

Appendix II

FULL REFORM MATRIX

Matrix A2.1: Banking Sector

Action Plan 2001-2004	Actual Implementation 2001-2004
1. Establish a basic framework for monetary policy	
▪ Streamline reserve requirements	2001-2004: Still 8% reserve requirement
▪ Phase out the guarantee deposit or capital reserve required for bank licensing	2001-2004: Still require 10 %
▪ Reduce the reserve requirement ratio on riel-denominated deposit	Unidentifiable
▪ Implement rediscount and refinance facilities	Unidentifiable
2. Establish a framework for supervision	
▪ Establish a complete body of prudential regulations	2001 ▪ Prakas on Loans to Related Parties (October 15, 2001) ▪ Prakas on Fixed Assets of Banks ▪ Prakas on Transfer of Shares of Banks ▪ Prakas on Amendment on Prakas No B 7-00-51 on the Classification and Provisioning for Bad and Doubtful Debts, Including Interest in Suspense ▪ Prudential Regulations with implementation manual prepared by ADB TA being review by BSD: Surveillance Procedures, Examination Procedures, Prompt Corrective Action & Anti-money laundering procedures 2002 ▪ Prakas on Amendment on Prakas No B 7-01-137 on Loans to Related Parties (Jun 7, 2002) ▪ Prakas on Amendment of Prakas Relating to Liquidity for Banks and Financial Institutions 2003 ▪ Introduced CAMELS ratings
▪ Adopt surveillance and inspection procedures	2002 ▪ Prakas on Standardized Supervision Procedures and Reports 2003 ▪ Issued complete procedures on off-site surveillance and on-site inspection ▪ Circular on the Communication and Copies of Documents during Onsite Inspections (Jul 15, 2003) ▪ Circular on the Daily Accruals and Amortizations for Commercial and Specialized Banks (Oct 1, 2003) ▪ Circular on Suspicious Transactions and Know Your Customer Policies ▪ On-site inspection for 6 commercial banks
▪ Establish a fully staffed banking supervision department	2001 ▪ Created in 1999

Action Plan 2001-2004	Actual Implementation 2001-2004
Establish a uniform chart of bank accounts and disclosure rules consistent with International Accounting Standards (IAS)	2002 - Finished drafting a uniform chart of accounts (COAs) - Drafted action plan for COAs - Prakas on Adoption and Implementation of Chart of Accounts for Banking and Financial Institutions (Dec 25, 2002) - Implement COAs starting from January 1, 2003 and fully implement by the end of 2003 2003 - Established 4 teams to monitor the implementation of COAs 2004 - Extended deadline for COAs implementation until the end of 2004
Establish a prompt corrective action (PCA) system	2002 Prakas on Standardized Procedure for Prompt Corrective Action for Banking and Financial Institution (Oct 17, 2002)
Establish an anti-money-laundering regulation	2002 - Prakas on Standardized Procedure for Identification of Money Laundering at the Banking and Financial Institutions (Oct 21, 2002) 2003 - Prakas on Suspicious Transactions and Know Your Customer 2004 - Drafted law on anti-money laundering and combating the financing of terrorists
3. Restructure the banking industry	
Complete bank regimentering and liquidation of problem banks	2002 - Liquidation 10 banks; 4 insolvent banks under the liquidation by court order 2003 - Successful completion of re-licensing program (March 2003)
Establish a contingency plan for banks that do not comply with conditions in their restructuring memoranda of understanding	2001 Signed MOUs with 13 commercial banks to meet US \$13 million capital requirement. Intended to liquidate banks that cannot comply with this requirement by the end of 2001
Establish a contingency plan for banks that do not comply with conditions in their restructuring memoranda of understanding	2001 Signed MOUs with 13 commercial banks to meet US \$13 million capital requirement. Intended to liquidate banks that cannot comply with this requirement by the end of 2001
Restructure / Privatize the Foreign Trade Bank	2001 Separated FTB from NBC. MEF holds 80% shares while NBC holds 20%.

Action Plan 2001-2004	Actual Implementation 2001-2004
	2002 - Modernized FTB operation under the assistance of AESOP (Australia) - New Board of Directors appointment (4 MEF, 1 NBC, 2 FTB) 2003 Announced plan to privatise FTB in 2004 (Jan 24, 2003)
4. Establish a framework for the payment system	
Improve operational procedures for both the riel and dollar clearing systems, considering the compliance capability of commercial banks	2001 Created a clearing housing for US dollar denominated checks (end 2000)
Adopt a payment law to underpin the payment system	2002 - Submitted Draft law on Negotiable Instruments and Payment Transactions at COM 2003 - Draft law on Negotiable Instruments and Payment Transactions submitted to NA
NBC and the Bankers Association should adopt a protocol for an on-line banking system to facilitate future integration of an online banking network	Unidentifiable
5. Establish a capacity building mechanism	
Appoint full-time Center for Banking Studies (CBS) instructors under a competitive salary scheme	Unidentifiable
Establish a central banking course for NBC professional staff in CBS	2003 Developed NBC Managerial Training Program
Adopt a comprehensive retraining program for NBC staff with no-college-level education	Unidentifiable
Adopt a mandatory training program for entry-level professional staff in CBS	2003 Developed NBC Managerial Training Program
Adopting a competitive, merit-based compensation scheme in NBC	Unidentifiable
Establish an inclusive bankers association	2001 Created "Association of Banks in Cambodia" (Nov 2001)
Establish a banking institute for professional training of commercial bankers	2001 Intended to establish a professional training institute of bankers

