

Appendix IV

THE GOVERNMENT RECTANGULAR STRATEGY

The Government Rectangular Strategy

(Extract)⁷⁶

1. The Political Rationale of the Rectangular Strategy

First, the Rectangular Strategy is set out to ensure the continuity and to further strengthen the achievements attained in the second legislature of the National Assembly through the implementation of the Triangular Strategy. The Rectangular Strategy selects key elements from the Millennium Development Goals, the Cambodia Socio-Economic Development Program 2001-2005 (SEDP2), the Cambodia National Poverty Reduction Strategy 2003-2005 (NPRS), and the various policies, strategies, plans and other important reform programs, all of which have been formulated through broad consultation with all national and international stakeholders – including government ministries and institutions, representatives of civil society and the donor community, with an objective of improving and building capacity of public institutions, strengthening good governance, and modernizing national economic infrastructure that will help to promote economic growth, generate employment for all citizens, ensure social equity, enhance efficiency of the public sector and protect the nation's natural resources and cultural heritage. All of these are crucial for promoting sustainable development and poverty reduction.

Second, key elements of the Rectangular Strategy are established as the foundation of the economic policy of the Royal Government for the new legislature, and are fully reflected in “political platform of the Royal Government in the third legislature of the National Assembly”; and

Third, the political platform of the Royal Government in the third legislature of the National Assembly has been finalized upon the unanimous agreement between the two coalition partners in the Royal Government. Thus each and every key element of the economic policy of this political program has been revisited, screened and streamlined into the rectangular strategy by highlighting and interweaving the priority policy measures in a systematic and mutually-reinforcing fashion.

⁷⁶ For full document, please refer to:

http://www.cnv.org.kh/2004_releases/160704_rectangular_strategy_first_cabinet_meeting.htm

Therefore, the rectangular strategy is the successor of the Triangular Strategy of the Royal Government in the second legislature of the National Assembly, and thereby establishes the key facets of the Royal Government of Cambodia's development strategy for the third legislature of the National Assembly. Geometrically, the Triangular Strategy clearly demonstrated its capacity to withstand strong challenges and adversity, remaining stable and unbowed in any circumstance. Therefore, the rectangular strategy may be depicted as an integrated structure of interlocking rectangles that represent sustainability and stability in the same way as a strong table or chair firmly stands on four pillars. Indeed, the successful implementation of the Rectangular Strategy shall ensure national stability and sustainable development in Cambodia.

On the other hand, the rectangular strategy constitutes the Economic Policy Agenda of the Political Platform of the Royal Government in the third legislature of the National Assembly. The rectangular strategy has been formulated and prepared by screening, highlighting and streamlining the reform programs into a comprehensive, systematic, intertwined, mutually-reinforcing package of priorities that is easily understood and thus serving as a key tool for the Royal Government and its development partners to implement and manage the economic policy agenda of the nation.

The rectangular strategy aims to promote economic growth, full employment for Cambodian workers, equity and social justice, and enhance efficiency of the public sector through the implementation of the Governance Action Plan and in-depth reforms that are coordinated and consistent across all levels and sectors. Thus, the Royal Government in the third legislature of the National Assembly shall the “*Government of Growth, Employment, Equity and Efficiency*”.

1.2. The Structure of the Rectangular Strategy

The rectangular strategy is an integrated structure of interlocking rectangles, as follows:

First, the core of the rectangular strategy is good governance, focused at four reform areas: (1) anti-corruption, (2) legal and judicial reform, (3) public administration, and (4) reform of the armed forces, especially demobilization;

Second, the overall environment for the implementation of the rectangular strategy consists of four elements: (1) peace, political stability

and social order; (2) partnership in development with all stakeholders, including the private sector, donor community and civil society; (3) favourable economic and financial environment; and (4) the integration of Cambodia into the region and the world.

Third, the four strategic “growth rectangles” are: (1) enhancement of agricultural sector; (2) private sector development and employment generation; (3) continued rehabilitation and construction of physical infrastructure, and (4) capacity building and human resource development.

Fourth, each strategic “growth sector” has four sides:

- *Rectangle 1: Enhancement of Agricultural Sector* which covers: (1) improved productivity and diversification of agriculture; (2) land reform and clearing of mines; (3) fisheries reform; and (4) forestry reform.

- *Rectangle 2: Further Rehabilitation and Construction of Physical Infrastructure*, involving: (1) further restoration and construction transport infrastructure (inland, marine and air transport); (2) management of water resources and irrigation; (3) development of energy and power grids, and (4) development of information and communication technology.

