



KINGDOM OF CAMBODIA

Nation Religion King

Ministry of Foreign Affairs and International Cooperation

INFORMATION BULLETIN

ព្រឹត្តិបត្រព័ត៌មាន

ISSUED BY INFORMATION DEPARTMENT

June 30, 2001 VOLUME 36

ADDRESS: N° 161, Preah Sisowath Quay, Phnom Penh - Kingdom of Cambodia

Phone: (855.23) 214.441 - 216.122 - 216.146 & Fax: (855.23) 216.144 - 216.939

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Successful Results of CG Meeting

During his visit to Japan from 7-13 June 2001, Samdech Prime Minister HUN Sen participated in the Consultative Group Meeting held in Tokyo on 12-13 June 2001, that brought about successful results for Cambodia. The international donors pledged US\$560 million for government's program and a further US\$ 55 million for Non-Governmental Organization operating in Cambodia, about 20 percent exceeded Cambodia's requests.

During the meeting, the donor countries raised two requests: to push forward with the Khmer Rouge tribunal and the appointment of general auditor for Cambodia that was described by Senior Minister SOK An there would have no problem in their fulfillment.

It should be noticed that the two-day CG Meeting had brought together 15 countries including France, Australia, Sweden, Britain and USA and some International Organizations such as World Bank, IMF and ADB.

While in Japan, Samdech Prime Minister HUN Sen participated in the 7th International Conference on the Future of Asia held on 7-8 June 2001, during which Samdech Prime Minister delivered an address on the " Reconstruction of the Cambodian Economy and Regional Cooperation ". After the Conference, Samdech Prime Minister HUN Sen and the delegation made a field visit to Oita prefecture (one village one product movement) from 9-11 June 2001.

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Opening Address by Samdech Prime Minister at CG Meeting

Here is the text of the Opening Address delivered by Samdech Prime Minister HUN Sen at the Cambodia Consultative Group Meeting held in Tokyo on 12-13 June 2001 :

Excellency Chairperson

Excellency Leader of Japanese Delegation

Excellencies Distinguished Participants

Excellencies my colleagues from the Royal Government

Excellencies Ladies and Gentlemen

1. It is my great pleasure to be here this morning. I bring to all of you the greetings and best wishes from the people of Cambodia. Even before the elections in 1998 and since then I have always said that the Royal Government's main goal is economic and social progress to uplift the living conditions of the people of Cambodia. We have decided unanimously and are staunchly adhering to ensure improvements in the lives of all Cambodians through economic development, social justice, political openness, pluralism, freedom and stability, and securing and enhancing opportunities for all. This is why we attach a great deal of importance to our regular and continuous dialogue with our external partners, all of them well wishers of Cambodia for its brighter future. That is why I am here with all of you to provide an overview of what has happened in the past and what we intend to do for the future.

2. As we begin, I would like to thank the World Bank and the Government of Japan for making excellent arrangements for this important meeting, which provides us all an annual forum to take stock of progress and potential and to express and listen to different views, suggestions and advice in an open and candid fashion on issues we have faced with and improvement measures we should take. I thank all of you for coming here today and for your continued and abiding interest in assisting in the formulation of pro-active policies and in providing support for their implementation by the Royal Government and other civil society partners. The Cambodian delegation and I are also grateful to the Government of Japan for the warm welcome and hospitality extended to our delegation.

3. As in the past meetings, I wish to lay before you an outline of what we in the Royal Government consider are the major achievements and performance of the past nearly three years and what lies ahead, both as potential and challenges, bearing in mind that we are here to discuss mainly developmental issues. The Royal Government has an experienced senior level delegation led by H.E. KEAT CHHON to give you all the information you need about various aspects of our socio-economic situation and needs. We have also presented various background documents and position papers.

4. Now we are at the middle of a second term of the Royal Government. The year 2001, built upon the progress made in 1999-2000, is witness to the strong foundation for Cambodia's decisive move towards a lasting peace, sustainable development and tangible progress, as manifest in the impressive economic growth and continuous efforts to strengthen democratic institutions and alleviate poverty. Vision, daring, swiftness and steadfast consistency of decisions and actions are at the very core of our success.

5. We are also here to seriously consider your comments and recommendations on our government's policies and strategies. They are more than a collection of programs, more than the sum of our prospects and our strategy. Most of all, they are the main direction, which enables Cambodia to march towards the enduring ideals that I stated two years earlier here in Tokyo: "Before the first decade of the next century ends, Cambodia would like to fully reclaim its destiny, be a real partner in regional and global affairs and be well on its way to becoming a truly free nation, free from want and poverty above all." It was an ambitious course for Cambodia that I had set. I am proud to state that change now is the blood and bone of the Cambodian.

6. The Royal Government of Cambodia envisions a peaceful, stable and synergetic Cambodia free from all forms of fear, hostility, and violence. In this sense, promoting political stability and security in the country is vital for the country's march toward democracy, development and poverty reduction. Developments during the past two years testify to the fact that this vision is realistic.

