

# Cambodia New Vision

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**November 03, 2002**

**Poised for Prosperity: The First Decade of the GMS Program and Vision for the Shared Development of the Sub-Region**



On November 03, 04 and 05, 2002, Samdech Hun Sen chaired the First GMS Summit, the 8th ASEAN Summit and the ASEAN Summits with China, Japan, Republic of Korea, India, and South Africa which are held for the first time in Phnom Penh (Photo: Reuters.)

*(Keynote Address as Chairperson of the First Greater Mekong Sub-Region Program Summit)*

On behalf of the People and the Royal Government of Cambodia, I am much honored and extremely delighted to welcome to Phnom Penh the Leaders of China, Laos, Myanmar, Thailand and Viet Nam. I am also very pleased to welcome the President of the Asian Development Bank. Welcome to Cambodia! Thank you all for being here!

### **The GMS Program: Strengthening Regional Integration**

Our 1st GMS Summit takes place just before the 8th ASEAN Summit tomorrow – and such scheduling is not an accident, it is by design. The GMS Program is a sub-regional program, that is, it addresses development issues in the Mekong sub-region of the broader ASEAN and Asian area. The GMS Program helps bridge the gaps in the development status

among the members of the ASEAN – especially the newer members who are also partners in the GMS Program. Therefore, the GMS Program strengthens the complementarity and fuels synergy among all the regional initiatives for socio-economic progress and sustainable poverty alleviation across the entire region.

### **The 1990s: A Truly Significant Decade for All GMS Nations**

The people and Royal Government of Cambodia are greatly honored and deeply touched to host this historic 1st GMS Summit. Not only is this Summit the first, but this year we join in celebration of the 10th anniversary of the GMS Program. In the perspective of history, ten years – a single decade, is a very short period, indeed. Yet I suggest that the people of Cambodia, and all the peoples and nations of the GMS are exultant, that we have arrived at this 10th milestone. This is because, when

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**November 22-24, 2002 (Bangkok, Thailand)**

**Addressing the Second International Conference of Asian Political Parties**

“... Today, please allow me to share with you some views on global developments, the complex challenges confronting our regional community and our common duty to ensure and enhance our people’s security, social justice and human dignity. Thereafter, may I also mention the situation in Cambodia.

### **The Transformation of Asia**

We meet here as representatives of Asian Political Parties. We all recognise that, with the impetus and influence of the forces of globalization and regionalism, Asia has undergone tremendous

transformation in recent decades. Worldwide, no other region has matched Asia’s pace of metamorphosis. Governments across Asia have adopted strong measures for better governance and national stability. Asia’s proactive role in the ongoing revolution in information and communication technology has transcended traditional barriers, promoting the unprecedented sharing and use of knowledge by greater numbers of people. Simultaneously, a new wave of regionalism has gripped Asia, spawning an interlocking array

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**November 16, 2002 (Phnom Penh)**

**Addressing the 8th Asia-Kyushu Regional Exchange Summit**

... The people of the Kingdom of Cambodia and the Royal Government of Cambodia are most pleased and honored to host the 8th Asia – Kyushu Regional Exchange Summit. In behalf of the Royal Government of Cambodia, I welcome you all to our Land - Cambodia, and wish to convey our warmest greetings to all the participants to this 8th Asia – Kyushu Regional Exchange Summit. I am certain that you will enjoy the peace and tranquility that we have worked very hard to ensure here in Cambodia.

architectural achievement. These people, forest and temples co-exist in prosperity and harmony – in the Complex of Angkor!

The Royal Government fully supports the principles and aspirations of the Asia – Kyushu Summit. The theme of the Summit: "Human Resources Development, Community Production Promotion and Sustainable Tourism Development through Regional Exchange," resonates with our own long-term development vision for Cambodia.

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I hope that while you are here in this "beautiful country", you take this rare opportunity to visit the various landmarks and monuments, especially the Angkor Wat Temple which is of great

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we look back, we are amazed as we realize how far we have moved forward, in just ten, short years!

Let us recall that a mere decade ago, our region was an area of uncertain and painful transition, civil strife and extreme poverty. The region was divided into two opposing blocs. The GMS nations were struggling against great odds in economic and political management and reform to win peace and promote their people's well-being. Moreover, we were concerned that any fallout due to extreme poverty and uncertainty, if not strife, among our neighbors would inevitably spill across borders, and affect us.

We have all worked very hard to achieve better lives for our peoples. In the past ten years, the GMS nations have undergone a profound transformation. Just a decade ago, our region seemed mired in backwardness, instability and poverty. Today, the GMS is increasingly the epicenter of peace, cooperation and progress, strengthened by growing self-confidence and mutual trust. It is greatly heartening that so far, we have achieved success in the GMS despite the uncertainty and some setbacks recently experienced in the world order. There was the Asian financial crisis, natural calamities and floods, doldrums in key economies, and September 11, 01. Yet through all these challenges, the sub-region has remained stable, and in fact, rapidly recovered and even grew in recent years. I dare say we have done very well indeed, and we should be proud!

