

## **POLITICAL PLATFORM OF THE ROYAL GOVERNMENT OF CAMBODIA FOR THE THIRD LEGISLATURE OF NATIONAL ASSEMBLY**

1. The preparation of the Coalition RGC's Political Platform for the 3rd Legislature of National Assembly is based on the following key fundamental factors:
  - . The insistence by the whole Khmer population of having peace, national reconciliation, stability, social order, truly promoted multipartite democracy, respect of human rights and freedom and dignity, national independence, sovereignty and prestige, territorial integrity and sustainable development, providing the nation and all the citizens across the Kingdom of Cambodia with progress, prosperity, harmony and decent livelihood.
  - . The need to ensure the continuity of state and its functions in every sphere of national management and leadership. Especially, it is necessary to keep the momentum of and to further advance all the major achievements hardy earned through the efforts of entire Khmer nation under the leadership of the Royal Government in the previous mandates.
  - . The need for efficiency by revising and streamlining a wider and deeper implementation of key policies, strategies, plans and reform programs, including the Second 5-year Socio-Economic Development Plan (SEDPII) and the National Poverty Reduction Strategy, which were launched by the 2nd Legislature's

Royal Government through a broad consultation with various national stakeholders including government ministries and institutions, civil society and donor community. It is aimed at building the capacity of public institutions, strengthening good governance, and modernizing national economic infrastructure that will help promote economic growth, generate employment for citizens, ensure social equity, enhance efficiency of the public sector and protect the nation's natural resources and cultural heritages. All these are crucial for promoting sustainable development and poverty reduction among our people.

- . An imperative for Cambodia to be capable to fully engage in all regional and international affairs, on equal footing, so that Cambodia can appropriately reap the benefits from increasing trend of globalization and economic integration in the region and the world.
2. In this regard, the key objectives of the 3rd Legislature's Royal Government are to gradually build the Cambodian society marked by peace, stability and public order, elimination of violence, impunity and all forms of discrimination toward the establishment of just society free from corruption and that of strict adherence to the free, multipartite and democratic principles, protection of human rights and dignity, sustainable development and equity,—that is a socially connected, highly educated and culturally vibrant Cambodian society with decent livelihood and harmony in both the society and the family.

### **I. POLITICAL ASPECT**

#### **A. Domestic Politics**

3. The main objective of the domestic politics of the Royal Government is to strengthen the national independence, peace, stability, social order, rule of laws, development of free-multipartite democracy, and respect of rights and freedom and dignity of humanity in order to enable the creation of a clean and better society that is liberated from corruption and fosters such a political environment of national reconciliation. The aim is to strengthen the national unity, protect the good traditional practices, social morality, customs and traditions, and finally ensure the socio-economic development and poverty reduction of the nation.

## **Strengthening Peace, Exercising Free-Multipartite Democracy and Respecting Human Rights**

4. The Royal Government of Cambodia stands fully committed to the policy of national solidarity to mobilize all national forces, from all walks of society and political affiliations inside and outside the country, to work together in unity under the motto of "Nation, Religion, King" to build and protect the nation and all the achievements of the Kingdom of Cambodia within the context of national independence, sovereignty, territorial integrity, peace, democracy and progress, as guided by the greatest wisdom and leadership of His Majesty Preah Bat Samdech Preah Norodom Sihanouk, King of Cambodia, and Her Majesty the Queen Norodom Monineath Sihanouk.
5. The Royal Government strictly adheres to the principles of strengthened free-multipartite democracy and respect of human rights, which are the indispensable and basic-non-condition elements for sustainable development of Cambodia. In this regard, the Royal Government will continue to promote the real process of democratization and liberalization in the whole society by strengthening social stability to be the most powerful driving forces in promoting social and economic development and improving the living standard of citizens.
6. The Royal Government shall ensure and firmly protect the rights and freedom of all citizens in accordance with the Constitution of the Kingdom of Cambodia, the United Nations Universal Declaration on Human Rights, and other international accords and conventions on human rights. The Royal Government is determined to prevent and oppose all kinds of discrimination, which are against the laws and human rights, by complying with the international accords and treaties. In this spirit, the Royal Government will support the establishment of a national human-right institution, which is called the "National Committee for Human Rights", which will be the highest constitutional institution in charge of human rights in the country. This national committee will help promote better respect for rights and freedom of citizens through close cooperation with other national and international human rights NGOs and other relevant institutions with the aim to improve the overall respect for human rights. This will also help encourage citizens to practice their rights in their participation in building the nation aiming at eliminating violence and impunity, and that will help guarantee a real justice for the society. The Royal Government will establish an office responsible for human rights that will replace the current Human Rights Committee of the Royal Government.
7. The Royal Government will continue implementing the law on the establishment of a special judiciary body within the Cambodian court system to adjudge the crimes committed during the Cambodia Democratic Regime in order to provide justice to Cambodian citizens who suffered from the genocidal regime, based on the assurance of peace, national reconciliation and sovereignty.

In this 3rd legislature of the National Assembly, the Prime Minister and the members of the Royal Government will actively interact in the debate with the National Assembly's members in accordance with the provisions of the Article 96 of Chapter 7 and the new Article 121 of Chapter 10 of the Constitution, and Articles 1, 2 and 8 of the Law on Organization and Functions of the Council of Ministers.

## **Freedom of Press and Expression**

8. The Royal Government encourages the practice of the freedom of press and the freedom of expression, the rights to go on strike, the rights to conduct peaceful demonstrations, and the freedom of meetings within the legal framework and regulations in effect. These are the factors that contribute to the development of the free political will and faith of the society. Every public forum is encouraged including the national congress in order to elicit the opinions from all levels of citizens and political trends so that everybody can participate in building up and developing the nation. It is true that the practice of these rights and freedom must be done in accordance with the Constitution and the laws, which are currently in

effect, honorably and with dignity without affecting other people's reputation and dignity and without affecting the good customs of the society, public order and national security. The royal government has the policy to strengthen and improve the level of professionalism of journalists so that they can partake more actively in providing news professionally, effectively, truthfully and transparently to the Khmer nation.

