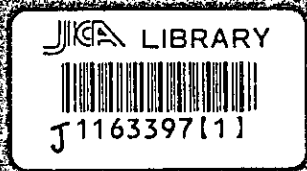


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Development Objectives,  
Strategies and Programs  
of  
The Royal Government  
of  
Cambodia



Summarized

from

National Program to Rehabilitate and Develop Cambodia  
(NPRD)

and

First Socioeconomic Development Plan (SEDP) 1996 - 2000

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## National Program to Rehabilitate and Develop Cambodia (NPRD)

|  |  |
|--|--|
| <b>Ultimate Objective</b>                                    | <b>Improvement of the Well-Being of the People</b><br>(Democratic Political System, Liberal Market Economy, Sustainable Economic and Human Development, Social Justice and Poverty Reduction)  |
| <b>Basic Principal in Development</b>                        | <ol style="list-style-type: none"> <li>1. The Government is the Strategist and Manager of Development</li> <li>2. The Government is a Partner of the Private Sector</li> </ol>   |
| <b>Development Policy</b>                                    | <p>* Sustainable Development with equity and social justice.</p> <ol style="list-style-type: none"> <li>1. Sustainable Development Policy</li> <li>2. Sustainable Economic Growth</li> <li>3. Sustainable Human Resources Development</li> <li>4. Sustainable Management and Use of Natural Resources</li> </ol>   |
| <b>Inter-dependent and Mutually - Reinforcing Objectives</b> | <ol style="list-style-type: none"> <li>1. State of Law</li> <li>2. Economic Stabilization and Structural Reforms</li> <li>3. Human Resources Development</li> <li>4. Rehabilitation and Construction of Physical Infrastructure and Facilities</li> <li>5. Integration of Cambodian Economy in the Region and World Economy</li> <li>6. Rural Development</li> </ol> <div style="text-align: center;"> </div> <p> <span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; margin-right: 5px;"></span> Inter-relationship<br/> <span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Interaction of the private sector and the state<br/> <span style="display: inline-block; width: 15px; height: 10px; border: 1px solid black; border-radius: 50%; margin-right: 5px;"></span> 1. Well-being of the people is both objective and means, 2. Security environment, 3. Political stability, 4. Social stability.         </p> |
| <b>Development Vision</b>                                    | <ol style="list-style-type: none"> <li>1. To double 1994 level GDP by 2004 in real terms, emphasizing on agriculture, industrial and tourism sectors</li> <li>2. To extend health, education and social services to the entire population within a decade, to ensure a peaceful life and a substantial improvement in the standard of living</li> <li>3. To improve rural living standards by promoting rural development as a central feature of the development priority</li> <li>4. To ensure development is socially, politically, fiscally, and environmentally sustainable</li> <li>5. To strengthen domestic self-reliance and reduce the dependance on external financial and technical assistance</li> </ol>  |

## Socio-Economic Development Plan (SEDP) 1996 - 2000

### 1. Development Objectives and Strategy

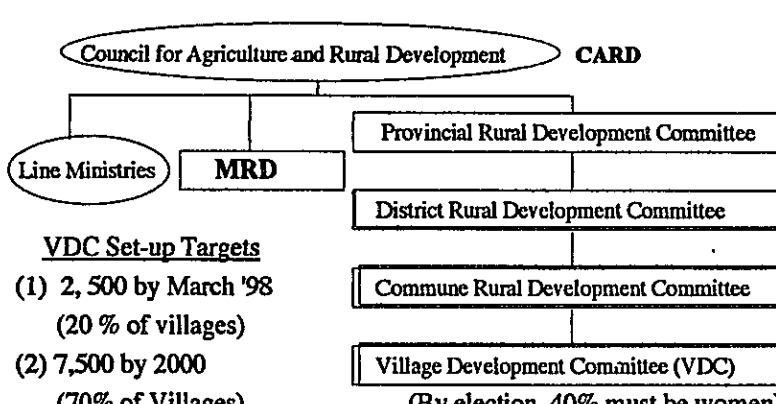
|   |   |
|---|---|
| <b>Prime Objective</b>  | <b>Poverty Alleviation and Rural Development</b><br>(To achieve a fair, just and peaceful society and to raise the living standards of all Cambodian through an acceleration in the rate of economic growth)  |
| <b>Pre-conditions</b>   | <ol style="list-style-type: none"> <li>1. The establishment of "Rule of Law" and the fair enforcement</li> <li>2. The creation of an effective, transparent and accountable public services</li> <li>3. The pursuit of policies which combine economic growth, sustainability, equity &amp; social justice</li> <li>4. The coordinated efforts of the Government, the people, and the development partners</li> </ol>   |
| <b>Inter-related Considerations</b>   | <ol style="list-style-type: none"> <li>1. Reducing Poverty and Developing Human Resources</li> <li>2. Developing the Productive Base</li> <li>3. Generating Employment through the Private Sector</li> <li>4. Increasing Domestic Self-Reliance</li> <li>5. Strengthening Absorptive Capacity</li> <li>6. Regional Cooperation</li> </ol>   |
| <b>Development Strategy</b><br><br><Public Investment><br><u>Allocation</u><br>Rural 65 : Urban 35<br><u>Levels</u><br>US\$ 2,200 million | <ol style="list-style-type: none"> <li>1. Achievement of poverty alleviation through participatory approach in rural development</li> <li>2. Widening access to social services (especially, women and vulnerable groups)</li> <li>3. Macro-economic stability and sound macro-economic management ( Real GDP Growth Rate 7 - 8%)</li> <li>4. Reform of public administration and judicial institutions</li> <li>5. Upgrading and developing of physical infrastructure (particularly, rural roads)</li> <li>6. Upgrading of human skills for a modern market economy</li> <li>7. Development of economic productive base through :               <ol style="list-style-type: none"> <li>a. Increase of rice production (food security and export)</li> <li>b. Promotion of livestock production (particularly animal health)</li> <li>c. Diversification of commercial agricultural sector</li> </ol> </li> <li>8. Employment generation (labour-intensive, small-scale, informal sector, and tourism)</li> <li>9. Sustainable utilization of the natural resources base</li> <li>10. Reintegration of the Cambodian economy into the outside economies</li> </ol> |
| <b>Major Constraints</b>  | <ol style="list-style-type: none"> <li>1. The generation of tax revenues along with the development of a taxable base<br/>(for public services, capital investment, recurrent costs, counterpart funds)</li> <li>2. The implementation capacity of the Royal Government and absorptive capacity for the external financial and technical assistance</li> <li>3. The domestic exports for the balance of trade</li> </ol>  |



## 2. Cross-Sectoral Thematic Issues

| <b>Employment and Poverty</b>  | <b>&lt;Employment Profile&gt;</b>  |   | <ol style="list-style-type: none"> <li>1. Labor Force : 39% (3.9 million)</li> <li>2. Unemployment Rate : 2.3 % (90,000 people)</li> <li>3. Self-Employed (W/O employees) : 59.9%</li> <li>4. Workers in Family (W/O pay) : 29.3 %</li> <li>5. Wage Employment : 10.3% (7.2% of Government)</li> <li>6. Total Dependency Ratio : 133.7 %</li> <li>7. Female-head households : 21.2% (Rural : 20.4%)</li> <li>8. Skilled Labor : 10% (manager, craft, operators)</li> <li>9. Multi-occupational Characteristics (Rural : 33%)</li> </ol> |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
|--|--|---|---|-----------|-------------------|-----------|-------------|-----------|--|----|----|---------|----|----|----|----|--|----------------------|--------------------------------|----------|-------------|----------|-----------------|----------------------|--|-----------------------------------|--|
|  |  |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
|  | <b>&lt;Employment Generation&gt;</b> -- Promotion of self-employment in small-scale activities. <ol style="list-style-type: none"> <li>1. Annual Labor Force Growth Rate : 3 % (135,000 jobs) 100,000 for rural areas</li> <li>2. Retrenchments of Public Services : 20% over 3 years ( of 143,855 personnel)</li> <li>3. Demobilization of Military Personnel : 42,000 over 3 years</li> <li>4. Reforms of State Own Enterprises : some 10,000 employees</li> </ol> |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
|  | Poverty Line<br>(per month family)   | <table border="1"> <tr> <td>Phnom Penh (5.9)</td> <td>R 371,533</td> </tr> <tr> <td>Other Urban (5.9)</td> <td>R 223,220</td> </tr> <tr> <td>Rural (5.5)</td> <td>R 185,835</td> </tr> </table> | Phnom Penh (5.9)  | R 371,533 | Other Urban (5.9) | R 223,220 | Rural (5.5) | R 185,835 | <b>&lt;Expenditure Breakdown (%) by Households (5.6)&gt;</b><br>Food (59), Clothing (3.8), Housing (12.4), Medical (7.6)<br>Transport (4.9), Others (12.1) <b>&lt;Total : 290,556 R/hh/mth&gt;</b> |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
|  | Phnom Penh (5.9)   | R 371,533   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| Other Urban (5.9)  | R 223,220  |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| Rural (5.5)  | R 185,835  |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| <b>&lt;Poverty Profile&gt;</b>   |  | <b>&lt;Poverty Alleviation&gt;</b>  |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| <table border="1"> <thead> <tr> <th>(%)</th> <th>Phnom Penh</th> <th>Urban</th> <th>Rural</th> <th>Cambodia</th> </tr> </thead> <tbody> <tr> <td>Households</td> <td>24</td> <td>35</td> <td>40</td> <td>38</td> </tr> <tr> <td>Persons</td> <td>19</td> <td>27</td> <td>32</td> <td>30</td> </tr> </tbody> </table> <p>* 90 % of Cambodian's poverty is in rural<br/>(Lack of : land, draught power, water, the means of increase of rice production, animal health programs)</p> |  | (%)   | Phnom Penh  | Urban     | Rural             | Cambodia  | Households  | 24        | 35   | 40 | 38 | Persons | 19 | 27 | 32 | 30 | <table border="1"> <thead> <tr> <th><u>Disadvantaged</u></th> <th><u>Lack of Skills/ Capital</u></th> </tr> </thead> <tbody> <tr> <td>Disabled</td> <td>Smallholder</td> </tr> <tr> <td>Refugees</td> <td>Informal sector</td> </tr> <tr> <td>Internally displaced</td> <td></td> </tr> <tr> <td><u>Female - headed households</u></td> <td></td> </tr> </tbody> </table> <p>* Targeted programs are necessary</p> | <u>Disadvantaged</u> | <u>Lack of Skills/ Capital</u> | Disabled | Smallholder | Refugees | Informal sector | Internally displaced |  | <u>Female - headed households</u> |  |
| (%)  | Phnom Penh   | Urban   | Rural   | Cambodia  |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| Households   | 24   | 35  | 40  | 38        |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| Persons  | 19   | 27  | 32  | 30        |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| <u>Disadvantaged</u>   | <u>Lack of Skills/ Capital</u>   |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| Disabled   | Smallholder  |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| Refugees   | Informal sector  |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| Internally displaced   |  |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |
| <u>Female - headed households</u>  |  |   |   |           |                   |           |             |           |  |    |    |         |    |    |    |    |  |                      |                                |          |             |          |                 |                      |  |                                   |  |

|   |   |   |
|---|---|---|
| <b>Social Reconstruction and Development for the Vulnerable</b> | <b>Objective</b>                                  | <b>To reintegrate vulnerable groups into the society's mainstream</b>   |
|   | <b>Development Strategy (Capacity - Building)</b> | <ol style="list-style-type: none"> <li>1. To develop the organization structure and human resources capacities,</li> <li>2. To establish a sound action research base,</li> <li>3. To improve external aid coordination and management, and</li> <li>4. To establish more effective networks and support system at the all level</li> </ol> |
|   | <b>Women and Children</b>                         | <ol style="list-style-type: none"> <li>(1) National Nutrition Plan of Action (food, safe water, sanitation, hygiene, health information)</li> <li>(2) Ratification of "Convention on the Rights of Children" and "Convention to Eliminate All Forms of Discrimination against Women"</li> </ol>   |
|   | <b>Most Vulnerable Groups</b>                     | Orphaned & Abandoned Children, Street Children & Families, Street Women, Sexual Exploitation of Women & Children, People Affected by Armed Conflict, Peoples with Disabilities, Poor Single-headed Households, Isolated Ethnic Minorities, Frail Elderly, Peoples with HIV/AIDS, Child Placement and Care                                   |