7. I never tire of repeating again and again how the Royal Government of Cambodia (RGC) has taken strides in successfully implementing its "Triangle Strategy". Our approaches are structured in a strategic triangle consisting of three key areas of government business. The first side of this strategic triangle is building peace, restoring stability and maintaining security for the nation and all its people. The second side of our strategic triangle is Cambodia's rapid integration into the international community and normalization of our relationships with the international financial institutions. The third side of the strategic triangle is to promote development based on the favorable conditions created by the implementation of key reform programs: military demobilization, fiscal, public sector and judiciary reforms including eradication of corruption and stringent measures taken to crack down on illegal logging and environmental protection.

8. The first two components of the triangle strategy were fully and successfully implemented during the last two years. For the first time in four centuries, Cambodia is at peace, without separatists and rebels and internal strife. Cambodia has begun to fully embrace the regional affairs and world politics. We have positively contributed to the cooperation and integration within the ASEAN and ASEAN + three framework in all fields. Now our efforts are concentrated on the third side of the triangle, namely, in deepening our reform efforts aimed at promoting sustainable development and poverty reduction. The tempo we have achieved so far has been the result of tireless efforts and cooperation among all and must not be allowed to slacken. It needs to be maintained and increased as much as possible within our powers and possibilities. This is dictated to us by our obligations to our people and our donors. It is time for more real actions.

9. As I stated in 1999, peace is priceless but is difficult and demanding to attain and to keep. Continuous dialogue, discussion and compromise are critical to ensuring co-existence and cooperation and avoidance of division and conflict. However, peace cannot last without justice. Therefore, Cambodia is determined to close the darkest chapter of its own history and look forward toward progress, prosperity and democracy. It is the respect for and search for justice that the Royal Government has sought international assistance in organizing a tribunal to prosecute the main perpetrators of heinous crimes during the period of Democratic Kampuchea.

10. While judging the past, we can ill afford to ignore the needs of the future, namely, maintaining peace, political stability, national unity and sovereignty. While judging the past, we aim to heal the wounds of our common history. It is our desire that judging the past should help Cambodia build a bright future. Therefore, efforts from all concerned are needed to speed up this process. We should leave to historians and the extraordinary chamber to be established soon with the daunting task of judging our common past.

11. As I stated two years ago, Cambodia has irrevocably adopted a pluralist democracy as the only way ahead. Our actions have matched with this statement. We have fully embraced these democratic values. They are what make us the government of compassion; of social justice; of the struggle against poverty and inequality; of liberty; and of basic human rights. The enlargement of liberty for Cambodians from all walks of life has been the supreme goal and the practice of the Royal Government. In this area there has been tantalizing progress. Cambodians now are free to express and communicate ideas, to affirm their own membership and allegiance to any political party. The opposition party has even flown its flag in the heart of former Khmer Rouge's fiefdoms. Hand in hand with freedom of speech goes the responsibility to hear and understand through the time-consuming process of dialogue, debate and participation. For example, it took us many months to draft and re-draft our Land Law and the Forestry Law. However, the rights and freedom should come with duties and obligations towards the country and the people that you love. This is the essence of a genuine democrat.

12. Institutions matter in promoting sustainable development with equity. Already in the past two years tremendous efforts have been devoted to draft and enact laws and regulations. A true "Rule of law" is still some distance away. As we all know, Rome was not and could not have been built overnight. However, this should not be an excuse to prevent us from doubling the efforts in reforming the judiciary, and I agree with many critics that its progress still lags behind other reforms. The Royal Government recognizes that our civil society organizations and media can positively contribute to the reconstruction of our nation.

13. During the last two years, serious strides have been made to ensure the protection of human rights in all aspects as internationally understood and practiced. The respect of human dignity remains at the heart of our policy and practice, which encompasses both political rights, human security, as well as the rights to have enough to eat and opportunities at the workplace to earn one's living and to contribute to society.

14. The commune level elections are scheduled for early 2002. These will strengthen democracy at the grassroots level, improve the efficiency of the public services to those in need and reduce poverty. It will engender the devolution of power and responsibilities from the central government to the people. This form of empowerment of the local people will have a far-reaching effect in the years to come. The Cambodian People's Party (CPP) and FUNCINPEC signed in May 2001 an alliance agreement in order to ensure that the commune elections will be conducted in a free and fair manner and in a peaceful and non-violent climate. The Royal Government is strongly committed to do its utmost within our powers and responsibilities to successfully achieve these vital objectives. This process however will have its financial costs. Your assistance in this area is instrumental in building up capacity at the grassroots level. In this context, on behalf of the Royal Government of Cambodia I express our sincere gratitude the UNDP for providing the technical assistance to the Royal Government in organizing the elections, with an MOU being signed with the government on 8th June. I appeal to other donors to give high priorities to this important agenda in order for us to successfully hold the commune elections as scheduled.