The Royal Government will try hard on drafting the Law on Organization and Function of the National Congress to be adopted by the National Assembly in accordance with the Constitution as soon as possible.

The Royal Government will draft the Law on Demonstrations and Strikes before the end of 2005 by counseling with other relevant milieus.

### **Role of Oppositions**

9. In the purpose of mobilizing ideas from all national political circles and tendency in order to build the country, the Royal Government continues to support and highly value the role of oppositions in providing constructive criticism, helping monitor and streamline the directions and activities of the Royal Government in performing its duties, serving the nation for the interest of security, stability and development. Oppositions have the right to express their political will according to the existing laws and enjoy equal rights, freedom, justice, security and protection from the Royal Government.

However, both the Royal Government and the oppositions must put the interests of the nation such as i peace, public order and social stability first before their own political interests. Only then Cambodia can enjoy a national unity among political forces to protect and build the country.

The royal government officially recognizes the priority of oppositions by amending the Law on Political Parties.

### **Participation of Civil Societies**

10. The Royal Government continues to strengthen the cooperation policy between the state and civil societies in order to promote democracy, rights and freedom, social order and compliance of the laws.
11. Civil societies shall play the role of efficient partners with the Royal Government in building the country. In this view, the Royal Government provides all the encouragement to NGOs and formal associations who are serving the interests of the citizens in the entire country. The Royal Government welcomes the participation of international NGOs in the process of improving and developing the socio-economy as well as supporting and promoting the practice of democracy and respect of human rights. In this spirit, the Royal Government will continue to push for the establishment and implementation of the Law on NGOs and Associations by consulting with relevant institutions and organizations.

The draft of this law must be submitted to the parliament for adoption before the end of 2005.

### **The Rule of Laws**

12. The rule of laws is the fundamental principle of democracy. It is the basis for good governance and continuity of the work of the Royal Government and that of all public institutions that guarantees the rights and freedom and interests of citizens, and ensures justice, harmony and eternal existence of the nation. The Royal Government will further promote the development of laws, especially those specified in the

Constitution, the dissemination of laws and regulations, strengthening of law enforcement and compliance among general population and offering law education to people by NGOs and Commune Councils. Not a single criminal can be unpunished under the status of impunity.

The laws must be applicable to every citizen in the entire country, and they are compulsory without exception. It is an effective measure that can bring people under the Rule of Laws. Specifically, the Royal Government shall try its best to eliminate murders and give high priority to investigations in order to arrest and sentence the criminals with no exception to any cases.

## **Reforms**

13. The Royal Government continues promoting the implementation of the state reform in accordance to the good governance principles, giving top priority to public administration, reform, combating corruption, reform of armed forces including demobilization, economic and financial reform, land reform and natural resources management, and social development. The primary goal of these reforms is to improve good governance, enhance the capacity of public institutions and improve public services.
14. With this whole range of reforms, the Royal Government gives top priority to the improvement of public service. This implies more transparency, less bureaucracy and the level of intervention down to a minimum level, simple ways of providing and easy access to public services, providing the services according to the priority needs and providing the services to the locations where needy citizens live. In this sense, the relation between state and citizens must be completely changed from "administrators towards the administrated ones" to "service providers towards service users" which are the main principle for future reforms.

In this regard, the service users have the rights to receive those public services without being discriminated in terms of their political affiliation or tendency. Moreover, in order to ensure the neutrality of the public institutions, the Royal Government will take strictest actions in enforcing the laws and other regulations that prohibit civil servants, men and women and officers of the Royal Cambodian Armed Forces and the National Police to abuse their duties and position that will benefit or serve the interests of any particular political party.

15. Priority areas of reform and other important targets and measures include:

- **Public Administration Reform:** focuses on ensuring the provision of quality and efficient public services to citizens in 4 public service areas:
  1. Services related to the state's sovereignty (for example: civil registration and the issuance of permission letters and land titles)
  2. Investment related services
  3. Basic services (education and health)
  4. Services related to the state's revenue and expenditure

Procedures for access to such services will be revised and simplified through removing redundant works, reducing bureaucracy, implementing de-concentration and decentralization policy, technical decentralization, commune/sangkat decentralization and "single exitentrance" mechanism, and the establishment of the Office of Citizens. All of these procedures will be incorporated gradually into the information technology system in order to strengthen transparency and to partake in reducing corruption. Special attention will be given to the strengthening of management of civil servants by making current public administration close to the citizens through the principle of de-concentration and decentralization.

Especially, delegation of power from the upper levels to the lower levels must be done quickly, and the role, power and responsibilities of the authorities at the provincial, district and communal level will be defined clearly. Information technology will be used, and the implementation of rationalizing public function strategy will be continued in order to step-by-step increase the salary for all civil servants so as to ease their living cost from 10% to 15% per year. The implementation of decentralization at the commune level is the key to strengthen local democracy, to improve the quality of public services and to promote development in all sectors at the local level with the participation of the local milieus. The primary priority in this field is to build up the administrative capacity at the local level and to provide appropriate financial resources and to promote a culture of participation of the citizens in all of these work. It is true that the implementation of decentralization must go side by side with the promotion of de-concentration targeted especially on capacity building at the municipal/provincial and district/khan level in order to guarantee the smoothness and the support provided to one another as well as the assistance provided to complete each other in the work at the provincial/municipal and district/khan level with the local level. In this context, the Royal Government will organize village chiefs, deputy village chiefs and village members as soon as possible in accordance with the principle of commune/sangkat decentralization in 2005.

