

TABLE OF CONTENTS

- Samdech Prime Minister's Address to the Parade to Mark the International Children's Day
- ☆ Samdech Prime Minister's Opening Address at the Cambodia Consultative
 Group Meeting
- ☆ Senior Minister HOR Namhong Attends Asia Cooperation Dialogue in Thailand
- Senior Minister HOR Namhong Meets Secretary General of Foreign Affairs of Morocco
- Senior Minister HOR Namhong Signs Exchange of Notes with Ambassador of Japan
- Senior Minister HOR Namhong Signs Loan Arrangement with Ambassador of the Republic of Korea
- Le Ministre d'Etat HOR Namhong Signe un Accord Avec L'Ambassadeur de Suisse
- ☆ Senior Minister HOR Namhong Meets Representative of WFP
- A Cambodia-Vietnam Joint Border Commissions Meeting: Joint Press Release

Samdech Prime Minister's Address to the Parade to Mark the International Children's Day

Following in the integral text of an address of Samdech Prime Minister HUN Sen, delivered on 01 June 2002, to the parade to mark the International Children's Day:

Your Excellencies Distinguished Guests Ladies and Gentlemen *Dear Children*,

On the occasion of the 53rd anniversary of the International Children's Day, on behalf of the Royal Government of Cambodia and myself, I am extremely pleased to join our beloved children at this ceremony; and express my strong support for all the activities to meet the basic needs of Cambodian children and children of all nationalities living in the Kingdom of Cambodia as stated in the international conventions on the rights of the child.

Children are the bearers of our common future, the pillar and the uniting force for the development of our nation in all fields towards a prosperous future.

Indeed, the Royal Government of Cambodia (RGC) has adopted a National Action Plan on Children aimed at strengthening the momentum of children's rights exercise and to catch up with the developments in the world. In addition, we have ratified many other conventions concerning the children's rights such as the Convention on the Involvement of Children into Armed Conflicts, the Convention on Child Trafficking, sexual exploitation and prostitution of children and the distribution of child pornography. Cambodia is one among the first ten countries to ratify the two important conventions. Actually, though there are tremendous amount of efforts by the Royal Government and the civil society, this issue still remains the big concern and burden for the Royal Government.

It is every Cambodian's obligation to help make our beloved country a better place for children - a place where every child can grow to adulthood in health, peace and dignity. Therefore, we should put children and mothers first in the government's social development program. In this sense, each adult has the obligation to be part of the large-scaled and multi-faceted campaign to promote the cause of the children, such as care for every child, fight HIV/AIDS, stop harming and exploiting children, listen to their opinions, educate every child, protect children from war, protect the environment for children - and fight poverty by investing in children. Poverty and low level of development constitute the main obstacle to our effort to improve the rights and the status of children. Therefore, poverty reduction is not only a moral requirement but also a political

commitment of the Royal Government that has to be realized through intensive investments on children.

I would like to take this opportunity to dedicate this day to a universal commitment and an appeal by children to all concerned institutions and adults that they should provide good care of children who are the future of the nation, especially by taking action to stop all kinds of exploitation of children including the sexual exploitation which is a grave and unforgivable violation of the children's rights. I would like to express my sincere gratitude and highly appreciate the love, sacrifices and unlimited kindness of all parents to their children; and encourage all the children continue to study hard to become a good child, good student and good citizen in the future.

The Parade with our beloved children today, in an environment of sincerity and solidarity, is an important witness of commitment and great interest by the Royal Government, parents and the whole society to the well being, rights and future of children. The celebration of 53rd Anniversary of the International Children's Day (June 1st) coincides with many other world events aimed at supporting and improving the rights of the child. In December 2001, the Second World Conference against Sexual Trafficking and Exploitation of Children was held in Yokohama, Japan. Recently, a UN Assembly on Children has been convened from 8-12 May 2002 in New York where a Royal Government of Cambodia's delegation has also presented and actively contributed. The Royal Government of Cambodia welcomes and fully supports the outcomes and resolutions of the two conferences. I would like to stress that this spirit reflected in the campaign in support for children in the Kingdom of Cambodia. The campaign was focusing mainly on three of the ten priorities, which include promoting the education for every child, no one child can be left behind, and the fight against HIV/AIDS. The outcomes of this campaign have gained support from His Majesty PREAH NORODOM SIHANOUK, the King of the Kingdom of Cambodia, Her Majesty the Queen, the Senate and the National Assembly. I have also sent a letter to H.E. Kofi Anan, General Secretary of the United Nations informing him of the outcomes of the campaign and other RGC's policies dealing with those issues.

The killing of women and children during the World War II by Fascist Hitler in Czech Republic and France motivated people over the world to commemorate on the 1st day of June as the International Children's Day. However, the genocide and horror that had been inflicted to the Cambodian people, especially the children by the Pol Pot regime were much more devastating than what Hitler had done. Many Cambodian children died, lost their families or became orphans.

After the country's liberation in January 7, 1979, although we were in the most politically and economically difficult situation, we could still overcome all the constraints to set up orphanage centers around the country in all provinces and cities to take care of orphans and children of poor families who could not afford to raise them and others and help them to go to school in order for them to have a brighter future. We have arranged to provide schools again starting from scratches by repairing and cleaning old buildings or monasteries for classes. Some hospitals were reopened to provide health services and treatment to elderly and Cambodian sick people, especially, the children by providing a six-disease prevention program.

In 1992, the State of Cambodia, during which I was the head of the government, ratified the Convention on the Rights of Children, and subsequently subscribed to the Declaration and Plan of Action in 1993. Moreover, the Royal Government of Cambodia in its second term of office is firmly committed to realizing the development's goals for the new millennium such as reduction of under-5 child mortality rates, reduction of maternal mortality rates, reduction of severe and moderate malnutrition among under-5 children, increased access to safe drinking water and better access to basic education for children, and protection of children in especially difficult circumstances.

It is every Cambodian's obligation to help make our beloved country a better place for children - a place where every child can grow to adulthood in health, peace and dignity. To this end, the Royal Government has been giving high priority to strengthening peace for the country; and implementing poverty reduction strategy and promoting social development. In these efforts, we should put children first in promoting the cause of the children, such as care for every child, fight HIV/AIDS, stop harming and exploiting children, listen to their opinions, educate every child, protect children from war, protect the environment for children - and fight poverty by investing in children.