15. The Royal Government is taking head on its fight against crime. Improved security and diminishing crimes have been among our major achievements. Our policy of promoting labor-intensive industries and development of tourism helped to create some 150,000 to 200,000 jobs per year. The RGC is looking to jump-start the development of new sectors, such as agro-business and plantations. Attaining food security, which is among the basic set of human rights, is high on the agenda of our medium-term objectives.

16. Women have been the backbone in our economy and society. We are determined to further enhance and promote their status through the implementation of a five-year strategic plan, *Neary Rattanak* (*Women are precious gems*), which focuses on capacity building for women, changing attitudes and behaviors in the society that discriminate against women. We want to seriously reduce and eventually eradicate domestic violence and human trafficking and are striving to promote the legal protection of women and gender mainstreaming in the legal sector. The ultimate objectives are to provide women with the opportunities to participate on an equal footing in

the process of national development. A large component of the government's gender agenda is thus about empowerment of women.

17. For the Royal Government, the war on poverty is not just a convenient slogan or a merely a policy issue but a deep felt passion. The proper response to the problem of poverty is not superficial treatment of symptoms but an assault on its underlying causes through structural changes. Poverty reduction defines and drives the substance, the content, and the heart and soul of the entire strategy of our Government. At the same time, progress and social justice are the two bedrocks of our government's policies and strategies. Lose either one and we come crashing down. That is why the whole government is fully engaged in the poverty reduction exercise. It is why we will carry on changing. It is why it is right to take another historic step on the road to deepen the reforms in our country.

18. The hard gained peace, stability and unity of territory has created unprecedented conditions for the Royal Government to implement the important agenda - **speedy poverty alleviation and economic growth**. As I said two years ago in Tokyo, Cambodia will make further efforts to get back its place as a strong and proud nation. The economic field, including trade, investment, and finance, serves as the 'leading vehicle' in this reform process, which will lead us to achieve this objective. Our policies are geared to ensure open trade and investment, for external trade has been an engine of growth for our economy. Generally, regional integration brings more intra-regional trade, higher welfare gains and more resources to our people.

19. In this sense, I am proud that the Royal Government, with your assistance, has been able to match performance to goals. According to the revised data of the National Institute of Statistics (NIS), even after the most severe flooding in 70 years, real GDP growth was 5.4 percent in 2000 just marginally lower than the earlier projected 5.5 percent. This should be seen in the context of severe global economic volatility and declining growth in many parts of the developed world during the same year. In retrospect, after the sluggish growth of 3.7 percent and 1.5 percent respectively in 1997 and 1998, growth rate for 1999 was 6.9 percent against 4 percent projected. We will do our utmost to sustain economic momentum in 2001 and 2002, when real GDP is projected to grow by 6.1 percent. Inflation was kept at a low level and the exchange rate was broadly stable during the last two years.

20. The recipe for sound economic management during the period under review was to set in motion through an appropriate blend of macro-economic stabilization policies and micro-economic structural policies. The government ensures a level of spending consistent with macro-economic

stability, and then restructures expenditure as part of a systemic reform package aimed at promoting domestic saving, productive investment, and efficient resource allocation. In this sense, during the last two years, Cambodia has rigorously implemented fiscal reforms, focusing on revenue mobilization and expenditure rationalization. The thrust of this policy is to maintain macro-economic stability, attain a broad-based, sustainable development and alleviate poverty. The objective is to ensure maximization of domestic revenues through broadening of the tax base and prevention of leakages; attaining equity and efficiency in expenditure by allocating more and more to social and economic sectors; and finally, introducing some kind of performance budget for priority ministries. All these are done through clear transparency, accountability and speed in every sphere of government activity. Those are also the pre-requisites for reduction of scope for corruption, which we are determined to root out under the Governance Action Plan (GAP). You will hear more in detail about these matters from H.E. KEAT CHHON.

21. The RGC considers the private sector, both domestic and foreign, as the major source of investment, thus an engine of growth. It offers know-how, training, investment and source of tax revenue, which is crucial for development and employment creation. In addition to these tangible contributions, it is an important source of openness to ideas, innovation, opportunity and empowerment. Therefore, the RGC has doubled efforts to create conditions for a climate of investor confidence. This has been done by establishing the Government-Private Sector Forum and its seven sectoral joint Working Groups to address a wide range of issues pertaining to private sector development and to discuss the "rules of game", with regard to taxation, transparent regulations and the protection of property rights. In this context, the RGC has conducted a series of consultations with the private sector on the amendment to the Law on Investment. There are different views about how to amend this law, which require us to spend more time for this participatory process in order to reach necessary understanding and compromises acceptable to all concerned. I asked H.E. KEAT CHHON to find a right balance between revenue enhancement and Cambodia's attractiveness for private investments. Likewise, I had asked H.E. KEAT CHHON to consult with the World Bank's management in order to find ways how to resolve the outstanding issues relating to the Bank's SAC program during this CG meeting and if necessary, Senior Minister KEAT CHHON may lead the team to Washington for further discussions with top management of the World Bank and other concerned institutions in order for us to reach compromises on this vitally important matter.

