

Cambodia New Vision

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December 11, 2001 (Excerpts)

Closing Address to the Forum for Dissemination of the Governance Action Plan and the Public Administration Reform

... Before reading the closing speech please allow me to make a few impressions. I have followed the discussion through TV live broadcast. Topics that were brought for discussion by Chairmen of all (administrative) reform (committees) and the deputy Chairman of the Council for the State Reform and Deputy Prime Minister Sar Kheng have clearly indicated that there are no issues that are being left out in this meeting. Even if some of us have not taken the floor today, still we all think that more or less our ideas have been pooled together in the procedure offered here because we have taken a comprehensive strategy and collected all social intellectual for the work on administration reform.

After collating all of the knowledge and ideas, we now are working on the process of dissemination. This phase of dissemination is leading directly to implementation. (After implementing) we have to monitor the implementation as HE Senior Minister Sok An has raised "leadership has to monitor, and without monitoring there is no leadership." Therefore from now on we are making a commencement. I have paid close attention to the intervention by HE Dith Munti the Head of the Supreme Court and Chairman of the Legal and Justice Reform Council. I agree with his opinion that the Royal Government has realized so many achievements. At the outset it is like



On December 22, 2001, Samdech Hun Sen, accompanied by Madame Bun Rany-Hun Sen and HE Deputy Prime Minister Sar Kheng, is holding up the torch of world peace.

the work to lay a foundation that is normally invisible. I used to have thought that there were no activities going on in the construction site at the Pochentong Airport. I asked to myself whether they do any work at all. Actually at that time they were working on the foundation that was not at all visible. As soon as they had the foundation laid one could notice the progress of the construction. Similarly, we have been working hard and achieved a lot and now we have the Royal School of Judges to commence, where more human resource in this area will be produced.

For those who come from the province at this time in Phnom Penh there is an absence that you may be sorry of. In the last month there were bars, nightclubs and Karaoke. But this time let me tell you all where to go. The first place to visit is the Kizuna Bridge. May HE

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December 17, 2001 (Excerpts)

Excerpts of Comments During the Fourth Visit to the Hydroelectric Power Station Kirurum I

... I am pleased to have an opportunity to visit once again the construction site of the hydroelectric power station Kirurum I that is a successful progress. It is possible to say that this is my fourth visit to the site. The first visit was my presence during the project signing ceremony with a strong hope that by 2003 (Cambodia) will have power from the hydroelectric station Kirurum I to address the need for electricity. In April 2001, I came here to preside over the opening of the construction site. Last September I dropped by quickly. We have foreseen additional electric power supply by 2003. However, according to the construction report and by actual observation, one could be assured that in 2002 the Kirurum-I hydroelectric power station is starting to produce electricity. The company representative has just offered to invite me to come and push the button to let the initial current out as an inauguration for a full operation of the station. I thank the company for giving me this honor.

... I would like to express once again my pleasure to have witnessed the achievement that is born out of cooperation between the People's Republic of China and the Kingdom of Cambodia. The representative of the company has just mentioned about my regular contacts with HE Zhu Rongji in the last few years. Speaking in a wider scale, the two Prime Ministers of the PRC -- from

HE Li Peng to HE Zhu Rongji -- and I have always had regular and profound contacts. Particularly HE Jiang Zemin used to say that: "HE Hun Sen could be compared as an old friend of mine." It is true that in relationship between countries, there were no distinguishing of ages or sizes (of the country.) The Cambodian population of over ten millions could not be comparable to the Chinese population even in Beijing. However, the relationship between our two countries adheres to a principle of equality, respect of mutual interest and cooperation.

... The Kirurum-I hydroelectric power station is one of many evidences of a cooperation that brings about long-term strategic interest between peoples of our two countries as we used to have in the past. We should recall our two countries' relationship, if not dated back further, from when Chew Ta Kuan came to Angkor Wat about 560 years ago. What is more important is the fact that our two countries are intertwined because of our status as member countries of the Mekong sub-region. The biggest pride has been that all member states of the Mekong -- China,

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Cheang Am invite HE Governors and Deputy Governors to visit this bridge as a donation from Japan and the Cambodia's great wealth at the start of the 21st century. Ages ago we have Angkor Wat, but in this present time we have this huge bridge. Now our people say they would like to visit this bridge once in their lives as they used to say about Angkor Wat. HE Suy Sem could also organize a trip for them to visit the Hydroelectric Power Station at Kirirum, where the installation of the overhead (electric) line support along the (National) Road (4), which is in its completion stage and is awaiting for the actual wiring. But please do not bring with you any rifles for hunting. The animal population is growing again. Our happiness here is not only the fact that the Cambodian people are saved from war, even the animals and birds are also sharing this happiness. They have grown now in number. So please do not hunt them down. Well hunting cannot happen as HE Sar Kheng, HE You Hockry, HE Tia Banh, Prince Sisovath Siriradh, HE Ke Kim Yan, HE Pol Saroeun, HE Kun Kim, HE Hok Langdy, and HE Sao Sokha have collected weapons and destroyed them. Even if there may be a small number of (weapons) left, they should not be used for hunting. May I clarify once again that this is a real success of the reform efforts. Donor countries may not provide any assistance if our country is still at war. But as this time we have peace, there are countries that come in to assist and to invest.