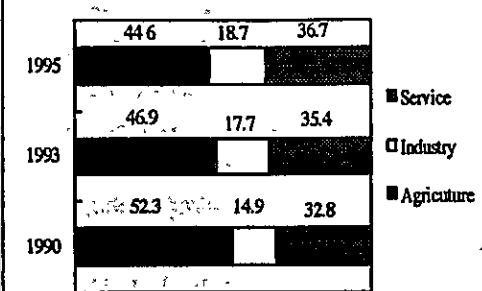
|   |   |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
|---|---|---|--|----------------------|--------------------------------------|----------------------|-------------------------------|------------------------|-------------------------------|-----------------------|--------------------------------|------------------------|------------------------------|---------------------------|--|----------------------|---|
| <b>Developing<br/>the Rural<br/>Areas</b><br><br><b>(21 Provinces<br/>and<br/>170 Districts)</b><br><br>Note: Phnom Penh and<br>Sihanoukville cities are<br>considered as provinces | <b>Characteristics<br/>of<br/>Rural Areas</b><br><br>(urban growth<br>Rate : 8.5%)  | Population Estimation : 10.2 million (1995)    Population Growth Rate : 2.8%<br>Rural Population : 85 %    Female Population : 53 %<br>Rural households income from non-agricultural activities : over 40 %<br>Population under 5 of age : 47 %    A total population by 2000 : 11.7 million  |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
|   | <b>Urban Areas</b><br><15%>   | (1) Phnom Penh (950,000), (2) Battambang (133,000), (3) Sisophon (89,000),<br>(4) Siem Reap (82,000), (5) Kompong Thom (67,000), (6) Sihanoukville (51,000)<br>(7) Prey Veng (51,000), (8) Takhmau (47,000), (9) Kompong Cham (37,000)  |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
|   | <b>Uneven Population<br/>Distribution</b> <(1) + (2) = 80%>   | (1) Plain Region (high), (2) Lake Region (Medium), (3) Coastal<br>Region (medium), (4) Plateau & Mountain Region (low)  |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
|   | <b>Rural<br/>Development<br/>Management<br/>Structure</b>   |  <p style="text-align: center;"><b>Council for Agriculture and Rural Development    CARD</b></p> <p style="text-align: center;">Line Ministries    <b>MRD</b>    Provincial Rural Development Committee</p> <p style="text-align: center;">District Rural Development Committee</p> <p style="text-align: center;">Commune Rural Development Committee</p> <p style="text-align: center;">Village Development Committee (VDC)<br/>(By election, 40% must be women)</p> <p style="text-align: center;"><u>VDC Set-up Targets</u><br/>         (1) 2,500 by March '98<br/>         (20 % of villages)<br/>         (2) 7,500 by 2000<br/>         (70% of Villages)</p> |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| <b>Rural<br/>Expenditures<br/>and<br/>Income Sources</b><br>(Household : 5.5)   | <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>&lt;Sources of Income&gt;</b></td> <td style="text-align: center;"><b>&lt;Expenditure Breakdown (%)&gt;</b></td> </tr> <tr> <td>Monetary (69.5%) and</td> <td>Food                            63.7</td> </tr> <tr> <td>Non-monetary (30.5%)</td> <td>Clothing, Footwear        4.0</td> </tr> <tr> <td>Business        40.8 %</td> <td>Housing, Utilities        8.0</td> </tr> <tr> <td>Agriculture    43.5 %</td> <td>Medical                    8.7</td> </tr> <tr> <td>Others           15.7%</td> <td>Transport                3.8</td> </tr> <tr> <td><u>Total :        100</u></td> <td><u>Other                        11.8</u></td> </tr> <tr> <td>130,849 Riels/hh/mth</td> <td><u>Total : (=100%) 238,772 Riels/hh/mth</u></td> </tr> </table> | <b>&lt;Sources of Income&gt;</b>  | <b>&lt;Expenditure Breakdown (%)&gt;</b> | Monetary (69.5%) and | Food                            63.7 | Non-monetary (30.5%) | Clothing, Footwear        4.0 | Business        40.8 % | Housing, Utilities        8.0 | Agriculture    43.5 % | Medical                    8.7 | Others           15.7% | Transport                3.8 | <u>Total :        100</u> | <u>Other                        11.8</u> | 130,849 Riels/hh/mth | <u>Total : (=100%) 238,772 Riels/hh/mth</u> |
| <b>&lt;Sources of Income&gt;</b>  | <b>&lt;Expenditure Breakdown (%)&gt;</b>  |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| Monetary (69.5%) and  | Food                            63.7  |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| Non-monetary (30.5%)  | Clothing, Footwear        4.0   |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| Business        40.8 %  | Housing, Utilities        8.0   |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| Agriculture    43.5 %   | Medical                    8.7  |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| Others           15.7%  | Transport                3.8  |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| <u>Total :        100</u>   | <u>Other                        11.8</u>  |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| 130,849 Riels/hh/mth  | <u>Total : (=100%) 238,772 Riels/hh/mth</u>   |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| <b>Focal Areas<br/>for Rural<br/>Development</b>  | <ol style="list-style-type: none"> <li>1. Rural roads ( for communication, market and distribution, and social services)</li> <li>2. Primary health care, sanitation and water supply</li> <li>3. Education and training (including rural peoples)</li> <li>4. Community development,</li> <li>5. Household farming system (smallholder, animal health, cash and food, irrigation, water control, garden crops, fish-farming)</li> <li>6. Rural credit (seeds, fertilizer, rice bank, small stock, non-farm micro-enterprises)</li> <li>7. Improved information, through village socioeconomic surveys</li> </ol>   |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |
| <b>Other<br/>Important<br/>Areas</b>  | <ol style="list-style-type: none"> <li>1. Establishment of Community and Women's Development Center</li> <li>2. NGOs Contribution (1996 - 2000 : US\$ 375 million projects)</li> <li>3. Credit Committee for Rural Development (CCRD) under CARD</li> <li>4. Social Funds under Council of Ministers' (US\$ 50 million over 5 years)</li> <li>5. CMAC (10 mil. mines &amp; 1,900 minefields existence/annual 10-11 sq km clearance)</li> </ol>  |   |  |                      |                                      |                      |                               |                        |                               |                       |                                |                        |                              |                           |  |                      |   |

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| <b>Management of the Environment and Natural Resources</b> | <b>Overall Medium-Term Goals</b>                               | <b>MOE</b>  | 1. Establishment of its mandate & linkages at the central level<br>2. Provincial office set-up & strengthening of its linkages<br>3. Preparation for HRD plan                              |
|  |  | <b>Line Ministries</b>  | 1. Formation of environment units in MAFF, MIME, MOT, CDC, MPWT, etc.,<br>2. Policy and programs preparation within these Ministries,<br>3. Development of cross-sectoral programs and EIA |
|  | <b>&lt;Medium-Term Goals for Management of Sub- Sector&gt;</b> |   |  |
|  | <b>Forestry</b>  | (1) Set-up for forestry management objectives, (2) Preparation for forestry inventory and for deforestation, (3) Preparation for guidelines/standards of assessment for forest-use products, (4) EIA development, (5) Improvement of institutional capacity (strategy, personnel, facilities & equipment), (6) Reestablishment of Institute for Forest Management & Research, (7) Reassess & review concessions, (8) Reforestation of 5,000 ha per year, (9) Protection of indigenous interests, (10) Preservation of 40-50% land for forest            |  |
|  | <b>Coastal Zone</b>  | (1) Development of Preliminary M/P, (2) Development of local area management plan, (3) Provision of local infrastructure & services, (4) Provision of regulatory surveillance, (5) Development of local institutions  |  |
|  | <b>Water Quality</b>   | (1) Development of mining/industrial pollution control strategy, (2) Development of enforcement capacity in a key provinces, (3) Development of agreement for mining pollution control requirements, (4) Development of pollution control at industrial sites, (5) Application of technology for urban wastewater control in Battambang   |  |
|  | <b>Fisheries</b>   | (1) Improvement of understanding of environment & socioeconomic cause for fishery resources depletion, (2) Reconstruction of historical database, (3) Establishment of Freshwater Fisheries Research Institute, (4) Improvement of institutional capacity, (5) Preparation of fishery stock inventory & annual fishery yields assessment, (6) Research for speciation, reproductive cycles & habitats, regeneration, (7) Plan for physical improvement to enhance fish productivity in the flow regime of the Lake and Mekong river                     |  |
|  | <b>Tonle Sap Ecosystem</b>                                     | National Mekong River Committee will develop the natural resources based strategy<br>MOE will propose to establish a basin-wide institution for a long-term management  |  |
|  | <b>Protected Areas</b>   | (1) Set-up for a national framework for development and environmental conservation, (2) Development of strategic plan for protected areas, (3) Development of guidelines for biodiversity conservation and socioeconomic development within buffer zones, and development of land use plans in the protected areas, (4) Devise working agreement for conflict fields (fisheries and forestry), (5) Undertaking capacity-building for the protected areas management, (6) Determination of financial requirements and means for funding local operations |  |
|  | <b>Urban Environment</b>                                       | MPWT, MINE, and MOE will work with provincial/district offices for the better management of infrastructure & public service functions. In Phnom Penh, the urban infrastructure management skills (drainage, sanitation, solid waste) will be developed. Demonstration projects will be undertaken at provincial/district centers  |  |

|   |   |   |   |
|---|---|---|---|
| <b>Reforming State Institutions</b><br>(1 of 2) | <b>Public Administration Reform</b>   | <b>&lt;Objectives&gt;</b><br>1. Unified<br>2. Neutral<br>3. Transparent<br>4. Effective<br><br>(Inter-Ministerial Technical Committee to Reform the Administration : ITCRA)   | <u>1. Restructuring the Public Administration</u><br>(1) strengthening Council of Minister's services, (2) formalizing procedures and instruments of decision, (3) coordination and follow-up, (4) clarifying mandates in order to delineate roles and responsibilities<br><br><u>2. Strengthening Sectoral Ministries</u><br>(1) The reform measures will be taken in pilot ministries (MOH, MOEYS, MOAFF, MOSALVA, MPWT) to be applied to other ministries, (2) Management consulting unit is established in ITCRA for this purpose<br><br><u>3. Reforming the Civil Service</u> (Civil Service Reform Committee)<br>(1) undertaking a qualitative and quantitative census, (2) feasibility studies on reintegration measures, (3) reforming personnel management, (4) 20 % reduction of civil servants by 1997 (Total of civil services : 143,855)<br><br><u>4. Developing Human Resources</u><br>(1) Two constrains (recurrent costs, managerial and technical areas), (2) Training program will be created (Ex. Royal School of Administration)<br><br><u>5. Strengthening Provincial Administration</u><br>(1) To recalibrate roles and responsibility between central and province levels, (2) To define the decentralization, (3) To improve capacity of MoI & provinces, (3) To strengthen inter-ministerial ties (communication, dissemination, training) |
|   | <b>Judiciary Reform</b><br><br>(Action Program by the end of 1996)  | <u>1. Institution Framework</u> *political, technical and financial constraints<br>(1) Jurisdictions -- Creation of Tribunal of Commerce & two-tier system of Provincial Municipal Tribunals - Appeal Court and Supreme Court, operationalized by 1997<br>(2) Personnel -- To develop Magistrates, Legal Clerks, Judges and Prosecutors<br><br><u>2. Legal Framework</u><br>Work program to reform penal and civil procedures and the penal code, & specialized issues<br><br><u>3. Human Resources base Development</u><br>(1) Training of magistrates, clerks and others is a high priority, (2) Program is developed by the end of 1996, along with three basic thrusts : Satisfying immediate needs, Structuring of training mechanisms, meeting long-term personnel requirements<br><br><u>4. Development and Dissemination of Judicial Information</u><br>(1) A project to this effect will be articulated in the first half of 1996, (2) A quarterly bulletin of jurisprudence & Review of Cambodian Jurisprudence are to be published<br><br><u>5. Upgrading of Buildings and Equipment</u><br>Strategy and investment plan for the physical facilities will be prepared by mid-1996. |   |
| <b>Security Forces Reform</b>                   | <b>Objectives</b><br>(1) To reallocate scarce resource to the development,<br>(2) To re-orient spending priorities from military to civilian needs<br><br><b>Considering Factors</b><br>(1) the security environment in the country, (2) the dynamism of the private sector, (3) the external assistance<br><br><b>Commitment</b><br>To demobilize some 42,000 soldiers (over 132,000) by the end of 1997<br><br><b>Institution</b><br>National Commission for Demobilization and Reintegration |   |   |
| (Continued)                                     |   |   |   |

