

# Cambodia New Vision

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## Address of Samdech HUN SEN to the Consultative Group Meeting (Paris, 25-26 May 2000)



Samdech Prime Minister Hun Sen returned from the Fourth Consultative Group Meeting for Cambodia, in which the donor countries and international organizations announced new assistance totaling 603.3 million dollars.

It is once again my great pleasure to meet all of you at this Consultative Group Meeting. We meet here under the auspices of the World Bank. I thank them for organizing this meeting in their usual efficient and competent manner. All of you are long-time well-wishers and friends of Cambodia. I thank you for attending this meeting and for showing keen and benevolent interest in the future of the country and its people. The Cambodian delegation is also grateful to the Government of France for their hospitality.

This meeting, at the dawn of the new millennium, is important to all of us and for the rapid economic progress of Cambodia. I have always said that economic and social progress of Cambodia is the top most item on my personal agenda as Prime Minister as it is for all members of my coalition government and the parties constitut-

ing it. I have therefore decided to be here personally and to share with you the Royal Government's achievements in the past year, and our aspirations, potential as well as the continuing need for assistance from all of you in the coming years.

It is over a year since we met in Tokyo in February 1999, soon after the formation of the present Royal Government of Cambodia following the general election held in July 1998. At our last Meeting, I had announced to the whole world that our reform programs are truly national requirements and not to please donors. I am confident that after monitoring and following up on the implementation of these programs during the past year, you are even more confident that what we had said is true. Our policies and measures have been translated into reform actions, which have become encouragingly fruitful

in all the fields. We have presented details of these and our plans for the future in our documents distributed to you in advance of this meeting. Those documents also spell out in detail our external assistance needs for the next three years. A high level and experienced delegation of senior officials led by HE KEAT CHHON is here. They will present to you all the details of our achievements and needs. You will have ample time to discuss and seek clarifications on these today and tomorrow. I shall therefore only walk you through the important highlights of our situation. I will also touch upon the cornerstones of our policy for the future.

I never tire of repeating that Cambodia enjoys today unprecedented peace and stability -politically, socially and economically. Such a situation has arisen afresh in the past 18 months since the formation of the present coalition Royal Government in November 1998. The country is experiencing it after several decades of turmoil, turbulence and tragedy. Democracy, where people make their choices from many alternatives, is now taking stronger and stronger roots by the day. Freedom of expression and assembly is enjoyed by all though some obviously try to exploit it for narrow political ends. Unrestricted open dialogue and debate and expression of divergent views take place without hindrance or obstruction, both in all the media and elsewhere. Public security has improved vastly in spite of more openness. I don't need to elaborate on the efforts to guarantee the rights and freedom of expression and the successive actions aimed at cracking down on crimes, as well as the imposed ban on the use of weapons and

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the confiscation and subsequent crushing of tens of thousands of illegal weapons in order to strengthen security.

The people of Cambodia are unified as never before under the shade of His Majesty Samdech Preah Norodom Sihanouk, King of Cambodia. Renewed hope, optimism and resolve pervade the air everywhere. People feel a new sense of dynamism, of purpose and of vibrancy. Progress is evident in every sphere in a short time although much remains to be done. Cambodia is very proud, since friendly countries and international organizations have openly and graciously conceded these happenings and have recognized our efforts.

But such peace and stability do not attract the TV cameras nor are the subject of news -since the opposites like strife, conflict, discord and destruction usually manage to grab the media attention. Live and dynamic, not stagnant and sterile, peace and stability as witnessed in Cambodia, have been achieved, strengthened and sustained by a great deal of compromise and accommodation and above all by a steel like resolve to move the country forward and make it a better place for generations yet unborn. They also need a vision for the future and strong determination already demonstrated by the Royal Government. Ultimately, these are possible because of the resolve and active participation of the Cambodian people themselves. For, these could not happen or continue unless they conform to the ethos of the people and fulfill their inner urges for their present and the future.

Cambodia has also reclaimed its just and proud place in the international comity of nations. It is now a full-fledged and proud member of and participates actively in global forums and in regional ones. We learn much from their meetings, which could contribute to trimming our sails in our journey to the future. Our future efforts will focus on speedily consolidating the achievements so far and in further strengthening the basis of democratic pluralism and rule of law. Communal elections to be held in the near future will both deepen and spread democracy at the grass

roots level and to ensure fuller participation in delivery of services.