### **Our Vision of GMS Development**

So today, at this very important 1st GMS Summit, we must re-

affirm our commitment to regional cooperation and implementation of our common strategy toward a brighter future for our peoples. Our region is blessed with natural and human endowments which, wisely harnessed, provide the foundation for sustained and shared growth and development. Our Mekong/Lancang River provides great potentials for power as well as food and transport. The fertile banks of the Mekong have nurtured the flourishing of not only one of the most diverse flora and fauna found anywhere, but also one of the world's richest tapestries of cultures, histories and peoples.

I am absolutely convinced that the Governments of the GMS have, at this juncture of history, the unprecedented opportunity to grasp, for good, the reins of prosperity. To achieve this, what is required from us is no less than full cooperation, in pursuit of a common vision of development and peace.

- *Our vision is a GMS that is an integrated, prosperous community of nations that ensures equitable development for all people.*
- *Our vision is of a GMS that fulfills its vast potential, freeing people from poverty and opening sustainable development opportunities for all areas and ethnic groups.*
- *Our vision is a GMS marked by unity of purpose, where countries large and small, are equal partners in the pursuit of dignity and prosperity.*
- *Our vision is a GMS that enables the broadest participation, where local, national and regional interests blend - resulting in a Sub-region that is much more than the sum of its parts.*

### **The GMS Strategic Framework**

In pushing forward our unified strategy to achieve development in the GMS, the challenge we face is: how do we build upon our success, and harness our rich diversity to achieve shared prosperity? We have been working to build the GMS economic corridors, founded on hardware as well as software pillars. The hard components are cross-border infrastructure: roads, telecommunications and power. The soft components are sub-regional policies, regulations and strategies on facilitation of travel, transport, trade, investments, information and HRD. All these investments and efforts will, within the foreseeable future, transform the Subregional economy into a broad, rapidly growing market of close to 300 million people who enjoy the benefits of prosperity and peace.

Yet, I am certain that we desire not only improved lives for our current generation. We pursue development not only for our people today – but for our children and their offspring, far into the future. In short, we want to ensure that any improvements in well-being that we achieve today will be sustained.

### **Taking Care of the GMS Future**

We are conscious that the decisions we make today will have consequences across not only space, but also across time. Inevitably and unavoidably, environmental interests span borders as well as generations. This reality was again emphasized in recent international gatherings – at Doha, and more recently at Johannesburg. Environmental sustainability is a global challenge intimately linked with globalization and responsible multilateral trade and exchange. All nations serve as stewards of a grave, world-wide obligation, since clearly, environmental security is as important as eco-

nomics and political security.

It is therefore with deep concern for our shared future that the Royal Government of Cambodia highlights three elements that we must all promote to help ensure sustainable poverty alleviation in the GMS:

*First, the ratification of the Kyoto Protocol.*

*Second, the implementation and expansion of afforestation and reforestation programs across the GMS, and*

*Third, the careful management of the Mekong River.*

With regard to international environmental policy, Cambodia has already ratified the Kyoto Protocol. In this, let us applaud and commend the leadership demonstrated by the Peoples' Republic of China. At the Johannesburg Summit, H.E. Premier Zhu Rongji announced that China has ratified the Kyoto Protocol. We all stand to gain or to lose, depending on whether our environmental management is appropriate or not. In this sense, I call for the implementation, as soon as possible, of broad reforestation as well as afforestation programs in each of our GMS countries. We should utilize the gifts that natural forests give us. However, as responsible citizens we need to take pro-active action to ensure that future generations will also have access to forest resources. Certainly, those who bear the costs or reap the benefits of our environmental practices today is not our current generation, but our children and their own.

Our top priority in ensuring environmental cooperation within the GMS is the management of the Mekong River. As riparian nations, our histories and livelihoods are linked to the ebb and

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flow of the Mekong. We may suffer from the Mekong's floods, yet the rich soil it distributes and the fish it nurtures sustain us. Because of our common dependence on its riches, the Mekong River is now under increasing pressure. We see the signs of such stress in erosion, siltation and changes in water currents. Also observed has been some reduction in fishery resources, impediments to river transportation and unexpected flooding. These phenomena have resulted in erosion of some riverbank land and forced resettlement of communities.

All these urgently require our unified attention. The efforts of all agencies concerned with the development of the Mekong River Basin need to be well-coordinated and strengthened. For the sake of our common futures, we must implement a Mekong management strategy that ensures sustainability.