22. The Royal Government of Cambodia, headed by me has proposed a « **New Social Policy Agenda** » for Cambodia. The new social policy agenda envisions creation of a socially connected, educationally advanced, and culturally vibrant society in Cambodia. This requires dealing with the problems of poverty, illiteracy, and disease. Our « **New Social Policy Agenda** » is

to gear economic growth to take a pro-poor path. Growth and equity should come hand in hand. By promoting the new social agenda, the RGC also recognizes that there are close relationships among human, physical, sectoral, and structural aspects of development. In 2002 the Royal Government of Cambodia will launch *a Poverty Targeted Program* to address the needs of poor populations living in remote outback areas, especially the problem of malnutrition among the population.

23. To implement this « **New Social Policy Agenda** » for Cambodia, we are pouring a massive proportion of our budget into the priority sectors - education, health, agriculture and rural development -, which provide foundation for future growth, equity and progress. We are pursuing reforms in the educational system and promote other avenues of human capital formation to make Cambodians more productive and competitive in the global economy. We are restructuring our health programs to provide preferential attention, through the ADD and the PAP programs, to improved disbursement to finance referral hospitals and health centers at the district level. We are waging a war against deadly foes such as HIV/AIDS, tuberculosis and malaria. We are accelerating the adoption of a new Land Law to prevent land eviction of the poor by the powerful. We are reducing the size of official fishing lots to improve the access by the poor to fisheries resources. We are cracking down on illegal logging to improve collection of timber royalties to the government coffers. We are implementing the military demobilization program to shift spending priority from defense and security to social and economic sectors.

24. Good governance is at the core of our reform programs. We adopted in March 2001 the Governance Action Plan (GAP) in order to bring governance-related initiatives under a common umbrella framework to ensure smooth and coherent implementation. This calls for a predictable and enforced legal system that is both conducive to attracting foreign investment and protecting individual freedoms as well as workers' rights. It also implies improving the quality of the public services, a mechanism for greater accountability and transparency in the society and an everlasting war against corruption.

25. As part of governance, we have worked out strategy to revamp the structure and size of civil administration and professionalize the public machinery to improve the quality of public services. But we have to look at recent history to understand and appreciate why Cambodia has a relatively large civil service and military personnel. Long years of internal conflict saw the emergence and existence of four Cambodian factions. The Paris accords of 1991 brought about the reintegration of all the four factions into one united, albeit large civilian bureaucracy and military forces, sapping away a big chunk of our resources. Like democracy, national reconciliation also has its own cost. With stability in hand we are in a position and are determined to reshape and reform

the civil service to make it competent and politically neutral. My colleague, H.E. SOK AN, Senior Minister in charge of the Cabinet of the Council of Ministers and Chairman of the Council for Administrative Reform, will touch upon this issue in more details.

26. *Our most important agenda during the remaining term of office is to turn our massive, now not any longer needed, swords into new plowshares.* The Royal Government launched in February 2001 the Defense White Paper, which provides defense and security guidelines and calls for reforming and restructuring the Royal Cambodian Armed Forces (RCAF). The reform process aims at a substantial reduction in current manpower levels. Prompt implementation of the full military demobilization program is crucial for redirecting resources to the priority social sectors. Building on the recent positive assessment of the pilot demobilization project by donors, the Government will embark on a full demobilization program as soon as the financing arrangements are in place. In the period ahead, the registration of 15,000 soldiers for the full program will be completed very soon for the launch of the full program. H.E. SOK AN, Senior Minister in charge of the Cabinet of the Council of Ministers and Chairman of the Council for the Demobilization of Armed Forces, will elaborate in more detail.

27. The selection by the Royal Government of Global Witness - our most vocal critic - to monitor illegal logging testifies to our determination in stamping out corruption from the forestry sector and ensuring sustainable management of forestry resources. A mechanism to monitor forest crimes and ensuring sustainable management of forest concessions was put in place. We have not taken these steps merely to please anyone outside of Cambodia or to gain reprieve from criticism. Our actions are based on the understanding the crucial need to preserve the forests for our future generations and to maintain the ecological and bio-diversity balance. Equity must not be limited to the present populations but extend across generations. We are glad that large-scale corruption and illegal logging in this sector were eliminated. We are determined to work closely with all stakeholders both inside and outside of Cambodia to ensure sustainability. A legal framework governing the sector is being developed through intensive consultation with all stakeholders. We have embarked on a new revolution in the fisheries sector by reducing the size of the auctioned fishing lots and improving access by the poor to these vital resources. H.E. CHAN TONG YVES, Acting Minister of Agriculture, Forestry and Fishery, will elaborate further in more detail on these important matters.

