



Asian Development Bank

Cambodia Resident Mission

November 17, 2014

His Excellency Dr. Sok Saravuth
Secretary General, General Secretariat
Steering Committee, Public Financial Management Reform
Ministry of Economy and Finance

Excellency,

I am writing to you in my capacity as Lead Development Partner Facilitator. On behalf of Development Partners, I would like to congratulate the Royal Government of Cambodia on the July 22, 2014 endorsement of Sub-Decree 216 on Daily Subsistence Allowance (DSA) for domestic and international missions and for officials at the national and sub-national levels. This is a significant achievement.

In an effort to improve the effectiveness of our development cooperation in Cambodia, Development Partners have deliberated over the last few months on how best to harmonize our DSA rates while aligning as closely as possible to Government practices. Members of our DSA Working Group have been keeping you informed of our progress. I am pleased to inform you that following the issuance of Sub-Decree 216, Development Partners have now agreed a set of principles to guide our payment of DSA rates (attached). Reflecting these agreed principles, Development Partners will harmonize their individual DSA practices and align with the Sub-Decree as closely as operationally feasible.

We firmly believe that these agreed principles mark a significant step forward in our partnership with the Royal Government of Cambodia as they will contribute to making our cooperation more predictable and transparent.

To inform national and international partners of these agreed DSA principles, we would suggest organizing a dissemination event early next year jointly with the Ministry of Economy and Finance, the Council for the Development of Cambodia (CDC), Development Partners, and civil society organizations. We would be happy to coordinate closely with you and your colleagues at CDC in preparing for this event.

Please accept, Your Excellency, the assurances of my high consideration.

Sincerely,

Eric Sidgwick
Lead Development Partner Facilitator and
ADB Country Director

cc: H.E. Chhieng Yanara, Minister attached to the Prime Minister, Council for the Development of Cambodia
H.E. Sak Setha, Secretary of State, Ministry of Interior and Head of the National Committee for Sub-National Democratic Development Secretariat (NCDD-S)
H.E. Ngan Chamroeun, Deputy Head of the National Committee for Sub-National Democratic Development Secretariat (NCDD-S)
H.E. Youk Bunna, Secretary of State, Ministry of Civil Service

Attachment: Agreed Development Partner DSA Principles

**Development Partners in Cambodia:
Agreed Principles for a
Harmonized Approach to
Daily Subsistence Allowance for
Domestic Travel of Government Counterparts**

November 2014

These agreed principles mark a significant step forward in aid effectiveness in Cambodia, and in the close partnership between the Royal Government of Cambodia and participating Development Partners.

Whenever possible, the Development Partners will continue to take steps to enhance the effectiveness of our development co-operation.

**Development Partners in Cambodia:
Agreed Principles for a Harmonized Approach to Daily Subsistence Allowance
for Domestic Travel by Government Counterparts**

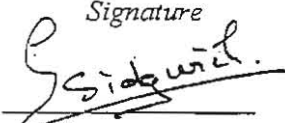
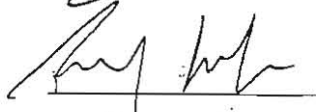
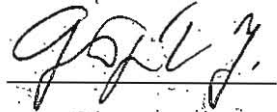
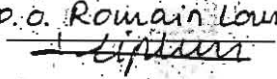
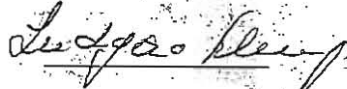