#### **Anticipating Accelerated Tourism Development**

Our Mekong subregion is uniquely blessed, with amazing wealth and diversity in history, culture, geography, flora and fauna. We are all concerned about sustaining such wealth for two reasons:

- *First, because by exploiting the subregion's resources for production we generate current incomes, and*
- *Second, because by preserving our subregion's cultural and historical legacy and natural resources, we also promote the development of tourism and related services – leading to greater employment and growth over the long haul. Tourism opens up borders and economies, yet enables opportunities to develop internal markets for*

*a wide variety of high value-added production activities, employment and services.*

In just a few weeks, the ASEAN Tourism Forum will take place here in Phnom Penh. The Forum will specifically address the promotion of the ASEAN-10 region as a single destination. Yet it is easy to see that the GMS sub-region is a very important subset of the overall ASEAN tourism market. Already we are seeing dynamic synergy in travel and tourism among the various GMS cities. As the GMS economic and transport corridors become established, so will travel and tourism among our countries intensify.

#### **Building GMS Development Management Capacity**

The building of human resources in the GMS is our top priority. Thus I am gratified that we are launching the project called: Phnom Penh Plan for Development Management in the GMS. Indeed, analysis of international experience demonstrates that development begins and ends with human beings. We are the architects as well as the beneficiaries – and at unfortunate moments, the victims – of our own development visions and strategies. Especially to us in the GMS, history makes obvious the need for human resources endowed with knowledge, skills, and attitudes that not only ensure simple economic growth, but also equitably shared and sustained development.

#### **Mobilizing Added Resources for GMS Investments**

The building of partnerships among all stakeholders is also crucial in the promotion of development. It is incumbent upon us to strengthen the ties among and between the GMS countries and development partners. Allow me to highlight the pivotal role played by the Asian Development

Bank in promoting the GMS Program. The ADB has been a key player in the various GMS initiatives since Day 1 of the GMS Program. The ADB has also provided substantial funding for the regional infrastructure network. At the same time, the ADB has taken the lead in the development of the GMS in an innovative manner. We must all express our deep appreciation for the extraordinary efforts of the ADB on our behalf.

Other development partners have also been working toward complementary goals. In order to complete the GMS infrastructure system, we must mobilize additional resources to finance the entire GMS Program of investments. In fact, much of the homework has already been accomplished. The tasks that remain are the execution of the specific investments along the GMS economic corridors. The GMS investment strategies should be so designed to enable private participation and investments. Ultimately, private enterprise will be the engine of growth in the GMS, operating within a positive investment environment nurtured by the GMS partners. As a result, the private sector's financial resources, expertise and technology generate the dynamics of growth and accelerated development across the subregion.

#### **Forging Our Way Forward**

We have gained major headway in upgrading our thrust from one focused at transport corridors to the promotion of comprehensive economic corridors. With consistent implementation, these efforts will allow all GMS partners to boost trade and investment, develop both urban and rural areas, improve access to all parts of the subregion and ultimately reduce poverty among our peoples.

We are all optimistic, buoyed up by the success achieved over the last decade. However, we cannot relax and rest. We have a long way to travel, and there remain obstacles and major challenges in our path. Two major challenges I have already spoken of earlier are about the sustainable management of common resources, and the long-term building of human resources and capacity. The other concerns for which we must also find unified solutions are complex, yet must be attended to so that we can build a GMS community characterized by stability, mutual understanding and respect. These concerns include:

- (a) cross-border migration and labor exchange;
- (b) the trafficking of persons, particularly women and children; and
- (c) the trafficking of illegal drugs and weapons.

The success of the first decade of the GMS Program augurs well for further and faster success in the future. Still before us is a long agenda of work, which among many others, includes:

- Enhanced risk management to attract private sector financing for public sector projects;
- Improvements in GMS institutional mechanisms to cope with new roles and demands of regional cooperation;
- Strategic mitigation of social and environmental consequences of subregional infrastructure development; and

I am optimistic that all GMS countries share the same vision of turning our subregion from one stricken by conflict and poverty, to an oasis of cooperation and prosperity. We have a clear, undeniable obligation to promote sustainable development

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of Free Trade Area arrangements – the latest of which were forged at the 8th ASEAN and associated Summits in Phnom Penh just three weeks ago. Stronger economic integration across Asia has fostered more favorable conditions for solving the lingering strategic and geo-political problems.

The modernization of the economic, social and political landscape in the People's Republic of China signifies a "new era" for Asia. Reunification is taking shape on the Korean Peninsula. Having established peace, the Greater Mekong Subregion has increasingly focused on growth. Indeed, like the Phoenix of legend, of Asia has emerged the ashes of the Asian financial crisis and has resumed its ascent into enduring prosperity.