As I have mentioned, a healthy and highly educated population is a firm foundation for development while investment in health, education and the stability of Cambodian children will result in an active, healthy, knowledgeable and productive citizens, as such investment will be repaid many times over. In this sense, investment in health and education of children is an investment in the future of Cambodia and is crucial for poverty reduction. All of us are fully aware of our obligation to ensure a successful completion of elementary education by our children in order for them to have the opportunity to further their education and fully participate in the society. Only the education can clear the way for girls to realize their social and economic rights helping them to fully utilize their abilities and potential, and providing them with means to improve their "equity" status. The improvement in the quality of education would help female children more, who are vulnerable to exploitation or human trafficking, before they become an adult.

Due to steady efforts made by the Royal Government of Cambodia in close cooperation with our development partners both national and international, we have improved the health status of our children to some extent. Cambodia is proud that the country has been declared by the World Health Organization as a nation free of polio disease. We have significantly reduced the case of malaria and halted the epidemic of HIV/AIDS. After the Royal Government has increased the allocation for education, especially, by disbursing funds directly to schools through the implementation of Priority Action Program in 2001, there were more than 250,000 children being enrolled for the first time. The number of dropouts has been notably reduced.

Actually, much more need to be done to improve the status of Cambodian children. We have to strengthen the fabric of our society and to streamline them on a good way of life; teach them to love Cambodian traditions and culture; commit to solving all social issues which results in abandoned children; fight against AIDS, prostitution and other unlawful behaviors of life. We should have strong political commitment and flexibility in managing our job to help the children to live properly, receive health care and education in order them to become a good citizen of our society and develop them to be a real human resource for the country. In this sense, I appeal all concerned ministries and institutions to propose their own plan of action joining hands to implement the 5-year National Plan Against Sexual Trafficking and Exploitation on Children, and the program against the exploitation on child's labor.

I would like to take this opportunity to express our deep gratitude to all Cambodia's development partners especially the UNICEF, NGOs and International Organizations for their contributions for the cause of Cambodian children.

In conclusion, I would like to extend my best wishes to Your Excellencies, Ladies and Gentlemen, success in the struggle for the cause of Cambodian children.

I thank you all for your kind attention.

Samdech Prime Minister's Opening Address at the Cambodia Consultative Group Meeting

Following in the integral text of an opening address of Samdech Prime Minister HUN Sen, delivered on 20 June 2002, at the Cambodia Consultative Group Meeting:

Your Excellency, Chairperson Excellencies, Distinguished Representatives of Partner Countries and Agencies Excellencies, Members of the Royal Government of Cambodia Excellencies, Ladies and Gentlemen

1. On behalf of the Royal Government of Cambodia (RGC) and on my own behalf, I have great honour and pleasure to welcome you all to this important meeting. A warm welcome to all of you who have come long distances from abroad to be here today.

2. We thank the World Bank for agreeing to hold the Consultative Group (CG) meeting here and for making arrangements for the same. This meeting has special significance as it is being held for the first time here in Cambodia rather than overseas. This way members of the RGC and senior officials get to attend the meeting and observe it in larger numbers. Also, some of you would have occasion to interact with people in the Cambodian polity and society both in this room and outside it during your stay here. On the one hand you will get some first hand impressions about the reality of the Cambodian society; on the other a wider cross section of our officials, local media, and civil society organizations would get to know, understand and appreciate the CG process and to absorb for reflection and action various view points expressed here by our partners in development of Cambodia.

3. The annual meetings of the Consultative Meeting on Cambodia have now become an established and regular feature for our true and genuine partners to dialogue with us on important issues with the view to moving Cambodia forward towards a better tomorrow for all. This is an occasion for stocktaking of what was achieved against plans and promises made as well as how much more and what else needs to be done in the immediate and longer-term future. It is therefore good and proper to look at the overall canvass of Cambodia in a holistic manner, not merely in terms of progress or lack of individual projects supported to achieve the whole.

4. As in the past the Royal Government as well as the World Bank and other agencies have prepared and circulated to you in advance several background papers. All of you would have no doubt studied them and would have many comments both on them and outside of them. I would encourage all of you to be fully straightforward and forthcoming in your observations and comments. That is the only way our frank dialogue could take place and be of benefit. We on the Cambodian side are grateful for all your advice and support in the past over ten years. We know and appreciate that all your comments in such forums as this are made for our understanding and benefit and in the larger interests of Cambodia and Cambodian people, as you perceive them. We will as before take them in that spirit. Do therefore be candid. 5. At this opening session of the meeting, I thought it would be beneficial if I could from the Cambodian side trace the contours in the major picture relating to the overall progress and achievements so far and what we see ahead in the future. All individual themes or subjects should and would fit into this overarching backdrop.

6. Certain matters stand out prominently and are to be counted in any discussion on the Cambodian scene. These in my view are: prevalence of peace; political stability and understanding; democratic principles and practices taking firm roots; improved and ever improving public governance through targeted and ongoing reforms; enhanced internal security and better law and order situation; macro-economic progress; better environmental management; higher levels of investments leading to employment and prosperity; increased revenues and allocation for social or human development sectors; social cohesion; addressing glaring economic and social disparities. I would like to dwell on these in a broad manner.

7. Sitting here today many of you may not be fully conscious that a mere ten years ago UNTAC was functioning from this building. Cambodia's then warring factions had just a few months earlier signed on the Paris Peace Accord. The UNTAC conducted elections a year later brought into being the first term of the Royal Government of Cambodia, but mistrust and misunderstandings continued. Khmer Rouge broke off and continued its insurgency in some parts of the country. The first coalition Royal Government was fragile and could not stand pressures within leading to a crisis in mid-1997. The elections conducted in 1998 were the first ever by the Cambodian themselves and were born out of more mature understanding and appreciation among the various competing parties. As a Cambodian effort, though supported by external partners, but not one somehow inspired or influenced from outside, the 1998 elections paved the way for formation of the current and stable Royal Government. The threat of Khmer Rouge eroded and disappeared following the collapse of their military and political organization altogether within the first few months of the new Government taking office. Through perseverance, accommodation and compromise Cambodia and Cambodians have come to enjoy and appreciate peace unknown for many decades. And they know and value the prevailing political stability as the sheet anchor of the peace that was hard to achieve.

