

P R E S S R E L E A S E

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**Statement by the Presidency on behalf of the EU at the Consultative Group Meeting on
Cambodia, 11-13 June 2001 in Tokyo**

The European Union welcomes this opportunity to review the progress made by the Kingdom of Cambodia towards the goals set at the last CG meeting in Paris.

The Union welcomes the positive steps taken by the Royal Government of Cambodia over the last year. We congratulate Cambodia on macro-economic growth, overall political stability, improved fiscal performance and bank reform. We also continue to encourage the RGC to overcome the challenges which hamper the development, including further growth and equitable distribution of income, in Cambodia.

Important prerequisites for economic development and the reform agenda as a whole are a strengthened civil society in a stable social framework which is based on the rule of law and the development of transparent systems of governance. The EU would like to emphasise the urgent need to improve governance and strengthen the rule of law, and is ready to continue to help Cambodia in these fields. Law enforcement should be improved - to overcome impunity, to safeguard human rights, and to provide a firm basis for sustainable economic development. On the issue of corruption, the EU is encouraged to note that the government regrets its rampant prevalence in the public sector. But more decisive action is still needed in this field, we urge the government to fully implement the National Anti Corruption Plan. The judicial system, including human resources, needs to be strengthened. The ongoing reform towards decentralisation should be pursued.

Internet: <http://ue.eu.int/Newsroom>
E-mail: press.office@consilium.eu.int

We are encouraged by the progress in preparations for communal elections in 2002. Given the right conditions, the elections will constitute an important step for accelerating democratic governance. We encourage the RGC to take every possible step to ensure that these elections will be free and fair, and take place in a secure and peaceful environment.

Similarly, the administrative reform should be given momentum. The EU welcomes the RGC's plan to increase public sector pay.

The EU strongly urges the RGC and the Cambodian Parliament to reach an agreement on the Khmer Rouge Tribunal. It urges the RGC and the Parliament to rapidly complete and adopt the law on the Tribunal, in order to try the Khmer Rouge leaders responsible for the most serious violations of human rights, in accordance with international standards of justice, fairness and due process of law. The EU urges the RGC and the Parliament to establish the tribunal without further delay.

The EU welcomes the RGC's increased focus on poverty eradication as reflected in the Socio-Economic Plan and PRSP process. Real disbursements to the social sectors still need to increase. This can be made possible by implementing the armed forces demobilisation programme. The EU is ready to contribute to such a programme.

Transparency and accountability are key to our co-operation with Cambodia. A crucial implementation measure is to fill the National Audit Authority with qualified members and to make it operative rapidly.

The draft laws on land reform and Forestry Law will be key tools to fight corruption and reduce poverty. The EU strongly encourages the RGC and the Cambodian Parliament to proceed with their adoption and implementation. We would also like to underline the importance of addressing the protection of the communities rights to land and, on forestry, the need for the Cambodian authorities to continue their work to redress the illegal logging issue.

The European Union continues to be strongly committed to Cambodia, and stands ready to continue to support Cambodia in her development efforts.