#### **The Commitment of Political Leadership**

However, our region still faces numerous challenges. There is continuing uncertainty in the world at large, with winds of war buffeting many nations. The fulfillment of the basic needs of all continues to be an uphill task as we leaderships grapple with the interlinked problems of population growth, increasing digital divide, spectres of disease—particularly HIV/AIDS—, terrorism, transnational crime and widening development disparities both across and within countries. All political parties operate within national boundaries and the right thinking ones have but one ultimate goal – to serve their people to the best of their abilities and to continuously enhance living conditions and security. Our ideas and paths may differ, albeit only in nuances, but our goal is common.

We must respond to both the challenges and opportunities facing our peoples. As we win

our people's trust and mandate to serve and govern, we take on the grave responsibility to deliver basic goods and services they require. Moreover, we must establish the long-term vision and program for the social and economic development of our countries and of the world community. In turn, our peoples judge us by our concrete actions, often tending to place more value on the short-term delivery of goods and services rather than on progress towards long-term welfare and growth. This is a key test of political leadership – to ensure popular support and simultaneously carry out programs aimed at goals much greater than winning the polls.

#### **The Scourge of Terrorism**

The most outstanding and urgent issue confronting the world today and spreading fast to regions and countries hitherto not touched is Terrorism and its highly destructive manifestations. No country, no region and no community can remain safe if terrorists continue their surprise strikes and activities. We all need to be united in countering and combating and take determined steps to move debate from the forum of violence in the streets and baseless ban of peoples travels into the calm dignity of political exchange. Cambodians are only too well aware of the scourge of terrorism and the unquestionable need for peace as the foundation of progress.

Prosperity for all cannot be pursued in the absence of security. And no political activity can be sustained without peace and security. Therefore we should all pledge here that we will not do anything that could damage fragile social fabrics. We need to focus on issues in our debates, not on personalities nor on groups. We need to realize and to instill in our people that every

right has an equal responsibility for restraint, tolerance and vigilance.

Governance demands action to protect the security and safety of the population at large. This has to be achieved even if a misguided few have to suffer. Freedoms and rights of the many should dominate over those of a few who tend to abuse such rights for provocative propaganda, falsehood, nurturing fundamentalist and extremist views. These actions undertaken under apparent guise of free speech and political activity ultimately provide a spawning ground for terrorists with catastrophic results in loss of lives and property as we have witnessed in the past few years. We in Cambodia are fully determined to protect the security and safety of our people at all costs. In the regional and international framework, Cambodia has actively participated in the preparation and implementation of the agreements and joint declarations to root out terrorism.

#### **Cambodia's Drive for Development**

With full determination, the Kingdom of Cambodia has stepped forward to engage in Asia's transformation. The Cambodian people have raised their eyes to the future, firmly moving beyond the shadows of our recent history.

Cambodia has stepped resolutely into the 21st century, strengthened by vibrant peace, healthy national reconciliation and a vigorous democracy and respect of human rights and dignity that fosters free speech and market-based, sustainable socio-economic development. It is good to recall some important milestones in our recent history to set the story in proper perspective.

Cambodia emerged from a most

traumatic tragedy in any nation's history in less than a quarter century ago. For 12 years thereafter it remained internationally isolated due to geo-political factionalism, now widely acknowledged as misguided to start with. During this period, the party I am proud to represent here, the Cambodian People's Party, helped raise the country literally from ashes and destroyed lives and economic institutions. With a clear vision to fully unite our people and let them progress steadily and a firm resolve from the beginning, we advanced step by strong step first rehabilitating our agricultural base, the very foundation for our survival and moving forward steadily reaching the first stages of market liberalization. We had done all the hard, back-breaking work, steadying the country and laying the groundwork for its progress even as we were ostracised and denigrated. Our aim was nation building at all costs. At this stage in 1991, the Paris Peace Accord brought reconciliation among all the feuding political parties and a new, modern chapter was born with a new Royal Government of national reconciliation and all party coalition taking office based on the UN-conducted general elections in 1993.

We continued to face insurgent actions from the Khmer Rouge and differences continued among the coalition partners. Both these were removed after the Cambodian-conducted general elections, internationally acknowledged as free and fair and even termed 'miracle on the Mekong' in 1998. The coalition government which resulted and which made me the Prime Minister was born out of strong commonly held principles and outlook for the country's future between the two major political parties in our country. We work on a common agenda adopted

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by our National Assembly.

Cambodia today is strongly rooted in democracy where the people at large exercise their choice of leadership in a free, fair and open manner in regularly conducted elections. In the communal elections earlier this year, over 4 million people cast their votes and 61% of them chose the CPP! This mandate affirms our philosophy to keep in touch with the population and respond in the timely manner to the aspiration of the people at the grassroots level. Thus, at the core of our political platform are the principles of democracy, respect of human rights and socio-economic development of the country.