Sources: EIC compiled from Asian Development Bank (2001), National Bank of Cambodia, (2004a), (2004b), (2004c), (2004d), (2003), (2002a) and (2002b) World Bank (2004), and Oum Sohtea & Sok Hach (2004)

Matrix A2.2: Rural Finance

Action Plan 2001-2004	Actual Implementation 2001-2004
1. Implement policy actions in Rural Credit Policy (RCP)	
Make applicable the provisions of the Banking Law to develop the rural finance sector	2002 - Prakas on Registration and Licensing of Microfinance Institution (Feb 25, 2002) - Prakas on the Maintenance of Reserve Requirement for microfinance Institutions 5 % of client deposits (Feb 25, 2002)
Create forum for policy coordination	Unidentifiable
2. Strengthen supervision and regulation	
Establish supervision system for licensed microfinance institutions (MFIs) consistent with the overall framework for the banking industry	2002 - Prakas on Adoption and Implementation of Chart of Accounts for Micro-finance Institutions (Dec 25, 2002) 2003 - Introduced onsite and offsite inspection manual (early 2003) - Developed of data reporting systems - Inspected 5 licensed MFIs and 30 registered NGOs - On-site inspection of licensed MFIs and 27 registered NGOs
Introduce appropriate prudential norms for licensed MFIs	2002 - Prakas on the Calculation of Interest Rate on Micro Finance Loans (Aug 14, 2001) - Prakas on Reporting Requirement for Registered NGOs and Licensed Microfinance Institutions (Feb 25, 2002) - Prakas on Liquidity Ratio Applicable to Licensed Microfinance Institutions (Feb 25, 2002) - Prakas on Loan Classification and Provisioning Applicable to Specialized Banks for Rural Credit and Licensed Microfinance Institutions (Sep 13, 2002)
3. Facilitate Institutional transformation linkages, and services delivery	
Facilitate transformation of identified NGOs into licensed MFIs	2002 - Prakas on Registration and Licensing of Microfinance Institution (Feb 25, 2002) 2004 30 NGOs have been registered 9 MFIs have been licensed
Enhance access to resources of community-based groups through licensed MFIs	Unidentifiable
Promote deposit and micro credit through licensed MFIs	Unidentifiable
4. Build sustainable institutions	
Strengthen the Rural Development Bank	Unidentifiable
Comprehensive capacity building support for licensed MFIs	Unidentifiable
Strengthen NBC's capacity with reference to the rural financial service	Unidentifiable
5. Build capacity for optimal utilization of financial services	
Organize the poor into community groups for financial services	Unidentifiable
Enhance capacity of community group to establish linkages with licensed MFIs	Unidentifiable
Support capacity building of the poor for management of income-generating activities	Unidentifiable

Source: The same as Matrix A2.1.

Matrix A2.3: Insurance and Pension System

Action Plan 2001-2004	Actual Implementation 2001-2004
1. Establish a regulatory and supervisory framework for insurance	
Establish an insurance supervisory unit within Ministry of Economy and Finance (MEF)	2001 Established Insurance Division (early 20001)
Adopt a sub decree to implement the insurance law	2002 Adopted a sub-decree to implement the insurance law
Establish prudential regulations including uniform chart of accounts and disclosure rules consistent with IAS / ISA and a PCA system	2002 - Finished drafting a uniform chart of accounts (COAs) - Drafted action plan for COAs - Issued Prakas on Adoption and Implementation of Chart of Accounts for Banking and Financial Institutions (Dec 25, 2002)
2. Establish a framework for compulsory insurance	
Adopt a plan and establish legal frameworks and enforcement mechanisms to implement compulsory insurance	Unidentifiable
Establish an inter ministerial	2002 Adopted inter-ministerial
Working group to develop enforcement and monitoring system for compulsory insurance	2002 Prakas on (i) compulsory motor vehicle; (ii) third party liability insurance; (iii) compulsory passenger transport liability and (iv) compulsory insurance for contractor's general liability
3. Establish a basis for private sector development	
Establish a joint venture between the state-owned insurance company and a private company	2002 Joint venture of Cambodia Re (reinsurance function of CAMINCO) and Asian Insurance international (Oct 2002)
Develop a transparent entry mechanism	Unidentifiable
Adopt regulations to encourage the use of domestic insurance companies	Unidentifiable
4. Build capacity of insurance regulators and supervisors	
Conduct intensive capacity building activities for insurance regulators and supervisors	Unidentifiable
Establish a training program to build the enforcement and monitoring capacity in the related government agencies	
Pension System: Conduct feasibility study to establish a multipliers pension system	
Conduct feasibility study to determine appropriate design and timing for a mandatory public pension program, mandatory privately managed funded pension program, and voluntary retirement saving programs.	Unidentifiable

Source: The same as Matrix A2.1.

Matrix A2.4: Interbank, Money Markets

Action Plan 2001-2004	Actual Implementation 2001-2004
1. Establish inter bank market arrangements	
Establish inter bank market arrangements / procedures for commercial banks	2001 Establishment of the inter bank market working group (Nov 8, 2001)
2. Create an enabling environment for money market development	
Adopt a negotiable instruments law	2003 COM adopted Law on Negotiable Instruments and Payment Transactions (May 09, 2003)
Set up a regulatory framework for inter bank / money market activities	Unidentifiable
3. Create an enabling environment for Treasury Bills	
Adopt a regulatory framework for the issuance of Treasury Bills	Unidentifiable
Adopt a medium-term plan to develop Treasury Bill markets	Unidentifiable
Capacity Building for staff in National Treasury and NBC who are involved in Treasury Bill issuance	Unidentifiable

Source: EIC compiled from Asian Development Bank (2001), National Bank of Cambodia, (2004a), (2004b), (2004c), (2004d), (2003), (2002a) and (2002b) World Bank (2004), and Oum Sothea & Sok Hach (2004).