**. Legal and Judicial System Reform:** the Royal Government promotes the independency and neutrality of the judicial system as mentioned in the Constitution. To this end, the Supreme Council of Magistracy must function in true independency. The Royal Government will put more efforts to promote the legal and judicial reform and ensure the independence of the court system through the implementation of key policies and strategies developed by the Council of Legal and Judicial Reform, thereby enhancing the confidence of the national and international milieus, and closely cooperating with donor partners to strengthen the rule of law, promote social justice, reduce corruption, eliminate the culture of impunity, and strengthen the culture of peace and the primacy of laws. The Royal Government will prepare priority action programs and projects that will steadily reform the judicial and legal system, focusing on the finalization and submission to the National Assembly the draft of basic laws such as the Statue of Judges, the Law on Organization of the Court, the Criminal Code, the Law on Criminal Procedures, the Civil Code, the Law on Civil Procedures, the Law on the Organization and Functioning of Notaries Public, and the Law on the Organization and Functioning of Bailiffs. Other laws and regulations are also necessary to complete the legal framework required for Cambodia's full international engagement, especially within the context of the ASEAN and the World Trade Organization. More importantly, the Royal Government will establish some specialized courts as needed such as: the Commercial Tribunal, the Juvenile Tribunal, the Labor Tribunal, and the Administrative Tribunal. Moreover, pilot courts will be gradually introduced to enhance the quality and effectiveness of judicial services. Also another priority is the enhancement of the capacity and responsibility of judges through the enforcement of the Statute of Judges, improved discipline through the enforcement of the Code of Conduct and through the first training and the cascade training. Judges who are 60 years of age or more will be subjected to retirement. Moreover, the Royal Government will establish institutions for the training of court clerks, bailiffs and notaries. On the same token, judicial police will receive trainings and will be strictly managed. At the meantime, the Royal Government will pay more attention to the provision of legal aid (for instance, through the provision of lawyers) to the poor in order to seek justice and defend their interests.

Besides, the royal government will enhance mechanisms for dispute remedy outside the court system, particularly in the regard of issues related to unregistered lands in order to resolve such issues for the citizens. The Royal Government will push for the draft of the Law on Organization and Functioning of the Council of Royal Wealth in accordance with the Constitution in 2005.

**. Reform of Armed Forces and Demobilization:** will be continued to implement the policies written in the 'White Book' of the Royal Cambodian Armed Forces including the distribution of social concession lands to the demobilized landless soldiers who request for land for their residences and/or for family farming in

conformity with the Sub-Decree on Social Concession Lands. The Royal Government will also continue to reinforce the policies for national police reform by giving special priority to the preparation of putting the remuneration system of the national police and military together with the remuneration system of civil servants.

The Royal Government will completely demobilize the remaining listed soldiers at the end of 2004.

- **Combating Corruption:** by pushing for the adoption of the Anti-Corruption Law and the establishment of an independent and neutral institution to fight corruption within 2005 and the Royal Government will promote effectiveness, transparency and accountability in public finance management especially through the strengthening of audit processes and public procurements. The Royal Government will also promote the implementation of reforms that are related to all fields in order to guarantee good governance especially implementing the Governance Action Plan of the Royal Government, which has been developed with broad participation from various state ministries and institutions, civil societies and donor partners. From this 3rd legislature onwards, the Royal Government of Cambodia will allow the direct relevant ministries and institutions to examine all commercial contracts and concession contracts on natural resources and state assets.

The draft of the Anti-Corruption Law, which has been submitted to the 2nd term National Assembly for adoption, must be reviewed by consulting with all relevant stakeholders.

- **Economic and Financial Reform:** focuses mainly on modernizing the economic and financial structure of the nation and implementing the principles of good governance to increase the government's budget revenues and rationalize budget expenditures.
- **Land Administration Reform:** continues to implement the Land Law and Land Policy. The Royal Government will focus primarily on measures to strengthen equitable management, allocation and use of land, ensuring economic efficiency through land registration, land allocation, the safety of land grabbing, elimination of anarchic illegal land ownership and implementation of proper measures to prevent land speculation without using it for production or business, etc. The Royal Government will review the state's unused land or private sectors owned state's land that are not complied with the legal framework and procedures that are already in place. The Royal Government will continue to give priority to strengthening the rights of land ownership for citizens who need land for residence, business and family farming within the framework of social land concession based on the principle of supporting and helping out the poor and vulnerable.
- **Natural Resource Management:** focuses mainly on the reform of fishery sector through thorough researches and studies. The Royal Government will transform some of the fishing lots whose concession contracts have been expired into protected fish sanctuaries, thereby helping increase natural fish stocks, and conserve endangered species. Community-based fishing lots will be expanded and aquaculture will be promoted to respond to the increasing demands for fish as well as to reduce the pressure on fishery resources.

The Royal Government will take actions to strengthen sustainable environmental protection and management of forest resources based on 3 important pillars:

1. Sustainable forest management policy: with strict monitoring of forest exploitation according to the international best practices in forest management that requires adequate forest reserves for domestic consumption, protection against droughts and floods as well as wetlands that serve as fish sanctuary.
2. System to protect natural resources, biodiversity preservation and endangered species.

3. Implementation of community forestry development programs that are sound, transparent and locally managed.

The Royal Government has suspended and reviewed all the remaining forest concessions to assess the current situation to ensure an efficient management. At the same time, the Royal Government will also continue to promote the policy of reforestation.

## **B. National Defense and Security Policy**

16. The Royal Government of Cambodia firmly pursues the objective of strengthening peace, stability, security and public order. On this basis, the Royal Government will continue to promote all kinds of reforms on armed forces including the control of exact military number to strengthen quality of the armed forces and ensure eternal faith to the nation, respect of constitution, disciplines and morals as well as high standards of professionalism. All these will enable the armed forces to perform their duties efficiently in defending the country ensuring national security and maintaining public order in every circumstance.
17. The Royal Government will continue to build up and strengthen the Royal Cambodian Armed Forces as a unified national army with adequate quantity of troops and sufficient capacity to protect the independency, sovereignty, inland, marine and airspace territorial integrity, and all the achievements of the nation, to protect the authorities and our citizens. The army will also become a strong force which actively partakes in building up the country and rescue the citizens during disasters.
18. The Royal Government will pay more attention on vocational training and help facilitate living conditions of demobilized soldiers who return to civil life so that they are able to live a stable life. At the same time, the Royal Government will continue to concentrate on improving the livelihood of soldiers who are serving in the army and will continue to implement a good pension policy for disabled veterans, family of deceased soldiers, retired veterans, handicap veterans and demobilized soldiers. Priority will also be given to the construction of barracks with the aim to strengthen disciplines and the army's strategies on training, education and recruitment, and develop human resources in order to build up active military forces upholding high skills and professionalism for their permanent service in the army.
19. The Royal Government will continue to build up and strengthen the national police forces of well equipped and high professionalism with modern technology, responsibility, strictly abiding by the laws, respecting human rights, faithfully serving the people, being capable to achieve good management, security and public order such as protecting the life and property of citizens, protecting the right of expression through legal demonstration and strike, and protecting the harmony of the society.
20. The Royal Government will continue to participate actively with the international community in promoting cooperation and preventing and fighting against all kinds of terrorism and subversion activities both inside and outside the country. In this regard, the Royal Government holds on firmly to the policy that absolutely prohibits existence of illegal militants who intend to cause instability in Cambodia or use Cambodian territory as their base to act against neighboring countries. The Royal Government is determined to take all necessary actions to enhance the effectiveness in preventing and suppressing all kinds of crime especially those involve drugs abuse and trafficking, trafficking of women and children, kidnapping, armed robbery, sexual exploitation and other forms of violation that stirs up the fear and degrade the morality within the society.
21. The Royal Government is determined to promote the effective implementation of Law on Citizenship and Law on Immigration in order to ensure the highly appreciated interest of Khmer citizens. Legal immigrants will be respected and protected by the law. All violations committed by foreigners and all problems