28. I do not want to take too much of your time going into all details and all aspects. My intention is to assure you of our unity, sincerity and seriousness of purpose in pursuing progressive policies and measures in all spheres. It is also to emphasize to you that we have achieved much in a

very short time compared to many other countries which took decades to reach where we are from where we were just a few years or even months ago. Sure, we have several challenges ahead and many milestones to cross rapidly. But, what we have achieved so far gives us confidence that we shall overcome obstacles and difficulties ahead. The road ahead is long and difficult but you will agree that the considerable distance traversed so far in a short time by a society resurrecting itself from destruction is a clear pointer of future potential.

29. Your assistance to us these past few years have been very valuable and well spent. It reinforces the strength of national efforts from inside. Your assistance helps us to work unceasingly to lift Cambodia to a higher destiny, to a new plateau of sustainable development. Ten years ago, Cambodia was plagued by landmine accidents. Now mine accidents have reduced by half. Ten years ago Cambodian children were crippled from polio. Now Cambodia is free from the poliovirus. HIV/AIDS epidemic was halted. Ten years ago, Cambodia was not self-sufficient in rice. Now Cambodia has attained a rice surplus. Ten years ago Cambodia was crippled by malaria. Now Cambodia is cited as a success story in combating malaria. The list of achievements can go on and on. These achievements were not possible without your assistance. The most important development, however, is the change in attitudes, virtues and values, democratic values above all else. Cambodians have firmly grappled with democratic conscience, tolerance and political differences. On this positive note, I tend to agree with ancient Greek philosophers that one cannot cross a river twice.

30. I wish to thank you all for your patience in listening to me. Your deliberations here and your decisions about assistance to us are very important in recognizing the past achievements.

31. The Cambodian Delegation led by Senior Minister KEAT CHHON will elaborate on any point you may need further clarification. We will take careful notes of what all you say and give it our utmost consideration. Thank you.

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State Visit by Indian Vice President

At the Invitation of Samdech HUN Sen, Prime Minister of the Kingdom of Cambodia, His Excellency Mr. Krishan KANT, Vice President of the Republic of India, and Madam, paid a state visit to the Kingdom of Cambodia from 2-5 June 2001.

His Excellency Mr. Krishan KANT and Madam were granted a Royal Audience by Their Majesties Preah Bat Samdech Preah NORODOM SIHANOUK, King of Cambodia, and Samdech Preah Reach Akeak Mohesey NORODOM MONINEATH SIHANOUK at the Royal Palace.

During the visit, His Excellency Mr. Krishan KANT had a meeting with Samdech CHEA Sim, President of the Senate, focusing on the promotion of the cooperation between the legislative bodies of both countries.

During the discussion with Samdech Prime Minister HUN Sen, Vice President Krishan KANT reiterated the Indian Government's position in supporting the membership of Cambodia in the World Trade Organization (WTO) and also pledged to offer assistance in the conservation of Cambodia's ancient temples in Angkor complex.

Samdech Prime Minister deemed the visit by the Vice President a further strengthening of the long lasting bilateral relations and cooperation enjoyed by the two countries. Samdech Prime Minister requested the Indian Government to continue providing Cambodian students with scholarships to study in India. The two leaders, meanwhile, shared the views to enhance bilateral cooperation in culture and economics for the benefits of the two countries.

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Official Visit by Thai Prime Minister

Following is the Joint Communiqué issued at the end of the official visit to Cambodia by Thai Prime Minister:

At the invitation of Samdech HUN Sen, Prime Minister of the Kingdom of Cambodia, His Excellency Dr. Thaksin Shinawatra, Prime Minister of the Kingdom of Thailand, paid an official visit to Cambodia from 18-19 June 2001.

His Excellency Dr. Thaksin Shinawatra and his delegation were accorded with a warm and generous hospitality by the Royal Government and the people of Cambodia, reflecting a close and cordial relations between the two countries.

The two Prime Ministers exchanged views on variety of issues, which are of common benefit of both countries with a view to further consolidating, developing and expanding their bonds of friendship and cooperation in the political, economic, social, cultural, and other fields.

During the visit, the two Prime Ministers presided over the signing of the Framework Agreement on Economic Cooperation between the Kingdom of Cambodia and the Kingdom of Thailand which aims to further promote and strengthen their bilateral relations onto a new stage of development in the 21st century, and the signing of the Memorandum of Understanding between the Royal Government of Cambodia and the Royal Thai Government regarding the Area of their Overlapping Maritime Claims to the Continental Shelf to lay the foundation for new area of cooperation between Cambodia and Thailand relations to the exploitation of petroleum resources in the area of their overlapping maritime claims to continental shelf.