When I left my house and passed by the Monument of Independence, I came across a huge pumpkin. After asking I learned that it was the pumpkin of HE Nady Tan who resides at Sakal II. When I left

the Monument and arrived at the Hotel Cambodiana, I came across a huge cooking pot about the size of the hotel itself. Whose is it? It was HE Sok An's and it is made to cook HE Nady Tan's pumpkin. It is in fact a fairy tale since when I was in primary school. The fact that I mentioned about it because you may doubt how many people believe the three-pronged policy put out by Hun Sen? (There are) not many. The three-pronged policy was first announced on December 2, (1998). Some of you thought at that time that it was a strategy with a dreamy ambition as they have focused on solving the remaining issue or the pacification of Cambodia. Internal affair is a difficult matter to resolve. The remaining issue of the Khmer Rouge organization -- militarily and politically -- which was in existence for about half a century had not been a simple task. Therefore they seem to see it as an imagination.

The second prong of the policy was the effort to integrate Cambodia into the international community. How many people could have believed this to happen? But we have realized this aim. We are in the process of making effort to be a member country of the World Trade Organization. Few days ago I had a chance to meet with the Director General of the World Trade Organization and he affirmed that he will do his best to help Cambodia in its accession to this world body. He said that any country could become easily a member of the organization through participation, and Cambodia is playing this role now.

The third prong is to benefit from both internal and external favorable factors so that we can bring about development in the socio-economic field as well as poverty reduc-

tion. These can be done through the four major reforms that we are implementing. How many people believe that we can put a stop to the illegal logging since our armed forces were accused of being loggers? On the other hand the armed forces has been the backbone in interventions to combat illegal logging. How many people would have believed that we could disarm illegal weapons and demolish them in that circumstance? Who could have believed that we were able to trim out the ghost soldiers and civil officials and proceeded to demobilize their number in actuality.

Let me tell you a story that pained me a lot in the past. I left my wife when she was five months pregnant. I was imprisoned for 22 days. After I left the prison they advised me "You cannot win them (the Khmer Rouge). You should take refuge in France, Canada, Australia or Japan." They were prepared to assist me if I were to accept the offer. But I responded that "I do not go. If you could not help me please give us back the weapons. We will fight with our life for our people." At that time I was at the age of 25. Our forces were small and weak. But in the end because of our efforts to stay engaged in the search for justice and freedom for the people, we have achieved an unpredictable success. As soon as we achieved it punishment was imposed on us and we were demanded to try those who used to fight us.

The Royal Government came into existence on November 30, 1998 and today is December 11, 2001. The Royal Government is now three years and eleven days. If we talk about football, the match has gone into the second half. According to my study of some countries' experience, the first,

the second and the third year of governing was the most difficult part. As in the rest part they would relax so that they could attract more votes. But I would solemnly declare to Excellencies, Ladies and Gentlemen that "even if we will not be re-elected in the next term, it would not be a problem. We have at least developed a map, building roads and preparing a vehicle for going on a right track. Even if we are not going to be in power in the next term, we will still be proud that we have laid down a framework that can be used as a guide. As far as the general election in 2003 is concerned, who will win and lose should be left aside at the moment. We all have to function till the new Government comes into being and replaces us. The Royal Government will not let anyone dismantle it and only the National Assembly will have the right to do so based on a two third majority vote. If the Government is dissolved twice within a period of twelve months, the National Assembly will be self-dissolved. So the constitution in our country does not allow a Prime Minister or HM the King to dissolve the parliament. Therefore the National Assembly has to proceed according to its legislative time frame and adhere to a scheduled election. This Government would not be subjected to any person's power of dissolving unless there was a new Government created by the National Assembly swearing in. I request that all of you (ministers) stay on to sign and transfer the property to the succeeding ministers. Do not disappear while losing the election. Otherwise you would be chased (for a report) so that our country (management) would become transparent. If we were not in power in the next term we could make a withdrawal for a retreat as we are not

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doing this work only for ourselves but for generations to come.

At present anyone would like to serve in the government service sector will have to pass through an examination. There is no promise that "when my party get elected, I will choose you as district head or promote you to a General Director position." If we were to do so there would not be any need to set up the Royal School of Administration. The same would be true for the set up of the Royal School of Judges. So one should not spread promises that would in the end make our people lose their property while intending to become a shadow district head. We have to make Cambodia a country with the rule of law.

... In the area of legal and judicial reform, I think that the legal reform has been on track, since the RGC has been successful in enacting laws and regulations. However, the judicial reform appears to be idle, compared to six months ago. Indeed, the Council of Ministers has prepared a Joint Master Plan for Legal and Judicial Reforms...