regarding immigrants will be resolved thoroughly in accordance with the existing legal provisions equally for all the citizens of any nationality. In this regard, the Royal Government will examine the possibility to establish the Ministry of Immigration and Citizenship at an appropriate time.

22. The Royal Government strongly commits and exerts its best efforts to improving working conditions and livelihood of all armed forces and promoting the level of participation of every citizen in maintaining peace, stability, security and public order.

### **C. Foreign Policy**

23. The strategic foreign policy of the Royal Government of Cambodia is aimed at enhancing the reputation and prestige of the nation on international arena, promoting Cambodian participation in regional and global affairs as well as expanding international supports in order to promote social and economic development and the decent and civilized livelihood of the citizens, and to strengthen national defense through widening international bilateral and multilateral cooperations.

24. The Royal Government upholds a foreign affair policy which is independent, neutral, nonpartisan and makes its best to strengthen friendship and close cooperation with other countries in the region and around the globe without discrimination in terms of political and social setting. This is based on the principle of equality without interference in each other's internal affairs and with respect of each other's own independence, sovereignty and territorial integrity for mutual benefit in developing the economies, technology and science of each country. The Royal Government will continue to respect and follow "One-China Policy" no matter what circumstance is.

25. The Royal Government is determined to protect the independence, sovereignty, territorial integrity and neutrality of the Kingdom of Cambodia based on Article 55 of the Constitution and in accordance with the United Nations Charter as well as other international laws. On this basis, the Royal Government will push the Border Committee of the Royal Government, composed of the two parties, to continue the negotiation with neighboring countries in order to determine boundary lines, to set up border poles and to demark the borders of both countries with the aim to establish a common border recognized internationally and especially by the two involved countries. In order to achieve this, Cambodia will refer to legal bases and documented maps left by colony after we gained independence in 1953 and especially all the decisions made by the Governor of Indochina and the maps of a geographical team (scale 1: 100000) which is referred to in the constitution and were developed between 1933 and 1953 and had been submitted to the United Nations for international recognition by the King during 1960s during Sangkum Reas Niyum. The maps were recognized internationally between 1963 and 1969 that guarantees Cambodia's territory of 181,035 km<sup>2</sup>. Moreover, in order to effectively implement this policy, the Royal Government will propose to the King to issue a Royal decree to establish a supreme national council in charge of border issues that will be composed of the followings:

- . 1 Representative of the King as President
- . 1 Representative of the Senate as Vice-President
- . 1 Representative of the National Assembly as Vice-President
- . 1 Representative of the Royal Government as Member
- . 1 Representative of the parties seating in the National Assembly as Member

26. The Royal Government will continue to push forward the integration of Cambodia into the region and the world specifically focusing on bridging the development gaps among member-countries of ASEAN by promoting full partnership in the implementation of various elements of the Initiatives for ASEAN



Integration as adopted by the ASEAN Summits, in particular the measures and projects adopted by the 8th ASEAN Summit in November 2002 in Phnom Penh. In this context, the Royal Government will continue to promote dialogues among ASEAN countries in order to attract development aid, both within the multilateral system and ASEAN framework, to serve this purpose. At the same time, the Royal Government will also continue its active participation in the implementation of Greater Mekong Sub-region Program, especially the flagship programs adopted by the 1st Summit of Greater Mekong Sub-region Program in Phnom Penh in November 2002 and the projects under "the Development Triangle Zones" between Cambodia-Vietnam-Laos and Cambodia-Laos- Thailand, and "the Economic Cooperation Strategy" among Cambodia, Laos, Thailand and Myanmar.

27. The Royal Government supports and firmly upholds the principle of peaceful coexistence in international relation, which is a solid foundation that ensures the process of protecting and strengthening the peace, stability and security in the region and in the world. At the same time, the Royal Government supports the process of dispute settlement in the region as well as in each country through politics and peaceful negotiation. The Royal Government absolutely protests against arm racing and using space for military purpose, and it supports the reduction of all kinds of weapon, nonproliferation of nuclear weapon, all kinds of chemical and biological weapon, and the principle of non producing, non-trafficking and no use of land mines.
28. In this spirit, the Royal Government will continue to actively participate in the joint movement of the regional and international community to resolve major issues recently occurred around the globe including peace, terrorism, food, health, environment, cross-border crime, and especially the traffic of women, children, drug and illegal weapons.