Matrix A2.5: Capital Markets

Action Plan 2001-2004	Actual Implementation 2001-2004
1. Establish a key legal / regulatory framework	
▪ Strengthen the capital market development unit	Unidentifiable
▪ Develop a master plan for creating a functional capital market framework	Unidentifiable
▪ Conduct a feasibility study to assess a critical mass of potential securities issuers	Unidentifiable
▪ Draft a securities and exchange law	2004 ▪ Government Security Law and Law on Issuance and Trading of Non-government Securities and Sub-decree to implement these law have been drafted and submitted to COM
▪ Determine the basic structure of exchange regulations (e.g. listing requirements auction rules for trading corporate disclosure, membership	Unidentifiable
2. Create an enabling environment for publish bond markets	
▪ Establish regulatory framework for medium and long term government bond, and issue Treasury Bond and government saving bond	Unidentifiable
▪ Establish legal and regulatory framework for local government, public instrumentality and small and medium enterprises to issue bonds and notes	Unidentifiable
3. Build capacity for future capital market participants	
▪ Conduct intensive capacity building for capital market regulators through international cooperation	Unidentifiable
▪ Adopt a training program for capital market participants	Unidentifiable

Source: The same as Matrix A2.1.

Matrix A2.6: Financial Market Infrastructure

Action Plan 2001-2004	Actual Implementation 2001-2004
1. Create key legal infrastructure to underpin financial sector development	
Adopt a company law, a bankruptcy law, a secured transactions law, etc	2002 - Submitted Law on Commercial Enterprise to NA in March 2002 2003 - Drafted and reviewed Law on Bankruptcy - Drafted law on Secure Transactions
Adopt a civil code and procedure	Unidentifiable
Implement the Governance Action Plan	Unidentifiable
Adopt a law on Organization and Function of the Court including establishment of a commercial chamber	Unidentifiable
2. Establish accounting / auditing standards and enforcement system	
Adopt a law on corporate accounts, their audit, and the accounting profession	2002 Adopted a law on corporate accounts, their audit, and the accounting profession (July 8, 2002)
Apply IAS/ISA to all companies in Cambodia	Unidentifiable
Establish an accounting standards board	2003 Sub-decree on creating of Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) (March 2003)
Establish an association of accountants and auditors including committers on education and ethics	Unidentifiable
Adopt a code of ethics for auditors	2003 Sub-decree on the creation of code of ethics
3. Create financial market information system	
Establish arrangements for sharing credit information among members of the banker association	Unidentifiable

Source: The same as Matrix A2.1.

Matrix A2.7: Public Finance-Budget Management

Action Plan (GAP 2001)	Actual Implementation 2001-2004
Short term action (one year) Ensure that monthly spending plans (parkas) to each line ministry and its provincial departments are provided on a timely basis.	2001-2002 An ongoing practice; parkas are provided every three months ahead of the following quarter for ministries and provincial departments
Publish both budget allocations and actual disbursements of central and provincial governments on a monthly basis in one of government publications, such as the Economic and Financial Bulletin.	2001-2002 Report is regularly published together with an explanation of variances
Make available the report reviewing the Accelerated District Development (ADD) at the Ministry of Health to the public	2001-2002 ADD is an expenditure program of priority initiatives for health centers and district hospital; expenditures are subject to post audit.
Appoint the Auditor General of the NNA, using an open, transparent nomination and selection process.	2001-2002 The Auditor General and his two deputies were nominated and approved by the National Assembly and Senate
Medium term actions (2-3 years) Ensure that a Budgetary Strategy and execution Enforcement Center will be is well funded, and maintain adequate mandate, staffing, and procedures beyond the 2000 budget law	2001-2002 - BSEC is an ongoing entity; BMCs were established in priority ministries (ADD and PAP) - Capacity of core budget institutions is being strengthened (MEF, Planning...) 2004 - In August, Budget Monitoring and Cash Management Commission "BMC" was established for all ministries.
Ensure that the NAA will have an independent budget line, and an adequate level of budget, skilled human resources, and infrastructure to carry out its mandate.	2001-2002 Separate budget was provided as part of the 2002 Budget Law.
Establish a training center for finance officers at in core budgetary institutions including within line ministries.	2001-2002 Training Centre was operational; upcoming Economic and Public Service Capacity Building Loan will provide necessary resources to fund training initiatives
Initiate a Medium Term Expenditure Framework (MTEF) and a SWAP in the Ministry of Health as a pilot project.	2001-2002 - Introduced Medium Term Expenditure Framework 2003-05 2003 - Expansion the coverage of Medium Term Expenditure Framework (MTEF) to (i) Ministry of Agriculture, Forestry and Fisheries, (ii) Ministry of Rural Development, (iii) Ministry of Justice and (v) Ministry of Women's and Veterans' Affairs. - Applied decree on Public Procurement to all ministries on budget expenditures chap. 11 and 13, except Defense and Interior ministries and the Royal Palace. 2004 - Launched a reform on Public Financial Management (PFM) in September, 1 10-donor team.