Democracy can grow and get fully ingrained in the social fabric only by the functioning of strong and thriving institutions - legislature, judiciary, and the executive branch, all performing in an open, progressive, predictable and fully accountable manner. That is our goal in Public Governance which ensures for people fair, equal and equitable treatment within the framework of just laws easily understood by all; which makes public services abundantly available, easily accessible and affordable to all; and which is free of favouritism and cooption of any kind. A long journey awaits us ahead to reach this ultimate objective. But, firm and speedy steps have already been taken by us - as the proverb goes, a journey of a thousand miles starts with but one step !

Public Administration reforms have already been started in earnest. We will streamline the administrative apparatus to fulfill its main role. That is to provide the basic foundation and support for orderly developments in all spheres of activity; to provide basic services in maintenance of law and order, internal and external security; to create and maintain essential infrastructure in water supply and irrigation, agriculture, transportation, energy and telecommunications; to provide for the good health and educational facilities for all in order to foster fast formation of human capital so essential for growth and continued stability; and to ensure that favourable conditions prevail and permeate for people in all walks of life to aspire for the highest, and to reach their full potential in their chosen avocations and to contribute to their own welfare and that of their community and the country.

Fighting corruption which pervades all walks of life is a gigantic but not an insurmountable task. We have already identified and severely punished many delinquent public servants in Cambodia. But reforms have to go beyond, to eradicate the causes of corruption rather than plucking only its manifestations. The civil service salary structure has to improve vastly. Fortunately, our own growing internal finances and the savings to accrue from downsizing

the government apparatus including the military would release some funds for this purpose. In addition, we have to undertake massive training of all civil servants including the judiciary and make all our actions completely transparent. Training, well-established procedures and traditions take their own evolutionary time but we can and will certainly try to fast track them.

Our meeting here today and tomorrow is mainly about economic development. We believe that a well-organized, functioning public apparatus in a truly democratic setting is a necessary setting for jump-starting and sustaining momentum for economic growth.

On the economic front, our main goal in the short-to medium-term remains speedy alleviation of poverty which afflicts a large number of our people mainly in the rural areas. We have made substantial progress here also in the past one year .

We have taken long strides forward to remove impediments and difficulties, which hinder this inter-twinned reform process. Having implemented these programs, in 1999 real GDP rose 4.3% after plummeting to 1% in 1997 and 1998. The inflation rate fell sharply down to almost 0% after rising up to 12.6% in 1998. Unrestrained inflation as we all know afflicts the poor first and foremost since their resources are inelastic to withstand volatile price movements. The exchange rate was fairly stable ranging around 3,800 Riels per USD. The international reserves increased 8%, covering 3.9 months of imports. Our tourism arrivals are increasing exponentially -a further testimony to our improving and stable internal security situation as well. Our exports have increased rapidly thanks in a large measure to our growing garment industry which now employs over 100,000 people - imparting skills to them and putting valuable income in their pockets and improving the lots of their families and communities.

Macro-economic management has to go hand in hand with prudent fiscal policies and practices. The goal here is to ensure maximization of domes-

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tic revenues through broadening the tax base and prevention of leakages; attaining efficiency and equity in expenditure allocations by allocating more and more to human development endeavors; and finally, effectiveness of public expenditure. All these call for clear transparency, accountability and speed in every sphere of government activity. Those are also the pre-requisites for reduction of scope for corruption which we are determined to root out from our society. With rigorous implementation of the fiscal reforms and strict management of public expenditure, we have received encouraging results in enhancing revenue and re-orienting spending priorities.

The Royal Government has placed a high priority for allocating and effectively spending resources in the Education, Health, Agriculture and Rural Development sectors. We are conscious that the public expenditure reforms, which target these priority sectors is key to attaining successful implementation of the government's social policies and achieving the ultimate objectives of poverty alleviation. Without a well-designed expenditure and investment programs, we will never expect to attain the goals and targets set by the government policies, aimed at providing basic healthcare services to the population, reducing infant and maternal mortality rates, improving education access to children, providing vocational training to young people, increasing access by the population to clean water, addressing gender issues and curbing the spread of AIDS. You will hear more in detail about macro-economic and fiscal matters from H. E. KEAT CHHON.