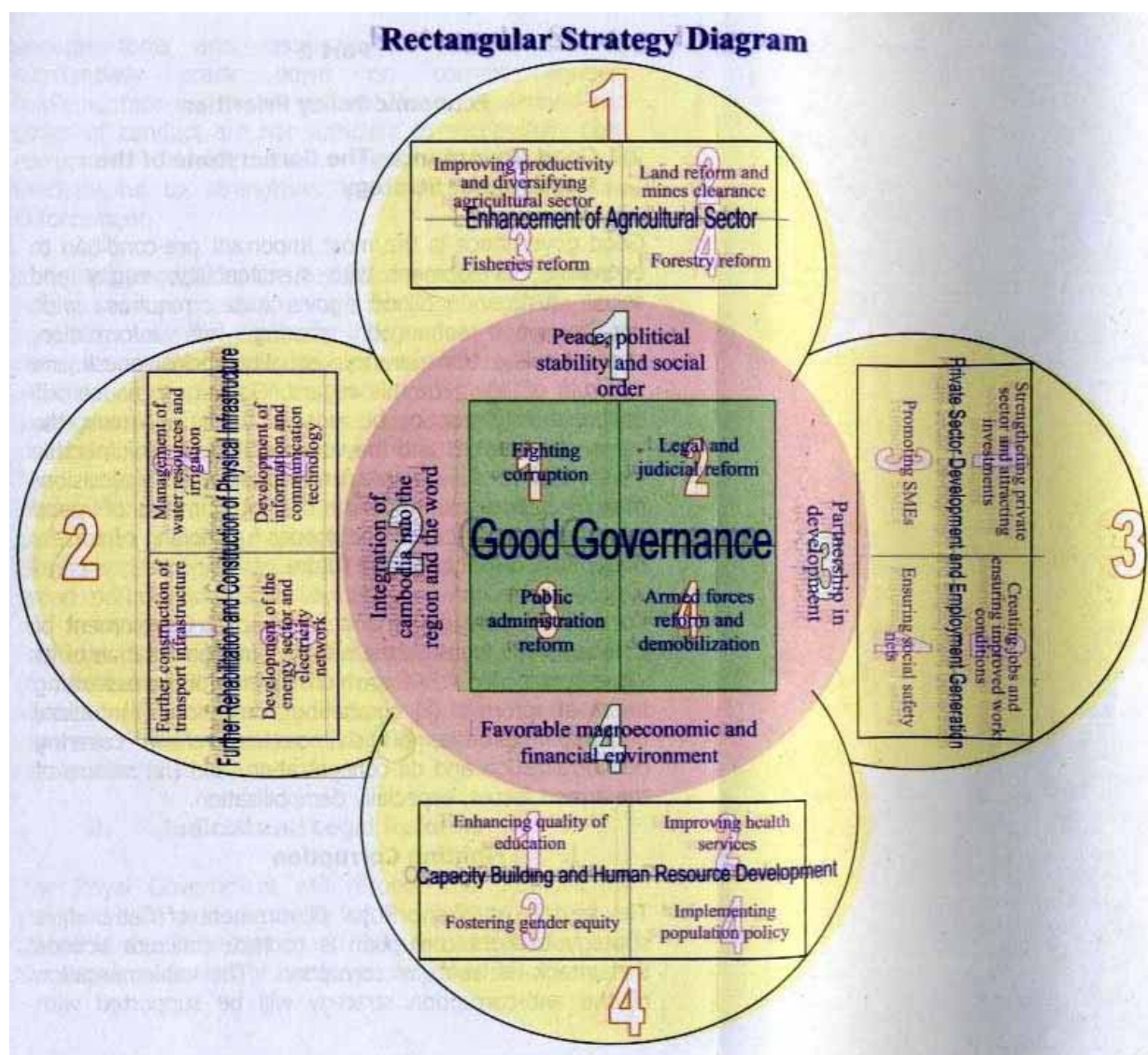
- *Rectangle 3: Private Sector Development and Employment Generation* covers (1) strengthened private sector and attraction of investments; (2) promotion of SMEs; (3) creation of jobs and ensuring improved working conditions; and (4) establishment of social safety nets for civil servants, employees and workers; and

- *Rectangle 4: Capacity Building and Human Resource Development*, including: (1) enhanced quality of education; (2) improvement of health services; (3) fostering gender equity, and (4) implementation of population policy.

3. Good Governance: The Cornerstone of the Rectangular Strategy

Good governance is the most important pre-condition to economic development with sustainability, equity and social justice. Good governance requires a wide participation, enhanced sharing of information, accountability, transparency, equality, inclusiveness and the rule of law. In this regard, good governance will ensure that corruption be reduced to the minimum, the view of minorities and the voices of the

most vulnerable in society be fully heard and considered in decision-making processes. Indeed, the attainment of good governance is crucial to the poorer functioning of society both in the present and the future.