There is complete freedom of speech, expression and movement in Cambodia which are sometimes abused by people intent on creating dissension and discord in the society where people now enjoy peace and stability. The economy is growing rapidly, per capita income leaping forward. All macro-economic indicators have been robust and very encouraging as years pass by. Cambodia is a fully transformed today, prosperous and beyond recognition of its skeletal existence in 1979! And to crown it all Cambodians from all walks of life swelled with national pride during the recent successfully held summit meetings in Phnom Penh, an international event of a size and importance never witnessed in the country ever before. Based on these achievements, we are looking forward into the future with strong confidence. Our strategies are designed to turn the first decade of the new millennium into a decade of peace, stability, growth, poverty reduction, social progress and prosperity Cambodians from all walks of life.

Our ambition is to create a socially connected, educationally advanced, and culturally vibrant society in Cambodia. Our vision is to have democracy deeply rooted in Cambodian society by strengthening the rule of law and good governance, as well as promoting the respect for the rights and dignity of all.

#### **Cambodia's Institutions for Peace and Prosperity**

Progress is inextricably linked to political stability and security. We consider political stability as the backbone of peace and the prerequisite of our people's well-being. We have exerted our utmost efforts to promote cooperation among political parties. We highly value the stability of political institutions, including the development of strong political parties that foster certainty in society. Thus the peaceful settlement of political disputes has become the norm in Cambodia's political culture. In the common pursuit of national aspirations, the major political parties in Cambodia have displayed their political maturity by putting national interests ahead of their own. Moreover, the delicate art of compromise between the principal parties – the Cambodian People's Party (CPP) and the FUNCINPEC – in the promotion of common national progress has ensured political stability during the second term of the current government.

Earlier I referred to the first-ever commune-level elections. The Commune Councils have become the key structures of local governance in Cambodia. Through the Communes now flow most public goods and services, delegated power and the transfer of resources from national coffers to grassroots communities. These systems of devolution and resource allocation has now become "the blood

and bone of the Cambodian" polity. It is my conviction that this process will strengthen grassroots democracy and significantly restructure the social capital of local communities, ultimately promoting political stability and security, improved respect for human rights and sustainable development.

#### **Cambodia at War with Poverty**

Our goal is poverty eradication in the quickest possible time and manner. For us, the war on poverty is not just a policy but passion. Poverty reduction defines and drives the substance, the content, and the heart and soul of our entire strategy of Government. Poverty reduction is not just a requirement of social justice, an action of conscience, but also pragmatic economic management. Therefore our efforts are geared towards ensuring the macroeconomic conditions for rapid growth, while promoting equitable distribution of the fruits of economic growth and directly addressing basic human needs. It is our believe that economic growth is the most powerful weapon in the fight against poverty. It is also absolutely crucial that we protect the environment and promote the sustainable use of shared natural resources.

Therefore, we must chart a course of sustainable development that meets the economic, social and environmental needs of the current as well as future generations. It is with deep concern for the future that the Royal Government of Cambodia has ratified, and advocates the ratification of the Kyoto Protocol by all nations. Ratification is truly expressive of significant action today that considers the future, ensures sustainability and the permanent improvement of the welfare of our region and its peoples.

#### **Cambodia as Full Partner in the Asian and World Community**

Regional integration is a pillar of the Royal Government's strategy to maintain peace and strengthen security in Cambodia and the region. Proactive, even participation in regional and world affairs requires that Cambodia take further steps in strengthening institutional capacity and developing human resources. As a proud and full-fledged member of ASEAN, we hosted its 8th summit and other related summit meetings a few days ago and are moving towards membership of the WTO. These links would further help achieving our economic goals of higher rates of growth based on expanded and diversified trade and improved productivity and competitiveness.

#### **Looking Forward**

Continuing peace in Cambodia has built up public confidence in reforms and political stability, thus creating a solid path for Cambodia's drive towards sustainable, long-term economic growth. The Royal Government is resolved and strongly committed to systematically enhancing this democratic process.

Indeed, I am confident that the forthcoming 2003 general elections will further confirm our people's irrevocable determination to keep the peace and further consolidate political and economic stability in the Kingdom of Cambodia. As the 21st century unfolds, Cambodia is firmly back on track of sustainable development as one unified nation. The Cambodian people look to the future with great optimism borne out of our own achievements in the difficult but worthwhile implementation of sound economic and social policies.

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Therefore, let me say this: the Royal Government pledges to exert our best efforts to contribute at the maximum possible level, toward the fulfillment of the goals of the Asia – Kyushu movement!

### Cambodia Today

We welcome you all to Cambodia, as our country is poised for prosperity. Over the past several years Cambodia has enjoyed stability, peace and economic growth denied to Cambodians for more than two decades of war and isolation. In the atmosphere of peace, the Royal Government has rapidly established an atmosphere of openness to attract investments and promote the growth of trade. We have opened our country and economy to embrace both diplomatic and liberal commercial relations with the rest of Asia and the World at large.