## **II. ECONOMIC SECTOR**

### **A. General Principle of Economic Policy**

29. The primary purpose of implementing the economic policy of the Royal Government is to ensure a favorable macroeconomic and financial environment for promoting sustainable economic growth in order to resolve poverty issues through broadly expanding the economic foundations and sources of economic growth, mobilizing and utilizing all possible domestic potentials by protecting the natural and human resources so that the economy in the society is balanced in order to reduce the poverty gap, promoting domestic investments especially encourage the development of small and medium sized enterprises and local crafts, strengthening entrepreneurship and capacity of private sector, attracting foreign investment, promoting bilateral and multilateral economic cooperation for development, coordinating policy with donor community, strengthening the governance that is especially targeted at eliminating corruption, and promoting the implementation of broad and deep reform programs for all sectors. These works must be merged into one system, intertwined each other and supported each other, for the purpose of socio-economic development of the Kingdom of Cambodia.
30. The Royal Government of Cambodia will continue to support free market economy and set up a legal system to support and regulate the market interactions by creating a more stable economy in order to promote development of the private sector, which is a driven force for economic growth. While firmly upholding the principle of market economy, the government realizes that strengthening the partnership between the Royal Government and the private sector shall be smooth with sound economic interventions combined with the preparation and strict implementation of laws as well as the support and highly effective coordination from state institutions and with the civil societies consultation especially entrepreneurs and relevant international organizations. By doing these, we can ensure the freedom, transparency, and confidence in the business activities of the private sector through the guarantee of legal ownership, freedom in employment and doing business, labor protection, and fair competitions

within the framework of free market discipline, and also we can estimate the supply of support services from state institutions; on the other hand, we can also ensure the justice and social equity in which all of these are inevitable factors for poverty reduction and for a long term sustainable social stability.

31. By upholding the principle of democracy, rule of laws, good governance, market economy and negotiation for coordinating appropriately the interests of all economic agents; the Royal Government will direct and adjust the economic process making it more stable with higher growth, adaptability, fast-speed structural reforms, firmly capable to integration and strongly healthy resisting to external crisis.

## **B. Macro-economic and Public Finance Management**

32. Based on these foundations and previous achievements in the macroeconomic and public finance management, the Royal Government will continue to exert its effort to achieving high economic growth of 6% to 7% annually, with single-digit inflation and stable exchange rate and steadily increased international reserves. In this regard, the Royal Government will continue to implement a prudent monetary policy and market-based managed floating exchange rate. The policy of de-dollarization will be continued with cautious steps, flexible to the evolution of domestic and international economies.
33. Upholding of strict budget management disciplines is crucial to ensure a favorable macroeconomic and financial environment to build up a strong economic foundation for a sustainable growth and equity. Realizing that, the Royal Government commits to enhance revenues collection both from taxes and non - tax sources. The efforts require strict enforcement of the Law on Taxation, combating against corruption and tax evasion, dismantling the culture of tax exemptions, diversifying the tax base, strengthening capacity of taxes and customs administration, and proper and strict management of all kinds of state assets, both tangible and intangible properties, including the assets of state enterprises and state joint-ventures. The Royal Government will continue to reinforce the process of rubber plantation privatization and drafting the Law on Casino Management. The Royal Government will continue the policy of expenditures rationalization based on the principle of transparency, accountability and economic efficiency, and especially through the strengthening of audit and public procurement mechanism, by giving high priority to expenditures for socio-economic sectors and public investments especially for the physical infrastructure. Every budget operation, both in terms of revenues and expenditures, must be executed in accordance with the existing rules and procedures.
34. The Royal Government knows clearly that Cambodia cannot solely rely on foreign aids. Therefore, increasing domestic savings is crucial for long-term economic development of Cambodia. To meet this goal, the Royal Government of Cambodia will continue to take actions in strengthening the domestic banking system in order to ensure good management with proper and strict supervision and with sufficient competence and efficiency in mobilizing savings to finance the private sector in order to increase its activities and to promote economic growth. It is an important part of this work that the Royal Government will continue to promote rural finance in order to provide financial services and credits, charged with the lowest interest as possible, by considering similar interest rate charged to the poor, low-income families and small and medium enterprises in other ASEAN countries within the framework of market economy, aiming at promoting activities of rural economy and enhancing the livelihood of citizens in the remote rural areas. Moreover, the Royal Government will pay more attention to prepare the laws, regulations and implanting mechanisms for other financial institutions to mobilize the currently scattered domestic resources through continuously reforming and improving the tax system, strengthening commercial banks and the insurance sector, and establishing a capital market, etc., all that are consistent with the "Visions and Financial Sector Development Plan for 2001-2010" which was developed under technical assistance from Asian Development Bank & adopted by the Royal Government in August 2001.

## **C. Sectoral Economic Policy**

### **Agriculture**

35. The agricultural policy of the Royal Government will focus on promoting the role of agriculture to be the leading sector which can provide additional power to economic growth and contribute significantly to poverty reduction. With this objective, the Royal Government will increase domestic resources utilization to implement agricultural intensification and diversification in order to ensure the continuity of economic growth, to create jobs and to generate income in rural areas as well as ensuring food security for all people, improving nutrition intake and increasing agricultural exports.
36. To promote agricultural growth, the Royal Government will create a favorable environment to attract the participation of private sector by accelerating the provision of land ownership in rural areas with the aim to strengthen the agricultural land's ownership, expanding and dividing agricultural land within the framework of social land concessions, developing irrigation system, managing water resource with the attention to improve efficiency in the utilization of the existing irrigation system, continuing to create and to enhance quality of water users communities, reducing vulnerability from natural disasters and total reliance on weather conditions, etc. With the aim to share the burden of poor peasant families, the Royal Government will continue to implement the tax exemption policy on agricultural land cultivated for family subsistence.
37. To increase agricultural productivity, the Royal Government will put more emphasis on expanding support services such as: researches and disseminations; markets development for agricultural products; distribution of equipments, seeds and fertilizer; and provision of rural credit with low interest, etc. Based on decentralization policy, the Royal Government will step-by-step delegate these duties to the commune councils whose capacity will be enhanced to become development authorities, to be the ones who transfer knowledge and skills to their respective local farmers. Within this framework, the Royal Government will examine the possibility to set up agricultural vocational training centers in a number of provinces in order to provide opportunities to students in rural areas; so that they can build up their own skills and apply in the development of their communities. Moreover, the Royal Government will also examine the possibility to establish agricultural development centers and model farms in a number of districts in order to disseminate and to train farmers on agricultural techniques, aquaculture and animal husbandry that yield high productivity, on rotation farming and market information. In addition, the Royal Government will particularly focus on directing public investments and incentives for private investments towards agriculture aiming at to increase agricultural production and to ensure the quantity and quality of Cambodian agricultural products to reach international standards.
38. The Royal Government continues to prioritize the development at the border and remote areas in order to control migration by preparing and setting up several urban areas that have appropriate infrastructure system especially transportation network and development villages along the border to improve the livelihood of the people residing over there and to allow them to engage in economic activity.
39. The Royal Government continues to promote the "one village, one-product" movement to enhance creativity and self-confidence of rural people based on four principles. The first principle is to seek means of production-the production must be suitable to the real situation in the village environment and market demand. The second principle is to facilitate and provide incentives to the people in their production such as searching for market accession, providing credit, transferring technology and offering seeds, etc. The third principle is to improve management skills and human resource development. The last principle is to facilitate the establishment of agricultural communities to guarantee high price for their produces.