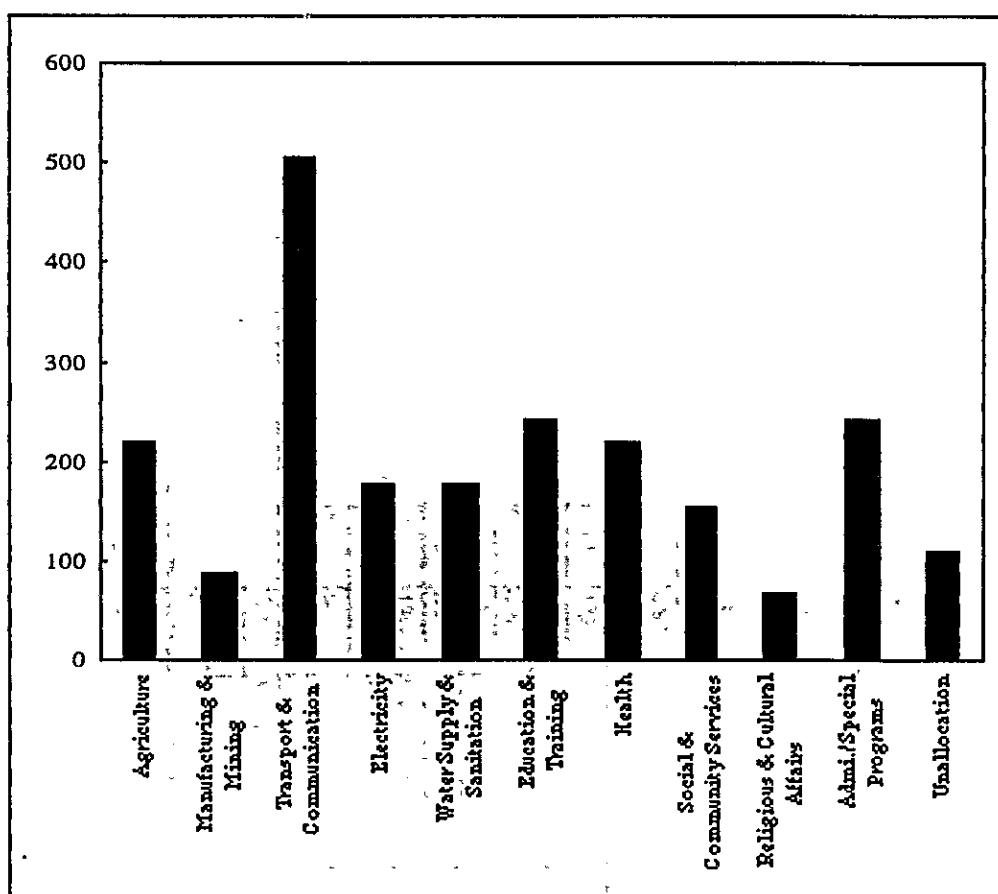
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|--|---|--|--|---|
| <b>Reforming State<br/>Institutions<br/>(2 of 2)</b> | <b>State<br/>Enterprises<br/>Reform</b>   | <b>Objectives</b>                            | (1) To strengthen market economy and facilitate the private sector growth,<br>(2) To promote productive base, entrepreneurship and foreign investment  |   |
|  |   | <b>Institution</b>                           | Inter-Ministerial Committee on Privatization   |   |
|  |   | <b>Strategy</b>                              | Privatization  | (1) Completion of cross debt inventory and procedures for clearance , (2) Finalizing for CKC, KAMPEXIM, rubber plantation and two banks, (3) Conduct F/S for other sectors  |
|  |   | (some 10,000 employees will be affected)     | Rehabilitation   | (1) Transport and Utilities sectors are not privatized,<br>(2) Elimination of budgetary transfers and credit, imposition of limits on commercial credits, set-up new legal framework  |
|  |   | Liquidation                                  | To undertake F/S for this purpose  |   |
|  | <b>Legislative<br/>Reform</b>   | <b>Objectives</b>                            | (1) To establish rule of law, (2) To cater to needs of citizens and of private business, (3) to join ASEAN and integrate the domestic economy into the regional and world economies  |   |
|  |   | <b>Strategy</b>                              | (1)Adoption of specific laws, (2) Ratification of international conventions, (3) Establishment of fundamental elements for private sector  |   |
|  |   | <b>Expected Law Adoption</b>                 | New Financial Institution Law (96), Implementation of Law on Investment, Loi sur le System de Comptability (revised), Laws related to BOT, BOOT, BOO and BLT arrangements, Law to control money laundering, New Commercial Code (2 of 10 laws were adopted : the rest are ; Company Law, Arbitration, Contract Law, Bankruptcy, Liquidation, Quality Control, Intellectual Property Rights, Fair Competition, Negotiable Instruments), Securities and Stock Exchange Law (national stock exchange in Phnom Penh in mid-1997), Secured Transactions and Personal Property Leasing Law, Patent and Copyright Law, Labor Law, Land Law, Law on Environment, Law on Casinos and Gaming, Law on Foreign Exchange (96), Law and Regulation on Mineral Exploitation and oil and Gas, Laws and Regulation on Transport and Communication (Railway, Port management, axle-load Restrictions, private ) investment in telecommunication), Administrative Regulation to implement the provision of international contentions (MIGA, ICSID), Two Anticorruption Laws (establishment of Anticorruption Commission, Disclosure of all assets held by government officials) |   |
|  |   | (Official Journal to be published regularly) | <b>Institutional Set-ups</b>   | (1) Bar Association was established, (2) Office of the Inspectorate under the Council of Ministers and the Inspectorates located at the various Ministries, (3) The Constitutional Council, (4) the Supreme Council of the Magistracy, (5) Commercial Court in Phnom Penh |
|  | <Legal Education><br>1. Rule of Law<br>2. Economic Development<br>3. Foreign Investment |  |  |   |

### 3. Context and Framework of SEDP

| <b>Economic Performance : 1990 - 1995</b>  | <b>&lt; Shares in GDP &gt;</b>   | <b>&lt; GDP Growth Rate (%) &gt;</b>   |             |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
|--|--|--|-------------|------------|--------------------------|------|---------|---------------|--|-------|------|------|---|-----------------------------|-------------|-------------|-------------|------------|-----------|-----------|-------------|-------------------------|--------------|------------|------------|------------|------------|
|  |                     | <table border="1"> <thead> <tr> <th></th> <th>1990</th> <th>1993</th> <th>1995</th> <th>1990-95</th> </tr> </thead> <tbody> <tr> <td>Agriculture :</td> <td>6.7</td> <td>(1.0)</td> <td>5.6</td> <td>2.6</td> </tr> <tr> <td>Industry :</td> <td>8.8</td> <td>13.1</td> <td>9.4</td> <td>10.9</td> </tr> <tr> <td>Services :</td> <td>8.5</td> <td>7.0</td> <td>7.4</td> <td>8.3</td> </tr> <tr> <td><b>GDP :</b></td> <td><b>7.6</b></td> <td><b>4.1</b></td> <td><b>7.0</b></td> <td><b>5.9</b></td> </tr> </tbody> </table> |             | 1990       | 1993                     | 1995 | 1990-95 | Agriculture : | 6.7  | (1.0) | 5.6  | 2.6  | Industry :  | 8.8                         | 13.1        | 9.4         | 10.9        | Services : | 8.5       | 7.0       | 7.4         | 8.3                     | <b>GDP :</b> | <b>7.6</b> | <b>4.1</b> | <b>7.0</b> | <b>5.9</b> |
|  |  | 1990   | 1993        | 1995       | 1990-95                  |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
|  | Agriculture :  | 6.7  | (1.0)       | 5.6        | 2.6                      |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
|  | Industry :   | 8.8  | 13.1        | 9.4        | 10.9                     |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| Services :   | 8.5  | 7.0  | 7.4         | 8.3        |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| <b>GDP :</b>   | <b>7.6</b>   | <b>4.1</b>   | <b>7.0</b>  | <b>5.9</b> |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| <b>&lt; Budgetary Operation &gt;</b><br>(%)  | <b>&lt; External Sector &gt;</b> (US\$ million)<br>(Re-exports account for 64% of the total exports) |  |             |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| <table border="1"> <thead> <tr> <th></th> <th>1990</th> <th>1993</th> <th>1995</th> </tr> </thead> <tbody> <tr> <td>Revenue/Current Spending</td> <td>59.5</td> <td>78.8</td> <td>87.7</td> </tr> <tr> <td>Tax Revenue/Current Spending</td> <td>31.4</td> <td>63.6</td> <td>58.9</td> </tr> </tbody> </table> |  | 1990   | 1993        | 1995       | Revenue/Current Spending | 59.5 | 78.8    | 87.7          | Tax Revenue/Current Spending   | 31.4  | 63.6 | 58.9 | <table border="1"> <tbody> <tr> <td>Exports</td> <td>212.3 ('91)</td> <td>283.6 ('93)</td> <td>701.7 ('95)</td> </tr> <tr> <td>Imports</td> <td>245 ('91)</td> <td>471 ('93)</td> <td>1,000 ('95)</td> </tr> <tr> <td>Gross Official Reserves</td> <td></td> <td>29.9 ('92)</td> <td>175 ('95)</td> </tr> </tbody> </table> | Exports                     | 212.3 ('91) | 283.6 ('93) | 701.7 ('95) | Imports    | 245 ('91) | 471 ('93) | 1,000 ('95) | Gross Official Reserves |              | 29.9 ('92) | 175 ('95)  |            |            |
|  | 1990   | 1993   | 1995        |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| Revenue/Current Spending   | 59.5   | 78.8   | 87.7        |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| Tax Revenue/Current Spending   | 31.4   | 63.6   | 58.9        |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| Exports  | 212.3 ('91)  | 283.6 ('93)  | 701.7 ('95) |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| Imports  | 245 ('91)  | 471 ('93)  | 1,000 ('95) |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| Gross Official Reserves  |  | 29.9 ('92)   | 175 ('95)   |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| <b>&lt; Monetary &amp; Banking &gt;</b>  | <b>&lt; Savings &amp; Investment &gt;</b>  |  |             |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| <table border="1"> <thead> <tr> <th></th> <th>1990</th> <th>1994</th> <th>1995</th> </tr> </thead> <tbody> <tr> <td>Consumer Price Index (%)</td> <td>150</td> <td>17.9</td> <td>3.5</td> </tr> </tbody> </table>  |  | 1990   | 1994        | 1995       | Consumer Price Index (%) | 150  | 17.9    | 3.5           | <table border="1"> <thead> <tr> <th></th> <th>1991</th> <th>1993</th> <th>1994</th> </tr> </thead> <tbody> <tr> <td>National Savings (% of GDP)</td> <td>8.3</td> <td>9.4</td> <td>13.8</td> </tr> </tbody> </table> |       | 1991 | 1993 | 1994  | National Savings (% of GDP) | 8.3         | 9.4         | 13.8        |            |           |           |             |                         |              |            |            |            |            |
|  | 1990   | 1994   | 1995        |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| Consumer Price Index (%)   | 150  | 17.9   | 3.5         |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
|  | 1991   | 1993   | 1994        |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
| National Savings (% of GDP)  | 8.3  | 9.4  | 13.8        |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |
|  | US Exchange Rate : Stable around 2,500 Riels   | * GDP in 1995 : 324.8 Billion Riels at 1989 prices<br>(Construction, Restaurants & Hotels at Urban)<br>Annual GDP Growth per capita : Less than 3 %  |             |            |                          |      |         |               |  |       |      |      |   |                             |             |             |             |            |           |           |             |                         |              |            |            |            |            |

|   |   |   |
|---|---|---|
| <b>Macroeconomic, Sectorial &amp; Social Target : 1996 - 2000</b> | <b>*Key Macroeconomic Indicators &amp; Social and Sectorial Targets are attached herewith.</b>  |   |
|   | <b>&lt; Macroeconomic Policies &gt;</b> (GDP Growth : 7.5%, CPI : 4-5%)   |   |
|   | <b>Monetary Policy &amp; Financial Reform</b><br>1. To continue to stop the use of central bank credit<br>2. To encourage cheque transactions, and to increase domestic savings and investment, and to promote "Dedollarisation" (Large note, cheques, treasury bills)<br>3. To rebuild public confidence in two-tier banking system ( the enactment of a commercial banking law),<br>4. To establish development financial institution,<br>5. To enhance the function of the autonomous Central Bank (auditing, monitoring, reserve management, policy formulation, supervision of commercial banks)<br>(Establishment of Modern and Market - oriented Financial System) | <b>Fiscal Policy</b><br>1. To reduce the external financing of current expenditures<br>2. To reduce current expenditures (but to increase salary levels)<br>3. To widen tax base & to improve taxes domestic collections<br>4. To secure current budget surplus for public capital spending<br>5. To reduce defence expenditures for civilian requirements<br>6. To increase spending on social & physical infrastructure<br>7. To reduce external capital expenditures financing |
|   | <b>External Sector</b><br>1. To continue liberal trade and investment policy and to maintain market-determined exchange rate,<br>2. To join ASEAN, and to get a full MFN/GSP status,<br>3. To pursue regional cooperation, and to accept IMF Articles   |   |

|   | <Investment Levels>  |                                       | <Sectoral Allocation for Public Investment, 1996 - 2000> |                |               |                   |
|---|--|---------------------------------------|--|----------------|---------------|-------------------|
|   | Public Investment : US\$ 1.3 billion   | Private Investment : US\$ 3.7 billion | Sector   | Rural/Urban(%) | Sector (%)    | Total (US\$ mill) |
| <b>Public Investment and Its Allocation 1996 - 2000</b> | Total : US\$ 5.0 billion   |                                       | Agriculture  | 97/3           | 10            | 220               |
|   | * Out of the total investment :  |                                       | Manufacturing & Mining                                   | 25/75          | 4             | 88                |
|   | External Financing : 75%   |                                       | Transport & Communication                                | 85/15          | 23            | 506               |
|   | Domestic Financing : 25%   |                                       | Electricity  | 26/74          | 8             | 176               |
|   | *If TA, NGO funding, Service are included, Public Investment will be at <u>US\$ 2.2 billion</u>                    |                                       | Water Supply & Sanitation                                | 25/75          | 8             | 176               |
|   | *Allocations to specific agencies & projects are made in PIP (3-years rolling plan) and the annual budget exercise |                                       | Education & Training                                     | 70/30          | 11            | 242               |
|   |  |                                       | Health   | 75/25          | 10            | 220               |
|   |  |                                       | Social & Community Services                              | 70/30          | 7             | 154               |
|   |  |                                       | Religious & Cultural Affairs                             | 60/40          | 3             | 66                |
|   |  |                                       | Admi./Special Programs                                   | 50/50          | 11            | 242               |
|   |  |                                       | Unallocation   | 65/35          | 5             | 110               |
|   |  |                                       | <b>Total</b>   | <b>65/35</b>   | <b>100(%)</b> | <b>2,200</b>      |