In the Second Term of this government, we have firmly and resolutely implemented the "Triangle Strategy," as our political platform and development thrust. The strategy envisages a wide-ranging, long-term reform agenda that gradually but steadily integrates the economy of Cambodia into the region and the world, – ensuring peace and stability, modernization of Cambodian economy and governance which are all resulting in a long-term high and equitable economic growth and the poverty reduction. Thus, the quest for regional and international economic integration constitutes one of the major pillars of the Royal Government's strategy to promote sustainable socio-economic growth in Cambodia. We have worked hard to attain full membership in the Association of Southeast Asian Nations. We are now actively preparing for Cambodia's accession to the

World Trade Organization.

The results of the hard work you can see around you in Cambodia today. Economic growth during the last three years has been maintained at the high average of 7%. Inflation has been constrained at close to zero and the exchange rate has remained firm. Overall, macroeconomic management targets have been achieved, enabling the continuing support of the international community. In June 2002, the meeting of the Consultative Group (CG) of Donors for Cambodia was held for the first time in Cambodia. At this meeting, the donor community pledged some US\$685 million in new assistance to Cambodia.

Growth and peace in Cambodia has made possible for us to host an unprecedented number of very important international meetings and conferences in Cambodia. The Asia-Kyushu Summit is just one of the important meetings that contribute to the improvement of the credibility of Cambodia in the region and in the international arena. Over the past two weeks, a series of successful Summits took place in Phnom Penh.

First was the Greater Mekong Subregion Summit on 3 November. Then on 4 and 5 November, the 8th ASEAN Summit was held followed by the ASEAN+3, ASEAN - China, ASEAN - Japan, ASEAN - South Korea and ASEAN – India Summits. Finally, a special meeting between the ASEAN and South Africa took place. The success of the various important Summits presents a new momentum of Cambodia's international and diplomatic policies. It sent a positive message to the outside world and improved the credibility of Cambodia, as a peaceful and fully secured and capable nation to engage, in

equal foots, in the regional and world affairs.

### Further Policy Reforms

So far in 2002, there have been some improvements in investments compared to 2001. However, the Royal Government is not satisfied even with such a positive result, since we believe we can and should do much better! Our philosophy is to make and enable private investment play a more pivotal role in spurring greater economic growth.

To enable the private sector to become an engine of growth and employment, it requires appropriate regulation and institutional frameworks that all both national and foreign entrepreneurs believe of the favor environment for their investments. Thus, the Royal Government has focused on major policy actions to intensify legal and judicial reforms, institutional capacity building and streamlining of practical and transparent procedures that will improve Cambodia's competitiveness as an important investment destination in the region.

### Focusing on Human Resources Development

The theme of our Summit today emphasizes that human resources are the most valuable asset of a nation. The physical, intellectual and mental energy of human beings – strength, skills, knowledge, creativity and innovation embodied in human capital, will become increasingly crucial to transforming economic potentials and comparative advantages of the nation into the reality and competitiveness.

There are many more reasons, why we must give special attention to human resources development:

*First, international experience shows that human resource*

*development is crucial to alleviating poverty and upgrading living standards. Equitable access to primary education and health care, the opportunity to upgrade and improve the skills, the establishment of a favorable environment enabling the people utilize their full potentials and entrepreneurship, constitute key ingredients of any program to alleviate poverty. Moreover, human resource development is of crucial importance to a poor country like Cambodia, for our nation is struggling to overcome the horrendous legacy of genocide and the protracted wars in the past decades.*

*Second, our various countries in the Asia-Kyushu region are at various stages of development. There are countries which are at a significantly lower level of economic development than others. How can we ensure that all countries effectively engage on an equal footing with others – and thereby benefit from the open economy in the age of globalization and regionalization? It is crucial that all countries are able to participate in a "win-win" strategy of development partnership. I believe you all agree with me that Human resource development is key to success of this strategy.*

*Third, in the new millennium the globalization has resulted in a new, digitalized and knowledge-based economy. In this new economic system, the concept of production is replaced by the concept of intangibility which constitutes of intellectual capital, creativity and innovation.*

This economic system set new development paradigm where improvement in human resource capability plays a key role in ensuring the sustainability of a country's development. Thus, it

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requires all governments to foster human resource development and promote their citizens' intellectual capital in ensure their competitiveness in the Game of Economy. Given all these important reasons, the Royal Government always values all the efforts and cooperation in human resource development as such the forum of Asia-Kyushu Summit.

### Promoting Tourism Development

Complementing the policies and programs in support of development and poverty reduction is more intensive attention to the promotion of tourism. Cambodia is fortunate in having the civilization, which is one of the most ancient civilizations and is rich with countless cultural and natural heritages. However, we realize that we must do so much more to ensure that tourism is sustainable and truly leads to positive development.