In addition to afore-mentioned documents, the two sides agreed on the following issues :

1. The two sides shall continue to develop their relations based on the principles enshrined in the United Nations Charter and other universally recognized principles of international law, on the Five Principles of
2. Peaceful Coexistence and on the principles set forth in the Treaty of Amity and Cooperation in South East Asia, especially the principles of respect for each other's independence, sovereignty and territorial integrity. They further reaffirmed their respect for the principles of non-interference in to each other's internal affairs, of non-recourse to the use of force or threat of force, of peaceful settlement of all disputes, and not allowing one's country territory to be used by any political or military force against the other's. Both sides agreed not to allow their territories to be used by any individual or groups in hostiles manner against the other country.
3. The two sides shall continue to maintain regular high-level meetings between the Representatives of the two governments, parliaments, state agencies and military forces to promote both the official and people-to-people contacts between the two countries.
4. The two committed to strengthen cooperation and consultations between Ministries of Foreign Affairs of Cambodia and Thailand to exchange views on bilateral, regional and international issues of mutual interest. They also agreed to work closely with each other

bilaterally and in framework of ASEAN in the developing program such as the Great Mekong Sub-Region, the less-developed areas along the West-East Corridor (WEC) and the ASEAN integration.

5. They agreed to work closely with each other to combat crimes along the borders between the two countries as well as trans-national crimes, such as drugs trafficking, trafficking of human beings, and other illegal activities.
6. The two sides re-affirmed the importance of bilateral economic relations, in particular, the promotion of investment and trade between the two countries. For that end, they agreed to fully utilize the existing mechanisms for bilateral cooperation, especially the Joint Commission for Bilateral Cooperation, and the Joint Trade Committee.
7. They agreed further to strengthen cooperation in the fields of agriculture, forestry, fishery, and fishery-related industries and energy; to exchange experiences in the protection of endangered species as well as forest, especially to suppress illegal logging, and of the environment, in particular along the common land and sea borders.
8. They agreed to strengthen their cooperation to upgrade land routes and develop railway lines between the two countries. They agreed to further encourage their cooperation on tourism in the framework of bilateral and multilateral cooperation.
9. The two sides agreed to expand cooperation in public health, to share experiences and to assist each other effectively in disease prevention and control along the borders between the two countries.
10. The two sides agreed to expand further their cooperation in the fields of education and training, to exchange students at university and post-university levels, and to facilitate art and cultural exchange between them.
11. Both sides reaffirmed their commitment to effectively implement the Agreement to Combat Against the Illicit Trafficking and Cross Border Smuggling of Moveable Cultural Property and to Restitute it to the Country of Origin and the Agreement on Cooperation for the Return of Stolen or Embezzled Vehicles, both of which were signed on 14 June 2000.

12. The two sides shall continue to promote favorable conditions required for the protection of security and for the normal life of nationals of one's country living in the other's country.
13. The two sides agreed to encourage their border provinces to promote their cooperation and mutual assistances in all areas of mutual interests.
14. The two sides reaffirmed their determination to settle as soon as possible the land border demarcation in the spirit of friendship, mutual understanding and the principles of equality and good neighborliness, so as to build a borderline of lasting peace, stability and friendship between them.
15. The two sides have highly appreciated the efforts made by both sides and noted their approval of the Memorandum of Understanding between the Royal Government of Cambodia and the Royal Thai Government on the Area of their Overlapping Maritime Claims to Continental Shelf signed by H.E.Mr. SOK An, Senior Minister and Minister of the Council of Ministers of Cambodia, and H.E.Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand.

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Visit to Cambodia by Their Imperial Highnesses of Japan

At the invitation extended by Samdech Prime Minister HUN Sen, Their Imperial Highnesses Prince and Princess AKISHINO of Japan paid a visit to the Kingdom of Cambodia from 21-27 June 2001. This was the first visit to Cambodia by the Imperial Family of Japan.

Their Imperial Highnesses were received upon Their arrival at Pochentong Airport by Samdech Prime Minister HUN Sen and Lok Chum Teav, who hosted later a dinner in honour of Their Imperial Highnesses.

While in Phnom Penh, Their Imperial Highnesses had the honour to be granted a Royal Audience by Their Majesties Preah Bat Samdech Preah NORODOM SIHANOUK, King of

Cambodia, and Samdech Preah Reach Akeak Mohesey NORODOM MONINEATH SIHANOUK, followed by a Banquet Luncheon.

During their stay in Cambodia, Their Imperial Highnesses also visited some places of cultural and historical interest, especially the ancient Khmer Temples of Angkor Wat and nearby ruins in Siem Reap province.

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Official Visit to Cambodia by Thai Foreign Minister

At the invitation of His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, His Excellency Dr. Surakiart SATHIRATHAI, Minister of Foreign Affairs of the Kingdom of Thailand, paid an official visit to the Kingdom of Cambodia on 4-5 June 2001.

His Excellency Dr. Surakiart SATHIRATHAI was granted a Royal Audience by His Majesty Preah Bat Samdech Preah NORODOM SIHANOUK, King of Cambodia, at the Royal Palace.