... The RGC is required to take necessary steps to strengthen the constitutional capacity of the Council for Legal and Judicial Reforms by establishing a working group, whose members will be drawn from legal experts working in various institutions, such as the Parliament, government ministries and agencies and the court to speed up the reform in this area... The RGC will make its utmost to provide additional budget resources to the support the operations of the Council for Legal and Judicial Reforms. Moreover, the legal and judicial sector is a hot issue. Both local human rights

NGOs and Cambodia's external partners have paid much attention to this area. According to the criticism level against this sector, judicial reform is going on very slowly. Therefore, to ensure that this criticism is constructive, I order the Council for Legal and Judicial Reform to develop a need assessment to accelerate the legal and judicial reform, including the needs for human, financial and material resources in order to seek technical assistance from our external partners...

In economic and fiscal reforms, the RGC has put emphasis on improving governance by taking concrete measures aimed at increasing revenue through the expansion of the tax base and prevention of leakages, especially by combating smuggling, strengthening the efficiency and equity in budget allocations and rationalization of public expenditure and shifting spending priorities to important social and economic sectors. These measures require transparency, accountability and expediency in all government activities. These reform programs are designed to ensure macroeconomic stability, build up the banking and financial system, undertake fiscal reforms, establish sound management of public property, increase public investment in physical and social infrastructure, promote private sector development, and develop human resources. The RGC has taken steps to strengthen customs administration to reverse the decrease in revenue from international trade. I decided to establish an inter-ministerial mechanism to combat smuggling, which has led to the drop in the revenue collected by the Department of Customs and Excise. At the same time, the Ministry of Economy and Finance (MEF) has taken special measures to increase collection of revenue from telecommunications and

rigorously improved the collection of non-tax revenue.

Since 1999, the MEF has implemented the following key policy actions: improving tax collection, better governance, reducing smuggling, fully implementing the 1997 Law on Taxation, introducing the VAT, strengthening tax and customs administration, expanding the tax base, reinstating pre-shipment inspection (PSI) of imports, granting no ad hoc tax or import duty exemptions, fully and timely transferring non-tax revenue from line ministries to the Treasury, reinforcing procedures to collect tax and nontax arrears, initiate inventory of state assets and improved collection of visa fees and introducing a sticker visa...

The RGC recognizes that public expenditure reform by increasing spending on priority sectors is key to ensuring successful implementation of the its social policy and reducing poverty. To this end, the RGC has taken measures to improve the expenditure framework and budget execution for the social and economic priority sectors, especially through rigorous implementation of the existing public procurement measures and improvement in the financial procedures for the Priority Action Program (PAP).

In my discussion with the World Bank, the World Bank representative and the donor partners with the presence of HE Minister of Economy and Finance, we have decided that the public auction should be started in four institutions i.e. Health, Education, Agriculture and Rural Development. It should be done also in sectors where there is money to pay after the goods are supplied. This is a step in strengthening transparency in expense control. Take for example the case of medicine. If

we were to have insufficient money to pay after the actual provision of medicine, we then should allow for a public auction. So we should start from four institutions. Other institutions should go into public auction only when HE Minister of Economy and Finance confirms that there is money for payment. This is a public affirmation. The four Ministries should not be left with a shortage of budget at all except when they have to build large infrastructures such as roads or bridges. We had a huge flood last year that caused so much damage preventing us from applying the public auction plan. There is another heavy flood this year making unexpected expenses, which was projected to be 10 billion Riels because of additional payment to the preparation of the local election. From 2002 we have to monitor to see what sector has fulfilled and what sector needs to be stimulated. So the Minister of Economy and Finance should monitor those institutions requesting for implementing that type of expenses so as to know what type of goods, supplies should be brought for auction or should be allowed for the implementation of the process of supplying first and payment later.

To strengthen the banking system and corporate governance, the National Bank of Cambodia (NBC) has rigorously implemented the Law on Banking and Financial Institutions by proceeding to bank relicensing, with the view to closing nonviable banks, either voluntarily or through liquidation process...

In the area of public administration reform, the RGC has successfully completed the civil service census, established a computerized payroll at the central level and started to establish a computerized

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payroll at the provincial level. On 19 October 2001, the Cabinet approved the strategy for rationalization of civil service. At the same time, within the framework of the 2002 budget the RGC will introduce a new remuneration system by providing salary commensurably with government official's responsibilities. *This morning HE Senior Minister Sok An has clarified to the workshop on the restructuring of the salary system, and the minimum increase will be 37.9%.* The establishment of the priority mission groups by using the government's budgetary resources will be a pilot project to increase labor productivity and provide incentives to those who work hard. The RGC has also finalized a study on the establishment of social safety nets. The next step will be the introduction of a human resource management information system, issuing ID cards to public servant, continued conduct of a functional analysis of government ministries and preparation of a human resource management master plan.