## Industry

40. The key strategy of the industrial policy of the Royal Government is to expand the economic linkages' between agriculture and industry via promoting agro-industry to become a core of the Cambodian industry in order to improve the industrial structure; so that it would not rely too much on textile sub-sector.
41. In this regard, the Royal Government will encourage processing industries that provide opportunities in using Cambodia's comparative advantage to compete in regional and international markets especially for the industry that processes agricultural products, natural resources and others labor-intensive industries. Following this direction, the Royal Government will continue to take necessary measures aiming at enhancing investment climate, promoting the transfer of technology and increasing of professional training as well as establishing of industrial zones and export processing zone by providing necessary physical infrastructures and highly qualified supporting services. The creation of national standard institute and national laboratory and the strengthening of legal framework are to ensure the efficiency and transparency in the implementation of laws and regulations.

The Royal Government will review the draft of the Law on Industrial Zones by considering the points related to the implementation of labor law in those zones.

42. The Royal Government continues to prioritize the promotion of non-metal mining industries such as carbon, bauxite, clay and alkaline that are the raw material supplies for cement, tile, ceramic, brick factories, wood processing industry and products, electronic assembling industry, machinery assembling industry, fish and meat processing industry, as well as agricultural processing factories such as jute, tobacco, cashew nuts, coffee, coconut oil, rubber, sugar cane, cassava, fruit and vegetable, etc.
43. In order to achieve these priorities, the Royal Government will continue to rationalize the investment incentive scheme by focusing on resolving governance problems, facilitating administrative procedures and reducing the formal checking process. Special attention will be given to the preparation of the policy promoting small and medium industry as well as domestic handicraft; so that these industries are capable of producing some products to meet domestic demand to replace imports, especially to serve tourism market as well as exporting to foreign markets in the future. These factors require the implementation of some programs targeted at improving the quality of vocational training and higher education by linking theory to practice and real production activities as well as building up entrepreneurship and practical competence to learners; so that they know how to start their own business, farm or enterprise; and accordingly this will create employment for the people. The Royal Government reinforces the implementation of the Law on Social Safety Net and the Labor Law within the industrial zones.
44. The Royal Government continues to encourage research, exploration and exploiting oil and gas; so that this sector can contribute to the national economic growth and development according to Cambodia's potentiality. At the same time, the Royal Government continues to solve the problem of overlapping zones in the water boundary as soon as possible in the purpose of protecting national sovereignty and territorial integrity.

The Royal Government continues to review and to strengthen the re-implementation of agreement on the licenses on metal, mines and precious stones exploration allover the country in order to ensure the legitimacy of these businesses and to protect environment as well as eliminating of explorations that have already become the exploitations.

## **Physical Infrastructure**

45. Transportation networks are the arteries that connect all corners of the Kingdom of Cambodia and thereby transforming the country into an integrated economy. The transport networks are instrumental in integrating domestic markets and facilitating Cambodia's integration into the regional and world economies. Moreover, physical infrastructure plays a pivotal role as the "locomotive of economic growth" and the most effective mean to: reduce poverty and misery of the people.
46. Based on this philosophy, the Royal Government will continue to give high priority to the rehabilitation and reconstruction of all kinds of transportation systems that can last for a long time including roads, bridges, railroads, waterways, ports and airports that link all parts of the country together and neighboring countries to become a transportation network that is convenient, safe, economically efficient and low cost in order to facilitate trade; to promote tourism, rural development and economic integration into the region and the world; and especially to serve national defense. High priority will be given to the construction of rural roads coupled with measures on road maintenance to ensure the stability of transportation and travel. The Royal Government will further its efforts in rehabilitating and developing railroads and promoting rail transport of bulk and heavy goods. Civil aviation will be further enhanced to ensure the significant contribution of civil aviation services to the economic growth especially the field of national tourism.
47. At the same time, the Royal Government will continue to focus on the development of other important physical infrastructures that include:
  1. To further develop energy sector in order to efficiently response to the increasing demand of energy at a reasonable price. In this context, the Royal Government will give high priority to attract the participation of the private sector in producing electricity supply especially to provincial cities and main downtowns, to implement electrification projects with quality and low cost and the project to connect the electrical transmission from the neighboring countries. The Royal Government will promote all means to have self-producing power.
  2. To increase the capacity to supply clean water for daily consumption and production by giving primary priority to Phnom Penh suburbs and areas in some important provinces/cities.
  3. From now on, paralleled with the determination of Cambodia in the WTO, the Royal Government will consider providing wide opportunity to any investment to develop postal services and telecommunication. To promote the high quality information technology in accordance with international standards, reasonable prices, modern services and countrywide coverage.
48. The Royal Government will encourage the participation of the private sector in developing all types of physical infrastructures.

The Royal Government will review and evaluate the National Road #4 contract which includes toll fee for all types of vehicles traveling along this road.

## **Commerce**

49. At the moment, the whole world has recognized that free trade contributes significantly to poverty reduction and to promote living standard of the people. In this spirit, the Royal Government will continue to liberalize trade and ensure free flow of goods and services both within the country and between Cambodia and other key partners in the region and around the world. Giving accession of Cambodian

products to regional and global markets without barriers will provide a huge "economy of scales" opportunity that will benefit Cambodian economy in terms of an increase in investment, employment, incomes and overall economic growth, in which all of these factors are essential for poverty reduction. In this regard, Cambodia's participation in the ASEAN Free Trade Area and accession to the World Trade Organization (WTO) constitute strategic and historical steps in the rehabilitation and development of Cambodia.