Action Plan (GAP 2001)	Actual Implementation 2001-2004
Project CG 6 Benchmarks in 2002: Revenue mobilization increased through broadening collection of taxes and fees. Government revenue set to reach 12.75 percent of GDP by 31 December 2002,	Not met The rising revenue trend that began in 1998 continued through 2002, although performance (11.2 percent of GDP) was somewhat below target. Revenue declined to 10.4 percent of GDP in 2003, however, due to poor trade-related revenue performance (caused partly by increased smuggling), adverse effects of the anti-Thai riots of January 2003, the run-up to and aftermath of the July elections, and a slowdown of non-agricultural growth. 2004 Set up a working group to take action on collection non-tax revenues and arrears particularly in telecommunication services and leases of state assets.
Increased revenue from payments for leases of state assets; collection of outstanding tax arrears and performance under the pre-shipment inspection program. (Immediately)	Not met. Improvements to non-tax revenues were also elusive, due to sustained leakages. Non-tax revenue raised from 2.9 percent of GDP in 2001 to 3.1 percent of GDP in 2003. By contrast, non-tax revenue had been programmed to rise to 3.7 percent of GDP in 2002 and 2003. Some of the weaker performance is attributable, in 2003, to the outbreak of SARS. Pre-shipment inspections were maintained, but these services, together with government efforts, were insufficient to prevent an increase in smuggling 2004 Collection of tax arrears has increased in each year 2001-2004 increase in smuggling
Increased transparency of terms of government contracts. (Immediately.)	Not met. Few if any institutional changes have been made to improve the transparency of public-private contracts, although the government has shown interest in a recently drafted new concessions law. In the meantime, direct negotiations of potential concession contracts continue to be used more often than competitive bidding. The opaqueness surrounding the process of granting of land concessions is an especially troubling indicator of lack of progress in this area
New Pledges (CG7)	2003-2004 Implement RGC's PFM reform agenda: first 12 months of platform 1

Source: EIC, compiled from World Bank, IMF, and Government sources

Matrix A2.8: Trade Environment

Action Plan 2003-2005	Indicator of Progress Target (where set)	Actual Implement 2001-2004
Complete legal and judicial requirements of WTO accession, including sanitary and phytosanitary issues, sector regulation, intellectual property rights, and due process rights	WTO accession package completed in 2003	2003 - Law on Copyrights and Related Rights - Amendment on the Law on Investment - Sub-decree on Animal Quarantine - Sub-decree on Plant Quarantine 2004 - National Assembly (August, 31) and Senate (September, 06) have ratified the agreement for Cambodia admission to WTO
Build capacity in government and private sector to analyze trade policy and conduct social impact assessments of trade policy reforms	Social impact assessment completed independently	Unidentifiable
Implement MIME action plan for technical barriers to trade through enactment of Law on Industrial Standards	Enactment by 2004	2004 Draft law was discussed at MIME as of February 14, 2005
Establish WTO-consistent customs valuation procedures		2002 - The Council of Ministers approved the draft LOC on 27 December 2002 2003 - Submitted Law on Customs to the National assembly on 15 January 2003
Simplify and reduce tariffs in line or ahead of AFTA commitments		2004 Completed tariff restructuring by lowering un weighted average rate to 14.9%. The import duty of some categories of goods has been brought further down. However, the rates of excise tax for certain commodities have been increased or imposed to offset import duty reduction.
Deepen transportation linkages with Thailand, Laos and Vietnam		2004 - On going infrastructure reconstruction projects - Started constructing 198 km road from Kratie to Cambodia-Laos border (Courtesy of Chinese government) - Started reconstructing and repairing National Road No.1 from Phnom Penh to Cambodia-Vietnam border

Source: Royal Government of Cambodia. (2002), Oum Sothea & Sok Hach (2004), Lor Chandara (2004).

Matrix A2.9: Trade Facilitation

Action Plan 2003-2005	Indicator of Progress Target (where set)	Actual Implement 2001-2004
Rationalize overlapping administrative responsibility for border inspection	Reduce cost / time of compliance and registration to ASEAN average	2004 - Established special inter-ministerial task force on trade facilitation and investment climate - Issued Prakas on New Procedure for the Issuance of Commercial Invoice (C/I), Certificate of Origin (C/O), and Export License (E/O) (Aug 19, 2004). - Issued Prakas on Fixed costs on Business Registration (23/8/2004). Fee was reduced from US\$630 to US\$177; reduce time to 2.5 days
Reform and computerize customs compliance procedures	Internet-capable customs clearance installed by 2004	2004 Completed evaluation and clarification of IT proposals. Submitted for consideration and approval.
Harmonize customs and trade facilitation procedures with neighbors GMS within GMS framework		Unidentifiable

Source: Royal Government of Cambodia (2002), and Oum Sothea & Sok Hach (2004)