## GDP by Industrial Origin 1990 - 2000

(Billion Riel at 1989 prices, and growth rate in %)

| Industry Category<br>(Sub-sector) | 1990  | 1991 | 1992 | 1993  | 1994    | 1995 (proj) |      | 1996 (proj) |      | 1997 (proj) |     | 1998 (proj) |     | 1999 (proj) |     | 2000 (proj) |     |
|-----------------------------------|-------|------|------|-------|---------|-------------|------|-------------|------|-------------|-----|-------------|-----|-------------|-----|-------------|-----|
|                                   | R Bn  | %    | %    | %     | % (Est) | R bn        | %    | R bn        | %    | R bn        | %   | R bn        | %   | R bn        | %   | R bn        | %   |
| <b>Agriculture</b>                | 127.4 | 6.7  | 1.9  | -1    | 0       | 144.7       | 5.6  | 152.2       | 5.2  | 160         | 5.2 | 168         | 5.2 | 176.1       | 5.2 | 184.7       | 5.2 |
| Crops                             | 74    | 7.2  | -0.4 | -2.3  | -8.1    | 82.5        | 16.3 | 87.4        | 5.9  | 92.6        | 5.9 | 97.7        | 5.5 | 102.9       | 5.3 | 108.4       | 5.3 |
| Rice                              | 49.6  | -4   | -1.9 | 3.2   | -20     | 48.2        | 25   | 51.1        | 6    | 54.2        | 6   | 57.4        | 6   | 60.9        | 6   | 64.5        | 6   |
| Rubber etc.                       | 24.4  | 29.9 | 1.9  | -10.2 | 11.6    | 34.3        | 6    | 36.3        | 5.8  | 38.4        | 5.8 | 40.3        | 4.9 | 42          | 4.2 | 43.9        | 4.5 |
| Livestock                         | 34.1  | 1.2  | 7    | 3     | 4       | 41.1        | 4    | 42.7        | 4    | 44.5        | 4   | 46.2        | 4   | 48.1        | 4   | 50          | 4   |
| Fisheries                         | 12.4  | 8.9  | -5.9 | -5.5  | -2      | 12.2        | 4    | 12.7        | 4    | 13.2        | 4   | 13.8        | 4   | 14.3        | 4   | 14.9        | 4   |
| Forestry                          | 6.9   | 24.6 | 15.1 | 0     | 50      | 8.9         | -40  | 9.4         | 5    | 9.8         | 5   | 10.3        | 5   | 10.8        | 5   | 11.4        | 5   |
| <b>Industry</b>                   | 36.3  | 8.8  | 15.7 | 13.1  | 7.7     | 60.9        | 9.4  | 68.1        | 11.8 | 74.9        | 9.8 | 82.2        | 9.8 | 90.3        | 9.8 | 99.2        | 9.8 |
| Mining & Quarrying                | 2.8   | 7.1  | 6.7  | 6.3   | 9       | 4           | 8    | 4.3         | 8    | 4.7         | 8   | 5           | 8   | 5.4         | 8   | 5.9         | 8   |
| Manufacturing                     | 17.2  | 7    | 3.3  | 7.9   | 7.9     | 24.1        | 9    | 27.7        | 15   | 30.5        | 10  | 33.5        | 10  | 36.9        | 10  | 40.6        | 10  |
| Electricity & Water               | 0.5   | 0    | 20   | 16.7  | 7       | 0.8         | 8    | 0.9         | 8    | 0.9         | 8   | 1           | 8   | 1.1         | 8   | 1.2         | 8   |
| Construction                      | 15.8  | 11.4 | 30.1 | 18.3  | 7.4     | 32          | 10   | 35.2        | 10   | 38.7        | 10  | 42.6        | 10  | 46.9        | 10  | 51.6        | 10  |
| <b>Services</b>                   | 80    | 8.5  | 11.2 | 7     | 7.4     | 119.2       | 7.4  | 129         | 8.2  | 140.6       | 9   | 153.3       | 9   | 167.2       | 9   | 182.3       | 9   |
| Transport & Comms                 | 6.4   | 9.4  | 15.7 | 9.9   | 9.5     | 10.7        | 10   | 11.8        | 10   | 13          | 10  | 14.3        | 10  | 15.7        | 10  | 17.3        | 10  |
| Wholesale & Retail Trade          | 30.5  | 12.8 | 16   | 6     | 5.9     | 48.4        | 8    | 52.2        | 8    | 57.5        | 10  | 63.2        | 10  | 69.5        | 10  | 76.5        | 10  |
| Hotel & Restaurants               | 0.7   | 42.9 | 30   | 7.7   | 20      | 1.8         | 10   | 2           | 10   | 2.2         | 10  | 2.5         | 10  | 2.7         | 10  | 3           | 10  |
| Admin, Educ & Health              | 11    | 0    | 0    | 4.5   | 8       | 12.9        | 3.5  | 13.9        | 8    | 15          | 8   | 16.2        | 8   | 17.5        | 8   | 18.9        | 8   |
| Home Ownership                    | 15.9  | 2.5  | 6.7  | 8     | 7.8     | 21.8        | 7.5  | 23.5        | 8    | 25.4        | 8   | 27.4        | 8   | 29.6        | 8   | 32          | 8   |
| Other Services                    | 15.5  | 10.3 | 9.9  | 8.5   | 8.2     | 23.6        | 7    | 25.5        | 8    | 27.5        | 8   | 29.8        | 8   | 32.1        | 8   | 34.7        | 8   |
| <b>GDP</b>                        | 243.7 | 7.6  | 7.1  | 4.1   | 4       | 324.8       | 7    | 349.3       | 7.5  | 375.5       | 7.5 | 403.5       | 7.5 | 433.6       | 7.5 | 466.2       | 7.5 |



**Key Macroeconomic Performance and Targets 1991-2000**

|   | 1991<br>(Actual)   | 1992<br>(Actual)    | 1993<br>(Actual) | 1994<br>(Rev Est)  | 1995<br>(Proj) | 1996<br>(Proj) | 1997<br>(Proj) | 1998<br>(Proj) | 1999<br>(Proj) | 2000<br>(Proj) |
|---|--------------------|---------------------|------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Real GDP (%)                                | 7.6                | 7.1                 | 4.1              | 4                  | 7.5            | 7.5            | 7.5            | 7.5            | 7.5            | 7.5            |
| Consumer Price Index (%)<br>(final quarter) | 87.9<br>(December) | 176.8<br>(December) | 31<br>(December) | 26.1<br>(December) | 3.5            | 5              | 5              | 5              | 5              | 5              |
| Domestic Exports (US\$ million)             | 67.3               | 51.3                | 102.2            | 262                | 218.6          | 53             | 59             | 65             | 72             | 80             |
| Retained Import (US\$ million)              | 99.8               | 137.5               | 289.6            | 498.2              | 516.9          | 490            | 510            | 540            | 600            | 700            |

**1. Budgetary Operation**

|                         | <Billion Riels (Current Prices) and % of GDP> |             |              |              |              | <As of % GDP> |      |      |      |      |
|-------------------------|---|-------------|--------------|--------------|--------------|---------------|------|------|------|------|
| Budget Revenue          | 58.9 (4.4)                                    | 156.0 (6.2) | 290.1 (5.4)  | 590.3 (9.6)  | 694.4 (9.9)  | 9.9           | 10.4 | 10.8 | 11.2 | 11.6 |
| Tax                     | 31.1 (2.3)                                    | 109.7 (4.4) | 234.1 (4.3)  | 364.6 (5.9)  | 466.3 (6.6)  | 7.4           | 7.9  | 8.3  | 8.8  | 2.3  |
| Non-Tax                 | 27.8 (2.1)                                    | 46.3 (1.8)  | 56 (1.0)     | 225.7 (3.7)  | 228.1 (3.2)  | 2.5           | 2.4  | 2.5  | 2.4  | 2.3  |
| Budget Expenditure      | 104.2 (7.8)                                   | 245.6 (9.8) | 608.4 (11.2) | 1002 (16.3)  | 1283 (18.2)  | 17            | 16.2 | 16.1 | 16.4 | 16.9 |
| Current Expenditure     | 99 (7.4)                                      | 238.6 (9.5) | 368.2 (6.9)  | 662.4 (10.8) | 792.2 (11.2) | 10.2          | 9.8  | 9.7  | 9.8  | 10   |
| Defence & Security      | 46.8  | 118.6       | 219.4        | 391.5        | 412.9        | 4.9           | 4.5  | 4.3  | 4.1  | 3.9  |
| Other                   | 52.2  | 119.9       | 153.8        | 270.9        | 379.3        | 5.3           | 5.3  | 5.4  | 5.7  | 6.1  |
| Capital Expenditure     | 5.2 (0.4)                                     | 7.1 (0.3)   | 235.2 (4.3)  | 339.6 (5.5)  | 490.8 (7.0)  | 6.8           | 6.4  | 6.4  | 6.6  | 6.9  |
| Current Budget Deficit  | 40.1 (3.0)                                    | 82.5 (3.3)  | 83.1 (1.5)   | 72.1 (1.2)   | 97.8 (1.4)   | -0.3          | 0.6  | 1.1  | 1.4  | 1.6  |
| Overall Budget Deficit  | 45.3 (3.4)                                    | 89.6 (3.6)  | 318.3 (5.9)  | 411.7 (6.7)  | 588.6 (8.3)  | -7.1          | -5.8 | -5.3 | -5.2 | -5.3 |
| Foreign Financing (net) | 6.1 (0.5)                                     | 1.5 (0.1)   | 239.1 (4.4)  | 410.7 (6.7)  | 576.6 (8.2)  | 6.9           | 5.6  | 5.1  | 5.2  | 5.3  |
| Budget Support          |   |             |              |              |              | 1.5           | 0.6  | 0    | 0    | 0    |
| Project Aid             |   |             |              |              |              | 5.4           | 5.1  | 5.1  | 5.2  | 5.3  |
| Domestic Financing      | 39.2 (2.9)                                    | 88.1 (3.5)  | 79.2 (1.5)   | 1 (0.0)      | 12 (0.1)     | 0.2           | 0.2  | 0.2  | 0    | 0    |

**2. Savings and Investment**

|                           | <As of % GDP> |      |      |      |      |      |      |      |      |      |
|---------------------------|---------------|------|------|------|------|------|------|------|------|------|
| Total Domestic Investment | 9.4           | 9.8  | 15.5 | 19.5 | 22   | 22.6 | 23   | 22.8 | 24.8 | 26.5 |
| Government Investment     | 0.4           | 0.3  | 4.3  | 5.5  | 6.2  | 6.4  | 6.1  | 6.1  | 6.5  | 6.9  |
| Domestically Financed     |               |      |      |      |      | 1    | 1    | 1    | 1.2  | 1.2  |
| Foreign Financed          |               |      |      |      |      | 5.4  | 5.1  | 5.1  | 5.2  | 5.3  |
| Non-Government Investment | 9             | 9.5  | 11.2 | 14   | 15.8 | 16.2 | 17   | 16.7 | 18.4 | 19.7 |
| Domestically Financed     |               |      |      |      |      | 12.4 | 11.9 | 11.5 | 12.5 | 12.7 |
| Foreign Financed          |               |      |      |      |      | 3.7  | 5.1  | 5.2  | 5.9  | 7    |
| Financing of Investment   | 9.4           | 9.8  | 15.5 | 19.5 | 22   | 22.6 | 23   | 22.8 | 24.8 | 26.5 |
| National Savings          | 8.3           | 7.1  | 9.4  | 12   | 13.8 | 13.4 | 12.8 | 12.5 | 13.6 | 14.2 |
| Government Savings        | -3            | -3.3 | -1.5 | -1.2 | -1.4 | -0.3 | 0.6  | 1.1  | 1.4  | 1.6  |
| Non-Government Savings    | 11.3          | 10.4 | 10.9 | 13.2 | 15.2 | 13.7 | 12.2 | 11.4 | 12.2 | 12.6 |
| Foreign Savings           | 1.1           | 2.7  | 6.1  | 7.5  | 8.2  | 9.2  | 10.2 | 10.3 | 11.2 | 12.3 |

**3. Balance of Payment**

|                            | <( % of GDP), US\$ Million> |             |              |               |               |       |       |       |       |       |
|----------------------------|-----------------------------|-------------|--------------|---------------|---------------|-------|-------|-------|-------|-------|
| Trade Balance              | (1.7) -32.5                 | (5.7) -86.2 | (8.5) -187.4 | (9.8) -236.2  | (10.2) -298.3 | -13.6 | -12.4 | -11.7 | -11.6 | -12.1 |
| Service Balance            | 1.3                         | 27.6        | -72.6        | -126          | -123.4        | -1.6  | -1    | -0.6  | -0.2  | 0     |
| Private Transfers          | 3.5                         | 9           | 9            | 20            | 20            | 1     | 0.8   | 0.9   | 0.8   | 0.7   |
| Current Account Balance I  | (1.5) -27.7                 | (3.3) -44.6 | (11.4) -251  | (14.3) -342.2 | (13.7) -401.7 | -14.2 | -12.6 | -11.4 | -11   | -11.4 |
| Official Transfers         | 2.5                         | 5           | 270.6        | 234.8         | 239.2         | 7.7   | 6.2   | 5.3   | 4.4   | 3.7   |
| Current Account Balance II | -25.2                       | -44.6       | -19.6        | -107.4        | -162.5        | -6.5  | -6.4  | -6.1  | -6.6  | -7.7  |
| Capital Account            | 25.2                        | 38          | -4.1         | 140.7         | 164.1         | 5.8   | 7.3   | 7     | 7.6   | 8.8   |
| Overall Balance            | -10                         | -6.6        | 15.5         | 33.3          | 1.6           | -0.7  | 0.9   | 0.9   | 1     | 1.1   |