To achieve good governance, the Royal Government of Cambodia will focus on the effective implementation of its Governance Action Plan which covers four crosscutting areas of reforms: (i) combating corruption, (ii) judicial and legal reform, (iii) civil service reform covering

decentralization and de-concentration, and (iv) reform of the armed forces, especially demobilization.

i. Fighting Corruption

The key thrust of the Royal Government of Cambodia's strategy to fight corruption is to take concrete actions that attack the roots of corruption. The implementation of the anti-corruption strategy will be supported with enough tools and resources to prevent and to substantially crack down on corrupt entities. Implementation is crucial because laws, regulations and codes of conduct are not sufficient to successfully fight corruption. Indeed, there must be efforts and mechanisms to strengthen the effectiveness of law enforcement.

In fighting corruption, the Royal Government of Cambodia will, as soon as possible, ensure the adoption of the Anti-corruption Law and create an independent body to fight corruption. The Royal Government will also promote effectiveness, transparency and accountability in the management of public finances, especially through the strengthening of audit processes and public procurement. The Royal Government shall also promote the implementation of the multi and cross-sectoral governance reforms, especially those guided Governance Action Plan, which has been developed with broad participation from various government ministries and institutions, civil society and development partners. From this 3rd legislation onwards, the Royal Government of Cambodia will enable the responsible ministries and institutions to review and check on the commercial contracts and concession agreements on natural resources and state assets.

ii. Judicial and Legal Reforms

The Royal Government of Cambodia will respect and promote the independence and neutrality of the judicial system as stated in the Constitution and thus the independence of the Supreme Council of the Magistracy shall be vigorously upheld and protected. The Royal Government will promote legal and judicial reforms 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 community, and closely cooperating with development 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 law.

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 of draft basic laws such as the *Statute 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 special 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 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 continuing training. The Royal Government will establish institutions for the training of court clerks, bailiffs and notaries. We will provide training and improve management of the judicial police. Furthermore, attention will also be directed to the provision of legal aid (including pro-bono legal professional services) to the poor who require legal and judicial protection and assistance. Finally, the Royal Government will enhance mechanisms for conflict resolution outside of the court system, particularly in the settlement of disputes related to the ownership and property rights of unregistered lands.

iii. Public Administration Reform

The Royal Government recognizes that the strengthening of industrial capacity is crucial to sustainable development. The administrative system and the civil service must be neutral, transparent, professional, responsive and responsible. The Royal Government has adopted the National Program for Administrative Reform to transform the administration and civil service into an effective organization for the successful implementation of the Government's political platform. Consistent with this thrust, the Royal Government will focus on delivering public services to the people with quality and effectiveness in four priority

areas: (1) services related to the sovereignty of the state (including vital records, permits and land registration titles), (2) services related to investments, (3) basic services, especially education and health, and (4) services related to revenues collection and expenditure of the state.

The provision of public services will be facilitated and simplified through the elimination of overlapping work, streamlining the bureaucracy, implementation of decentralization and de-concentration at the commune level, establishment of a “single window” for services applications and the opening of a citizen’s office. These procedures will be gradually computerized to improve transparency and reduce corruption. Special attention shall be focused on the management of civil servants to move the public administration closer to the people consistent with decentralization and de-concentration and the transfer of authority from upper to lower levels of the bureaucracy. This measure shall be facilitated by the clear definition of the roles, powers and responsibilities of the various authorities at the levels of the province, city, district and commune, as well as the introduction of information technology. The process to rationalize the civil service shall be continued to gradually raise the salaries of all civil servants by 10 to 15 per cent per year to improve their living standards to an appropriate and dignified level.

The Royal Government recognizes that the implementation of decentralization to the commune is crucial to the strengthening of democracy at the grassroots level, improving the quality of public services and participatory local development in all sectors. A key priority in local governance is to build local management capacity, provide reasonable levels of financial resources to the communes and promote the culture of participation. Indeed, decentralization must be implemented in conjunction with de-concentration to build capacity at the municipal, provincial, and district levels, and thereby ensure harmonized and mutually-supportive and complimentary operations with and among the grassroots-level communities. Therefore the Royal Government will proceed, as soon as possible, with the appointment of village chiefs, deputy village chiefs and the members of the village committees in accordance with the principles of decentralization at the commune level.

iv. Reform of the Royal Cambodian Armed Forces

The Royal Government will continue to implement the policy and programs identified in the White Book of National Defense 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 Concessions. The Royal Government will continue to reform, build and strengthen the national police into a professional force, equipped with modern technology, and capable of discharging its responsibilities with due respect for law and human rights, thereby enabling the police to serve the people, maintain security, social order and harmony and protect the people's safety and property.