGC managers become fully accountable for program performance.

So far, it has been a year of implementation. With our strong commitment and efforts, there are significant results have been achieved. Yet, at the same time, there exist shortcomings and constraints that have been not in fully captured at the preparation stage. In addition, it is also a challenge to look ahead in order to better prepare for the next step. In this regard, it is important to take stock of our action. The retreat is to serve such purpose.

II. Retreat Program and Expected Outcomes

The retreat is scheduled to proceed as followed. The retreat will be structured into 5 sessions. Session 1 provides an overview and the progress of the reform program. The session starts with the overview of the reform program by Dr. Aun Porn Moniroth and follows by the outline of the retreat program by Dr. Hang Choun Naron.

The second part of the session focuses on the presentation of the annual progress of the program by Dr. Sok Saravuth and the presentation by External Advisory Panel (EAP), Mr. Jason Olson. The main focuses will be on the program's activities, progress made, constraints and the challenges. Next, EAP will present their findings regarding the

implementation and the results of the program. This is a good starting point to compare the assessment by the implementers and independent reviewers.

Session 2 includes presentation and panel discussion of 3 Working Groups (WG). The WGs have been established by mid-February 2006. Since then, each WG has met and worked on their respective topic. WG 1 is working on the platform achievement by assessing the key activities in platform 1, whereas WG 2 on measuring progress by looking into the program's indicators and assessing risk and WG 3 on management of change which also includes MBPI and Capacity Building. Each WG is expected to present their findings and issues for further discussion.

Session 3 will summarize the key findings and issues presented by the 3 WGs. Afterward, those issues will be the topics for further discussion by the 6 groups, which include all the participants and is elaborated in session 4.

Session 4 will allow for group discussion and presentation. All the participants are expected to involve in this discussion. The participants will be divided into 6 groups to discuss on the 3 topics of the 3 WGs. Two groups, one group is chaired by MEF's official and another by Development Partners, will discuss the same topic. So that we can compare how the same issue is perceived by different group.

After group presentation, session 5 will open the floor for all the participants to engage in the discussion on the issues and key activities need to be achieved in order to complete platform 1 and move to platform 2. The chairman will finally conclude the key findings and propose the plan and measures for next steps.

The expected outcomes from the retreat are primarily envisaged to be:

1. A shared understanding by all stakeholders of progress and implementation of the Royal Government of Cambodia's Public Financial Management Reform Program;
2. An agreed outline of key issues and remedial measures; and an updated action plan for the timely completion of Platform 1; and
3. An agreed program of measures and action plan for Platform 2.

The outcomes from the retreat will be used as key inputs for the drafting of the Report on the Annual Strategic Review of the Public Financial Management Reform Program, which will be presented and endorsed at the PFMTWG meeting.