**Major Targets for Social Development 2000**

| <b>&lt;Overall&gt;</b>      | <b>Current Estimates</b>  | <b>Targets by 2000</b>       |
|-----------------------------|---|------------------------------|
| Maternal Mortality          | 650 over per 100,000 live births  | 300 per 100,000 live births  |
| Infant Mortality            | 115 per 1,000 live births   | 80 per 1,000 live births     |
| Under- 5 years Mortality    | 181 per 1,000 live births   | 120 per 1,000 live births    |
| Children's Nutrition Status | 40 -50% of under 5s malnourished<br>(>2sd below standard weight of age) | 25% of under-5s malnourished |

**<Education>**

|   |   |   |
|---|---|---|
| Children will become functionally literate and numerate through completing Primary school | 13% of Primary school students complete Grade 5 in five years | 65% of 12 year-olds to complete Grade 6 and become functionally literate and numerate |
| Enrolment of female students in first grade of higher secondary education                 | 19% of students in higher secondary education are female      | 50% of 16 year-old girls to be enrolled in Grade 10                                   |

**<Access to Health Services>**

|   |  |   |
|---|--|---|
| Rural births attended by trained midwife or nurse                 | More than 90% of rural births at home, most attended by traditional midwives | 40% of births in rural areas to be attended by a trained person   |
| Access to birth-spacing information and services                  | Services available only in urban areas                                       | 80% of couples in the 12 most populous provinces to have access to birth-spacing information and services |
| Children vaccinated against :<br>Tuberculosis<br>Polio<br>Measles | One-year-olds vaccinated<br>78%<br>54%<br>53%                                | Over 80% of one-year-olds vaccinated with all antigens  |

**<Access to Safe Water>**

|   |  |
|---|--|
| 26% of rural population and 65% of urban population have access to safe water | 65% of rural population and 90% of urban population to have access to safe water |
|---|--|

**<Improved Sanitation>**

|  |   |
|--|---|
| 74% of urban population and 6% of rural population have access to improved toilet facilities | 100% of urban population and 20% of rural population to have access to improved toilet facilities |
|--|---|

#### 4. Sectoral Development Strategies and Programs

| <p>* Private sector responsible for production &amp; marketing</p> <p><b>Agriculture (1 of 3)</b></p> <p>Area cultivated (92-93) <b>2,107,600 ha</b></p> <p>Rice: 1,844,000 ha (88%)</p> <p>Paddy Yield : 1.3 mt /ha</p> <p>(Continued)</p> | <p><b>Basic Goals</b></p> <p>1. Ensure food security (rice and secondary food crops)</p> <p>2. Contribute economic growth &amp; foreign earnings through exports</p> <p>3. Improve income opportunities by diversifying crop production</p>                          | <p><b>&lt;GDP Shares in Agricultural Sector&gt;</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Crops</th> <th>Livestock</th> <th>Forestry</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>58.7</td> <td>27.1</td> <td>8.16</td> </tr> <tr> <td>1995</td> <td>57</td> <td>28.4</td> <td>8.4</td> </tr> </tbody> </table> |  | Year   | Crops | Livestock | Forestry | 2000 | 58.7 | 27.1 | 8.16 | 1995 | 57 | 28.4 | 8.4 |
|---|--|---|--|--|-------|-----------|----------|------|------|------|------|------|----|------|-----|
|   | Year   | Crops   | Livestock  | Forestry   |       |           |          |      |      |      |      |      |    |      |     |
|   | 2000   | 58.7  | 27.1   | 8.16   |       |           |          |      |      |      |      |      |    |      |     |
|   | 1995   | 57  | 28.4   | 8.4  |       |           |          |      |      |      |      |      |    |      |     |
|   | <p><b>Increase of Rice Output</b></p> <p>* To formulate clear rice policy, together with the study of Terms of Trade, marketing &amp; distribution</p> <p><u>Rice Consumption</u></p> <p>Rural : 72.7 kg /household/month</p> <p>Urban : 66.0 Kg/household/month</p> | <p><b>Special Feature</b></p> <p>Single cropping, Rainfed cultivation, Low yields, Low productivity, and Low agricultural incomes</p>   | <p><b>&lt;Water Control&gt; --- irrigation (only 1% fully irrigated)</b></p>   |  |       |           |          |      |      |      |      |      |    |      |     |
|   |  | <p><b>Principal</b></p> <p>1. Cost-Recovery, 2. Cost-Effectiveness, 3. Local Participatory Approach (Water Users' Association)</p>  | <p><b>Selection Strategy</b></p> <p>1. Rehabilitation of existing ones, 2. Higher Internal Rate of Return, 3. Small-scale irrigation (pumps &amp; colmatage canal)</p>   |  |       |           |          |      |      |      |      |      |    |      |     |
|   |  | <p><b>Implementation Strategy</b></p> <p>1. To be consistent with rural development policy, starting from VDCs, 2. To pass new Water Resources Law</p>  | <p><b>&lt;Availability of Inputs&gt; -- through Publicity, Extension and Credit</b></p> <p>* (1) Fertilizer (COCMA : 25%, Private Sector : 75%)</p> <p>(2) Seed Improvement (MAFF &amp; IRRI - minor problem)</p> <p>(3) Pesticide (COCMA : 50%, Private Sector : 50%)</p> <p>*Private Distribution Problems : (1) small trader (wholesale &amp; importers), (2) supply for remote areas, (3) overall shortage of fertilizer</p> |  |       |           |          |      |      |      |      |      |    |      |     |
|   |  | <p><b>Developing Commercial Crop Production</b></p> <p>Rubber Production</p> <p>DGPH of MAFF</p> <p>6 plantations</p> <p>4 factories</p> <p>Other Crops</p> <p>Returns to Labor</p> <p>Rice : \$ 0.64 /p/d</p> <p>Other : Double</p>  | <p><b>Potential</b></p> <p>Production (export) in 1994 is some 40,000 mt (1/4 of 1967)</p> <p>Available land : 330,000 ha (some 500,000 mt)</p> <p>Labour-intensive (low cost) &amp; no market limitation (1%)</p>   | <p><b>Problems</b></p> <p>(1) Old age of tree (low yield per tapped : 43% of 1966' level)</p> <p>(2) 7 year gestation for new plantings to yield latex</p> <p>(3) Poor upkeep and management &amp; marketing</p> |       |           |          |      |      |      |      |      |    |      |     |
|   |  |   | <p><b>Policy</b></p> <p>(1) Privatization through joint ventures, (2) Rehabilitation of existing plantations, (3) Development of small-holder production &amp; Private sector development of 20-200 ha</p>   | <p><b>Problems</b></p> <p>(1) Lack of adequate market &amp; price information, (2) Financial capacity of traders (scarcity of credit), (3) Improved varieties</p>  |       |           |          |      |      |      |      |      |    |      |     |
|   | <p><b>Potential</b></p> <p>Cashew, Coffee, Fruit trees (mango, longan), Maize, Mung beans, Soybeans, Tobacco</p>   |   | <p><b>Strategy</b></p> <p>(1) Establishment of Agricultural Economics &amp; Marketing Unit (market analysis/research, extension, market infrastructure)</p> <p>(2) Encouragement of development of agri-business</p>   |  |       |           |          |      |      |      |      |      |    |      |     |

|   |   |  |   |   |   |
|---|---|--|---|---|---|
| <b>Agriculture<br/>(2 of 3)</b>                                 | <b>Research and Extension</b>   | <b>Problems</b>  | (1) Not well-functioning 14 research stations (Lack of funds, equipment and qualified personnel), (2) Lack of inputs in the market place (type & quality)   |   |   |
|   |   | <b>Strategy</b>  | (1) Establishment of Department of Extension (initially cover 12 provinces)<br>(2) Enactment of agricultural materials law (guarantee for quality & net weight)   |   |   |
|   | <b>Expanding Livestock Production</b>   | <b>Contribution</b>  | (1) 28 % of agricultural GDP in 1995 (3.8% of GDP), (2) 67% of the rural households expenditures is on food, (3) 23 % of income generated from the livestock, (4) 90% of draught power are provided by cattle & buffalo   |   |   |
|   |   | <b>Problems</b>  | <b>1. Animal Health</b>   | High Mortality Rate (Calves : 3-6%, Chicken : 50-60%, Young pig : 30-40%)<br>Low Coverage of Vaccination (20%) Target : 85% |   |
|   |   |  | <b>2. Nutrition</b>   | Protein intake and low digestibility of material & rice straw   |   |
|   |   |  | <b>3. Breeding</b>  | Low returns to the livestock-raising activities   |   |
|   | <Increase Rate><br>(1984-1994)<br>Pigs : 100%<br>Poultry : 85%<br>Human : 29% | <b>Strategy</b>  | (1) Training of technicians, Organizing animal health programs, Village-level extension services development, (2) To improve Dept. of Animal Production and Health, and to upgrade Animal Disease Investigation Center,<br>(3) Establishment of market facilities, (4) Provision of agricultural credit   |   |   |
|   |   | <b>Achieving Sustainable Development of Fisheries</b>  | <Commercial Fish Catch 1992-94 : MT>  |   |   |
|   |   |  |   |   | < Fish Catch by 2000 : MT><br>Inland : 68,000<br>Marine : 38,000<br><u>Aquaculture : 13,000</u><br>Total : 153,000<br>Resources limitation and overfishing for Inland and Marine fisheries) |
|   |   | <b>Objective</b>   | 1. To maintain per capita consumption of fish protein<br>2. To increase incomes generated from the industry<br>3. To ensure sustainability of fisheries resources<br>(30,000 MT of exports and per capita consumption of 10.5 kg in 2000)   |   |   |
| <u>Protein Intake</u><br>40-60% from fish                       | <b>Problems and Priorities</b>  | <b>Inland</b>  | (1) To assemble information for database, (2) Conservation & Management (fishing lots, fish sanctuaries, inundated forests, use of illegal fishing methods), (3) Extension of rural credit  |   |   |
| <u>Fish Farmers ('94)</u><br>90,000 employees<br>10,000 (Aqua.) | * Capacity for monitoring, control and surveillance                           | <b>Aquaculture</b>   | <Pond Production> -- (1) High technical failure, (2) Fish seed supplies, (3) Provision of extension inputs<br><Cage Culture> -- (1) Availabilities of live feed, (2) Human consumption for third grade fish   |   |   |
|   |   | <b>Marine</b>  | <Off-shore> --- (1) Licensing foreign vessels (fees, catching data, control of illegal fishing) for foreign exchanges<br><In-shore> -- (1) Data collection, (2) Overfishing, (3) Controls, (4) Better service & processing<br><Shrimp Farming> --- (1) Self-pollution (disease outbreak, damages of mangrove ecosystem), (3) No proper regulation |   |   |
| (Continued)   | <b>State Trading Enterprises (KAMFIMEX)</b>                                   | 2 freezing plants and three regional fishing units, 10-12% of exports in 1992-94. Privatization is necessary |   |   |   |

|                                 |  |   |                       |  |
|---------------------------------|--|---|-----------------------|--|
| <b>Agriculture<br/>(3 of 3)</b> | <b>Social Benefit<br/>from Forest<br/>Resources</b>        | <b>Logging Industry<br/>(Enforcement)</b> | Potential             | 10.7 million ha for available commercial resources (1989)  |
|                                 |  |   | Critical Issues       | (1) Compatibility between concession area and sustainability, (2) Sustainable management in concession areas, (3) Illegal logging, (4) ensuring national interest (finance & condition)        |
|                                 |  |   | Implementation Policy | (1) To ensure long-term benefits (sustainable management)<br>(2) To promote domestically-located wood-based industries   |
|                                 |  | <b>Policy in<br/>Deficit Areas</b>        | Deforestation         | (1) 25% of land areas due to cultivation (high human density)<br>(2) Large demands for fuel, building materials, forest products   |
|                                 |  |   | Afforestation         | (1) deal with the needs of rural poor especially, (2) income & soil fertility at village areas, (3) Participatory approach by villagers, (4) relevant skills, (5) training in forest extension |
|                                 |  |   | Constrains            | (1) Financial resources, (2) land tenure/tree ownership  |
|                                 | * Exports Ban in May 1, 1995                               |   |                       |  |
|                                 | * Fuelwood and charcoal : 50% of total wood demand in 1995 | * 90% of rural energy supply              |                       |  |

|  |  |  |   |                        |                             |         |
|--|--|--|---|------------------------|-----------------------------|---------|
| <b>Manufacturing<br/>and Mining<br/>(1 of 2)</b> | <b>&lt;GDP Shares in Industrial Sector&gt;</b> |  | <b>&lt;Size &amp; Workers Distribution of Manufacturing in '93&gt;</b>  |                        |                             |         |
|  | 2000   | 5.9    40.9    1.2    52   | <div style="border: 1px solid black; padding: 2px;"> <p>■ Construction</p> <p>■ Electricity &amp; Water</p> <p>□ Manufacturing</p> <p>■ Mining</p> </div> | 1 to 9                 | 83.4% (size) 46.5% (worker) |         |
|  | 1995   | 6.6    39.6    1.3    52.5   |   | 10 to 19               | 11.4%    19.9%              |         |
|  | 1990   | 7.7    47.4    1.4    43.5   |   | 20 to 49               | 4.4%    15.0%               |         |
|  |  |  |   | 50 to 99               | 0.3%    2.7%                |         |
|  |  |  |   | 100 to 199             | 0.2%    3.2%                |         |
|  |  |  |   | 200 to 999             | 0.2%    10.3%               |         |
|  |  |  |   | 1,000 & over           | 0.1%    2.4%                |         |
|  |  | * Survey coverage are limited and rural industries are not included (rice mills, sugar processing, fish sauce & meal, sawmill, charcoal, metal, brick making, vegetable oil, carpentry, artisan noodle, maize mills, etc.) | Manufacturing<br>Distribution by<br>Sector, 1993  | (total : 3,488 estabs) | Estabs No                   | Persons |
|  |  | <b>Privatization<br/>(Privatization Program 1991)</b>  |   | Food Products          | 45.2%                       | 29.0%   |
|  | <b>Foreign Investment (CIB)</b>                |  | Tobacco   | 7.9 %                  | 15.1%                       |         |
|  | Law on Investment, 1994                        |  | Other Non-metallic Mineral  | 14.9%                  | 22.7%                       |         |
|  | Law on Chambers of Commerce, 95                |  | Fabricated Metal  | 10.8%                  | 6.1%                        |         |
|  |  |  | Wood and wood-related   | 14.2%                  | 13.9%                       |         |
|  | <b>Growth Centers</b>                          | Phnom Penh & Sihanoukville   | Industrial Zones (EPZ) --- (1) Dry Port (PHP), (2) Deep Sea Port (SV), (3) Tourism (SV), (4) National Route 4 (PHP & SV)                                  |                        |                             |         |
|  | (General Industrial Program : GIE)             | Siem Reap  | Tourist Center (development of economic & commercial activities)  |                        |                             |         |
|  |  | Battambang   | (1) Agriculture & Fisheries resources, (2) Cross-border trade with Thailand   |                        |                             |         |
|  |  | Kompong Cham   | (1) Agricultural center, (2) Rubber plantation, (3) Trade with Vie Nam  |                        |                             |         |