8. Since 1993, there has been an exponential expansion and growth of media as a close observer, reporter and commentator of events and views. We now have a multitude of print and electronic media working without restrictions. Freedom of speech and assembly are unfettered. Similarly there are many civil society organizations working in varied areas of common concern to the people at large from human rights, social development, environment and several others. In terms of freedom Cambodia in many ways is more advanced in this than several other countries in the region.

9. Our firm commitment and adherence to democracy has been the major influence in our achieving internal peace and stability. I said at this forum three years ago that compromise among different viewpoints, ideologies and approaches to promote the common Cambodian cause has been the key in our democratic evolution before, during and since UNTAC. Our people have embraced the principles and practices of democracy in a full and abiding manner, knowing that they have a direct voice through periodic elections in choosing their representatives to guide and take the country forward. The 1998 elections were hailed as a "miracle on the Mekong." The peaceful and orderly conduct of the Commune Level Elections for all the 1, 621 communes a few months back was indeed another miracle brought about by the dedication of all Cambodians. People turned out and voted in overwhelming numbers without fear or favour and unfettered by extraneous considerations. The results of the elections though not satisfactory to some were indeed a clear and unambiguous reflection of the true will of the people.

10. With the communal elections and the new bodies taking office we have crossed another major milestone in public governance. Since 1996 the Royal Government has been implementing an extensive village and commune based program of decentralization and de-concentration. This experience has proven to be very positive and progressive and has been adopted as a national policy and program. A National Committee to Support Communes has been established to implement the Law on Commune Administration and Decentralization Policies. The Government has also set up a Commune Fund consisting of block grants from the government, tax and non-tax revenues assigned to the communes by the Parliament and donor assistance. The Commune Fund will finance local development and public services. Supporting the communes and the villages to carry out their own local development will reduce the burden on the national Government. The Ministries cannot and should not try to do everything that is needed at local level. Furthermore, whatever the communes and the people can undertake themselves involves the empowerment and commitment of the people so crucial for active participation, ownership and sustainability.

11. The three major achievements I have touched on above, namely, peace, political stability and democratization would not have been possible without the grace, benevolence and wisdom of our revered monarch and father of modern Cambodia, His Majesty Samdech Preah NORODOM SIHANOUK, and Her Majesty Samdech Preah Reach Akkak Mohesei NORODOM MONINEATH SIHANOUK. All Cambodians are ever beholden to them and pray for their long life and continued guidance.

12. These were also possible because of the maturity of the rival political parties who have placed the Cambodian cause above narrow, short-term political interests and gains. I beseech them to continue to do so for the next general elections, which are scheduled for 27 July 2003. All

political parties should act in a responsible manner and Cambodia should not be held hostage to petty political maneuvers and goals.

13. Let me divert here slightly to comment on a seeming controversy engaging the minds of many. I refer to the trial of the Khmer Rouge leaders responsible for genocide in Cambodia in the past. I have always maintained that any solution has to be Cambodian in nature while certainly conforming to accept international norms. After we went to great lengths to pass necessary legislation to ensure a trial and His Majesty the King approved it, a new issue has emerged, i.e., the negotiations were interrupted. We realize that if we do not learn the lessons of history, history will repeat itself. Therefore, in resolving our past, we can ill-afford to leave our destiny totally in the hands of others. I believe that Cambodians should be understood and supported to pursue their proper course to resolve the past. In judging the past our partners need to trust and be confident that our Government is deeply and responsibly committed to the building of a bright and sustainable future for its own nation. High-level negotiations are ongoing behind the scene and have been constructive. We are fully and unequivocally committed to pursuing the matter in a way all could be satisfied, especially the affected Cambodian people. I ask the world at large to understand and appreciate our position and have trust in our sincere wish and ability to pursue the matter to a satisfactory conclusion.

Public Governance and Rule of Law

14. I had mentioned governance as an area of progress. We realize that only proper, predictable, transparent, efficient and effective public governance can facilitate and ensure order and stability so essential for a conducive level playing field for common people to realise their full potential for their own advancement and for the benefit of the nation. Accordingly, many reform measures are already under way and more are in advanced stages on the drawing board.

15. The Royal Government of Cambodia is conscious that the institutionalization of codes of conduct and laws and regulations that shape human interaction in society matters a great deal in our nation's quest for sustainable development. Indeed, reforms to strengthen the government's institutional capacity are a fundamental prerequisite to long-term social and economic growth. Institutional efficiency reduces uncertainty and transaction costs, promoting increased inflows of capital and technology into Cambodia, which in turn will fuel economic growth.

16. Based on this philosophy, the Royal Government has embarked on a long-term agenda of major reforms in the legal and judicial system. Since 1993 a total of 154 laws have been enacted. Another 23 draft laws are awaiting adoption by the National Assembly. We are now working on new drafts of the *Law on Criminal Procedures, The Criminal Code, The Law on Civil Procedures*

and The Civil Code. Attention is also being directed to economic and investment laws, particularly those related to Cambodia's impending membership in the World Trade Organization.

17. A Council for Legal and Judicial Reform (LJR Council) was established reporting directly to the Supreme Council of State Reform chaired by me. The earlier Council for Judicial Reform and the Unit in charge of legal reform were subsumed by the new LJR Council under the joint chairmanship of H.E. Sok An, Senior Minister in charge of the Council of Ministers and H.E. Dith Munty, Chief Justice of Cambodia. Senior representatives of ministries and public sector institutions are part of this mechanism including Ministry of Justice, Office of the Council of Ministers, Ministry of Economy and Finance, Ministry of Commerce, Supreme Council of the Magistracy and the Council of Jurists. The Council will meet regularly to steer and monitor the reform program, and it is supported by permanent structures acting as the implementation mechanism. H.E. Dith Munty, Chief Justice of the Supreme Court, will elaborate to you on the reform strategy.