His Excellency Dr. Surakiart SATHIRATHAI paid courtesy calls on Sdech Krom Khun SISOWATH Chivonmoniroth, First Vice President of the Senate, Samdech Krom Preah NORODOM Ranariddh, President of the National Assembly, and Samdech HUN Sen, Prime Minister of the Kingdom of Cambodia.

During their bilateral talks held at the Ministry of Foreign Affairs and International Cooperation, Senior Minister HOR Namhong and Dr. Surakiart SATHIRATHAI had broad discussions on the promotion of the relations of friendship and cooperation between the two countries, including the rail and road links.

The Cambodian side sought help from the Thai Government in the construction of a 48 km road from Poi Pet to Sisophon that was noted by the Thai side would also benefit the Thai tourism and trade sectors. Dr. Surakiart SATHIRATHAI handed over to Senior Minister HOR Namhong a Thai-sponsored Feasibility Study on Re-Establishing the Bangkok-Aranyaprathet-Phnom Penh Railway Line.



Senior Minister HOR Namhong welcomes Thai Foreign Minister on his arrival at the Ministry of Foreign Affairs and International Cooperation

The two Foreign Ministers also touched on a Framework Agreement on Economic Cooperation, the border issues, and the preparation for the visit by Thai Prime Minister.

During the visit, His Excellency Mr. SOK An, Senior Minister, Minister in charge of the Office of the Council of Ministers and Chairman of the Cambodian National Petroleum Authorities signed with Dr. Surakiart SATHIRATHAI on the Memorandum of Understanding on the Area on their overlapping maritime claims.

The Memorandum, subject to the final approval of their respective Governments, identifies two areas within the overlapping claims areas: an Area to be Delimited and Joint Development Area, said a Joint Press Release issued after the signing ceremony. The Memorandum affirms both Governments' intention to simultaneously conclude an agreement for joint development of the hydrocarbon resources located in the Joint Development Area and to agree a mutually acceptable maritime boundary in the Area to be Delimited. A Joint Technical Committee comprising officials of Cambodia and Thailand will be established to work out the remaining unresolved issues and to draw up a Treaty between the two countries.

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Working Visit by Philippines's Special Envoy

Honorable Rizalino S. NAVARRO, Special Envoy of Her Excellency Mrs. Gloria Macapagal ARROYO, President of the Republic of the Philippines, paid a working visit to the Kingdom of Cambodia on 7-8 June 2001.

During the visit, His Excellency Mr. Rizalino S. NAVARRO paid courtesy calls on His Excellency Mr. SAR Kheng, Acting Prime Minister, His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, and met with His Excellency Mr. CHAM Prasidh, Minister of Commerce.



Senior Minister HOR Namhong Meets with Special Envoy of the Philippines

During the meeting with Senior Minister HOR Namhong, the Honorable Special Envoy affirmed the Philippine Government's commitment to the implementation of all bilateral agreements signed during the visit to the Philippines in August 2000 of Samdech Prime Minister HUN Sen, as well as to the promotion of all-sided bilateral cooperation.

Senior Minister HOR Namhong assured the Honorable Special Envoy of the Cambodian Government's support to the Philippine Government and expressed pleasure, on behalf of the Royal Government of Cambodia, with the good relations and cooperation made by the two countries within the ASEAN and bilateral framework. At the same time, the Senior Minister suggested a

meeting of the Joint Commission for Bilateral Cooperation between Cambodia and the Philippines be convened in the near future.

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Senior Minister Meets with Russian State Duma Member

On 5 June 2001, His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, met with His Excellency Mr. Yuri MEDVEDEV, Deputy Chairman of the Political Council of Yedinstvo Party, Member of State Duma and President of the Association of companies, which belong to “ MK Group ”.



Senior Minister HOR Namhong Meets with Russian State DUMA Member

During the discussion, both sides explored ways of restoring bilateral relations and cooperation between the two countries and shared the same views on the main role played by businessmen in that purpose.

Senior Minister HOR Namhong highlighted the Cambodian Government's intention to restore cooperation with Russia that was proved by his recent visit and the further visit by Samdech Prime Minister HUN Sen to the Russian Federation.

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Senior Minister Signs Exchange of Notes with Ambassador of Japan

On 20 June 2001, at 10:30 a.m., at the Ministry of Foreign Affairs and International Cooperation, a signing ceremony was held between His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, and His Excellency Mr. Gotaro OGAWA, Ambassador Extraordinary and Plenipotentiary of Japan to the Kingdom of Cambodia, on an Exchange of Notes concerning additional Grant Aid of eight hundred and fifty one million yen (¥ 851,000,000; approximately equivalent to US\$ 7 million) aimed at contributing to execute the project for Improvement of Bridges on National Highway Route 6A.



*Senior Minister HOR Namhong and Ambassador Gotaro OGAWA
after signing the Exchange of Notes*

According to the Japanese Embassy's Release, this project of term 2 is to rehabilitate the bridges on N° 24 and 25. Together with the bridge N° 26 that has been started to be reconstructed under the term 1 of the same project, it is expected that this project will contribute to secure the safe transportation on the National Highway Route 6A which connects Phnom Penh and North-eastern part of the country even during the heavy floods and to promote socio-economic development and poverty reduction in this North-eastern region of the Kingdom of Cambodia.