(Continued)

|   |  |  |  |
|---|--|--|--|
| <b>Manufacturing and Mining<br/>(2 of 2)</b>          | <b>Constraints</b>                                     | (1) Strong Competition in Export and Domestic Market, (2) Lack of Educated Workforce, (3) High Costs for Electricity Power Supply/Telecommunication/Water Supply/Access to Land, (4) Inadequacy of Primary Road Network, (5) Bureaucratic Obstacles, (6) Lack of Access to Market & Technology Information & Entrepreneurial Inexperience, (7) Physical & Commercial Security, (8) Scarcity of Credit for Small-Scale Industry, (9) Natural Resources Conservation |  |
|   | <b>Industrial Development Strategy<br/>1996 - 2000</b> | (1) Export Orientation<br>To become a constituent part of regional industrial development (GSP & MFN)  |  |
|   |  | (2) Labor Intensity<br>To attract "footloose" industries (for employment creation)   |  |
|   |  | (3) Natural-Resources-Based Industry<br>Agro-based, Wood-based, Fisheries-based, Non-Metallic Mineral Industries   |  |
|   |  | (4) Selective Import-Substitution of Consumer Goods<br>To improve quality of product by improved technology & quality controls   |  |
|   |  | (5) Large-Scale Versus Small-scale Industry<br>To consider many areas of choice for scale in different industries  |  |
|   |  | (6) Rural Industry<br>To promote rural enterprises by technical/business advice, training, and credit  |  |
|   |  | (7) Urban Informal Sector Employment Promotion<br>To encourage development of urban small-scale sector (employment creation)   |  |
|   |  | (8) Tourism-Related Industry<br>To develop tourist industry for the service and manufacturing sectors  |  |
|   |  | (9) Downstream Industries Based on Petroleum<br>Offshore oil & gas exploration leads to establish such industries (Shihanoukville)   |  |
| <b>Mineral Resources</b><br><br>(Mining Law with MOE) | <b>Oil and Gas</b><br>(32 Blocks)                      | (1) Petroleum Advisory Board created in 1991, & Cambodian National Oil and Gas Authority will be established, (2) Cambodia National Oil Company will be set up for direct operation (joint venture)  |  |
|   | <b>Constraints</b>                                     | (1) Scarcity of Capital, (2) High costs of exploration/exploitation, (3) lack of expertise, (4) Lack of effective laws & regulations   |  |
|   | <b>Potential</b>                                       | Promising of Gold & Gemstones (ruby, sapphire, zircon), and Phosphates, Limestone (cement), Bauxite, Clay, Sand/Gravel, Granite, (Copper and Zinc)   |  |

|   |                            |   |  |
|---|----------------------------|---|--|
| <b>Tourism<br/>(1 of 2)</b><br><br>1. Job Creation<br>2. Foreign earnings<br>3. Tax revenues<br><br>(Continued) | <b>Objective</b>           | One million visitor arrivals by the year 2000 (37% of annual increase rate)   |  |
|   | <b>Eight Tourism Zones</b> | (1) North & North-east (Anthropological interest), (2) North (Archeological interest), (3) Middle Plains (Nature & river), (4) Upper Mekong Delta (river), (5) Western Coastal (mountaineering & trekking), (6) Eastern Coastal (resort), (7) Siem Reap (Angkor Wat), (8) Plnom Penh (center) |  |
|   | <b>Constraints</b>         | (1) Lack of Human Resources & Training, (2) Poor Infrastructure, (3) Lack of Promotion Finance (4) Poor International Image, (5) Weak Private Sector, (6) Lack of Research & Statistics, (7) Low Product Standards, (8) MoT's Capacity to manage tourism                                      |  |
|   | <b>Strategy</b>            | (1) Protection and preservation of socio-cultural and natural environment<br>(2) Development of infrastructure and hotels (roads, airport, water supply, energy)<br>(3) Development of human resources (training, re-training & education)  |  |

|   |                                       |  |   |
|---|---------------------------------------|--|---|
| (App. 15,000 employees)<br>"Visit Cambodia Year '98"<br><br><b>Tourism</b><br>(2 of 2)<br><br>* Integrated Tourism<br>Development and<br>Management Strategy<br>(June 1996) | Development<br>Program<br>1996 - 2000 | 1. Market and Promotion  | Image and Quality (Phnom Penh, Siem Reap, Sihanoukville)    |
|   |                                       | 2. Product Development   | To upgrade existing product(Flagship product developed)     |
|   |                                       | 3. Access Provision  | To pursue integrated Air Access Policy (Hub for Pochentong) |
|   |                                       | 4. Manpower Development  | HRD & Training is primary focus for tourism development     |
|   |                                       | 5. Organization & Implementation   | Tourism Board guides tourism policy (public & private)      |
|   | Role of Government                    | (1) Scope of Tourist Trade Activity, (2) Product Development, (3) Marketing and Promotion, (4) International Image, (5) Public Investment, (6) Tourism Infrastructure, (7) Human Resources Requirements (key field for intervention by MoT)  |   |
|   | Role of Private Sector                | (1) Upgrading hotels (physical facilities, services, meals, and ancillary services), (2) Improving productivity (good value for money spent), (3) Seeking to use local goods (international standards of quality and price), (4) Encouraging & assisting in the development in its attraction & facilities |   |

|   |   |                     |   |  |  |
|---|---|---------------------|---|--|--|
| <b>Transport and Communication</b><br>(1 of 2)<br><br>(Continued) | <Current Situation of Transport>                              |                     |   |  |  |
|   | Roads<br><br>Direct Costs :<br>US\$ 50 million<br>per year    | Networks            | (1) Total Trafficable Road Network : 12,300 Km (National Roads : 4,200 Km, Provincial Roads : 3,600 Km, Tertiary Roads : 4,500 Km), (2) 2/3 km per 10 km <sup>2</sup> , (3) some 4,100 bridges in RN, (4) Standard Pavement : 4 - 4.5 m   |  |  |
|   |   | Roads Bridges       | Max weight : 20 mt, but causing hazards to traffic (replaced by Bailey-type)  |  |  |
|   |   | Ferries             | (1) 4 main crossing points (Neak Luong, Prek K'dam, Kompong Cham, Stung Treng), (2) poor conditions of vessels, facilities, landing ramps (DANIDA)  |  |  |
|   |   | Roads Transport     | (1) more than 90% of the total surface transport, (2) motor cycles (2 - 5 times number of vehicles), (3) over 1,000 vehicles a day in urban areas (excl. moto), (4) no enforcement of weight limits, (5) over-aged two-axle trucks (commercial)   |  |  |
|   | Water<br>Transport<br>(Dry Port in PHP)                       | Port                | Phnom Penh  | 55% of general cargo and oil import (307,000 mt in '93)  |  |
|   |   |                     | Shihanoukville  | Bulk cargo & containers (1,200 in '94), max of 10,000 dwt  |  |
|   |   |                     | Koh Kong  | Transshipment point for regional trade (100,000 mt per year)   |  |
|   | Railways<br>(CFRC)<br>(some 650 Km)                           | Inland<br>Waterways | (1) Mekong (2,000 dwt to PHP to the sea, some hundred mt to Kratie, 20-50 t to Stung Treng), Tonle Sap (150 t at high water), Bassac (100 t), (2) Regular dredging required (entrance to Great Lake), (3) 2 dredgers (1 million cu m a year)  |  |  |
|   |   |                     | Permanent Way<br>(Max load : 15mt)  | (1) Norther Line (Phnom Penh - Poipet) : 385 Km built 1929 - 1943<br>(2) Southern Line (Phnom Penh - Shihanouk Ville) : 254 Km built 1965-1969 |  |
|   |   |                     | Locomotive/<br>Rolling Stock  | Rolling Stock  | Mine damage and lack of maintenance for 25 years |
|   |   |                     | Locomotive  | 14 diesel locomotives are in a serviceable condition   |  |
|   |   | Traffic             | (1) Two lines are far too low to justify the continued operation of services (in financial & economic term), (2) Commercialization the organization   |  |  |
|   | Civil Aviation<br>(SSCA)<br>(Max size of<br>aircraft : A-300) | Airports            | (1) One international Air port (Pochentong) in Phnom Penh, (2) Siem Reap & Kang Keng (SV) are to be upgraded, (3) Other operational airport: Battambang, Koh Kong, Rattanakiri, Stung Teng, and Monduliri, for internal services  |  |  |
|   |   | Air Transport       | (1) 7 international airlines (Royal Air Cambodge, Thai Airways, Dragon Air, Malaysia Airlines, Vietnam Airlines, Lao Aviation, Silk Air), (2) 25 to BNK, 11 to Singapore, 7 to KL, 14 to HCM, 4 to HNK, 1 to Vientiane, (3) One domestic flight (Royal Air Cambodge) using B734, ATR72, TW aircraft |  |  |

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| <b>Transport<br/>and<br/>Communication<br/>(2 of 2)</b>   | <b>&lt;Long-Term Objectives for Transport&gt;</b>  |   |   |   |
|   | Roads<br>(MPWT)  | (1) To reconstruct & develop the road network, (2) To reconstruct the international highways, (3) To serve all provincial capitals by all-weather roads, (4) To ensure the maintenance & become self-financing (tax, charges, fuel levies), (5) To ensure all urban, rural & provincial roads are maintained by locally - generated funds |   |   |
|   | Railways<br>(CFRC)   | (1) To become self-financing operation, (2) Commercial basis operation of the trains, (3) To restore the missing links (Thai & Vietnam) rail networks   |   |   |
|   | Ports and<br>Waterways<br>(MPWT)   | (1) To maintain waterways (dredging), navigational equipment, and river policing become self-financing operation, (2) Development & maintenance of inland port facilities, (3) Self-sustaining body are created (Phnom Penh, Koh kong, Sihanoukville)   |   |   |
|   | Aviation   | (1) To become self-financing operation or organizations (CAA, Puchentong Airport, Sihanoukville and Siem Reap Airport, provincial airports, Royal Air Cambodge)   |   |   |
|   | <b>&lt;Activities and Policies for Transport : 1996 - 2000&gt;</b>   |   |   |   |
|   | Road<br>Construction<br>and<br>Maintenance   | Top<br>Priority   | To clean the backlog of rehabilitation & maintenance work and to carry out routine & periodic maintenance   |   |
|   |  | (Urban Roads Rehabilitation)  | (National Roads : US\$ 264 m)   |   |
|   |  | Phnom Penh  | 45 Km (\$10 m)  | Rehabilitation (\$69 m) Construction (\$136 m) other (\$128m) |
|   |  | Siem Reap   | 7.5 Km (\$3 m)  | RN 2 (64 km: \$3.3m) RN 1 (162 Km: \$45m) Ferries             |
|   |  | Sihanoukville   | 7.5 Km (\$3 m)  | RN 5 (200 km: \$14m) RN 3 (188 Km: \$21 m) (2 new &)          |
|   |  | Upgrading of 3 workshops  |   | RN 6 (180 km: \$9 m) RN 6 (174 Km: \$45 m) 3 repairs)         |
|   | (Rural feeder roads)   | Training of maintenance staff   |   | RN 7 (286 km: \$20 m) RN 7 (50 Km: \$25 m) Kompong            |
|   |  | Construction of slipway   |   | RN 11 (50 km: \$3 m) Cham Bridge (\$ 86 m)                    |
|   |  | Repair of landing ramps   |   | RNs (400 km: \$20 m) Ring road (Phnom Penh)                   |
|   | Port and Waterways (US\$ 40 m)<br>(Sihanoukville Port Act)   |   | (1) Sihanoukville Port Rehabilitation/Expansion (US\$ 22 m)<br>(2) Upgrading of Phnom Penh Port (US\$ 15 m) |   |
|   | Railways (\$33 m)<br>(Railways Act)  | (1) Rehabilitation of the Southern Lines (track maintenance equipment, rolling stock repair)<br>(2) Rehabilitation of the Northern Lines and restoration of the Sisophon - Poipet line  |   |   |
|   | <b>&lt;Current Situation of Communication&gt;</b>  |   |   |   |
|   | Postal Service   | (1) Each post office in the provincial capitals, 160 in the districts, some 70 in the communes,<br>(2) Post box delivery service system, (3) Speed & reliability depends on transport infrastructure  |   |   |
|   | Tele-<br>Communication   | (1) Cambodia Telecommunication Authority (CTA) will be created, (2) Subscribers No. of 20,000<br>connected to all provincial capitals, & getaways by 2005, (3) Paging & mobile service available  |   |   |
|   | <b>&lt;Long Term Objectives for Communication&gt;</b>  |   |   |   |
|   | Postal Service<br>(public service)   | (1) Increase of No. of provincial post offices, (2) Reduce transmit time of max. 3 days to all areas,<br>(3) Develop new income-generating services, (4) Keep letter basic service for 90% of population  |   |   |
|   | Tele-<br>Communication   | (1) Development of national network system of 140 Mgb, (2) Two lines per 100 population<br>(2) Cover 100% of urban Phnom Penh, Siem Reap Sihanoukville, and 80% of provincial urban cores   |   |   |
| <b>&lt;Planned Activities and Tasks for Communication : 1996 - 2000&gt;</b>   |  |   |   |   |
| Postal Service  | To build institutional capacity (efficient delivery, administration, database, studies)  |   |   |   |
| Tele-<br>Communication  | (1) Expansion of customer telephone networks of Phnom Penh, (2) Construction of micro wave<br>link from Phnom Penh to the Provincial capital, (3) Central switching installation (10,000 lines)<br>and extension to Kompong Cham, Pursat, Battambang, Batreay Meanchay, Poipet |   |   |   |
| <b>&lt;Investment Requirement&gt;</b><br>Post Office : \$ 3.2 m<br>Telecom. M/P : \$ 1 m<br>P & T Train'g Center : \$ 4.3<br>Costal radio net : \$ 3 m<br>total : US\$ 11.5 million |  |   |   |   |