Thus we shall work closely with the private sector to develop tourist destinations. We are also encouraging ecology-friendly tourism management, to ensure the sustainability and permanent beauty of the monuments and Siem Reap.

The Royal Government has also devoted more attention to the development of the tourism potentials of areas other than Siem Reap. There are many under-served areas of tourism value in Cambodia – the tribal, mountain areas, the seaside areas and the Mekong River itself. Thus, the Royal Government encourages the development of access to ecotourism destinations such as Monduliri and Ratanakiri, beach tourism in our sea access areas to the South, the upgrading of the Kang Keng airport in Sihanoukville.

The Royal Government hopes that the ASEAN Tourism Agreement which was signed in the eighth ASEAN Summit in Phnom Penh recently and the ASEAN Tourism Forum in January 2003 will contribute considerably to promoting tourism in Cambodia as well as in the region.

### Building Our Foundations

On 29 July 2002, the Royal Government launched the Second Socio-Economic Development Plan for 2001-2005. The overall thrust of the SEDP2 is the reduction of poverty. Crucial to the reduction of poverty is the accelerated creation of employment, so that each Cambodian will have a dignified, human livelihood. Thus the promotion of labor-intensive micro and small-scale enterprises is at the heart of Cambodia's medium-term plan to promote industrial development. This strategy is being pursued in priority areas such as the outskirts of Phnom Penh, and in Sihanoukville, Banteay Meanchey, and Koh Kong. In these areas, the Royal Government will enable the provision of micro-finance and marketing services streamline procedures, provide some training on production techniques, management and information.

Cambodia still has vast untapped resources and potentials in agriculture and livestock, particularly in high-value products and processed foods. Cambodia's agricultural sector can provide jobs for so many if the rural sector is nurtured in a rational and sustainable manner.

Thus the resolution of land issues and establishment of roads and irrigation, power, telecommunication and information systems are also key priorities of the Government in reducing the poverty and improving Cambo-

dia's competitiveness in the region and the world.

### Toward National and International Unity and Peace

In the wake of the continuing wars and increase in terrible terrorist acts of the past year, humankind is confronted with sobering realizations. No nation can afford to be complacent in a world of plenty among a few and deprivation suffered by many. The contrasts are stark and painful, providing fertile ground for enmity, greed, and envy. Constructive engagement is key to the building of national, regional and international peace.

The Royal Government is resolved and strongly committed to enhancing, in a systemic manner, all Democratic processes, respect of human right and dignity and peaceful resolution of issues.

We highly value the stability of political institutions, including the development of strong political parties that foster certainty in the society. The peaceful settlement of political disputes has become the norm of Cambodia's political culture.

In the common pursuit of national aspiration, reconciliation and development the two principal political parties – the Cambodian People's Party (CPP) and the FUNCINPEC - have come to increasingly practice the art of compromise. Their pragmatism has served as the base for unity and stability for national development.

Cambodia has fully and actively engaged in the affairs and cooperation initiatives within sub-regional, regional and international frameworks. The Asia-Kyushu Regional Exchange Summit today, in Cambodia, is a clear evident of this idea and process. It is my firm conviction

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number of proposals with regards to the renovation of the national road 1 and the bridge across the Mekong River at Neak Loeng. So Japan is still the biggest donor as all these have been pledged in addition to donation of thousands tons of rice through the World Food Program..

Korea has provided us previously some millions for telecommunication, information technology and over US\$ 20 millions for the construction of the national road 3. In Kandal province we have US\$ 190,000 for the renovation of the Ta Mok reservoir. In addition to this we also have long-term assistance. We also have US\$ 117 million from the Asian Development Bank.

... What I have sounded out on Cambodia in the meetings was the fact that Cambodia is poor. There were remarks that our city is disciplined, our people are smiling, and everything. But I told the Presidents of Indonesia and the Philippines that in 1979 there were only 70 peoples in Phnom Penh. They were taken by surprise.

I also mentioned that Cambodia is the poorest among the ten ASEAN members. In ASEAN, four of the ten members are poorer. Among the four poor, Vietnam is better than the three others – Burma, Lao and Cambodia. We were the poorest because of the Khmer Rouge's devastation...

... Overall, the meetings had gone smoothly. His Majesty the King and Her Majesty Queen Monineath had made great efforts to help bring success to the Government and people of Cambodia. We also have message of congratulations from the Presidents of the Senate, the National Assembly and also

November 10, 2002 (Unofficial Translation)

## Talking to Villagers of Kok Popel Commune during a Visit to Observe the Rice Production Situation

“... A few days after the closing of the GMS and ASEAN Summits, Samdech Hun Sen re-orientated focus on rice production situation in the countryside. Talking to the villagers of Kok Popel commune, he covered a number of topics that are being excerpted as follows:

... Today we have come here for a brief harvest of rice, which should symbolically show that rice harvesting throughout the country has started...