Demobilization, rationalization and reform of the military has been a priority item on our overall agenda. With determined resolve and full support from all quarters both inside and outside of Cambodia, in particular among the senior staff of the Royal Cambodian Armed Forces (RCAF), the RGC has achieved encouraging results in this task. We have already successfully completed the registration of the Royal Cambodian Armed Forces. The strength of the duly registered military is 140,693. We have removed 15,551

ghost soldiers and 163,346 ghost children from the military payroll.

A Pilot Project on Demobilization has commenced on 1 May 2000. I would like to take this opportunity to thank all our external partners for their financial and technical assistance to this project. In addition, the RGC has decided to use its own limited resources as a counterpart fund to pay for the departure allowance for each demobilized soldier within the pilot project framework. A program for implementing the next stage of demobilization is being prepared, taking into account experiences under the pilot program as they become available. However, the government has insufficient resources for this purpose. Therefore, I would like to appeal once again to the donor community to give due consideration and support to the efforts of the RGC to address this critical reform agenda.

All of you are aware of my government's strong commitment to reform the forestry sector and ensure its sustainable exploitation. You are also aware of the encouraging results so far. Corruption and large-scaled illegal logging have been stamped out with the participation and full support by the Royal Cambodian Armed Forces (RCAF), relevant authorities at all levels, the civil society and Cambodia's external partners. We have also sought the assistance of Global Witness, a staunch critic in the past, as our collaborator and an independent watchdog agency to provide us intelligence and monitoring reports in this sector. Over the immediate to short run, attention will be given by the government to establishing and strengthening a mechanism to monitor forest crimes and ensuring sustainable management of forest concessions. With technical assistance from the ADB, a review of all concession agreements has been completed. In accordance with this recommendation, we have recently cancelled three more concession contracts. Further corrective actions to reform the forestry concession system to bring it to a sustainable basis are underway. Overall, the implementation of the government's forest policy has been fruitful and successful. We will rigorously implement further this policy. However, while stamping out large-scaled illegal log-

ging, the ROC is also concerned with some other challenges. Illegal clearing of natural forests and tree plantations for personal land use in all parts of the country has become a hot issue, which requires immediate attention and solution. Illegal tree cutting by the poor for home construction and day-to-day consumption, such as fuel for production purpose and firewood constitutes another challenge, which exerts increasing pressure on forest resources. It will take time to address this issue, for an alternative source of cheap energy needs to be identified, habits need to be changed and in particular the incidence of poverty needs to be reduced.

As the Head of the Government I have taken personal interest in addressing many cases of illegal land grabbing. In 1999, the ROC confiscated many plots of land grabbed by some powerful, crooked officials or gave them back to the state or to their previous owners. Indeed, these measures were temporary and could not provide a long-term solution to this issue if the government fails to establish an adequate legal framework for land management. In this spirit, we are moving fast to finalize the draft Land Law for submission to the Parliament for consideration and adoption before end June 2000. We request from the International community firstly the ADB, the WB, the EU, and other institutions and countries, adequate technical and financial assistance to support an important new program of the RGC, which will provide a good base for the poverty alleviation. That is the country-wide systematic first registration called the National Land Registration Program (NLRP), to register all land parcels in Cambodia into a modernized cadastral register. The resulting cadastre along with the new land law that will be passed by the Parliament will secure the land tenure, facilitate land management and provide adequate basis for investments, natural resource monitoring and public land protection. The NLRP is designed to take ten years and is estimated to cost many million US dollars.