Matrix A2.10: Administrative Reform

Action Plan 2001	Actual Implementation 2001-2004
1. Complete initiative underway of NPAR phase I including - Census and removal of irregulars - Computerized personal management and payroll system - Pay, employment and fiscal balance simulation	2001 1. Met: - Civil census: Data base was completed since March 2000. Identified irregulars removed from the payroll (about 9000) - Census database was turned into HRMIS. Automated payroll system was operational. - Completed and used as basis for rationalization strategy
2. Civil service reform plan updated consistent with Medium Term Expenditure Framework Tokyo and 2002 GC Benchmark)	2002: Not met 2003: Not met 2004: Not met Out of the five studies agreed (labor market survey, functional / operational review, employment review, establishment control pilot, and pay reform scenario and options), only the labor market survey has so far been completed (Sept. 2004). As a consequence, the medium term civil service pay and employment reform plan remains to be developed
2002	2001-2004
3. Maintain the stability of workforce from 2002-2006. It increase about 500 officials from 162,969 officials in 2001 to 163,469 officials in 2006	2003-2004: Ongoing
4. Implementation of new remuneration and classification system	2002 4. Met: Starting from 2002 by Royal Decree NS /RKK/ 2001 /450 dated December 1 2001.
5. Pay reforms	2002 5. Progress: Average from increased average from \$ 19.5 a month in October 2001 to \$28.1 in May 2002 about 44.3 percent. 2003 5. Unidentifiable 2004 5. Progress: Government increased index value from 300 CR to 345 CR under sub-decree dated by 15 January 2005.
6. Priority Mission Groups (PMGs). 6.1. Strategy and program approved 6.2. 1,000 selected staff for PMG member by end 2002. The numbers will increase by 500 until 2005 and stable in 2006.	2002 6.1. Met: Sub-decree No 83 ANK / BK dated August 13 2002. 6.2. Not Met 2003 6.2. Not Met 2004 6.2. Not met: Now in the process of selecting proposals. 1,250 members were planed to recruit in 2005 with budget about US\$1.5 million.
2003	2001-2004
7. Complete the civil service legal frame work e.g. Code of Ethics	2003 7. Unidentifiable 2004 7. Progress: the common status, the particular statues, Ministerial Prakas, the Manual on the Obligation of Officials and new classification regimes more conductive to career progression are in place. But code of Ethics has not been approved yet.

Action Plan 2001	Actual Implementation 2001-2004
8. Develop service delivery policy including user fees.	2003 8. Not met 2004 8. Met: Background work to articulate a service delivery including user fee was completed.
9. Build Capacity 9.1 Finalizing capacity building strategy for Civil Service 9.2. Implement EPSCB including establishing the Cambodia Development Knowledge Centre	2003 9.1. Not met 2004 9.1. Met. Management framework capacity development (Mandating effectiveness and value for money) has been completed 9.2. Progress: EPSCB is operational. Piloting of centre has not been established yet
2004 (starting from 2005)	2001-2004
10. Agreement between government and donors on a strategy to phase out donor funded salary supplements and redirect them in support of pay reforms in priority areas by June 2005.	
11. The council of Ministers approve by November 2005 for implementation starting in January 2007, a phased medium term civil service pay selectively to appropriate levels, that will allow the public administration to attract and retain talent.	
12. Pilot implementation of pay and employment reform initiatives-that are fully consistent with each other-and that reward performance and promote merit in at least 3 sectors or professional streams during 2006.	
13. Gradual reduction of cash transactions in the payment of salaries through the use of the banking system and electronic transfers. Payments via electronic bank transfers completed by November 2005.	
14. A meritocratic human resource policy with a detailed and sequenced implementation plan will be adopted by the Council of Ministers.	

Sources: EIC, compiled from various government sources, World Bank and IMF.

Matrix A2.11: Military Reforms

Action Plan 2001	Actual Implementation 2001-2004
1. Complete the pilot phase of the demobilization and reintegration program, and conduct a review of the progress of the program in full consultation with stakeholders	2001 1. Met. Demobilization pilot was completed and 1,500 soldiers were demobilized in 2000. Each mobilized soldiers received integration packages at the time of leaving the armed force.
2. Develop a proposal for a nationwide demobilization and reintegration program, based on the results of the above review, in full consultation with stakeholders	2001 2. Met. The program was approved by the Royal Government.
3. Implement and complete a nation-wide demobilization and reintegration program, based on the proposal	2001 3. Progress. Phase one of full scale programme is completed: 15,000 soldiers were mobilized. 2002 3. Not met. Second phase has not been implemented. 2003 3. Not met. Program has been suspended 2004 3. Not met. Program has been suspended since 2003
4. Complete the first White Paper on National Defense, and make it available to the National Assembly, Senate, and general public	2001 4. Met. Was released in January 2001 after full consultations
2002	2001-2004
5. Complete the demobilisation of second group of another 15,000 soldiers.	2002 5. Not met 2003 5. Not met. Program has been suspended 2004 5. Not met. Program has been suspended since 2003
2004 (starting from 2005)	2001-2004
6. The government will continue to implement the policy and programs identified the White Book of National Defense of the Royal Cambodian Armed Force including the distribution of social concession lands to demobilized landless soldiers who request for land for their residences or for family farming in conformity with the Sub-decree on Social Concession	

Sources: EIC, compiled from various government sources, World Bank and IMF.

Matrix A2.12: Decentralization

Action Plan 2001	Actual Implementation 2001-2004
1. Complete studies and facilitate debates on this topic, and prepare a policy framework, in full consultation with stakeholders. (ST)	2001 1. Met - Establishment of National Committee to Support Communes (NCSC) established by Royal Decree in June 2001. - Establishment of DOLA. - Implementation framework (2001-2006) approved by NCSC; rolling one-year work plan also approved. - NCSC and its six sub- committees fully operational
2. Submit draft laws related to commune councils to the National Assembly for review and adoption. (MT)	2001 2. Progress - Adoption of Law on Commune/Sangkat administrative Management in March 2001. - Adoption of law on commune election 2002 2. Progress A number of laws and regulations were adopted 2003 2. Progress A number of laws and regulations were adopted. 2004 2. Unidentifiable
3. Assess needs for commune councils to become effective (ST)	2001 3. Progress - Essential needs before election were addressed including the review and approval of nine legal texts - Full need assessment following election - Training of trainers completed 2002-2004 3. Unidentifiable
4. Develop managerial and human resources in support of elected commune councils (MT)	2001 4. Progress Sub-committee has been asked to prepare capacity-building program 2002 4. Progress The capacity-building sub-committee has been established and is operational 2003-2004 4. Progress Training programs supported by NCSC/DOLA
2003	2001-2004
5. Support Commune Councils: Strengthen DOLA and POLAs to provide technical supports to CCs	2003 5. Progress Training supported by Seila/PLG focus on both the LAU assigned to assist to support C/S councils, the C/S counselor, the C/S clerk and C/S planning and budgeting committee. 2004 5. Progress - Continuation of training. - Selection of Additional 63 POLA.s - A Project information database, designed by PLG and maintained in all 24 provinces and municipalities, enables the tracking of all C/S project implementation and is being transferred to MOI/DoLA.