18. Human resources are crucial in our efforts to overhaul the judicial system. Thirty new judges have just been appointed. To boost the performance of the Courts, a Trade Tribunal and an Administrative Tribunal shall be established. Furthermore, a "model" court will be piloted to promote integrity, impartiality and professionalism of judges. In Judiciary' as elsewhere carefully selected people have to be trained to fully comprehend and properly administer laws, regulations and rules in a transparent and fair manner. This necessarily involves evolutionary time for traditions and precedents to build but we are determined to fast track the process.

19. Your Excellencies will surely agree that the work to rebuild the legal and judicial system is titanic. To succeed, it will require colossal administrative capacity and resources. Thus I urge all of you to consider providing substantial technical and financial assistance for this initiative.

20. The Government has exerted tremendous effort to ensure successful implementation of the Governance Action Plan and its update -- GAP-II. We are conscious that corruption in the public machinery, be it judiciary or administrative or any other, increases transaction costs for every one and reduces predictability in law enforcement and implementation of government's policies and equality of opportunity so essential for economic growth and sustainable development. Low salaries in public service are a major influencing element in this equation and should be addressed and would need the support of our donors. Nevertheless, the government believes that enactment of adequate laws and regulations to prevent and punish corruption is crucial for addressing this problem. In this spirit, the Royal Government is committed to finalize the draft of the Anti-Corruption Law before end June 2003. I am confident that this law will provide the legal underpinning for an action agenda to improve the quality of public services. As part of this

endeavour, the government has taken strides to establish the National Audit Authority, which is now operational and has embarked on a program of agency audits to ensure transparency in operations of key ministries and agencies.

21. Human beings are the ultimate creators and consumers of wealth. The human factor is at the epicentre of our policy to strengthen our government institutions and organization. We have begun the implementation of a strategy to revamp the structure and size of the civil service and professionalize the quality of public services.

22. Building up the government's capacity and technical expertise is crucial to the success and sustainability of reforms. We therefore recommend that donors help build national technical capacity by shifting from traditional technical assistance towards direct support for the Government's national human capacity building initiatives.

Consolidating and Maintaining Rapid Economic Growth

23. Your Excellencies, the Royal Government of Cambodia is nearing the end of a second term of service. The years 1999~2002 have constituted a decisive period for the government's reform agenda, characterized by the consolidation of peace and security in all parts of the country and the deepening and widening of reform across all sectors: fiscal, banking, administration, legal, military, further implementation of land, forestry and fisheries reforms and the assurance of environmental protection in order to achieve sustainable socio-economic development.

24. Cambodia has resolutely implemented its programs of economic and financial reforms. Results eloquently testify to this. I am very pleased to report that the latest indicators of our economic performance are truly encouraging. The National Institute of Statistics of the Ministry of Planning, with the technical assistance of the Asian Development Bank, has updated the macroeconomic data for Cambodia. The updated report shows that Cambodia's real Gross Domestic Product grew by 7.7% in 2000 against only 5.4% as previously estimated. In 2001, the Cambodian economy grew by 6.3% against the previous estimate of 5.3%. Average inflation declined from the already low one-half of one percent in December 2000 to MINUS one-half of one percent in December 2001. The Riel/dollar exchange rate continued to be stable. These are commendable results fully achieving envisaged targets during a period when the regional and world economies suffered considerable setbacks.

25. Governance has been strengthened in revenue collection through implementation of measures to prevent leakages, especially by combating smuggling and strengthening customs administration. I myself decided to establish an inter-agency mechanism to combat smuggling, detailing assistance requirements and practical arrangements among the Armed Forces, the Military

Police, the Police and the local authorities to help the customs authorities prevent and crack down on smuggling at both the central and provincial levels. At the same time, the government has taken steps to increase collection of non-tax revenue and has worked out rigorous measures to protect the state's interests and increase the transparency of contracts with the private sector.

26. On the expenditure side, the Royal Government has spelt out policies and taken steps to shift priorities by providing adequate funds for spending on social and economic sectors, increase public investment in rural infrastructure and establish responsibility for performance at the level of disbursing units. With rigorous fiscal reforms and stringent budget management, we have made encouraging progress in enhancing revenue and containing expenditure at an appropriate level, conducive to macroeconomic stability. At the same time, to strengthen governance in public expenditure management, the RGC decided to implement procurement procedures for the four priority ministries: Ministry of Education, Youth and Sports, Ministry of Health, Ministry of Agriculture, Forestry and Fisheries and Ministry of Rural Development. The government is committed to expand the coverage of procurement procedures in the next few years when budget execution especially cash flows have improved. In this vein, I have instructed the Ministry of Economy and Finance to conduct a study on the possibility of expanding public procurement to key government ministries and agencies in 2003.

27. In sum, the Royal Government has substantially achieved the target of 6% to 7% annual GDP growth, which has made significant inroads into the poverty situation and firmed up the foundations for future sustainable development.

28. Our development program and actions have been, and will continue to be firmly guided by the vision, policies and strategies enshrined in important policy statements and documents: the Interim Poverty Reduction Strategy Paper, the Governance Action Plan, the Financial Sector Development Vision and Plan for 2001-2010, and the 2nd Socio-Economic Development Plan (2001-2005). Together, these documents outline our goal and strategies for uplifting Cambodia to a new plateau of hope, prosperity and development.

Building the Foundations for Pro-Poor Development

29. Your Excellencies, at this stage we can confidently say that the momentum for the sustained economic growth of Cambodia has been set in motion. However we realize that the Cambodian people as a whole need to substantially share in the benefits of growth.

30. Making reforms work for the poor is a serious challenge: Reduction of poverty demands the assault on its structural causes through measures such as: (a) fiscal policies that enhance revenues and direct expenditure in favor of pro-poor public investments; (b) assurance of sustained

economic growth and macroeconomic stability; and (c) formulation and implementation of appropriate sector policies, including attention to social development via increased investments in health and education, mainstreaming of gender issues, ensuring the development of ethnic minorities, land reform, sustainable fisheries management and environmental protection. While commune level councils would go a long way in identifying and effectively resolving local causes, increased investment in the economy is a sine qua non for an assault on poverty.