An important part of the programs for state reform is the introduction of decentralization and deconcentration in management in order to ensure improvement in governance at the grassroots level. This has been introduced since 1996. Then, the RGC decided to formulate and test systems for decentralized and deconcentrated planning, financing, management and implementation of local development in five provinces: Siem Reap, Banteay Meanchey, Battambang, Pursat and Ratanakiri. At present, Seila is primarily an efficient aid coordination mechanism for mobilization of resources in support to rural development in order to build or repair local infrastructure such as roads, bridges, cul-

verts, irrigation structures, schools, health centers and wells.

The most important lesson that can be drawn from the implementation of the Seila program is that decentralization and deconcentration, aimed at devolving power from the center to the local communities, has enhanced democracy and improved the efficiency of public services at the grassroots level. Moreover, this development program has increased local ownership and participation of the people in the national development efforts and strengthened the bonds between the State and civil society. However, to make this devolution of power effective, it is necessary to strengthen the capacity of government officials and the people living at the grassroots levels to allow them to make right decision. In this spirit, the RGC has proposed a strategy that is based on the bottom-up, integrated, participatory, decentralized rural development. The objectives are to expand the number of Village Development Committees (VDCs) - an elected body whose function is to represent the village to government, non-government and international organizations in the management of rural development projects. The RGC intends to increase the coverage of the Seila program to 1,216 villages in 17 provinces by 2005, which will account for 80% of rural communes across the country. This will allow active community participation in grassroots institutions and increase the ownership of development projects, by shifting decision-making and accountability closer to individuals, households and communities.

To contribute to the Seila program the RGC has increased its contribution to respond effectively to the above policy. During the last three years, the

RGC increased its commitment to Seila more than five-fold. The RGC will deploy further efforts to mobilize additional resources to support the reforms and local development in accordance with the Law on Commune Administration. The Commune Councils will have their own budget, consisting of tax and non-tax revenues and a block grant from the national budget... At the same time, the RGC has developed strategies and an Action Plan on Decentralization and Deconcentration to strengthen administrative capacity at the provincial and district levels, as well as to support the commune councils.

The RGC recognizes that transparency is an efficient mechanism to fight corruption, which takes a toll on economic performance, undermining its efforts to reduce poverty of the population. For those without money and connections, corruption in public services can have debilitating consequences. Corruption biases government spending away from socially valuable goods, such as education and health. It diverts public resources from infrastructure investments that could benefit poor people, such as roads, bridges, dikes and canals. To this end, streamlining bureaucratic procedures, simplifying and modernizing the tax system, eliminating excessive regulations, and motivating public servants by giving them a decent level of salaries can help reduce the opportunities and intention for corruption.

Fighting corruption and promoting transparency is important not only in the public sector, but also in the private sector, NGO and the media as well. This has led many governments and international organizations to the development and adoption of codes that criminalize bribery of

government officials by foreign parties, notably the OECD Convention on Combating Bribery of Foreign Public Officials in International Business. Bribery by domestic firms is also a problem. Fraud, tax evasion, tax avoidance, local bribery, insider dealing, false disclosure, and money laundering reduce trust, resulting in misuse of resources. Enacting anti-corruption laws and regulations is just one part of the equation. Rigorous implementation of those laws and regulations is another part.

Notwithstanding tremendous difficulties and impediments, the RGC has made substantial progress in combating corruption. The cracking down on illegal logging, the increase in tax revenue, the removal of ghosts from the army and the civilian payrolls and the confiscation of land, which has been sold off or held illegally, were among the measures aimed at tackling corruption. The Audit Law was past two years ago by the Parliament and the National Audit Authority has been established and will become fully operational. These measures will substantially contribute to fight corruption.

Women have been the backbone in our economy and society. The RGC has made considerable efforts to further enhance and promote their status through the implementation of a five-year strategic plan, Neary Rattanak (Women are precious gems). The National Council for Women was established and is headed by Her Majesty the Queen as a locus to build up capacity for women and protect women and children rights. At the same time, the RGC is committed to combat domestic violence and human trafficking and is striving to promote the legal protection of women and gender mainstreaming in

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the legal sector. To this end, the Ministry of Women Affairs and Veterans has created a network of volunteers to disseminate reproductive programs in 8 provinces and carry out literacy program in another 6 provinces. The RGC has drafted a Law against Domestic Violence for submission to the National Assembly in the near future. Our ultimate objectives are to provide women with the opportunities to participate on an equal footing in the process of national development.

The most important government agenda during the next two years is the implementation of the reform and restructuring of the Royal Cambodian Armed Forces (RCAF), as specified in the Defense White Paper adopted by the Royal Government in February 2001. The reform process aims at a substantial reduction in current manpower levels so that RCAF's strength will be appropriate allowing the RCAF fully and efficiently discharging their own duties as stipulated in the Constitution and also in line with regional and world developments in the 21st century. Moreover, we will turn all demobilized soldiers into a powerful force to contribute to sustainable economic development and poverty reduction of the Cambodian people.