Action Plan 2001	Actual Implementation 2001-2004
2004 (starting from 2005)	2001-2004
6. Promote community development management through the provision of appropriate enhanced capacities and confidence	2003-2004 6. Unidentifiable
7. The RGC National Policies, Strategic Framework, Action Plan finalised by March 2005 and submitted to Council of Ministers for approval.	
8. The first draft prepared for consultation of the D and D organic Laws on the Management of Provincial and District, Municipalities and the Capital, produced within the D and D strategic framework	
9. Ensure predictable and timely release of funds including examination of the option of allowing communes to raise their own resources	
10. Strengthen government-donor and donor-donor coordination to achieve more optimal outcome in terms of strategies and action to implement RGC D and D agenda and improve effectiveness in these important areas	

Note: Agenda of decentralization reform from 2005 includes pledges of deconcentration reforms

Sources: EIC, compiled from various government sources, IMF, World Bank and other NGOs.

Matrix A2.13: Deconcentration

Action Plan 2001	Actual Implementation 2001-2004
1. Develop a strategy to deconcentrate administrative functions to enhance the capacity of provincial and district administrations to improve service delivery and support elected communal councils	2001 1. Met - Strategy action plan completed by end of December - Operational priorities of the administrative reform for 2002 include deconcentration
2. Finalise draft legislation on provincial, municipal and district administration, in full consultation with stakeholders, and submit it to the National Assembly for review and adoption	2001-2004 2. Not met
2003	2001-2004
3. Formulate and pass necessary legal instruments for deconcentration	2002-2004 3. Unidentifiable
4. Develop program and policy for deconcentration and pursue implementation	2003 4. Progress Policy and program has been drafted and readied for consultation 2004 4. Not met

Sources: EIC, compiled from government sources, IMF, World Bank and other NGOs.

Matrix A2.14: Legal Reforms

Action Plan 2001	Actual Implementation 2001-2004
1. Fundamental legal framework such as Civil Code, Code of Civil Procedures, Penal Code, Code of Penal Procedures submitted to the National Assembly (MT)	2002-2003 1. Not met 2004 1. Not met , but on going. The draft of the fundamental legal framework has not yet been submitted to the National Assembly
2. Publish regularly the legislation in the official gazette. (ST)	2001-2002 2. Not met 2003 3. Met. The Strategy for Legal and Judicial Reform was Completed in June 2003. Furthermore, a Plan of Action drawing short and medium-term priorities for legal and judicial reform has been recently approved to expedite the reform process. Concrete timelines and lead implementing Government institutions have been identified
3. Finalizing strategy and action plan for legal and judicial reform (Tokyo and 2002 CG meeting)	2001-2002 3. Not met 2003 3. Met. The Strategy for Legal and Judicial Reform was completed in June 2003. Furthermore, a Plan of Action drawing short and medium-term priorities for legal and Judicial reform has been recently approved to expedite the reform process. Concrete timelines and lead implementing Government institutions have been identified
4. Adoption of anti-corruption law (Tokyo and 2002 CG Benchmark)	2001-2003 4. Not met 2004 4. Not met , but on-going. The Law on Anti-Corruption was submitted to the National Assembly by June 2003. Following an 11-month political deadlock and inactivity of the Legislature, the draft law has not progressed and was returned to the government

Action Plan 2002	Actual Implementation 2002-2004
5. Implementing the 1995 procurement sub-decree 5.1. Provisions of sub decree implemented in key social and economic ministries for expenditures under chapters 11 and 13 of the budget (Tokyo and 2002 CG Benchmark) 5.2. Indicative timetable for extension to all expenditures categories for all ministries (2002 CG Benchmark)	2001 5.1 Not met 2002 5.1. Not met, but some progress. Competitive bidding under the 1995 Sub-Decree Governing Public Procurement was introduced in January 2002 for four ministries (MAFF, MOEYS, MOH, and MRD) 5.2. Not met 2003 5.1. Not met, but some progress. Under a COM Sub-Decree issued in September 2002, competitive bidding was extended to other ministries 5.2. Not met 2004 5.1. Met: from January 2004 all ministries, with only the Royal Palace excluded, comply 5.2. Met
Action Plan 2003	Actual Implementation 2003-2004
6. Ensuring that legal framework and conflict resolution mechanisms meet the needs of the poor and standard for full involvement in international fora such as WTO and ASEAN (MT)	2003 6. Some progress 2004 6. Some progress. About 14 enacting laws for WTO conformity were approved. Cambodia signed some agreements within the ASEAN framework
7. Publishing “Bench Book” to ensure uniform legal practices and due process including electronic database on texts and decisions. (MT)	2004 7. Unidentifiable
8. Assuring the broad dissemination and understanding of laws and legal texts including establishment of justice knowledge centre (MT)	2004 8. Unidentifiable, but justice knowledge centre is not established yet.
Action Plan 2004 (Priorities for 2005)	Actual Implementation 2004-2005
9. Adoption of fundamental laws: Penal Code, Code of Penal Procedures, Civil Code, Code of Civil Procedures.	
10. Law on Anti-Corruption	

ST: Short-term (within one year)

MT: Medium-term (within two to three years)

Sources: EIC, compiled from various government sources, IMF, World Bank and other NGOs.