31. Ensuring that Cambodia is attractive to both domestic and foreign investment -- by creating and maintaining a climate for investor confidence is at the heart of our development strategy. Indeed, it may seem Cambodia would soon need private investments from your countries even more than development aid. In this sense, the Royal Government has taken important steps in improving the investment climate, including the amendment of the Law on Investment to streamline procedures and paperwork in applications for investment approval and in imports and exports of goods and equipment. Also being pursued is the enactment of the Law on Corporate Accounting and Audit to enforce corporate governance. These actions promote transparency and predictability of the approval, monitoring and implementation of investment projects.

32. The Royal Government has been strengthening economic and financial management with the assistance of our development partners by improving tax and customs administration, budget and treasury management, central bank operations, economic statistics, and development of legislative framework for monetary and financial sector reform, which will inevitably create the favorable climate for the deepening of our reform efforts. With our "New Social Policy Agenda", we have been pouring a massive proportion of our budget into the education, health, agriculture and rural development -the priority sectors for the foundation of future growth, equity and progress. Over the last five years we have more than tripled the budget disbursement for health and almost tripled the budget disbursement for education. We aim to double social spending again in the next three years. More importantly we have to ensure that performance matches budget increases. The government is strongly committed to improve mechanism to disburse budget to the priority ministries, especially the Ministry of Education, Youth and Sports and the Ministry of Health.

33. For several years now the Royal Government has been implementing a "Locomotion Strategy" aimed at improving the physical transport infrastructure, especially roads and bridges that constitute the connective network of our economy. A more comprehensive road network will open up and link Cambodia's economic and tourism opportunities, facilitate the transport of goods and services, boost foreign and domestic investments and release the underlying potentials of the rural economy. Furthermore, the poor benefit from improvements in transport through reduced consumer prices, increased employment and improved opportunities for entrepreneurship. You will hear more details from H.E. Keat Chhon, Senior Minister and Minister for Economy and Finance.

Sustainable Forestry Sector Strategy

34. The Royal Government's forestry sector Strategy aims to promote sustainable forest management based on three pillars: (i) sustainable forest concession management policy, where timber exploitation is strictly controlled according to international forestry standards; (ii) a system of protected areas to preserve the country's unique biodiversity and endangered species; and (iii) a substantially stronger community forestry development program.

35. I hope that in the near future, a new Forestry Law that will incorporate the Government's forestry sector strategy will be enacted. We are already acting resolutely to implement the forestry strategy. A moratorium has been declared on logging in forest concessions pending the approval of management plans and inventory assessments that are fully compatible with sustainable forestry practices.

36. In order to upgrade the monitoring of previously cut logs, all log transportation by concessions was suspended starting May 2002. Henceforth, the monitoring of the log transport will be improved with the adoption of a new, electronic system of log tracking using bar code devices. A few days ago I signed a sub-decree to cancel a forest concession that was in contravention with logging regulations. The government will rigorously pursue this stance in forest management.

37. The plight of the poor can be improved by widening their access to forest, fisheries, water resources and other public goods. Therefore, providing access to fisheries and water resources is critical to improve the living standards of the people living in the Tonle Sap and riparian regions. Realizing the importance of such actions, the RGC cancelled or reduced the size of official fishing lots to improve access by the poor to traditional fisheries in some areas. To shore up the legal framework for fisheries, the Ministry of Agriculture, Forestry and Fisheries has drafted a new Fisheries Law, a Fisheries Master Plan, a governmental Decree on Community Fisheries and Fishing Lot Auctions with extensive consultation with all stakeholders.

H.E. Chan Sarun, Minister of Agriculture, Forestry and Fisheries, will elaborate.

Demobilization

38. We remain strongly committed to the transformation of our massive stocks of swords into ploughshares and the strong hands that wielded the former to operate the latter. Indeed, in this area as well as in other important sectors we would not be successful if we did not receive generous assistance from our development partners. Orderly and successful integration of former soldiers into the mainstream of productive society is therefore a priority. But there is no doubt that it is an agenda for the long haul as it involves changes in outlook, habits, attitudes, skills and the way of

living. Through the year 2002 we are committed to the full demobilization and reintegration of up to 30,000 discharged military personnel. Again, H.E. Sok An, Senior Minister, Minister for the Council of Ministers and Chair of the Demobilization Council will provide more details.

Promoting Gender Equality

39. Improved equality and equity for women and children is crucial to sustainable development, social justice and poverty alleviation in Cambodia. Investment in and greater attention to women's needs will result in better health and education of future generations, as well as greater economic efficiency and decreased poverty. Therefore, investment in women and children and improvements in women's social, economic and political status, are direct investments in the future of Cambodia. Accordingly our actions are focused on the implementation of the five-year strategic plan, Neary Rattanak (Women are Precious Gems) and the program of "Building Together: Toward Achieving Gender Equity and Social Development."

Meeting the Challenges to Reforms

40. I have very broadly laid before you the many areas we have progressed. We more than any one else are acutely aware that there is a long march ahead.

41. Cambodia's past achievements and solid performance serves to highlight the many problems and challenges to overcome in order to push our reform and development agenda. We need to work on further improvements in governance if we are to make more than a dent in poverty. Furthermore, we should instill the sense of ownership of the development process and our achievements among all social strata.

42. Indeed, policy reforms across sectors have constituted the substance of our development thrusts. Yet we also realize that while good policies do matter, their rigorous and consistent implementation remains vital. Co-ordination and information sharing between and within ministries should be improved. The challenge to ensure that systems of governance work efficiently to increase access to modern knowledge and technology should also be overcome.

43. To systematically resolve the many challenges before us, we are promoting the sound management of knowledge and human resources through the building up of a performance-based civil service. We are also embarking on e-government initiatives. We clearly need an efficient government that is responsive to the demands of the rapidly changing international environment as well as a strong and vibrant private sector. H.E. Sok An, Senior Minister, will provide more details about government's strategies and action plan for administrative reform.

44. I wish to emphasize that in all these efforts we are setting out a clear agenda and mechanisms for managing the process of change. We will work with vigor and determination to solve -- not avoid -- problems. We have enjoyed favorable conditions, more than at any other time in our recent history. This opportunity to forge ahead towards sustainable development and poverty reduction is within our reach.

45. The broad picture I have tried to place before you today, no doubt, shows the vast distances Cambodia has traversed in mere ten years, accelerating significantly in the last four years, to transform itself from a strife-torn, problem-ridden, poor country to one firmly on the path to progress and realization of its true potential. But every step we take shows up new challenges ahead. Nevertheless, we have the horizon firmly in our sights and we will spare no measures to take Cambodia forward for betterment of its people.