50. Moreover, gaining WTO membership reflects the right step of leading reforms process in the country by modernizing the legal system, building the institutional capacity, adjusting national economic structure and implementing trade and investment liberalization programs in the purpose of integrating Cambodia into the regional and global economic system and markets, and especially by strictly respecting the principle of democracy, human rights and principle of market economy that is transparent and predictable. The Royal Government will continue to push for in-depth reforms in all relevant sectors to ensure that Cambodia can appropriately benefit from such integration. All of the obligations resulted from the requirements of such integration will also be completely fulfilled.
51. In this sector, the Royal Government will focus strongly on increasing supply capacity, building the competence of exporting enterprises (Development of Private Sector in Trade) in order to strengthen the balance of payments, regionalization, decentralization with respect to the geographical situation of Cambodian exports, and the effort of maintaining and expanding more domestic and foreign markets for Cambodian products, especially through the promotion of production, diversification, and quality guarantee to meet the market demand, protection of intellectual rights, prevention of product falsification, and the reinforcement of product quality control mechanism in order to promote production and to ensure consumer safety.
52. The Royal Government will continue to implement the open sea policy by preparing, strengthening and establishing additional state or private international ports in some potential areas; so as to promote imports and exports.
53. Special priority will be given to the construction of small marketplaces in communes-villages in order to facilitate the traffic of products at the grassroots level, and the effort of trying to stabilize prices of the goods that are necessary for the living of the people such as food, gasoline and necessity goods, etc. The Royal Government will consider the price of gasoline as one of its important strategies and study and take all effective actions to maintain a more reasonable price of gasoline by considering and comparing the price of gasoline with neighboring countries.

## **Tourism**

54. The Royal Government will continue to develop tourism sector, both cultural and natural tourism, that has a huge potential in promoting economic growth, by establishing more resorts for natural and cultural tourism in Phnom Penh and its surrounding, beaches, Northeastern areas, and in some other provinces/cities and rural areas.
55. To serve this purpose, the Royal Government will promote public investments and encourage private investments to build the infrastructures and a high quality service system for tourism that complies with regional and international standards. Another important priority is to preserve cultural and traditional heritages as well as the natural environment based on the principle of "Conservation with Development". The government will also prevent all negative impacts caused by tourism.

The Royal Government will promote Khmer-style art and cultural crafts and Khmer-style restaurants. that

utilized domestic agricultural products.

56. In addition to diversifying tourism products, especially in other areas than Siem Reap Province, the Royal Government will concentrate on: 1) managing places to attract tourists, improving tourism information, controlling quality and price of every tourism service, and increase advertisement and seeking tourism markets especially through the use of information technology.

### **III. EDUCATION, HEALTH, SOCIAL AFFAIRS AND CULTURE**

#### **Education**

57. The primary goal in education is to improve the capacity of human resource providing high technical skills and science that respond effectively to the demand of labor market with entrepreneurship, high creativity, high responsibility, good discipline, morality and virtue, and professional ethics, gentle personality and honesty in order to promote national development.
58. The Royal Government will continue to achieve "Education for All" by ensuring equity for nine years basic education for every child and facilitating all the favorable conditions in order to allow the children from poor families to attend schools, especially by strengthening and expanding public educational institutions and increasing scholarships for poor students. The Royal Government will continue to strengthen the partnership with private sector and national and international communities in order to increase and upgrade the quality of educational services at secondary level, professional and vocational training and higher education to comply with international standards and the demand of national development.
59. The Royal Government will continue to increase budget expenditure and to mobilize more foreign aids to subsidize teachers, to ensure training quality, to increase the supplies of study materials, libraries and laboratories, and to establish dormitories for students, especially female students. The Royal Government will continue to push for curriculum reforms, to provide scholarships to poor students, to channel budgets for building rural schools and for running other academic institutions and to promote literacy and informal education programs.

#### **Youths and Sports**

60. The Royal Government will continue to educate every Khmer citizen, especially adults, to be proud of the nation without racial discrimination, to love manual labor, to favor technical skills and technology, and to have a role model attitude in preserving public properties. In order to achieve this goal, the Royal Government will establish training and dissemination centers for civic education to the youths, establish additional public libraries, expand exchange dialogues between teachers and parents or guardians of students, and promote scouts movement, which is an effective way for educating and training youth's thought, wisdom, spirit and physical body to be proactive and strong. The Royal Government will also arrange more youth sports competitions and encourage the participation of Cambodian sportsmen in national, regional and international competitions by gradually building up the competence of the national sportspeople.

#### **Health**

61. The Royal Government will increase the public resources utilization and international assistance as well as continuing to encourage the participation of the private sector to increase their investments in the sector in order to improve the public health. Priority will be given to the construction of referral hospitals and health centers all over the country that can provide local health services in an efficient, equitable and

sustainable manner to all citizens, especially to the poor and vulnerable groups. The Royal Government will continue to focus on the implementation of preventive and curative epidemic program and promotion maternal and child health care to reduce the maternal and infant mortality, improvement in emergency services, and provision broad health and sanitation education and information, especially to the rural areas. Poor citizens shall be entitled to free health care in referral hospitals and health centers. The Royal Government will extend the charity foundation to help the poor to receive quality health services. The Royal Government is strongly committed to prepare and effectively implement the laws and regulations that are relevant to health in order to ensure a high standard of quality health services, medicines and food safety. The Royal Government will continue to implement the policy to encourage the use of traditional medicines with appropriate information and control in conjunction with the use of modern medicines.

The Royal Government will increase the quantity and distribute competent health officers to serve in referral hospitals and health centers.

### **Social Affairs and Employment**

62. The Royal Government will increase its intervention in the social affairs by strengthening the cooperation with national and international organizations in the purpose of improving employment opportunities, reducing vulnerability of poor citizens, enhancing emergency assistance to natural disasters and calamities victims, expanding rehabilitation programs for the disabled, and welfare improvement programs for the elderly, orphans, female victims, the homeless, and the veteran and their families. The Royal Government will encourage the owners of enterprises and factories to properly manage their respective factories environment and sanitation.