Matrix A2.15: Judiciary Reform and Law Enforcement

Action Plan 2001	Actual Implementation 2001-2004
1. Rehabilitate the infrastructure of courthouse (MT)	2001 1. Progress: Professional Training Centre for Lawyers under Anukret dated September 15, 2001 2002 1. Progress Establishment of Royal School of Magistracy under Anukret dated February 5, 2002 Pilot court was established in Kandal Province to introduce some best practices in handling cases and upgrade the court. 2003-2004 1. Unidentifiable
2. Strengthen the capacity of the recently established Council of Judicial Reform (ST)	2001 2. Unidentifiable 2002 2. Progress Creating a Permanent Coordination Body (PCB) by the sub-decree N0 87 dated August 21, 2002. Project Management Unit established by a sub-decree N0 128 dated December 26, 2002 in order to assist PCB in anchoring the reforms 2003-2004 2. Unidentifiable
3. Law on Statute of Magistrates [properly known as Law on the Status of Judges and Prosecutors] submitted to National Assembly (MT)- Also 2002 CG Benchmark	2002-2003 4. Not met 2004: the Law on the Statute of Judges and Prosecutors has not been submitted to the National Assembly
4. Action plan for Asset declaration for magistrates and senior members of judicial police to enhance the effective integrity of judiciary and independence of prosecution (MT)	2002-2004 4. Not met
5. Separate the budget of the Judiciary from that of the Ministry of Justice (ST)	2001-2002 5. Not met 2003 5. Met. Starting from 2003, the budget for the Judiciary was separated from that of the Executive.
6. Reported cases of corruption investigated and prosecuted appropriately within existing legal framework (2002 CG Benchmark)	2002-2003 6. Not done 2004 6. Not done: this benchmark has not been met, but some positive developments have taken place such as the establishment of an anti-corruption unit, setting systems to prevent corruption (e.g. computerized payroll), and several public servants have received administrative sanctions.
Action Plan 2002	Actual Implementation 2002-2004
7. Supreme Council of Magistrates restructured (2002 CG Benchmark)	2002-2003 7. Not met 2004 7. Not met. The Amendment to the Law on the Organization and Functioning of the Supreme Council of the Magistracy has not been passed; hence the SCM has not been restructured. It is worth acknowledging progress at the Secretariat level of the SCM in terms of development of capacities of their staff and undertaking an in-house review/assessment of the main challenges faced by this institution

Action Plan 2003	Actual Implementation 2003-2004
8. Establishment of specialized courts such as Commercial Court, Juvenile Court and Administrative Court. (MT)	2004 8. Not met. None of them is established.
001	2001-2004 (as CG meeting)
9. Strengthening capacity of judicial police. (MT)	2004 9. Unidentifiable
Action Plan 2004 (Priorities for 2005)	Actual Implementation 2004-2005
10. Organic Law on the Organization and Functioning of Courts	
11. Law on the Amendment of the Supreme Council of Magistrates	
12. Law on the Status of Judges and Prosecutors	

ST: Short-term (within one year)

MT: Medium-term (within two to three years)

Sources: EIC, compiled from various government sources, IMF, World Bank and other NGOs.

Matrix A2.16: Natural Resource Management – Land Management

Action Plan (GAP 2001)	Actual Implementation 2001-2004
Short-term actions (one year) Facilitate the review and adoption of the draft land law by the National Assembly and Senate and promulgate implementing regulations of the new land law	2001-2002 - Land Law, dated 30/08/2001 - The new Land Law was promulgated in July 2001; 4 other laws and 14 implementing sub-decrees are being prepared; training documentation is also being prepared and public dissemination is underway. Costs relating to Land Title Services are being estimated 2003 - Sub-Decree on Social Land Concession approved on 7/03/2003 2004 - Sub-decree on Economic Land Concession is awaiting approval.
Initiate the development of a Land Policy (Land Administration and Management Project)	2001-2002 - RGC declaration on Land Policy approved in May 2001; the land policy framework is being prepared and will be finished by 2003; the evaluation of the social impact has been completed 2003-2004 - Still under preparation
Accelerate land registration and strengthen land administration to enhance land tenure security	2001-2002 Already 15 percent of land registration patents have been issued and work is proceeding; pilots to make an inventory of the land in districts in two provinces are underway
Initiate pilot project for six provinces using methodology to address cadastral mapping and land registration	2001-2002 Underway in Kandal, Kampot, Takeo, Kompong Speu, Sihanoukville, Phnom Penh (50,135 plans completed. Training sessions about new methodology completed for 170 officials in 10 provinces). Training sessions for 25 mid-level officials completed. Sub-decree on land registration and cadastral book disseminated; a project for urbanism and land administration is being prepared
Medium term actions (2-3 years) Prepare and initiate implementation of an action plan for strengthening the capacity development of implementing agencies	2001-2002 - National training programs on procedures to resolve conflicts were conducted - Council of Land Policy was established as a focal point to facilitate the formulation of strategy, policy in land management - Cadastral Committees were established as land dispute settlement bodies
Complete pilot project for six provinces using methodology to address cadastral mapping and land registration	2001-2002 Project management officers already trained; 11 provinces and cities have been selected for implementation in the next five years; 800 skilled officials were selected to implement the project; supervisory institutions within the Ministry are being strengthened.
Develop an Action Plan for land use	Master Plan for Sihanoukville is being developed; pilot project to manage land use and systematically register land is underway in two areas; work is also proceeding to register public lands all across the country

Sources: EIC, compiled from various government sources, World Bank and IMF.