46. You are in the land of the world's famous Angkor Wat and nearby monuments standing testimony to Cambodia's glorious past. Most of you have no doubt visited them. These are magnificent edifices conceptualized by great minds, planned and choreographed by very competent architects, erected by highly skilled artisans and workers. They were built stone by stone not in one day but over decades. And so, in building a future Cambodia, we are laying one exquisite stone after another, confident in our determination and resolve as well as in our abilities to overcome all minor and major obstacles as they arise. No Angkor sculptor threw away his chisels because he made a mistake in one carving. He corrected it and laid another stone. So shall we as we build a modem, vibrant, thriving, living Cambodia.

47. We know we have come a long way, much farther than anyone might have dared predict ten years ago when UNTAC sat here; may be more than many other nations if any were similarly situated. We however shall not rest on our laurels. I pledge that we will not waste this historic opportunity.

48. As you start your deliberations at this meeting I request you to keep in mind our demonstrated track record till now far exceeding expectations and also the promise and potential it denotes for the future. Your advice and assistance so far have been put to maximum advantage of Cambodians in general despite shortcomings here and there. You can rest assured we will do even better with your help in the future.

49. In closing, let me thank you all for your patience and attention. I do not want to take too much of your time going into all details of the situation in Cambodia. My intention is to assure you of our unity, sincerity and seriousness of purpose in pursuing progressive policies and measures.

The road ahead has become much clearer, but is still long and difficult, and the solidarity of the international community with the aspirations of the Cambodian people continues to be vital.

50. The Royal Government of Cambodia is represented in the CG meeting by an experienced and able senior delegation led by H.E. Keat Chhon. They will be with you and share with you the details of our programs and all the information required about the various aspects of our socio- economic situation and needs for development assistance. Throughout the meeting Cambodia will listen, take careful notes of all that you say and give it utmost consideration. Thank you very much for your kind attention and have a good meeting.

35th Anniversary of Cambodia-Vietnam Diplomatic Relations Establishment

On the occasion of the 35th anniversary of the establishment of diplomatic relations between the Kingdom of Cambodia and the Socialist Republic of Vietnam (24 June 1967- 24 June 2002), Samdech Prime Minister HUN Sen and His Excellency Senior Minister HOR Namhonh, Minister of Foreign Affairs and International Cooperation, exchanged the following messages of felicitation with His Excellency Mr. PHAN Van Khai, Prime Minister, and His Excellency Mr. NGUYEN Dy Nien, Minister of Foreign Affairs:

> Message of Felicitation from Samdech HUN Sen to Prime Minister PHAN Van Khai

Excellency,

On the occasion of the thirty fifth anniversary of the establishment of diplomatic relations between the Kingdom of Cambodia and the Socialist Republic of Vietnam, on behalf of the Royal Government and People of Cambodia, I wish to extend my best wishes of personal happiness to Your Excellency and prosperity to the great People of Vietnam. During all these years, the two peoples of Cambodia and Vietnam, as good neighbors, have maintained their traditional relations of friendship and cooperation in their daily life which have contributed to their socio-economic development.

Now, more than ever, as members of the ASEAN family, our two peoples enjoy closer friendship, peaceful cooperation, mutual respect and mutual understanding. I have no doubt that these traditional bonds of friendship will always prevail.

Please accept, Excellency, the assurances of my highest considerations.

Message of Felicitation from Prime Minister PHAN Van Khai to Samdech HUN Sen

Your Excellency Samdech Prime Minister,

On the occasion of the 35th anniversary of the establishment of diplomatic relations between the Socialist Republic of Vietnam and the Kingdom of Cambodia (June 24th 1967 - June 24th 2002), on behalf of the Government and people of Vietnam, may I extend to Your Excellency and through You to Their Majesties the King and the Queen, to other Cambodian leaders and the people of Cambodia the warmest felicitations.

I am delighted to see that in the past 35 years since the establishment of diplomatic ties, the relationship of traditional friendship between our two countries basing on the principles of respect for each other's independence sovereignty and mutual benefit, has overcome all trials to be ever strengthened and developed.

Today against the backdrop of the increasing global trend for peace, cooperation and development, especially when both Vietnam and Cambodia are members of the Association of Southeast Asian Nations (ASEAN) and are participating together in a number of other regional cooperation frameworks. I am convinced that the traditional neighborly friendship and multifaceted cooperation between our two countries would enjoy favorable conditions for further development in the interest of peace, stability, friendship, cooperation and prosperity in Southeast Asia and the world at large.

May the people of Cambodia under the guidance of His Majesty the King NORODOM SIHANOUK and the right leaderaship of the Royal Government of Cambodia led by Your Excellency Samdech Prime Minister, continue to make many more significant achievements in the endeavor to building a Cambodia of peace, stability, development and prosperity.

May the traditional friendship and multifaceted cooperation between our two countries be ever strengthened and developed.

May Your Excellency Samdech Prime Minister remain in good health, happiness and reap new successes in your noble task. Please accept, Excellency, the assurances of my highest consideration.

Message of Felicitation from Senior Minister HOR Namhong to Foreign Minister NGUYEN Dy Nien

Excellency,

It gives me a great pleasure to extend to Your Excellency my most sincere wishes of personal happiness on the auspicious occasion of the thirty fifth anniversary of the establishment of diplomatic relations between the Kingdom of Cambodia and the Socialist Republic of Vietnam.

Today I am pleased to note that our two countries are enjoying excellent bonds of friendship and cooperation in an environment of mutual understanding, mutual respect and mutual support in every domain of mutual interest. Our two peoples are enjoying better peace, stability and socio-economic progress as we belong to the same ASEAN family.

I am confident that now we have entered the new era of regional cooperation, our two peoples will enjoy better bilateral relations in a more peaceful and friendly environment generated by a world of interdependence.

Please accept, Excellency, the assurances of my highest considerations.

Message of Felicitation from Foreign Minister NGUYEN Dy Nien to Senior Minister HOR Namhong

Excellency,

On the occasion of the 35th anniversary of the establishment of diplomatic relations between the Socialist Republic of Vietnam and the Kingdom of Cambodia (June 24th 1967 - June 24th 2002), may I extend to Your Excellency the warmest felicitation.