I have outlined the most significant and determined though as yet modest

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beginnings already made to reach our ultimate goal of prosperity for all of our people. I have also placed before you our immediate future plans. I am acutely aware that these developments do underscore both the distance we have covered in a short time and the long and difficult journey ahead to improve the lots of all our people and remove from their midst the scourges of ill health, disease, illiteracy and poverty. The rural areas are still to fully experience the fresh breeze of prosperity blowing in the urban areas. The specter of HIV / AIDS is looming large and the concerted efforts already being made to combat further spread need to be augmented and made widespread. Trafficking in drugs and poor innocents, including children, need to be aggressively arrested and prevented. Although our women contribute in a substantial manner to the economy and the society, much more needs to be done to improve their lot in the society so that many social evils can be eliminated. Crime in general, though reduced a lot in the past, needs to be brought down further.

Much lies ahead and cannot be reached in a day or a week or a month or a year. All our energies and attention therefore needs to be devoted and pledged for realizing the promises of our future. The people at large are tasting the fruits of freedom and peace and are longing for growth and progress. Their future, not their past, need to be the beacon. Yet, there are sustained and systematic efforts to divert attention away from this important task of nation building and economic progress by calls for retribution and revenge for the past at the cost of national sovereignty and hard-won national reconciliation. These come strangely from those who for over two decades not only punished and neglected the people of the country for overthrowing the genocidal regime but who also sadly actively espoused, endorsed, supported and canvassed for the forces of genocide and destruction. And the same institutions now want to suddenly prosecute and punish their earlier proteges. That this course will fracture a fragile peace and rekindle past bitterness doesn't seem to matter. Should we disturb this fragile fabric before the starches

of time strengthen it; or should efforts at long drawn out revenge and retribution take Cambodia back to the dark ages? The choices are not simple, easy, or straightforward. Posterity would judge these efforts in the right light. In the end, the solutions to be lasting should be Cambodian remedies. The leader of the most powerful nation is reported to have said while addressing people of a country he was recently visiting that it should be "a country that wisely forsakes revenge for the ruins of the past. And instead, pursues reconciliation for the sake of the future". This is what we are precisely doing and on our part will continue to struggle for the future. Nevertheless, we never forget our duties and obligation to find justice for the Cambodian people, who had gone through grave destruction caused by the genocidal regime. Efforts to find common grounds between the Royal Government of Cambodia and the UN Secretary General have materialized last week. Actions will be taken in conformity with the legal procedures and avenues in the near future.

Cambodia's progress in the past over 18 months has been phenomenal. You have all been witnesses to it. Our government's actions are open and subject to close and minute scrutiny by international observers on an ongoing and daily basis unlike those of any other government in any other part of the world. We have ourselves welcomed this close attention and analysis. I have personally engaged my government with the donor community in periodic dialogue and exchange of views on a wide range of issues in a regular and frequent manner. I also welcome the proposal of having only two in-country monitoring meetings in between each CG meeting, instead of doing it quarterly.

We consider all of you, our external partners as our sincere friends and well wishers. We value very highly and thank you once again for your advice and assistance. We need your continued support as we take our country forward as speedily as possible. You have seen how well your assistance has been put to beneficial and effective use so far. I have no hesitation in assuring you personally, and on behalf of the Royal Government and the people of Cambodia,

that your future assistance will be carefully and competently used for the purpose it is provided and meant for. Our positive and progressive actions over the last- 18 months provide their own testimony to our sincerity, resolve and capability.

As I have raised on many occasions, Cambodia has currently enjoyed favorable conditions, which will enable economic take-off. This is comparable to the plane leaving the ground into the sky which requires acceleration of speed. Cambodia needs massive influx of investment during the next few years to generate economic energy and accelerate the speed for the take-off. Therefore, I seek the understanding of Cambodia's development partners and donors on this important point. We are looking for an increase in aid in the next few years, so that Cambodia is well prepared for the economic take-off

It is still our dream and determination to ensure, as I said in Tokyo last year, that before the end of this first decade of the new millennium, Cambodia reclaims its destiny and be well on its way to become a truly great and free nation, free from want and poverty above all. We will do our utmost and with all devotion and sincerity to make this a reality. This is the pledge Cambodia can make for the cherished partnership and collaboration you provide in realizing this dream. In closing, I would like to assure you that we will take your criticisms and searching questions in that spirit. Please therefore feel free to be open and candid in expressing your concerns and reservations. The Cambodian delegation led by HE KEAT CHHON will take careful notes and we will examine them very diligently. ■