... My presence here is also to review what I had seen about a month ago when I had instructed an intervention in terms of irrigation to help relieve our people's hardship in dealing with lack of rain. I also would like to take this occasion to tackle some of the requests made earlier...

... We now have eight kilometers of the 44-km canal built by the Ministry of Water Resources and Meteorology. With the help of HE Ouk Chan of the Ministry of Transports and Public Works, about eleven canals of a total length of 12,390 meters have been restored...

... There have been some rains after the Prochum Ben Day. They spread across the whole country and they have been a strong encouragement for me. I was very concerned when we prepared to host GMS and ASEAN meetings in Phnom Penh because there were no rains. I could not even concentrate on the meeting documents. But I am quickly relieved when rains poured everywhere. It was like an injection into me...

Only the Dongtung district in Kompot that does not benefit from the rain and my bodyguard unit has been sent there to provide irrigation assistance in face

of the lack of rain. I have mentioned many times already that we must not leave any person to die of hunger in absence of our help. If the authority at the local level does not implement this order, they will be held accountable to the Prime Minister. The second order I have issued is we must not let the transplanting rice being damaged. I have instructed senior officials to leave here only when rice no longer need water, and it is even better if they leave only after rice is harvested. Once rice is collected and stored in the barns, our concerns will be gone too...

... Let me take this opportunity to express my deep thanks and gratitude to our people throughout the whole country, especially local authorities and the armed forces, who have taken serious order since the day I issued it when I was presiding over the tree re-planting ceremony (in Siemreap province.) I have noticed that the police forces and Government officials have taken their times to actively help our people in their transplantation.

... Some farmers' families, because of handicaps or women-headed households, are lacking of labor forces. In this case our armed forces have been a relief of their labor shortage problem as well.

... Let me tell you all that because of this help is so tremendous, we would benefit only when our rice yield turn out to be 3.5 or 4 tons per hectare. If we were to gain only 1.5 or 2 tons per hectares, we would face a loss. And who would lose this? Not our people, but Hun Sen who provides all the assistance necessary here...

I think we should introduce rice for export to be grown here. We

could grow rice twice. First we could plant IR rice which is not giving high yield but is manageable in terms of timing. Next we grow the sort of rice that is aimed to serve the export purpose...

In terms of assistance provided, five districts could draw benefits from the project. Two districts of Kompong Speu – Samraong Tong and Kong Pisey, two districts of Kandal – Kandal Stoeung and Ang Snuol, and one district of Phnom Penh, Dangkae. We have invested a large amount of resources already in this area. We have more than one five-centimeter diameter pumps, and eight pump stations.

... We have built three lines of master canals, which allow our people living on either side of the road will benefit from the system. In addition to those dug by machines, we also have reserved those canals that our people could be involved in exchange for rice...

... When it comes to bridges, the four-meter Bailey Bridge could be used. We also should put some 1.5-meter diameter concrete drainage wherever necessary...

... Usually my way of providing assistance almost anywhere have been to resolve three problems all at once – 1) irrigation, 2) roads and bridges and 3) human resource training...

... As for the dirt road, we will provide rice for the operation and those to be covered with red coarse soil, will be done by machines. In this way our people do not have to leave their homes in search for jobs in town, the result of which could be a HIV/AIDS infection disaster...

... In addition to the bridge Kun Kru that is already in place, I would command a study to build one more bridge in the Village of Svay of Prey Puoch Commune. This bridge is about 100 meters... Next year once all this is completed, I would request HE Chan Sarun to provide more jasmine rice into the area... because we could guarantee water irrigation even if we do not have rain.

... We have the GMS Summit last Sunday followed by various ASEAN Summits... In addition to the previous projects, China has agreed to provide us a further sum of between US\$ 12 or 13 million. During our dinner, I mentioned about roads and bridges in the rural areas and Premier Zhu agreed to provide an additional 1,500 meters of Bailey and I have requested for 7-meter wide bridge in my letter to him afterwards. He also decided to help us with the national road 7 between Kratie and the Cambodian-Lao border. The total length of the road to be rebuilt by China is 198 km. India agreed to provide us 10,000 tons of rice and ten million US dollars that will be used for the restoration of Baray reservoir and water pump. There have also been some assistance in terms of textiles. Thailand will assist in the building of a road that connect Koh Kong and the national road 4 (160km) with four concrete bridges of 1600 meters in all. Vietnam provided us 500 tons of rice and alleges that it builds us a road from the Cambodian-Vietnam border to Ratanakiri and further to Stoeung-treng.

... Japan pledges its year by year assistance and will not scale it down. We have also raised a

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