I am delighted to see that in the past 35 years the relationship of traditional friendship between our two countries has been ever strengthened and developed on the basis of mutual respect for each other's independence, sovereignty and territorial integrity, non-interference in each other's internal affairs, equality and mutual benefit.

Today when both Vietnam and Cambodia are members of the Association of Southeast Asian Nations (ASEAN) and are participating together in a number of other regional cooperation frameworks, I am convinced that the excellent relationship between our two countries would enjoy favorable conditions for further development bilaterally and multilaterally in the interest of the two peoples s well as that of peace, stability, friendship, cooperation and prosperity in Southeast Asia and the world at large.

I am also much convinced that the relationship of cooperation between our two Foreign Ministries would be closer, significantly contributing to the strengthening and advancement of the overall friendship and cooperation between our two countries.

May Your Excellency enjoy the best of health, happiness and reap ever new success in your noble task. Please accept, Excellency, the assurances of my highest consideration.

Senior Minister HOR Namhong Attends Asia Cooperation Dialogue in Thailand

At the invitation of His Excellency Mr. Thaksin Shinawatra, Prime Minister of Thailand, His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, led a delegation to attend the first informal gathering of Foreign Ministers of the Asia Cooperation Dialogue (ACD) held on 18-19 June 2002, in Thailand.

In his intervention at this informal gathering that was attended by Foreign Ministers and representatives from 17 Asian countries, His Excellency Senior Minister HOR Namhong

expressed his support to the initiative made by Thai Prime Minister on organizing ACD. The Senior Minister stressed that Asia had great potentials, including human resources, economy, trade, culture and civilization that could be concentrated and exploited for the common interest of Asian countries and thus contributing to surmounting the challenges in their efforts to alleviate poverty faced by millions of people.

Senior Minister HOR Namhong also shared the views on the necessity to find way to fill the missing link between forums and sub-regional organizations in Asia and therefore raised an idea to set up a mechanism or coordinating programme in every sphere.

Senior Minister HOR Namhong Meets Secretary General of Foreign Affairs of Morocco

On 06 June 2002, at 9:30, His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, met with H.E. Mr. Rachad BOUHLAL, Ambassador and Secretary General of the Ministry of Foreign Affairs and Cooperation of the Kingdom of Morocco, who were paying a working visit to Cambodia on 5-6 June 2002 to examine ways and means to enhance bilateral Cooperation.

During the meeting, H.E. Mr. Rachad BOUHLAL handed over a letter from His Excellency the Minister of Foreign Affairs of Morocco inviting Senior Minister HOR Namhong to pay an official visit to the Kingdom of Morocco. He also added that during the visit, His Excellency the Minister of Foreign Affairs of Morocco expected to sign with Senior Minister HOR Namhong a Framework Agreement on Economic, Scientific, Technical and Cultural Cooperation between the two counties.

H.E. Mr. Rachad highly applauded the outcomes achieved by the Royal Government of Cambodia in the process of rehabilitation and reconstruction of the country and also briefed the Senior Minister on Sahara issue. H.E. Mr. Rachad informed the Senior Minister of the will of the Government of Morocco to appoint a non-resident Ambassador to Cambodia and seek the assistance of the Cambodian authorities for the appointment of a Honorary Consul of Morocco in Cambodia.



Senior Minister HOR Namhong Meets H.E. Mr. Rachad BOUHLAL, Secretary General of Foreign Affairs of Morocco

The Senior Minister highlighted the similarity of the two Kingdoms and shared the views on extending bilateral relations. He accepted with sincere thanks the invitation extended by his Morocco homologue.

Senior Minister HOR Namhong Signs Exchange of Notes with Ambassador of Japan

On 13 June 2002, at 09:30 a.m., at the Ministry of Foreign Affairs and International Cooperation, 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, signed three **Exchanges of Notes on a Grant Aid up to 1,620,400,000 (one billion six hundred twenty million and four hundred twenty million four hundred twenty million and four hundred twenty million four**

thousand Yen), approximately equivalent to

hundred and sixty thousand US dollars) provided by the Government of Japan.



Senior Minister HOR Namhong Signs Exchange of Notes with Ambassador Gotaro OGAWA of Japan

The Grant Aid will be used by the Royal Government of Cambodia for the execution of the three following projects:

- Project for Improvement of Equipment for Demining Activities (Phase III) ¥ 798, 000,000,
- Project for Rural Drinking Water Supply in Peri-Urban of Phnom Penh city ¥ 784,000,000, and
- Supply of TV programmes to the National Television of Kampuchea (TVK) ¥ 38,400,000.

Referring to the first project, the Japanese Embassy's release dated 12 June 2002 said : " In the objective of assisting CMAC's demining activities to meet the urgent need of mine affected communities as early as possible, this Phase III grant is provided to follow up the Phase I and Phase II of this project by providing equipment required for improvement of demining operation and technology ".

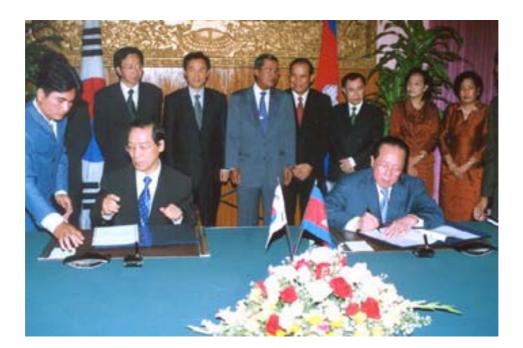
As far as the second project is concerned, the release said : " For the purpose of improving the living standard of rural population by means of developing groundwater supply for drinking, this project is to drill 165 deep wells equipped with hand-pumps in 60 villages of Peri-Urban of Phnom Penh City in Dangko, Ruessey Keo and Mean Chey districts".

For the third project, the release said : " This project is to provide 314 TV programs to the National Television of Cambodia (TVK) in order to contribute to the promotion of cultural and educational activities in Cambodia. Among these 314 programs, 192 programs are documentaries and the other 122 are educational programs ".