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| <p style="text-align: center;"><b>Water and Electricity</b></p> <p><u>Rainfall</u><br/>Highland : 3,000 mm<br/>Central Plains : 1,000 mm<br/>85% in the wet season</p> | <p style="text-align: center;"><b>Water Supply and Sanitation &amp; Drainage</b></p> | <p style="text-align: center;"><b>Phnom Penh</b></p>   | <p style="text-align: center;"><b>Water Supply (PPWSA), Sanitation/Drainage (City authority)</b></p>  |  |  |  |
|  |  | <p style="text-align: center;"><b>Urban Areas</b></p>  | <p>Water (Dep. of Provincial Water Supply, MIME), Sanitation/Drainage (MPWT)</p>  |  |  |  |
|  |  | <p style="text-align: center;"><b>Rural Area</b></p>   | <p>Water/Sanitation (MoR), Health Education (MoH)</p>   |  |  |  |
|  |  | <p style="text-align: center;"><b>Plan and Targets of Urban Water Supply and Sanitation &amp; Drainage</b></p> | <p style="text-align: center;"><b>Phnom Penh</b></p>  | <p>(1) Rehabilitate water supply system for 640,000 peoples<br/>(2) Increase water supply 220,000m<sup>3</sup>/day (916,000 peoples)<br/>(3) Training (administrative &amp; operational skills)</p>  |  |  |
|  |  |  | <p>Water: \$83.2<br/>Drainage: \$12.4<br/>Total : \$95.6 m</p>  | <p>(1) Collect sewage and treat before discharge, (2) Collect surface run-off from low-tying and Treat before discharge (12 pumping units, Dredging Boeng Trabek), (3) Self- sustainable</p>   |  |  |
|  |  |  | <p style="text-align: center;"><b>Provincial Towns</b></p>  | <p>(1) Establish legal basis, database, and priority by conducting studies, (2) Provision of access to environmental sanitation to 15% of population provided water supply, (3) Provision of potable water supply for 15% of population in the urban cores of 22 towns by rehabilitating system (to provide provincial urban people with piped-water, 125,000 latrines construction )</p>  |  |  |
|  |  |  | <p>(Total : US\$ 25.4 m)</p>  |  |  |  |
|  |  | <p style="text-align: center;"><b>Rural Water Supply and Sanitation</b></p>                                    | <p>(1) Access to clean water to 4 million peoples (26% to 65%) by 2000<br/> <p style="text-align: center;">&lt;Number of New Water Well by 2000&gt;</p> <p>Hand-dug well (16,500), Dug/drilled well (8,250), Hand pump shallow well (9,500), Hand pump deep well (4,750) : Total US\$ 31 million</p> </p>   |  |  |  |
|  |  |  | <p>Dug wells : 2/3<br/>Surface Water: 1/3</p>   | <p>(2) Provide 1.5 million rural people with access to environmental sanitation facilities by 2000 (6% to 22%)<br/> <p>Construction of 135,000 latrines (27,000 per year) : Total US\$ 7.5 million</p> </p>  |  |  |
|  |  | <p>Power Generation Capacity : 0.01KW per capita</p>   | <p style="text-align: center;"><b>Current Electricity Industry</b></p>  | <p>(1) Entire power generation is oil-based and no hydropower plants<br/>(2) 67 MW shortfalls in 1995 (small generating sets No. : 25,000)<br/>(3) Imported Fuel : 40% in Industry &amp; Transport, 35% in electric power 25% in Agriculture, (4) Independent Power Procedures: IPPs (35MW)<br/>(5) Electricity Act : EdC (autonomous state corporation), Electricity Authority of Cambodia : EAC (electricity industry regulator)</p> |  |  |
| <p style="text-align: center;"><b>Electricity</b></p>  | <p style="text-align: center;"><b>Long-Term Objectives</b></p>                       | <p style="text-align: center;"><b>EAC</b></p>  | <p>(1) Regulate electrical supply &amp; distribution, (2) Safeguard sovereign guarantees (EdC, IPPs), (3) Promote rural electricity use, (4) Promote hydroelectric power resources</p>  |  |  |  |
|  |  | <p style="text-align: center;"><b>EdC</b></p>  | <p>(1) 100% in Phnom Penh and 80% in the provincial capitals (at set standards &amp; cost), (2) Transform distribution system into autonomous bodies</p>  |  |  |  |
| <p>Average Annual Consumption : 26 KW per capita</p>   | <p style="text-align: center;"><b>Programs 1996 - 2000</b></p>                       | <p>US\$ 174 million</p>  | <p>(1) Provide electricity supply for Phnom Penh, Sihanoukville, Siem Reap on basis of 24 hours, and maintain current supply in the provincial urban core,<br/>(2) Establish database, priority of development, &amp; conduct studies, (3) Establish &amp; supervise standards, practice, operation, and construction of all system, and cost-recovery management, (4) Develop on-going training, (5) Rehabilitation &amp; extension of the supply system of Phnom Penh, Siem Reap, Sihanoukville, and 7 other towns (Kompong Speu, Takeo, Svay Ricng, Prey Veng, Pursat, Kampot, Kompong Chhang), (6) Kirirom &amp; Kamchay Hydro power scheme</p> |  |  |  |

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|---|---|---|---|-----------------------------|---------|---------|
| <b>Education<br/>and<br/>Training<br/>(1 of 2)</b>  | <b>&lt;Socio-Economic Survey&gt;</b>  |   | <b>&lt;Key Education Indicators, 1994&gt;</b>   |                             |         |         |
|   | (1) 31% of Household population over 5 years : No education<br>(2) Senior Secondary Schooling Completes : 4 %<br>(3) University Degree : 0.1 %<br>(4) No Education Households : Rural (29%), Phnom Penh (15%)<br>(5) Illiterate rate in rural area: Men (37%), Women (50%)<br>(6) Rural Women schooling : 2.2 yrs |   |   | Total      Male      Female |         |         |
|   |   | Enrolment in Grade 1-5  |   | 1,703,316                   | 947,181 | 756,135 |
|   |   | (of which Repeaters : %)  |   | 30.4%                       | 30.9%   | 33.8%   |
|   |   | Out of School (6-10 years)  |   | 317,713                     | 114,866 | 202,847 |
|   |   | Number of Teachers  |   | 37,827                      | 23,757  | 14,071  |
|   |   | Gross Enrolment Ratio   |   | 105                         | 109     | 100     |
|   | Drop-out Rate (%)   |   | 11  | 8                           | 14      |         |
|   | Admission Rate (6 years in Grade 1) : %   |   | 53  | 51                          | 55      |         |
|   | Adult Literacy Rate (15+) (%)   |   | 65  | 80                          | 53      |         |
| Mean Years of Education   |   | 3.5   | 4.7   | 2.5                         |         |         |
| <b>Strengthening<br/>Foundation :<br/>Basic<br/>Education</b><br><br>* 9 years of high-<br>quality basic<br>education<br>(universal primary<br>education) | (1) Primary School Repetition Rate (20-25%) and Drop-out Rate (10%) per year, (2) Female Drop-out Rates are twice those of males in basic education, and female are 2/3 of out-of school primary school-age population, (3) Instruction Hours : 600 a year, (4) Textbook Coverage : 50%                           |   |   |                             |         |         |
|   | <b>Objectives<br/>and<br/>Targets</b>   | <b>Primary<br/>Education</b>  | (1) Introduction of 6+3+3 school system<br>(2) Increase net primary enrolment ratio to 90%<br>(3) Achieve equal gender balance in primary school<br>(4) Reduce repetition rate to at least 10%<br>(5) Over 85% students in Grade 1 complete Grade 6 |                             |         |         |
|   |   | <b>Lower<br/>Secondary</b>  | (1) Achieve net enrollment ratio of 85%<br>(2) Increase share of female students to over 45%<br>(3) 65% of Grade 9 students pass the examination  |                             |         |         |
|   | <b>Strategy for<br/>Development</b>   | (1) Enhanced Efficiency - to reduce high repetition rates<br>Curriculum reform, Textbook & Teaching Manual distribution, School clusters  |   |                             |         |         |
|   |   | (2) Increased Education Budget Share - to allocate 15% (2/3 basic Edu.)<br>To increase GDP share to 2.5% from 1.4% and to reduce salary share (90%)   |   |                             |         |         |
|   |   | (3) Enhanced Community Participation<br>To lessen the burden on the government budget, Use of Social Funds  |   |                             |         |         |
|   |   | (4) Expansion of Non-Formal Education<br>To develop and test a cost-effective non-education system  |   |                             |         |         |
|   | <b>Development<br/>Programs</b><br><br>(\$ 153 million)   | <b>&lt;Quality Improvement&gt;</b> - Education Reform<br>(1) Instruction hours increased from 600 to 750, (2) Number of subject reduced from 15 to 7, (3) Improve teachers training (educational staff) & facilities, (4) Increase textbook & teaching materials coverages, (5) Gender and Minority |   |                             |         |         |
|   |   | <b>&lt;Equitable Access&gt;</b><br>(1) Rehabilitation of school buildings, (2) Expansion of complementary schooling, (3) Selective scholarships for disadvantaged groups, (4) Establishment of cluster schools/resources centers and alternative models   |   |                             |         |         |
|   |   | <b>&lt;Strengthening Planning and Management&gt;</b><br>To upgrade managerial capacity & to establish effective operational procedures  |   |                             |         |         |
|   |   |   |   |                             |         |         |
| <b>&lt;Investment Framework&gt;</b><br>(1996-2000 : US\$ million)   |   |   |   |                             |         |         |
| Basic Education : 153<br>Upper Secondary : 10<br>Higher Education : 30<br>TVET : 20<br>Youth & Sport : 8<br>Total : 221                                   |   |   |   |                             |         |         |
| (Continued)   |   |   |   |                             |         |         |

