CONSULTATIVE GROUP MEETING

SPEAKING NOTES
H.E. Sok An
Deputy Prime Minister
Minister in charge of the Office of the Council of Ministers
Permanent Vice Chairman of Supreme Council for State Reform

December 6, 2004

Samdech Hun Sen, Prime Minister of the Royal Government of Cambodia
Royal Highnesses
Excellencies, members of the Royal Government
Excellencies, Ladies and Gentlemen,

We all have heard the Prime Minister earlier this morning. The direction the Royal Government set for itself is clear. The issue is how, together, we could work to make this strategy succeed taking into account Cambodia's reality.

The Royal Government enters its mandate fully committed to the cause of peace, development and prosperity for all. Our strategy, our actions in the next four years must set strong and lasting foundations for sustainable development for years to come. During this mandate, the Royal Government will also be a government of reforms. As Samdech Prime Minister has said, reforms are a necessity, there is no choice. The Royal Government will pursue relentlessly Growth, Employment, Equity and Efficiency. It will reform the State in fundamental ways to uphold good governance. Behavior will change, the capacity of institutions and people will be developed and Cambodian resources will be mobilized towards priority needs and duly accounted for.

Reforming the State is a political venture made of a myriad of inter-dependent actions. It is more art than science. It is the art of the possible that is sustainable. Reforming the State is a long arduous process that involves a complex array of activities that must mutually reinforce one another. It is not about doing a few things of drama with early results but of dubious cost benefits. This is particularly true in areas such as the fight against corruption, the reform of the legal and judicial sector and the administrative reform. There is a saying in Cambodia to the effect that the ships come and go but the harbour stays.

The Royal Government approach to State reforms is based on three core principles:

- Securing peace and security necessary conditions to growth and sustainable development
- Strengthening governance thus improving transparency and accountability necessary conditions to due diligence and to sound public finances
- Making public services more transparent and responsive and less bureaucratic to serve the people better

Since the Paris Accords, Cambodia has made important progress. Like most things in human nature, we tend to forget or quickly take for granted what only a few short years before could only be a distant dream. Our pace has steadily accelerated. Peace, stability and security were restored in all parts of the Kingdom. Core institutions of the State were rebuilt, others were strengthened.

Reforms were widened and deepened in every sector: democratization and local governance, public finances, banking, administration, legal and judicial, gender equity, military, land, forestry and fisheries reforms. To name a few. Yet, we are still at the start of a long road and our challenges are many. They are well documented even if at times, incorrectly.

Cambodia has also evolved rapidly as a society. It is now eager to assume the ownership and leadership of its future. Indeed, as a country we continue to need assistance from our development partners. But this relationship must change drastically from one of donorship to one of partnership. I am encouraged by recent development. One, in particular, has drawn my attention. At a retreat in September 2003, a group of donors (the World Bank, the Asia Development Bank and DFID) adopted principles to guide their actions. One of those principles was "we commit to listening to Government's own development agenda and to base our dialogue on this". These were encouraging words.

During the last mandate, the Royal Government has made important strides on the road to good governance. In March 2001, at the recommendation of the Prime Minister, the Council of Ministers of the Royal Government approved over one hundred governance initiatives as part of the Governance Action Plan. The GAP covered seven areas of activities from the legal and judicial reform to reforming the management of natural resources. Much has been achieved. Yet, progress is always too slow when so much is at stake.

We are now updating the GAP to reflect better current priorities as set out in the Rectangular Strategy. These two documents must be totally coherent as the GAP is at the heart of the Rectangular Strategy. For months now, work has been ongoing to update the GAP. At the last inter-ministerial meeting, a few weeks ago, it was decided to revisit the GAP once more to ensure full coherence with the Rectangular Strategy. Once a draft is finalized any week now, we will undertake extensive consultations with our development partners.

Excellencies, ladies and gentlemen.

This morning I would like to focus attention on three reforms at the heart of the Rectangular Strategy and the Governance Action Plan: the fight against corruption, the Legal & Judicial Reform and the Administrative Reform. But before I do, please allow me a few words on demining.

As I am just returning back from the Nairobi Summit participated in the First Review Conference of the Convention on the Prohibition of the Use, Stockpiling and Transfer of Antipersonnel Mines and on Their Destruction, Cambodia has declared to the Summit along with other more than hundred States Parties, who has signed the Ottawa Treaty seven years ago, that Cambodia reiterates to renew our unwavering commitment to achieving the goal of a world free of anti-personnel mines, in which there will be zero new victims. We will strengthen our effort to clear mined areas and destroyed all anti-personnel mines. We will assist mine victims and we will vigorously promote the universal acceptance of the Ottawa Convention on Mine Ban Treaty. We pledge to work in partnership, fulfilling our shared responsibility to provide the required human, technical and financial resources.

The fight against corruption.