<u>Senior Minister HOR Namhong</u> Signs Loan Arrangement with Ambassador of the Republic of Korea

On 05 June 2002, at 04:30 p.m., at the Ministry of Foreign Affairs and International Cooperation, His Excellency Senior Minister **HOR Namhong**, Minister of Foreign Affairs and International Cooperation, and His Excellency Mr. **LEE Wun-Hyung**, Ambassador Extraordinary and Plenipotentiary of the Republic of Korea to the Kingdom of Cambodia, signed a **Loan Arrangement** between the Royal Government of Cambodia and the Government of the Republic of Korea up to US\$ 27,665,000.

Samdech HUN Sen, Prime Minister of Cambodia presided over the signing ceremony.



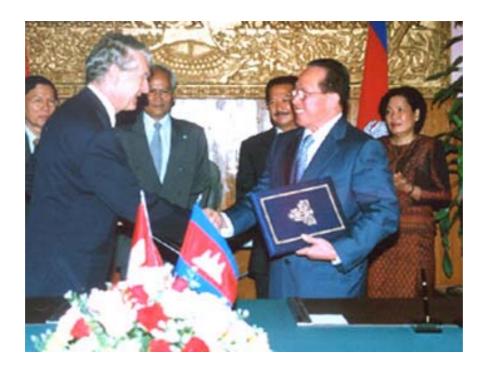
Senior Minister HOR Namhong Signs Loan Arrangement with Ambassador LEE Wun-Hyung of the Republic of Korea

This Arrangement will enable the Royal Government of Cambodia to build a Cambodia -Korea Vocational Training School in Cambodia.

Le Ministre d'Etat HOR Namhong Signe un Accord Avec L'Ambassadeur de Suisse

Le mercredi 05 juin 2002, à 9:30 du matin, au Ministère des Affaires Etrangères et de la Coopération Internationale, Son Excellence Monsieur Le Ministre d'Etat **HOR Namhong,** Ministre des Affaires Etrangères et de la Coopèration Internationale, et Son Excellence Monsieur **Hans-Peter ERISMANN,** Ambassadeur Extraordinaire et Plénipotentiaire de Suisse au Royaume du Cambodge, ont signé un Accord pour le Projet

de Conservation de Banteay Srei entre le Gouvernement Royal du Cambodge et le Gouvernement Suisse.



Le Ministre d' Etat HOR Namhong et l' Ambassadeur de Suisse après la signature de l'accord

L'objectif de ce projet est de réaliser et de mettre en oeuvre un programme global de protection et de mise en valeur du site de Banteay Srei, y compris la réalisation des divers travaux de restauration et de sauvegarde du monument.

L'équipement et les matériaux nécessaries pour la réalisation du projet dont les coûts prévus sont de USD 445,000 seront financés par le Gouvernement Suisse.

Senior Minister HOR Namhong Meets Representative of WFP

On 14 June 2002, at the Ministry of Foreign Affairs and International Cooperation, His Excellency Senior Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation, received a courtesy call paid by Ms. Rebecca Hansen, WFP Representative and Country Director in Cambodia.



During the meeting, Ms. Rebecca Hansen presented to His Excellency the Senior Minister the letter of approval from the WFP Executive Director of the project "Support to Maternal and Child Health", with a total cost of US\$ 5,070,664. She also told the Senior Minister that the operation plan for that project would be subject to discussion between the Ministry and WFP.

After expressing his pleasure with the new project, His Excellency the Senior Minister suggested the project be carried out mainly in the rural areas in order to contribute to the rural development. He also recalled the assistance provided by WFP to Cambodian people.

Joint Press Release

Following in an integral text of a Joint Press Release on the extra-meeting of the Cambodia-Vietnam and Vietnam-Cambodia joint border commissions were held in Phnom Penh on 14-18 June 2002.

The Cambodian Delegation was led by H. E. Mr. Var Kim Hong, Advisor to the Royal Government of Cambodia in charge of State Border Affairs and Chairman of Cambodia - Vietnam Joint Border Commission, and the Vietnamese Delegation was led by H. E. Mr. Le Cong Phung, Deputy Minister of Foreign Affairs of the Socialist Republic of Vietnam, Chairman of Vietnam - Cambodia Joint Border Commission.

His Excellency Mr. Le Cong Phung and the Vietnamese delegation were warmly received with generous hospitality by the Cambodian side and paid a courtesy call on His Excellency Mr. Sok An, Senior Minister, Minister in charge of the Office of the Council of Ministers of Cambodia.

The two sides agreed on the following issues:

1. Based on the requests of the concerned localities, the two sides have agreed to submit proposals to the two governments for upgrading and opening the following Border Points of entry-exit to facilitate the activities of economic and social development of the two countries: - Phnom Den (Takeo Province, Cambodia) - Tinh Bien (An Giang Province, Vietnam) to international border point of entry-exit;

- Prey Voir (Svay Rieng Province, Cambodia) - Binh Hiep (Long An Province, Vietnam) to national border point of entry-exit;

- Banteay Chakrey (Prey Veng Province, Cambodia) - Dinh Ba (Dong ,hap Province, Vietnam) to national border point of entry-exit;

- Chan Moul (Kompong Cham Province, Cambodia) - Ka Turn (Tay Ninh Province, Vietnam) to national border point of entry-exit;

- Da (Kompong Chain Province, Cambodia) - Chang Riec (Tay Ninh Province, Vietnam) to national border point of entry-exit;

- Sa Tum (Kompong Chain Province, Cambodia) - Tong Le Chan (Tay Ninh Province, Vietnam) to national border point of entry-exit;

- Open a new area border point of entry-exit along the border between Sre Barang area, Svay Rieng province, Cambodia and Long An province, Vietnam.

2. Both sides agreed to cooperate in resolving any problem that might arise along the border between the two countries, firstly by the local authorities, especially the concerned provinces of the two countries, in the spirit of good neighborliness, friendship and in accordance with the Joint Communiqué of 17th January 1995.

3. The two sides agreed to step up the work of the Joint Border commissions to realize the common understandings of the high leaders of Cambodia and Vietnam.

The Agreed Minutes of the meeting was signed on 18th June 2002. The Vietnamese Delegation expressed its sincere thanks to the Cambodian side for the warm welcome and hospitality accorded to the Delegation.