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| <b>Education<br/>and<br/>Training<br/>(2 of 2)</b> | <b>Upper<br/>Secondary</b><br><br>(Restructure Plan<br>from 1996)                       |  | (1) Gross enrolment rates : 6-7% of school-age population, (2) Grade 11 examination pass rate : 75% in '93, 4% in '94, 10% in '95, (3) Female student enrolment : 1/3 of the total students   |
|  |   | <b>Strategy for<br/>Development</b>  | (1) To enhance merit drive through examination development at Grade 9 & 12<br>(2) To restore enrolment to about 60,000 (enrolment rates : 10-11%) by '96/97   |
|  |   | <b>Development<br/>Programs</b>  | * Pre-Investment Study Plan will be conducted in 1996.<br>(1) Analysis of alternative financing policies whilst ensuring equitable access<br>(2) Analysis of measures to increase female enrolment (45% by 2000)<br>(3) Assessment of investment priorities (merit-driven scholarships for girls, selective refurbishment of buildings (science & Math), foreign teaching)                            |
|  | <b>Higher<br/>Education</b><br><br>(National Higher<br>Education Task<br>Force : NHETF) |  | (1) In 1994/95, 8 institutions with 33 specialized departments (11,746 students), (2) There are University of Phnom Penh (3 Faculties), Faculties of Law, Economics and Business, Staff College for Educational Administrators, University of Fine Arts, Faculty of Medicine, Royal University of Agriculture, Institute de Technologie du Cambodge   |
|  |   | <b>Strategy for<br/>Development</b>  | (1) To become more responsive to changing workforce skill requirements and rationalize the institutions towards more market-driven(financing, structure, etc.)<br>(2) To formulate higher education policy through constitution of NHETF<br>(3) To implement agreed policies and plans (National Action Plan by late 1996)  |
|  |   | <b>Development<br/>Programs</b>  | <6 components of Broad Thrust of Investment> -- 1. Legislations and Structure, 2. Resources Allocation, 3. Access and Outputs, 4. Academic Program Development, 5. Language Policies and Programs, 6. Institutional Management  |
|  | <b>TVET</b>   | 7 Training Center<br>under MOEYS<br>5 under line Min.  | (1) In 1994/95, about 9,000 students were enrolled at all levels of formal and Non-formal TVET (1,304 in MOEYS secondary vocational schools), (2) Problems are : overstaff (500 teachers for 9,000 students), outdated curricula, old equipment & facilities, inexperienced teachers  |
|  |   | <b>Strategy for<br/>Development</b><br><br>(Strategy Plan for<br>Formal and Non-<br>formal TVET) | (1) Basic non-formal skills training for job creation and income security in rural areas, (2) Non-formal short cycle vocational training for self-employment in urban areas, (3) Formal technical and vocational education for wage employment in the modern sector (Target Groups : out-of-school youths, Workers, School Leavers, Women, Disadvantaged Groups)                                      |
|  |   | <b>Development<br/>Programs</b>  | (1) Institution Building - National Training Board : NTB (policy body)<br>Establish system of standards, testing & certification, Resources allocation, etc.<br>(2) Non-Formal Skills Training Expansion<br>Mobile training and Community Learning Centers for diffusion of skills<br>(3) Effective Formal Skills Training<br>Market- and demand - oriented training modules will be established      |
|  | <b>Youth<br/>and<br/>Sport</b>  | <b>Policies<br/>and<br/>Strategies</b>   | (1) To promote activities that contribute to the youth's physical and well-being and community self-help attitudes, (2) To improve access to both specialist & recreational sports facilities and expand broad-based youth movements  |
|  |   | <b>Development<br/>Programs</b>  | (1) To strengthen capacity of Dept. of Youth and Sport, (2) To establish youth movements, associations, scout groups & youth right (regional outreach centers by the end of '97 and provincial centers by 2000), (3) To upgrade the standards of specialist (Olympic Stadium & National Sports Institute) and recreational sports (restoration of school playing fields, sports teachers and coaches) |

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| <p>&lt;Land Mines&gt;<br/>Mine victims per month : 300 - 500 victims<br/>Amputation prevalence rate : one in 236 persons</p> <p><u>Health Coverage Plan</u><br/>Equitable geographical access to basic health and referral services for peoples</p> <p><b>Health (1 of 2)</b></p> <p>Responsibility of MOR<br/>(1) Village water supply (2) and sanitation</p> <p>Responsibility of MOR &amp; MOH<br/>(1) Health promotion<br/>(2) Health advocacy campaigns<br/>(3) Preventive health activities in rural villages</p> <p>(Continued)</p> | <p><b>Current Situation</b></p>   | <p>(1) Infant Mortality Rate (IMR) : 115 per 1,000 live births, (2) Under-five Mortality Rate : 181 per 1,000 live births, (3) Major cause are : diarrheal diseases, acute respiratory infection, disease prevented by vaccination , (4) Maternal Mortality Rate : over 650 per 100,000 live birth (abortion eclampsia, haemorrhage), (5) Stunned children : 62% of children, (6) Malnutrition : 4.4% of these children, (7) 5,000 deaths annually by Malaria, and 18,000 new infections of TB annually</p> |   |  |
|  | <p><b>Health Structure</b></p>  | <p><b>Central</b></p>   | <p>2 teaching faculties, 9 national institutes, 1 drug factory, 8 national hospitals (1,866 beds), 19 national programs by National Centers &amp; Institutes, 3 national programs by MOH (essential drug, health education, HIV/AIDS)</p> |  |
|  |   | <p><b>Province</b></p>  | <p>21 health departments and hygiene stations, 26 hospitals (4,090 beds), 4 regional nursing schools (Battanbang, Kompong Cham, Kampot, Stung Treng)</p>  |  |
|  |   | <p><b>District</b></p>  | <p>164 hospitals (3,955 beds)</p>   |  |
|  |   | <p><b>Commune</b></p>   | <p>1,267 infirmaries, No infirmary commune have 2-3 staff working in their home</p>   |  |
|  | <p><b>Human Resources</b></p>   | <p>Total of 23,270 health workers in the Government. 1,201 doctors, 1,988 medical assistants, 47 dentists, 321 pharmacists, 3,106 secondary nurses, 1,316 secondary midwives</p>  |   |  |
|  | <p><b>Health Financing</b></p>  | <p>(1) Government spending on US\$ 1.8 per person per year on health services (70%: rural services, 20% : Salaries), (2) Household spending health care a year : US\$100 (US\$ 19 per head per year) (3) External aid to health sector with US\$37 in 1995 (2 time budget), (4) Health budge will be increased to 2% of GDP by 2000, (5) Cost- recovery system (user charge) will be introduced</p>   |   |  |
|  | <p><b>Targets for 2000</b></p>  | <p>(1) Sustain the coverage of EPI to 80% of the whole country or more</p>  |   |  |
|  |   | <p>(2) Essential obstetric services are available in all established health centers and referral hospitals (80% in urban and 40% in rural areas are attended by trained health personnel, coverage of prenatal care services and tetanus vaccination for pregnant women increase by 50% over the 1995 level)</p>  |   |  |
|  |   | <p>(3) 95% of diarrheal and acute respiratory infections are managed</p>  |   |  |
| <p>(4) Eliminate vitamin A deficiency, and universal ionization of edible salt</p>   |   |   |   |  |
| <p>(5) Increase contraceptive prevalence rate 7% in 1995 to 30% by 2000, &amp; provide birth-spacing information and services (all functioning health center and hospitals)</p>  |   |   |   |  |
| <p>(6) All provincial &amp; district hospital and health centers are equipped with basic essential drugs (Referral hospitals : qualified doctor and medical assistant, Health center : qualified nurses and midwives)</p>  |   |   |   |  |
| <p>(7) Reduce tuberculosis prevalence with 70% of new cases detected and 80% cure rate of TB smear positives under short-course chemotherapy, and reduce incidence of malaria through insecticide-treated bed nets in high-risk areas</p>  |   |   |   |  |
| <p>(8) 90% of adult is aware of HIV/AIDS : provide counselling and services in high risk provinces and treatment of STDs are implemented in all new referral services</p>  |   |   |   |  |
| <p>(9) Increase health budge from 4% to at least 10% by 2000</p>   |   |   |   |  |
| <p><b>Priority for 1996 - 2000</b></p>   | <p>(1) Extend rural health care services based on "District Health Approach", (2) Promote the good health of women and children, (3) Reduce the incidence of communicable diseases (Malaria, TB, STDs, HIV, Diarrhea, Respiratory, Dengue) (4) Improve provincial &amp; Phnom Penh hospital services, (5) Upgrade human resources, (6) Supply of essential drugs , (7) Implement regulatory framework to raise service standards (private &amp; public)</p> |   |   |  |

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| <p>&lt;Investment Framework&gt;<br/>(1996-2000 : US\$ million)</p> <p>Basic Health Service : 204<br/>Priority Programs : 98<br/>Emerging Priority : 66<br/>Rehabili. Hospital : 41<br/>Total : 409</p> <p><b>Health</b><br/>(2 of 2)</p> | <p>Development Programs<br/>1996 -2000</p>  | <p>1. Rehabilitation of Basic Health Services<br/>&lt;4 Supporting Projects&gt;<br/>(1) Strengthening basic health services, (2) Strengthening health service management and planning, (3) Infection control, (4) Health human resources development</p> | <p>(1) To implement through "District Health System", all preventive, promotive and curative care at district, commune &amp; village level. (referral hospital and health centers, implement community-based programs, control health budget and data)<br/>(2) "Minimum Package of Activities (MPAs)' will be made available at every health center and referral hospitals<br/>(3) 794 health centers &amp; 64 referral hospitals are rehabilitated<br/>(4) National health information system(HIS) will be developed</p>   |
|  | <p>&lt;Health Problems&gt;<br/>(1) poor living conditions<br/>(2) unsafe hygiene practice<br/>(3) large family size<br/>(4) seasonal shortage of staple food<br/>(5) low level of literacy<br/>(6) absence of reliable information<br/>(7) Low level of awareness of basic principles of health &amp; hygiene</p> | <p>&lt;Support Programs&gt;<br/>Reform of pharmaceutical sector for drug and supply management<br/>(1) Drug procurement unit<br/>(2) Central Stores<br/>(3) Essential Drug Bureau</p>  | <p>2. Expansion of Key National Health Programs</p> <p>(1) Women and Child Health (National MCH center) Maternal health, birth spacing, breast feeding, nutrition, etc.<br/>(2) EPI and Polio. Eradication<br/>To increase the coverages (National Immunization Days)<br/>(3) Tuberculosis Control (CENAT)<br/>Training &amp; supervision improvement, Prevalence survey<br/>(4) Malaria and Dengue Fever Control<br/>Laboratory diagnostic services, treatment &amp; drug protocols<br/>(5) STDs/HIV/AIDS<br/>Awareness of general population about prevention &amp; control<br/>(6) Cholera Control<br/>Control outbreaks (3days) &amp; prevent further spread (7days)<br/>(7) Reform of Pharmaceutical Sector<br/>Drug supply from donors will be reduced 70% to 50% by 2000</p> |
|  |   | <p>3. Development of Responses Emerging Health Priorities</p>  | <p>(1) Oral, eye ear, nose, throat and mental diseases will be handled by all provincial hospitals by 2000, (2) for leprosy control, multi-drug therapy will be utilized and training will be done in local level, (3) Biomedical and operations research will be enhanced through Pasteur Institute and establishment of National Public Health Institute(1998), (4) Health education activities are handled by National Center for Health Education</p>   |
|  | <p>Targets of HRD for 2005</p>  | <p>&lt;Targeted Number&gt;<br/>(1) 2,500 doctors<br/>(2) 200 dentists<br/>(3) 460 pharmacists<br/>(4) 5,000 nurses<br/>(5) 2,500 midwives</p>  | <p>(1) Establishment of health HD database, (2) registration and certification of all health professionals, (3) upgrading of the qualification of all health staff (10,000) through continuing education, (4) Establishment of planning, management and coordination unit, (5) set-up continuing education team in all provinces, (6) Curricular reform (Faculty of Medicine, Pharmacy and Dentistry, Ecole de Cadres Sanitaire, Regional Nursing Schools)</p>  |

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| <b>Culture,<br/>Religious<br/>Affairs and<br/>Information</b> | Fine Arts<br>Culture<br>and<br>Fine Arts<br><br>(MOCFA) | Restoration<br>and<br>Conservation<br>of<br>Physical<br>Assets   | <p style="text-align: center;">&lt; To rehabilitate all major historical sites and temples &gt;</p> <p>(1) Establish conservation areas in Takeo, Kompong Thom, Banteay Meanchey (pre-Angkor period sites),</p> <p>(2) Cultural activities in Rattanakiri (cultural center),</p> <p>(3) Develop Phnom Santuk in Kompong Thom,</p> <p>(4) Establish a cultural city at Banteay Meanchay,</p> <p>(5) Cultural activities of Chatreavilla in Svay Rieng,</p> <p>(6) Use of Siem Reap as a model of expansion to other provinces</p>  |
|   |   | Promotion<br>of<br>Art<br>and<br>Culture   | <p style="text-align: center;">&lt;To promote public awareness of the value of Cambodia's cultural heritage and its contribution to civilized society&gt;</p> <p>(1) To review fine arts and handicraft industry (employment &amp; income, workforce characteristics, organization and marketing, product possibilities, institutional facilities, product development, training and credit)</p> <p>(2) To prepare cultural programs (MOCFA and University of Fine Arts)</p> <p>(3) To clarify legal conditions and licensing arrangements to facilitate the making of cultural films and videos</p> <p>(4) To organize film festivals (Khmer culture and society)</p> <p>(5) To organize school activities and excursions</p> <p>(6) To establish program for a museum and library in each province, and ultimately district</p> <p>(7) To assign Royal University graduates in arts and archaeology to all provinces</p> <p>(8) To utilize all mass media for dissemination of cultural materials</p> |
|   | Religious<br>Affairs<br>(90% is Buddhist)<br>(MOLA)     | <p>(1) Restoration of physical assets (3,371 pagodas and 4,916 Buddha sculptures)</p> <p>(2) Assist in reconstruction in the remoter and poorer ares,</p> <p>(3) To strengthen school infrastructure in all provinces, and to improve curricula and teaching capacities (Pali &amp; Sanskrit), to supply Three Books of Buddhism (Preah Thay Peduck) to all primary and secondary schools</p>                      |   |
|   | Information<br>(MOI)                                    | <p>39 different newspaper &amp; magazines, 3 TV broadcasting stations, 4 radio stations</p>  |   |
|   | Action of Plan<br>for 2000                              | <p>(1) To upgrade equipment and staff in TV and radio stations,</p> <p>(2) To install FM broadcasting in 6 provinces per year,</p> <p>(3) To establish a new TV station in Tuol Kork,</p> <p>(4) To extend TV network to other provinces (Battambang, Pursat, Stung Treng, Sihanoukville),</p> <p>(5) To assist the Government Printing House (automated roll-on system) and Khmer Press Agency (re-equipment)</p> |   |





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