Shortly, after the formation of the second RGC in 1998, Samdech Prime Minister Hun Sen commissioned, on behalf of the Royal Government a study on corruption. A first in this part of the world. The study led, together with other studies and a national seminar, to the first Governance Action Plan, a compendium of over 100 initiatives that directly or indirectly addressed root causes

of corruption. In the coming weeks, we will report on progress and submit to consultations a revised plan for the coming years. By itself, this demonstrates the political will of the government to address the issue. There are numerous other examples of the government determination in this regards.

An anti-corruption law was submitted to the National Assembly and the Senate for approval. The draft law is being revised in light of the political platform agreed to among the two partners in the coalition government. The law will be resubmitted to the National Assembly and the Senate as a matter of urgency to complement a package of laws that are required to complete the legal framework for the legal and judicial sectors and to meet WTO obligations.

Speaking of the WTO. If anything, joining the WTO demonstrates the Royal Government determination to curtail corruption in our country and to strengthen the Rule of Law in commerce, trade and investment. On August 20, Samdech Prime Minister outlined the strategy and an action plan, in essence, to empower the private sector to become the engine of growth.

Cambodia joined the Anti-Corruption Action Plan for Asia and the Pacific. We are looking for assistance to fully take advantage of opportunities in this regard. Other examples include the strengthening of audit and inspection functions and the piloting of new mechanisms such as the Citizens Bureau and the development of enforceable codes of ethics.

Two of the reforms identified by the Rectangular Strategy as the heart of the strategy directly contribute to the fight against corruption: the Legal and Judicial Reform to ensure fair enforcement and the Administrative Reform to reduce root causes of corruption. As if needed, this is yet another reasons to accelerate these two reforms.

Our actions against corruption must be coherent. Passing the law, for instance, is one of many necessary conditions to reducing this scourge. We shall also develop capacity to enforce. The Royal Government is looking forward to articulating a strategy and a program to fight corruption pulling together efforts now underway on a broad front from the Administrative Reform to the reform of public finances and sectoral reforms such as the management of natural resources (land, forestry and fisheries).

Many of the actions singled out by ministries and their partners as early priorities of their technical working group (TWG) will prove determinant to the fight: increasing the transparency of public service delivery processes, reducing the current dependence on cash transactions, enhancing the enforcement of laws and regulations... And the list could go on and on.

Specific priorities for 2005 include:

- Seeking the approval of an anti-corruption law that meets international standards
- The establishment of mechanisms to enforce the law
- The prosecution of cases of corruption

<u>The legal and Judicial Reform</u>.

Cambodia is a society in transition in a post conflict environment. The Khmer Rouge had left nothing standing. After a period of adjustment and stabilization, the Royal Government is now in a position to help Cambodia move on from our difficult past. The Royal Government is committed to accelerating the legal and judicial reform which it has identified clearly as one of the key elements in its political platform.

While progress in this area has not met expectations often because issues are highly complex or resources are lacking, significant achievements, which our people should be proud of, were made. They provide the basis on which we can progress significantly in the coming year:

- A clear strategy and action plan are in place to accelerate the reform and mobilize new partnerships.
- Important reforms are underway at the Ministry of Justice and the Ministry of Interior to increase enforcement capacity, the secretariat to the Supreme Council of the Magistracy is being strengthened to reinforce independence and self rule;
- The Royal School of Judges and Prosecutors, the Centre for the Training of Lawyers are operational, and now a school for clerks and other auxiliaries will be established;
- Core laws relating to the management of our society have been passed, others, are being readied such as the Civil and Penal codes and Procedures, the Law on the Organization and Functioning of the Court, the Law on the Status of Judges and Prosecutors and the Amendment to the Law on the Organization and Functioning of the Supreme Council of the Magistracy
- A model court is being piloted in Kandal and court procedures and case management are being streamlined and standardized;
- Institutions such as the Bar Association of Cambodia and legal aid are being strengthened
- A lexicon of legal concepts is being finalized
- Mechanisms to implement the change agenda are in place.

I could go on. I just want to make a point. There has been significant progress made in reforming the legal and judicial sector. It will take time. There are two clear lessons of the past few years. One, as for the administrative reform, the legal and judicial reform takes time. Two, progress is directly proportional to the means deployed.

Together, government, the civil society and international partners, we have narrowed down an extensive wish list to a few priorities for 2005.

- the adoption and implementation of the four codes;
- the adoption of laws and regulations to implement WTO accession;
- the adoption of laws to improve judicial services;
- the strengthening of human and institutional capacity (including the Supreme Council of the Magistracy and the Ministry of Justice);
- the strengthening of legal aid;
- ensuring the sustainability of the Official Gazette;
- finalizing guidelines for law making;
- the publication and dissemination of decisions by the Supreme Court; and,
- completing the legal lexicon; and,
- enhancing case management by the courts and Court Administration

These are early priorities but it is not all that will happen. Projects are underway in many ministries to strengthen capacity in the sector. At the Ministry of Justice and at the Ministry of Interior, in particular, significant and critical projects are underway to develop the capacity of law enforcement. I invite you to read attentively the plan and project catalogue.