The Royal Government continues to attentively support the handicapped and the families of the soldiers that have sacrificed their lives for the country. The government will also encourage the owners of enterprises and factories to provide wages plus social security benefit to workers to be suitable with conditions of labor market.

63. The Royal Government will push for the implementation of a systematic and chained policy that creates more jobs for youths, who reach the age of entering the labor market, and for all Cambodian labors by implementing various actions that encourage domestic investments and attract foreign direct investments in all prioritized fields especially agriculture, agro-industry, labor-intensive industry and tourism, establishing a network of vocational and professional training that will meet the demand of the labor market for the poor-the network will be coupled with the Employment Center for youths, especially for those who freshly graduated from school-and preparing an employment statistics system, etc. Attention will also be especially focused on strengthening the control of foreign labors in Cambodia with the aim to solve employment issues for domestic labor and to absorb new technology for the country development.

The Royal Government will monitor and trace labor exports and will severely punish any individuals, legal entities and collaborators who involve in human trafficking.

64. The Royal Government will seriously enforce the Labor Law and other international conventions related to the role of labor unions in order to ensure the rights and interests of workers, employees and employers. At the same time, the Royal Government will give special priority on improving the working conditions of workers and employees, enhancing the implementation of the Law on Social Safety Net, encouraging the implementation of pension policy especially for those who are labor incompetence and their dependents, and insurance for work accidents as stipulated in the Labor Law.



To implement the above-mentioned work, civil servants will be regularly trained to build up their capacity.

The Royal Government will establish a Ministry of Employment and Vocational Training separated from the Ministry of Social Affairs.

### **Women and Children**

65. The Royal Government will give high priority to the promotion of role and social status of Cambodian women by focusing on the implementation of Gender Strategy, capacity building for women in all fields, changing social attitudes that discriminate against women, preventing domestic violence, and ensuring the rights of women so that they are able to actively and equally participate in building their nation. In this regard, every woman has the right to receive medical care, education, all levels of vocational training, equitable economic resources accession, opportunities to equally participate in socio-economic development, and justly legal protection in order to ensure the equality between men and women and to help women escape from domestic violence and sexual trafficking. The Royal Government will take actions to maximize women participation rate in all levels of national institutions ranging from the national level to the local level. To achieve the above-mentioned goal effectively and successfully, the Royal Government will pay attention to children and mothers by encouraging the establishment of child care centers and by supporting women that have too many children and have no one to rely on.
66. Children are the future of the nation. Therefore, the Royal Government will continue to promote the four fundamental rights of children in accordance with the United Nations Convention on Children's Rights. To serve this purpose, the Royal Government will put more efforts on strengthening the activities of the National Council for Children, extending children protection network to the community level, and trying to promote programs that provide support to vulnerable children such as orphans, disabled children, and children of the poor communities. The Royal Government determines to take all necessary actions to prevent children suppression and trafficking including illegal abuse of child labor, child prostitution, children trafficking, and other immoral acts on children in communities. This work must go side-by-side with child education, reinforcement of law implementation, rehabilitation and vocational training and skills training for children so that they can become good citizens in the society.

### **Culture**

67. Based on the principle of protecting, preserving and strengthening the national identity, the Royal Government will promote the culture, tradition, and customs of the nation. At the same time, the Royal Government recognizes the existing of multi-culture in Cambodian society.
68. In this spirit, the Royal Government will continue to push for cultural development by providing sufficient capability and budgets to turn Cambodia into a center for disseminating Khmer culture and to make use of all potentials of national cultural assets and heritages.
69. The Royal Government will increase its attention and obliges itself in maintaining and protecting ancient temples and antiques, improving historical resorts, promoting cultural legacy and Khmer civilization, eternally preserving the culture, tradition, language and belief of native ethnic groups in the strong current of globalization and regionalization, providing opportunities and attracting the ethnic groups to actively participate in developing the nation, encouraging production and consumption of Khmer cultural products, and trying to stop the overflow of uncivilized foreign cultures.
70. The Royal Government will strengthen the dissemination and implementation of the Law on Protection of Cultural Inheritance and take effective actions in preventing and seriously punishing on crimes that

destroy national cultural assets. The national heritages complexity zones, as well as the heritages that are considered to be the world heritages, are neutral and preserved zones where no military, industrial, exploitation and business activities that may damage these national assets and the surrounding tourism environment are allowed.

71. The Royal Government will continue to promote the respect of rights and freedom of belief and religion, to promote the role of religions in developing the spirit of morality, virtue and the culture of peace in order to ensure the harmonious lifestyle in the society, to support Buddhism-which is the state religion, and other religions by pushing the development of Buddhist study at all levels and by allowing legal studies and researches in other religions.
72. Since this political platform is the vision of the nation, the mission statement and the willingness of the Royal Government in the third legislature of the National Assembly that has been achieved based on the needs and supreme interest of the country and its citizens, based on the agreement among all partners participated in the Royal Government, based on major achievements of the Royal Government in previous mandates, and based on all the documents of strategic plans, and systematic and chained reform programs for all sectors-which have been prepared with broad participation from national and international public opinions; the Royal Government firmly believes that this political platform will guarantee its historical value, and the words and spirit of this document will be applied attentively until achieved as expected.
73. The Royal Government recognizes that Cambodia still has a long way to go and has to overcome numerous obstacles to achieve a long-term progress and prosperity like the other developed nations in the region. In this regard, the effort of reducing poverty remains the most primary objective of the Royal Government in the third legislature of the National Assembly. Indeed, the Royal Government recognizes that not every poverty problem can be solved completely overnight or in one month or one year; however, the clear programs and sincere efforts of everyone without corruption, altogether we certainly will make many positive changes in enhancing the living standards of the people within the next five years. As a result, the Royal Government appeals to all leaders and civil servants in all ministries and institutions including legislative institutions, executive institutions and juridical institutions, all armed forces, local authorities at all levels, every citizen and international partners of Cambodia as well as NGOs to provide all kinds of support, to pay attention on the practice of their respective rights, and to actively participate with the Royal Government in successfully pursuing this historical political platform.