To this end, the RGC has implemented a number of concrete actions, such as registration to determine the real strength of the RCAF. During the registration phase, 15,551 ghost soldiers and 163,346 ghost dependents were identified and removed from the military payrolls. After that, the RGC has successfully implemented the Pilot Demobilization Program financed by donor assistance and government budget, when another

15,000 soldiers were being demobilized. Based on the experience gained from the pilot program, the RGC has proceeded to implement in October 2001 the first phase of full demobilization program for 2001, during which 15,000 soldiers will be demobilized. During the second phase, some more soldiers will be demobilized in 2002 in order reach the target of 30,000 demobilized soldiers.

Prompt implementation of the full military demobilization program is crucial for budget savings and redirecting resources to the priority sectors: physical infrastructure, social and economic sectors, especially education, health, agriculture and rural development...

Rigorous implementation of the forest policy is the top priority, thus the RGC should be vigilant in this area. In this sense, the RGC established and has provided full support for the Forest Crime Monitoring Unit (FCMU), which acts as a watchdog and assists the RGC in monitoring illegal logging in order to effectively stamp out corruption from this sector. At the same time, the Ministry of Agriculture, Forestry and Fisheries (MAFF) has prepared a legal framework to ensure efficient monitoring and put in place a system for sustainable forest management. To this end, the RGC issued a government Decree on Forest Concession Management in February 2000. To establish a comprehensive legal framework for forest management, the RGC has drafted, with technical assistance from the ADB, a Forestry Law, and prepared a government Decree on Community Forestry to be submitted to the Council of Ministers in the near future.

As I have a chance to see Excellencies, Ladies and Gentle-

men coming from the provinces I would like all of you to think with me "forest is the matter of life and death of the Royal Government. If it is the matter of life and death of the Government, it is also life of the Provincial Governors and District Heads. Therefore the Royal Government will not let this matter slip through its hands even if the price for timbers, because of over export of logs/timber from some countries, in the international market has gone down. There have been some requests to bring the price of tree/log down. They used to be at US\$ 14 per cubic meter. Since 1999, we have jacked the price up to US\$ 54 per cubic meter. Yesterday I told HE Keat Chhon and Chan Sarun "to maintain the price as trees will not be rotten and if we were to lose income from forest and logging, it would not be a big concern. We would suffer difficulties in a short time rather than facing a long term problem."

If any one (company) could not take that, they may request for stop. We should not bring the price down as if we were to do so it would not be easy when we want to jack the price up again. Now we have 18% of the forest coverage, which is managed by the Ministry of Environment. We have projected to increase this size to 24% of reserved forest. So the prevention of deforestation should not be committed only within a certain forest or forest limit. In whatever forest, the concession forest with legal status companies included, we have to see to their implementation. If they were to abuse the technical norm they would be stripped off their (concession) forest and their factories being closed. We will not tolerate on this matter because it is a vital issue of the country. Yesterday in one of my meeting with a foreign dignitary I have confirmed

that I will offer no support (to such a crime) and if the company were to be found abusing the rule, the forest would be taken back. So I do not expect to see any abuses at all. All the forest companies in Cambodia currently have to collaborate with the Government and people of Cambodia in giving high consideration to the sustainability of our forest as a part of benefit drawn from it will go to the country's coffer and a part goes to the companies themselves. If we were to do so we would be able to guarantee a long-term interest that the factory does not have to close down. So I do not expect to see any proposals on reduction of the price of timber. I would not give my approval on this at all including the recommendation of foreign experts proposed in 1999. Let's not worry about having too much forest left. They would not go rotten even if we left them uncut for another 100 years. So many countries over depleted their natural resources underground and those resources are not at all recycled.

So I would like to give my recommendation here if we find a company or companies committing (forest) abuse, it or they will be stripped of their license/s. The appropriated forest will not then be given to other company for exploitation but kept as reserved forest. May I recall here that during the time of the State of Cambodia, Cambodia ('s economy) was suffocated. We then allowed the highest logging at 160,000 cubic meters. Examining the year-end report, income from logging never completed the planned figures. The real anarchic illegal logging actually happened from 1993 to 1998. Our forest has been logged up to millions of cubic meters. Now we have put a stop to it. The other day HE Chan Sarun said that a num-

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ber of companies have applied (for a stop of their business) as they could not make profit. I am not worried about this situation but I am happy that the forest is being set free and our roads and bridges will not be damaged because of heavy loads. If there are more companies that wish to apply for a stop, please inform World Bank and IMF that there is no more logging in Cambodia and it will stay like this till 2050. The Royal Government therefore requests the two institutions for additional fund to support its balance of payment.

