

# CAMBODIA

## Enhancing Governance for Sustainable Development

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## NOTES

In this report, "\$" refers to US dollars.

"Government" refers to the Royal Government of Cambodia, the Executive Branch.

# Abbreviations

ADB	Asian Development Bank
ADD	Accelerated District Development
ADHOC	Cambodian Human Rights and Development Association
anu-kret	subdecree
ASEAN	Association of Southeast Asean Nations
BLDP	Buddhist Liberal Democratic Party
CAR	Council for Administrative Reform
CARERE	Cambodia Area Rehabilitation and Regeneration Project
CCI	Cambodia Communications Institute
CDC	Council for the Development of Cambodia
CDI	Centre for Democratic Institutions
CDRI	Cambodia Development Resource Institute
CIB	Cambodia Investment Board
CIHR	Cambodian Institute of Human Rights
CPP	Cambodian People's Party
CSD	Center for Social Development
CVAP	Cambodia Veterans Assistance Program
DK	Democratic Kampuchea
ESAF	Enhanced Structural Adjustment Facility
FUNCINPEC	National United Front for an Independent, Neutral, Peaceful and Co-Operative Cambodia
GDP	gross domestic product
IMF	International Monetary Fund
KPNLF	Khmer People's National Liberation Front
MAFF	Ministry of Agriculture, Forestry and Fisheries
MEF	Ministry of Economy and Finance
MFAIC	Ministry of Foreign Affairs and International Cooperation
MLMUC	Ministry of Land Management, Urbanization and Construction
MOC	Ministry of Commerce
MND	Ministry of National Defense
MOEYS	Ministry of Education, Youth and Sports
MOH	Ministry of Health
MOI	Ministry of Interior
MOJ	Ministry of Justice
MPAI	Ministry of Parliamentary Affairs and Inspection
NAA	National Audit Authority
NGO	nongovernment organization
NBC	National Bank of Cambodia
PAP	Priority Action Program
prakas	ministerial implementing regulation
PRK	People's Republic of Kampuchea
PRP	People's Revolutionary Party of Cambodia
RCAF	Royal Cambodian Armed Forces
SCM	Supreme Council of Magistracy
SEILA	Social Economic Improvement Local Agency
SRP	Sam Rainsy Party
SWAP	Sector-wide Approach Program
UN	United Nations
UNDP	United Nations Development Programme
UNTAC	United Nations Transitional Authority in Cambodia
VAT	value-added tax

# Foreword

Cambodia has made a remarkable turnaround. In the last two years, after decades of instability, the new coalition Government has made poverty-reducing economic development its first priority. To achieve this, the Government has made strong commitments to good governance, including sound macroeconomic and financial management, participatory, pro-poor policies, effective delivery of public services, and enforcement of contractual and property rights.

I hope that the present study will contribute to a better understanding of these governance issues, and encourage Cambodians and their foreign partners to help meet the Government's commitments, and tackle the challenges ahead. Another ADB study<sup>1</sup> has pointed out that good governance has been essential for successful economic management in East and Southeast Asia in recent decades. Sustained political stability in most countries enabled governments to be consistent in their approach and to implement longer term strategies focusing on market competition, openness, and export orientation. At the same time, leaders understood that political legitimacy and stability depended in part on a well-managed and growing economy, and on improving the welfare of the rural poor. Governments consistently

placed well-trained, able economic technicians in charge of macroeconomic management. Long-term goals for economic development were built on dialogue and information sharing between the public and private sectors, research and scientific communities, and civil society.

The present study shows that the Cambodian Government's reform programs, if implemented on a full scale, would likewise have a major positive impact on Cambodia's economy in the coming two decades. The real income per capita in 2020 would be an estimated 2.5 times higher than that in 2000. Pro-poor policies would ensure that this would have dramatic, positive impact on poverty reduction in Cambodia.

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Tadao Chino  
President  
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<sup>1</sup> Emerging Asia: Changes and Challenges. Manila: Asian Development Bank, 1997: 113-116.

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The team undertook interviews with many people from the Royal Government of Cambodia, the National Assembly, the Senate, the Judiciary, media, businesses, NGOs, and international aid agencies. While it would not be possible to name all of them here, we would like to thank them for sparing their precious time and sharing with us their insights as well as information extremely useful for our study. The list of interviews and meetings conducted by the team is provided in Annex B. The contents of the report reflect information available through January 2000.

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