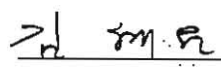
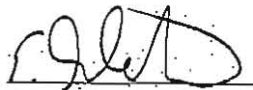
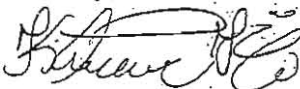
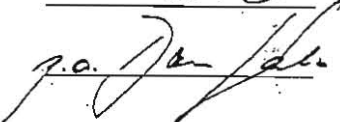
1. Development Partners (DP) commit to align with Sub-Decree 216 (SD216) on Daily Subsistence Allowance, endorsed by the Royal Government of Cambodia (RGC) on 22 July 2014, to the extent operationally feasible.
2. In line with the RGC's objective to achieve lower middle income status in the very near future and to become an upper middle-income country by 2030, DPs hope that the government will increasingly be able to, and will, cover DSA costs for Cambodian counterparts (as defined in Article 4 of SD216) in programs, projects and technical assistance funded or co-funded by DPs.
3. DPs intend to pay DSA for Cambodian counterparts as defined in Article 4 of SD216 (Members of the RGC, Under Secretaries of State, members of sub-national councils, civil servants at all levels, advisors and assistants, and contracted personnel). In addition, DPs will apply the DSA rate to elected and appointed representatives at all government levels.
4. In line with Article 3 of SD216, DPs intend to provide DSA to Cambodian counterparts when travelling outside a radius of the capital, municipality, or district where the concerned person carries out his/her normal duties.
5. DPs agree to pay one single DSA rate for Cambodian counterparts who participate in meetings, workshops, conferences, programs, projects, and visits:
 - a. independent of the individuals' government rank as defined in Article 6 of SD216;
 - b. independent of whether the event/meeting/conference is internationally or domestically sponsored;
 - c. for travel within Cambodia (for international travel/missions paid by DPs, the DSA rules and regulation of each DP will prevail); and
 - d. independent of geographic region of travel or of seasonal pricing fluctuations.
6. In cases where spending is covered by the organizing party, the relevant component cost of the DSA will be deducted accordingly.
7. As DSA rates do not cover transport costs, the transport costs will be covered according to the internal rules and regulations of each DP.
8. DPs intend to enforce the agreed DSA rate for Cambodian government counterparts in all funding provided to the RGC, independent of whether it is technical assistance, grants, or loans and regardless of whether the DP-financed activity is implemented by state or non-state actors.
9. DPs agree to align with Category E, Article 7 of SD216. This rate corresponds to US \$34.
10. DPs will apply this rate at the earliest possible date, but no later than September 1, 2015.

**Development Partners in Cambodia:
Agreed Principles for a Harmonized Approach to Daily Subsistence Allowance
for Domestic Travel of Government Counterparts**

The Development Partners (DP) listed below each hereby expresses an intention and desire to implement as best as operationally feasible these ten principles to harmonize DSA rates for Cambodian government officials traveling within Cambodia and financed with DP resources.

With respect to each DP, this expression of intent takes effect as of the date indicated alongside the signature of its representative below, and should remain in effect until terminated by such DP through written notice to the Lead Development Partner Facilitator. Modification of the principles may be made through a written amendment jointly signed by the DPs.

Our signatures in the spaces below record our joint and individual expression of these agreed principles. Any other partners who wish to join this harmonization effort are welcome to sign on at any time.

	<i>Signature</i>	<i>Date</i>
<i>Eric Sidgwick, Country Director, Asian Development Bank</i>		11 November 2014
<i>Paul Keogh, Counsellor for Development Cooperation Embassy of Australia</i>		11/11/2014
<i>Jana Gašparíková, Chargé d'Affaires Embassy of the Czech Republic</i>		11/11/2014
<i>Romain Louvet, Counsellor, Embassy of France</i>	<i>p.o. Romain Louvet</i> 	11/11/14
<i>Ludgera Klemp, Head of Development Cooperation, Embassy of Germany</i>	<i>Ludgera Klemp</i> 	12/11/14
<i>Hiroshi Izaki, Chief Representative Japan International Cooperation Agency</i>		11/11/2014
<i>KIM Hye Won, Second Secretary and Development Cooperation Officer, Embassy of the Republic of Korea</i>	<i>김혜원</i> 	11/11/2014
<i>Egbert Walter, Acting Head of Cooperation Delegation of the European Union</i>		11.11.2014
<i>Kristina Kühnel, Head of Development Cooperation Embassy of Sweden</i>		11/11/2014
<i>Rahel Boesch, Counsellor, Embassy of Switzerland</i>	<i>p.o. Jan J. Boesch</i> 	11. 11. 14

Claire Van der Vaeren, U.N. Resident Coordinator,
United Nations, on behalf of the United Nations Country Team



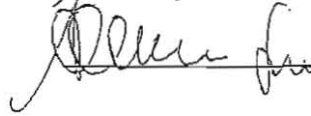
14 Nov 2014

Rebecca Black, Mission Director
United States Agency for International Development



16/11/2014

Alassane Sow, Country Manager, World Bank



11/11/2014