Normally, forest theft takes place when the country is engaged in other business. Therefore we have to be cautious. I am not too concerned in the forthcoming communal election in February 2002, but I am concerned more when we are preparing for the general election in 2003. We are a football team that includes my colleagues, the donor community and myself. As we have brought about such a victory, I would not believe that we would shoot the ball into our own goal. Well in relation to legal reform, it is seen to be slow in comparison with other areas of reform. Among the four reform fronts, the military reform has made a fast progress. If we put them in line, the military reform comes first followed by administrative reform in which we have also discovered ghost staff. We had years ago stripped off close to 20,000 (ghost) employees, and between 2000 and 2001 we still have a couple of thousands of ghost employees. If we were to talk about the ghost employees, there are more in the civil service than in the military service. In the military service we discovered only 15,000 ghost soldiers. But in the administration service, if we put the previous number and the current num-

ber together, we have discovered 30,000 ghost employees. So we make a good progress.

Soon there will be a stamp sticking on the cigarette packages. Any cigarette packages found bearing no stamps on them would be fined to pay tax. Stamps will be stuck on goods such as wine, alcohol, beer, etc. I had a can of beer the other day and I found a stamp on it. I called it a success. We are in the course of allowing no chance for tax exemption. If we all pay tax, the tax income will contribute to our resource ability to maintain our roads, to build water dams, to provide salary for our Government employees, teachers, medical staff, and to reduce our dependence on external assistance. We have to strengthen our ability because we have come to a stage of having to repay the debt to foreign creditors. We have to pay them both in real term and in interest. So I do not think that you would shoot the ball into your own goal on the issue of logging and other sectors. We will talk only about successes and not failures.

If we calculate a five-year term of the Government, we have left only 340 days. Up to now we have spent about three years and eleven days already. We will play till the end of the match. We will not put off. There is no reason that up to this moment we should relax a bit. Maybe the Government should let their members import one or two vehicles free of import tax? The culture to let importation of cars free of tax between 1993 and 1998 was not at all a positive example. If a member of the National Assembly imports two vehicles within a period of his term free of tax, the members of Government and the Military officers would be asking for similar consideration. But in this term the National As-

sembly has a good understanding (of the situation) and requests no such deal. The National Assembly has in fact adopted the bill. If they were do so and blamed the government for making no money, it would not be acceptable. There have some demands from provinces to me about two months ago to import gas, cement, steel at such and such amount for exchanging into currency to build up roads. I have written back as a response that this kind of proposal has been canceled since December 2, 1999. I may suggest that the Council of Ministers prevent this kind of request. Now we are talking about paying tax, and the culture of tax-free is no longer in existence. Even the cars to be imported for use by the Royal Palace will be subject to tax payment as well. The same is applied to the Prime Minister, Deputy Prime Ministers, President of the National Assembly, and President of the Senate. We all have to pay tax. If we all evade tax we will not be able to increase the salary for the Government employees, or maintain roads.

May I appeal once again that we all have to collaborate to prevent the tax evasion activities. May all the provincial leaders, especially Phnom Penh, Siemreap, Sihanoukville and Kandal help collect the tax on land that has not paid yet. I inform you all that I have given order to HE Keat Chhon to bring the case to court to confiscate those lands to sell and pay back the tax debt. In this situation, one may not refer oneself as advisor of so and so and refrain from paying tax. There will be no special treatment for such action. Tax on land, once it is paid, will partly be given to the provincial authorities. So the provincial authorities have to try and collect tax. But I have to remind that the collected sum of tax money will not be al-

lowed for purchasing vehicles for you but for building roads in the province for the sake of accountability.

Let me dwell on the issue of forest a little bit. You may all be warned that promotion could have happened because of the efforts in suppressing the anarchic logging, but it would be a reverse if one violates the prohibition on forest issue. This could also be a case that can be brought to justice because it would not be treated as a forest violation anymore but a forest crime. May all our officials refrain themselves from being involved in such a business and overlooked your junior staff. I also have some information. The provincial governors do not do it by themselves but their people down the system do it. So it would be wise to take your hands out and resort to safeguard the forest.

I have taken so much time to talk about forest management and ban of logging because the forest has got so many predators starting from chopping for firewood to corruption. Wood is not drug. Even hidden drug can be discovered. Why could not we deal with logging, which is transported with heavy damage to the roads. The matter is that one does not take action. When the Prime Minister is making a shout then they take action. So I reiterate again that it is a crime. I wish to announce that in my whole life the biggest mistake I have committed was the mismanagement of forest resource in the first term of the Royal Government between 1993 and 1998. From 1979 up to 1993 I would not accept any responsibility at all because in those days we did not over chop the wood. But I remembered that on October 22, 1998 at the Chadomuk Conference Hall I had ordered (a

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stop to forest depletion and mismanagement) in my capacity as second Prime Minister prior to the set up of the new Government. HE Ung Huot was then first Prime Minister. But everyone knows that the second Prime Minister is a strong man. Even if the then Government were to continue, I would still be a (second) Prime Minister. If they were to set up a new Government I would be a Prime Minister still. That is why I made such an announcement. Besides, the situation was not suitable for any delay. So the reform in the field of forest management started not at the time when the new Government was organized but since the term of the previous Government. We are advancing without retreat.