The total amount of the project (term 1 and term 2) is up to ¥ 1,395,000,000 (approximately equivalent to US\$ 11,325,000).

Moreover, the groundbreaking ceremony for improvement of the bridge N° 26 was held on June 19, 2001 under the presence of Samdech Prime Minister HUN Sen and His Excellency Mr. Gotaro OGAWA, Ambassador of Japan to the Kingdom of Cambodia.

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Senior Minister Meets with WFP Executive Board

On 6 June 2001, His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, met with a delegation of World Food Program Executive Board Members, who were visiting Cambodia from 3-9 June 2001.

During the meeting, Senior Minister HOR Namhong acquainted the delegation of the security, political and economic situation in Cambodia.

After referring to the WFP's assistance to the Cambodian flood victims last year, Mr. Timothy LAVELLE, representative of the 11-member delegation informed the Senior Minister of the 2001-2003 Aid Project adopted by the WFP Executive Board for Cambodia with the total amount of US\$ 58,300,000. Mr. LAVELLE also expressed his intention to have further coordination between WFP-FAO-IFAD (International Fund for Agricultural Development) in helping Cambodia.



Senior Minister HOR Namhong Meets with WFP Executive Board

It should be noted that the main objective of their visit was to familiarize themselves with WFP's operations in Cambodia. During their stay in Cambodia, the Board members conducted field visit to their projects implemented under the activities including Protracted Relief and Recovery Operations, Supplementary Feeding of Mothers and Young Children in Food Insecure Areas, and Emergency Flood Assistance to Flood Victims in Cambodia.

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Senior Minister Signs Agreement with German Ambassador

On 27 June 2001, at 04:00 P.M., at the Ministry of Foreign Affairs and International Cooperation, a signing ceremony was held between His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, and His Excellency Dr. Harald LOESCHNER, Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Germany to the Kingdom of Cambodia, on the Agreement between the Royal Government of Cambodia and the Government of the Federal Republic of Germany concerning Financial Cooperation in 2000 (Reconstruction of Rural Roads and other Infrastructure).

By this Agreement, the Government of the Federal Republic of Germany will provide the Royal Government of Cambodia with a grant aid of DM 15,000,000 for the Reconstruction of Rural Roads and other Infrastructure.



Senior Minister HOR Hamhong Signs Agreement with German Ambassador

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Exchange of Notes on Chinese Assistance to Senate

On 20 June 2001, at 4:00 p.m., at the Senate, a signing ceremony presided over by Samdech CHEA Sim, President of the Senate, was held between His Excellency Mr. CHHOEUNG Chamroeun, Secretary of State of Foreign Affairs and International Cooperation, and His Excellency Mr. NING Fukui, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Kingdom of Cambodia, on an Exchange of Notes concerning assistance on Economic and Technical Cooperation extended by the Government of the People's Republic of China to the Royal Government of Cambodia with a view to strengthening the friendly and cooperative relations between the two countries.



*His Excellency Mr. CHHOEUNG Chamroeun, Secretary of State
Signs Exchange of Notes with Ambassador of China*

At he request of the Royal Government of Cambodia, the Government of the People’s Republic of China agrees to build roads (around 7200 square meters) and 4 gates around its aided library and office buildings for the Senate of the Kingdom of Cambodia ”, said the Exchange of Notes.

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Cambodia-Laos-Vietnam Working Groups Meeting

Her Excellency Mrs. SUN Saphoeun, Under Secretary of State of the Ministry of Foreign Affairs and International Cooperation led a delegation of the Kingdom of Cambodia to participate in the First Meeting of the Cambodia-Laos-Vietnam Working Groups on Establishment of Socio-Economic Development Triangle held in Hanoi on 20-21 June 2001.

During the meeting, the three sides discussed a wide range of issues relating to potential for economic cooperation and direction for the development in the three-country border zone, so as to make good use of each country’s comparative advantages and capitalize on internal and external

resources in the framework of development cooperation among the three countries. During at the same time, the three sides agreed to principle to strengthen triangle relations and cooperation among the four relevant provinces, especially in communications, commerce, tourism, agro-forestry and energy.



Her Excellency Mrs. SUN Saphoeun, Under Secretary of State attends the First Meeting of the Cambodia-Laos-Vietnam Working Groups on Establishment of Socio-Economic Development Triangle

The three parties agreed to include in the development zone four provinces: Rattanakiri of Cambodia, Attapeu of Laos and Kontum and Gia Lai of Vietnam and to develop a cooperation program to assist one another in developing various sectors.

It should be noticed that the initiative of the development in the border zone of the three countries were launched by the three countries' Prime Ministers during the ASEAN Informal Summit held in Vietnam on 20 October 1999.

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