The workload is heavy and, together, we shall find ways to facilitate matters. This is particularly true for the adoption of the fundamental laws to be adopted by the National Assembly and the Senate in the course of 2005. Requisite funding and resources must be made available on time.

The benchmarks which have been developed by the LJ&R Technical Working Group take us a long way in terms of finalizing the fundamental legal framework for Cambodia and improving the

independence of the judiciary.

The Administrative Reform.

Along with the Legislative and Judiciary branches of the State, the Administration must become an effective provider of services and a trusted partner in the development of our country. Our focus shall be on marshaling public investment and improving the quality and delivery of public services. Quality public services are to be provided where and when required. And the Administration need not be the direct provider of that service.

This means that the Administration must transform itself on a very broad front. The way it works or thinks must shift from that of administrators of rules to that of providers of services. The State must be closer to the people, be more transparent and be more responsive to people needs. In short, the State must adopt a client focus much like successful private firms do.

In October 2001, the Royal Government approved the *Strategy to Rationalize the Civil Service* as a pillar to continuing efforts to reform the State. It sets the course of actions based on projected government resources. Priority initiatives relating to pay, employment and service delivery are being implemented with available means and changes made are sustainable. In the case of remuneration, change also respect the need for balance and relativity among institutions of the State.

The National Program for Administrative Reform is being updated to support better ministries and agencies implement their change agenda. Drafts of the NPAR and its annexes have been circulating widely since the National Seminar held this past August. Please refer to it. The NPAR builds on important and sustainable achievements made during the last mandate.

- The composition and distribution of the Civil Service is known and mechanisms are in place to maintain and use the database;
- The legal and regulatory frameworks are in place;
- Systems are in place to control and manage the establishment;
- New pay and classification regimes were introduced and salary were increased by 44% simply by better utilizing the existing wage envelope;
- Innovative tools to enhance performance have been designed and are ready for implementation (the PMGs, targeted allowances...)

These are not “modest progress” as some would have us believe.

We must now build on these achievements with a view to accelerate the reform and achieve early tangible and sustainable results critical to the implementation of the Rectangular Strategy. Early priorities include:

- the establishment of One Window Services to enhance accessibility, responsiveness and transparency of public services;
- the remuneration regime shall be completed to enhance performance, to promote merit and to harmonize practices including the phasing out of salary supplementation;
- the workforce shall be redeployed to meet people needs better;
- improving the management and control of the establishment through further developing the HRMIS and through the streamlining and strengthening of HRM processes;
- ongoing human and institutional capacity shall be developed urgently and efforts shall be coordinated better;
- the further introduction of ICT as a means towards e-governance and improved delivery of public services;
- the rapid but prudent deployment of the PMG program.

There are those who say that the reform should concentrate on two or three. initiatives in order to achieve early results. Two points I would like to make: One, we are concentrating on a few priorities — remuneration, employment and capacity — and we do it for a purpose to serve people better; two, the reform has already achieved early successes, they are significant, they are sustainable and we shall build on them. It has done so relying essentially on Cambodian resources and limited well targeted technical assistance. The Council for Administrative Reform looks forward to work with the PAR Technical Working Group to accelerate the reform, to set implementation modalities, to marshall requisite means and to monitor progress.

Excellencies, ladies and gentlemen,

Reforming the State and, in particular, the fight against corruption, the reform of the legal and judicial sectors and the reform of the Administration are not a matter of choice, but of necessity. For the Rectangular Strategy to be successful these reforms must go also hand in hand with other reforms such as the reform of public finances, decentralization and deconcentration and the many sectoral reforms. For the strategy to be successful, peace, democracy and stability must also be strengthened. A few inefficiencies are a small price to pay compared to the alternatives.

The needs are daunting and the means are scarce. Yet, Cambodia has traveled vast distances in a mere ten years to put itself firmly on the path of progress and the realization of its potential. The road ahead will be challenging and the Royal Government will spare no efforts to accelerate the pace of reforms. The timing, sequencing and resourcing of actions will determine success. Angkor was built stone by stone with a clear vision and determination. Solidarity among development partners will be vital to continuing success.

Thus the importance to urgently review our partnerships arrangements and to develop rapidly the capacity of the State to plan and manage the country's development. Dialogue, trust and understanding will be critical. Reforming the State is a long process with results materializing over many years. It is nice to have good strategies and plans. It is much better to be able to implement them. Otherwise, they remain dreams. This presupposes patience, determination, discipline, and adequate means. Foremost, it presupposes that Cambodians are the maitre d'oeuvre and the reforms are squarely anchored into Cambodia's reality.

In short, we are looking for partnerships that uphold principles of good governance with Cambodia leading the way.

Thank you for your kind attention and may our work be of benefit to the people and to the future of Cambodia.