The plight of the poor can be improved by widening their access to forest, fisheries, water resources and other public goods. Therefore, providing access to fisheries and water resources is critical to improve the living standards of the people living in the Tonle Sap and riparian regions. Realizing the importance of such actions, the RGC canceled or reduced the size of official fishing lots to improve access by the poor to traditional fisheries in some areas. The RGC cancelled a total of 495,000 ha of fishing areas, accounting for some 53 percent of the total fishing lots to allow the poor free access in order to eke out their existence from fisheries. *HE Chan Sarun should organize a team to inspect the fishing activities to find out if there are incidents of collecting fees on the fishing tackles of our people. Normally we have to monitor after we put forward the policy for implementation. A survey should be conducted and we should interview our people to get their suggestions on and recommendations to the improvement of the legal frame-*

work on fishery issue. To shore up the legal framework for fisheries, the MAFF has drafted a new Fisheries Law, a Fisheries Master Plan, a government Decree on Community Fisheries and Fishing Lot Auctions with wide consultation.

To maintain social order, the RGC has accorded priority to the preparation and implementation of land policy, which will focus on land distribution, land management and land administration. After the enactment of this law, attention has been given to the establishment of a mechanism for systematic enforcement of this law with a view to securing land tenure, providing a basis for reduction in land ownership conflicts, and facilitating land management. To ensure efficient enforcement of the Land Law, nine governmental decrees have been drafted. At the same time, the priority is given to strengthening institutional capacity in land dispute resolution by organizing seminars to train government officials in techniques for land dispute resolution.

The RGC approved a Declaration on Land Policy and is preparing a framework for land policy. The core program of the RGC land policy consists of the systematic land registration, tax reform, the establishment of a legal framework to enforce property rights, the establishment of provincial, municipal and national master plans and zoning and the development of rural housing. With technical assistance from the Federal Republic of Germany and Finland, the RGC conducted a pilot systematic land registration project using state-of-the-art technology and delivered land title certificates for the first time to the inhabitants of Samrong District, Takeo Province. Overall, 15 percent of land in the Kingdom of Cambodia has

been registered and the RGC has proceeded to cadastral mapping. To fully implement this daunting task, we have organized training courses for government officials on the methodology to address cadastral mapping and land registration. The next step, the RGC will develop and Action Plan for Land Use in provinces and cities. As a pilot project, we have developed a master plan for Sihanoukville and prepared for developing land use plan along National Route 4.

I wish to stress that you should be pre-cautious about what HE Im Chhunlim has just mentioned about "the act of grabbing and speculating land that is national and people's property." We as powerful people should not grab the land and issue ownership for oneself. Our people are lacking of land. We have even cut out a certain area of land from the concession forest and given them to the people. As for this cutting out, one should not see it as opportunity to collude in grabbing and issuing a land title for oneself. Please take pity on our people. You might have enough already. I wish to make an appeal to the officials who are present here and in other places to think of those who are born at this moment as they need to breathe and to eat. The same is true for those who will be born tomorrow, or the day after tomorrow, as they need land for residence and production.

Talking about feudalism (Sakdephum in Khmer), there are people who mistake the concept as being royalist. In fact it is not so. Sakde means power. Phum means land. Sakdephum therefore means the powerful on land and not necessarily the King. It may be officials who use the power they have to grab land and establish their power on it. So we all should not allow our-

selves to become Sakdephum or feudal. Our people need land. Our land reform policy aims at giving land to farmers who needs them for production. (May I have the attention that) there should not be an activity to fence around the land and hang a notice for sale. This issue is not a simple one as sometimes those lands belong to the people but were abused (by the powerful). This incident is not acceptable.

There was a case in Phnom Penh that HE Chea Sophara reported to me. It was about fourteen families. The lands were approved by HE Sar Kheng to give to the people. And then officials in Phnom Penh confiscated them from the people. They went all the ways to arrest the owners and jailed them. Resorting to court, the owners lost the case all the time because the court did not check the files that the previous government had approved ownership (for them) but based their judgment only on the land registration by officials of the Land Survey Department. It is unjust and unacceptable. HE Im Chhunlim has confirmed that we have tried to resolve so many claims on land issue. But if the provincial authority could in its power resolve the conflict, it would be helpful.

Taking this opportunity, for HE Chea Chanto and HE Son Kunthor, I would like to speak a few words about ACLEDA of an incident that I have yet to find out if it is true or false. But I have my number here of people arrested and jailed for being unable to pay debt to ACLEDA. The court has ordered to arrest the loan takers from ACLEDA and imprisoned them. At this moment I have limited information on that. Please collect more information... I would like to suggest the following solution. ACLEDA has filed the case to

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Burma, Thailand, Laos, Cambodia and Vietnam -- have come to a closer cooperation thanks to the investment project that are related to the four development priorities -- water, electricity, road and human resources... What does this project give as benefit to the Cambodian people? It will save them one-year payment from high-price electricity consumption. It is like helping the people in generating their income. Therefore the project completion before schedule contributes to a positive social and economic impacts as well as investment.