Matrix A2.17: Natural Resource Management – Land Management

Action Plan (GAP 2001)	Actual Implementation 2001-2004
Short-term actions (one year) Publish on a quarterly basis the full report on forest crime monitoring	2001-2002 - Being done quarterly and annually; implementation of the FCMR Project Amendment Document and of the reporting protocol between RGC, donors and Global Witness is ongoing. 2003 - Global Witness 2004 - SGS
Take actions based on the concession contract review (e.g., cancellation etc.)	2001-2002 - Many forest concessions were cancelled. No new forest concessions have been issued since January 1, 2002. - The concessionaires were asked to submit Strategic Forest Management Plans (SFMP) and Environment and Social Impact Assessments (ESIA) in September 2002 2004 - So far 17 concessions were cancelled with total forest land area of around 3.5 million hectares 12 concessionaires remain in business with a total of less than 3.4 million hectares of forest land
Implement a sub-decree on forestry concession management and a sub-decree on community forestry	2001-2002 - Sub-Decree on the Forest Concession Management, dated 7/02/2000 - Sub-Decree on Forest Concession Management and Control being implemented 2003 - Sub-Decree on Forest Community Management, dated 15/12/2003 2004 - The Sub-decree on Community Forestry was enacted in December 2004
Draft and submit a new forestry law to the National Assembly, after full consultation with stakeholders	2001-2002 Law on Forestry approved on 31/08/2002
Medium-term actions (2-3 years) Build the capacity of the Forestry Department (including human resource development, and adequate financial and material means).	2001-2002 Starting in 2001, a three-year overall Capacity-Building Project was signed with Japan (JICA)
Consider establishing a single line of authority for forest management at the national level, to ensure proper and effective implementation of the forestry policy and good governance	2003 Establishment of Forestry Administration by Sub-decree N.64 September 11, 2003, with horizontal management structure nationwide

Sources: EIC, compiled from various government sources, World Bank and IMF.

Matrix A2.18: Natural Resource Management – Fisheries Management

Action Plan (GAP 2001)	Actual Implementation 2001-2004
Short-term actions (one year) Finalize the preparation of the new fisheries law in full consultation with stakeholders and forward to the Council of Ministers and the National Assembly and the Senate by the end of 2001	2001-2002 - First draft completed after internal seminar; consultations with local communities and external partners 2003 - Submitted to NA 2004 - Draft Law on Fisheries is still pending at NA
Develop a restructuring and capacity-building program and, once approved by the Ministry, start implementation.	2001-2002 - First draft of structural reorganization was submitted to Ministry - Capacity-building program in place for whole ministry; involves training and equipment for Fisheries Department
Medium-term actions (2-3 years) Capacity building and human resources development	2001-2002 Underway as part of Ministry's Capacity Building Plan; some 30 MSc/PHD now in training will join Dept. in 2002 (in addition to 30 staff)
Implement a fisheries management program that promotes the conservation and rebuilding of stocks and the sustainable development of the sector, including the establishment of the Inland Fisheries Institute	2003 The Inland Fisheries Development and Research Institute was established in February 2003
Prepare a long-term strategy and policy to further develop the fisheries sector	2004 Fisheries Development Action Plan 2005–2008, November 2004
Establishment of Community Fisheries Committees in all provinces, especially in lot areas that have been released to communities	2001-2002 - The Community Fisheries Development Office has been established and Community Fisheries Development Sections set up in each province. 165 communities have been established, and the remaining ones will be in the near future 2003 - Draft Sub-decree on Community Fisheries 2004 - The Royal Decree on the establishment of community fisheries and a Sub-decree on the management of community fisheries have been prepared and submitted to the Council of Ministers for approval - But so far some 360 community-fishery lots have already been established.

New Pledges (CG7 – December 2004)	Actual Implementation
1. Pass/enact key laws and sub-decrees governing natural resources management, including fisheries law and community fisheries sub-decree (rollover), state land management and economic land concessions sub-decrees and enforcement of Article 18 of Land Law, that private sales transactions on state lands are illegal and hence should not be validated by officials. Joint development of a medium-term sector strategy for agriculture, including irrigated agriculture, has been commenced by March 2005, with an overall policy and strategic framework to be completed by December 2005.	
2. Maintain suspension/moratorium on logging, transport of logs (except those which have been already inventoried and for which royalties have been paid in full), and new economic land concessions pending completion of applicable review processes and/or a legal framework	
3. Increase transparency of state management of natural resources through immediate public disclosure of existing contracts and compliance status (royalties and other key provisions) of contracts governing economic land concessions, mining concessions, fishing lots and continued disclosure of status of review of forest concessions	
4. Application of sustainable management planning, including ESIA's, investor evaluations, consultation with local communities, public disclosure and comment period prior to entering into new contracts for private use/management of state managed natural resources (land, fisheries, forestry, and mines)	
5. RGC disclose the location and legal status and process for termination of mining concessions, Military Development Zones, economic land concession and other development arrangements situated on forest land or in protected areas and inconsistent with law governing the management of these areas	

Sources: EIC, compiled from various government sources, World Bank and IMF.