... I used to mention a vision on electricity once in my speech about the philosophy of economic growth last year in which I indicated the link between the three poles of economic priorities -- Phnom Penh, Sihanoukville and Siemreap. The link between Phnom Penh and Sihanoukville via the National Road 4 (NR 4) has been a vision that I have pointed out as a "corridor for economic growth." The idea was proposed because of the

fact that Sihanoukville possesses an international seaport. From Phnom Penh, as pole 1, along the NR 4 to Sihanoukville, there has been an intention to develop this area into an agro-industrial zone. With the support of the Kirirum-I hydroelectric power station, we are to realize the vision sooner or later. The electric power generated from here will be a source of attraction to set up along the NR 4 the factories for processing and exporting (of products) to foreign markets using our local seaport.

... 1980 was the first time when I had a chance to see a hydroelectric power station at Volga River of the former Soviet Union. In 1989 I had another chance to see the hydroelectric power station in Laos. I was in both occasions asking myself when would Cambodia have got its own hydroelectricity. We then pooled our efforts to develop in Ratanakiri at O Chum a one-megawatt hydroelectric power station. One may ask if we then want a power station like Kirirum-I? Yes is the an-

swer. But there had been two problems -- financial resource and security. As a matter of fact the Kirirum hydroelectric power projects have taken serious interest of companies in Austria, Sweden etc. But owing to the problem of security, they all abandoned the project. May I also recall that the Kirirum-I hydroelectric power station was first built with the assistance of the former Yugoslavia. It was producing electricity already before the political event in 1970. The following wars had completely destroyed the station. Now we are transforming these battlefields into development zones. This philosophy mentioned here is not at all a dream. Cambodia is doing this actual job by itself... In my recent visit to Brunei Darussalam for the 7th ASEAN Summit, I had had a chance to meet and proposed to the Chinese Premier HE Zhu Rongji that he offered support to CETIC so that the latter could extend its investment from Kirirum-I to Kirirum-III... In fact I appreciate this project implementation because the project that was actually planned for a completion in 2003 has almost completed the works at this moment...

... If we were to realize the Kirirum-II of 13 megawatts and the Kirirum-III of 24 megawatts, we would then have produced in all 50-megawatt electricity. Therefore the PRC and CETIC that is in operation here should not leave out this opportunity of investment... Today I have with me here a General Secretary of the Cambodia Mines Action Center (CMAC) who will have to speed up mine clearance activities in areas of projected development in preparation for possible future investments.

... Today the Cambodia Daily wrote that there have been a stunning surprise among the

Cambodian officials and the foreign diplomats that Hun Sen refused to give his signature on a sub-decree while they all have not seen it yet. Let's study the sub-decree together. (It) wrote whoever possesses a plot of land along the road from the Siemreap Airport to Siemreap town, of a size of 1000 square meters must dig a pond of about 10% of its size. What if the resident has not got resource to do so? All the land must bear a width from at least 15 meters to 35 meters. What happened to the poor who may have less than 15 meter wide of land? There were also conditions placed on those residing along the mentioned road to roof their houses only with tiles, and not corrugated or fiber-cement sheets. If they could not fulfill in accordance with this sub-decree what shall we do then? Do we force them to sell out their land? If so I would not give my signature at all... I think I recommend the implementation of the previous sub-decree from 1980s that 25 meters should be left as right of way.

... As for the overhead electric line support is concerned here, as they have posted them more than 25 meters from the NR 4, I think there would not be a problem at all.

... I am talking about this problem because I mean to clarify and open a far-sighted path without any hesitation for any intentions to further invest in the Kirirum-II and/or Kirirum-III. So what I have instructed here today is legitimately applicable...

In 2003 when HE Zhu Rongji comes to visit Cambodia as part of the participation in the meetings of the Mekong member countries and ASEAN + 3 as well as ASEAN + 1, I think it would be ideal if the company invites him to visit the station here..."■

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court to get the people to pay back their overdue debts. They do not pay back the debts because they do not have money. If they had money to pay back the debts, they would probably be set free. So I suggest to all provincial governors to collect data for me on the number of people who have been jailed for failing to pay back the loans. I would pay back the debts for these 100 or so people... May HE Chea Chanto inspect this case to see if there were a need to strip off the operating license from ACLEDA for we would not accept any micro-finance organization to force our people to fall into such condition.

Indeed, in implementing the

GAP we have encountered many challenges and obstacles. However, we should double our efforts in achieving our policy goals and programs that we have adopted in order to lift Cambodia to a higher destiny, to a new plateau of sustainable development...

The major achievements that we should highlight include the following: reduced mine accidents, elimination of the poliovirus, reduced HIV/AIDS prevalence, attainment of rice surplus and success in combating malaria....■