

CAMBODIA



Cambodia U.S. foreign assistance priorities in Cambodia include building a framework for lasting democracy and economic growth by empowering reformers and human rights groups to advocate for improvements in political rights, governance, and Cambodia's investment climate. The United States will continue to strengthen Cambodia's territorial defense capabilities, and it will work to enhance export and related border security controls and remove explosive remnants of war. The United States will continue to help Cambodia to enhance the capacity and sustainability of its health system, and provide support for basic education.

FOREIGN RELATIONS: Cambodia has established diplomatic relations with most countries, including the United States. The country is a member of most major international organizations, including the UN and its specialized agencies, and became a member of the Association of Southeast Asian Nations (ASEAN) in 1998.

Cambodia is a member of the World Bank, the International Monetary Fund, and the Asian Development Bank (ADB). On October 13, 2004, Cambodia became the 148th member of the World Trade Organization (WTO).

U.S.-CAMBODIAN RELATIONS: In the past three years, bilateral relations between the U.S. and Cambodia have deepened and broadened. With the lifting of a congressional ban to provide direct assistance to the Cambodian Government, more direct technical assistance has become feasible. U.S. assistance to Cambodia administered by the U.S. Agency for International Development (USAID) mission in 2008 totaled over \$57 million for programs in health, education, governance, and economic growth.

The U.S. supports efforts in Cambodia to combat terrorism, reduce the prevalence of HIV/AIDS, build democratic institutions, promote human rights, foster economic development, eliminate corruption, achieve the fullest possible accounting for Americans missing from the Indochina conflict, and to bring to justice those most responsible for serious violations of international humanitarian law committed under the Khmer Rouge regime.

Between 1955 and 1963, the United States provided \$409.6 million in economic grant aid and \$83.7 million in military assistance. This aid was used primarily to repair damage caused by Cambodia's war of independence from France, to support internal security forces, and for the construction of an all-weather road to the seaport of Sihanoukville, which gave Cambodia its first direct access to the sea and access to the southwestern hinterlands. Relations deteriorated in the early 1960s. Diplomatic relations were broken by Cambodia in May 1965, but were reestablished on July 2, 1969. U.S. relations continued after the establishment of the Khmer Republic until the U.S. mission was evacuated on April 12, 1975. During the 1970-75 war, the United States provided \$1.18 billion in military assistance and \$503 million in economic assistance. The United States condemned the brutal character of the Khmer Rouge regime between 1975 and 1979. The United States opposed the subsequent military occupation of Cambodia by Vietnam, and supported ASEAN's efforts in the 1980s to achieve a comprehensive political settlement of the problem.

This was accomplished on October 23, 1991, when the Paris Conference reconvened to sign a comprehensive settlement.

The U.S. Mission in Phnom Penh opened on November 11, 1991, headed by career diplomat Charles H. Twining, Jr., who was designated U.S. Special Representative to the SNC. On January 3, 1992, the U.S. lifted its embargo against Cambodia, thus normalizing economic relations with the country. The United States also ended blanket opposition to lending to Cambodia by international financial institutions. When the freely elected Royal Government of Cambodia was formed on September 24, 1993, the United States and the Kingdom of Cambodia immediately established full diplomatic relations. The U.S. Mission was upgraded to a U.S. Embassy, and in May 1994 Mr. Twining became the U.S. Ambassador. After the factional fighting in 1997 and Hun Sen's legal machinations to depose First Prime Minister Ranariddh, the United States suspended bilateral assistance to the Cambodian Government. At the same time, many U.S. citizens and other expatriates were evacuated from Cambodia and, in the subsequent weeks and months, more than 40,000 Cambodian refugees fled to Thailand. The 1997 events also left a long list of uninvestigated human rights abuses, including dozens of extra-judicial killings. From 1997 until the lifting of legislative restrictions on bilateral assistance in 2007, U.S. assistance to the Cambodian people was provided mainly through non-governmental organizations, which flourish in Cambodia.

Peace and Security: Through a coordinated, interagency approach, the United States will assist Cambodia in professionalizing and reforming its security forces to better address transnational threats. Military assistance, implemented by the Department of Defense, will promote better Cambodian government control of military resources, improve English-language capacity within the armed forces to lay the foundation for greater interoperability, increase international peacekeeping capacity, build credible counter-terrorism capacity, and promote disaster response and civil-military coordination. The Department of State will lead the interagency effort to enhance export and border-related security controls, remove explosive remnants of war, counter the production, use, and trafficking of narcotics, and lay the foundation for future law enforcement reform initiatives. The new Anti-terrorist Assistance program will provide training programs in crisis response, critical incident management, airport and border security, explosives detection, and combating terrorism. The U.S. Agency for International Development (USAID) will strengthen the ability of the Cambodian government and civil society to jointly address the problem of human trafficking.

Governing Justly and Democratically: Cambodia's justice system is ineffectual and lacks independence. Human rights groups face difficulties in fulfilling their "watchdog" role in Cambodian democracy. Weak rule of law and corruption are major problems. The United States, through USAID, will help build a framework for deepening democracy by empowering government reformers, civil society, and human rights groups to advocate for the rule of law, political rights, civil liberties, and transparency and accountability in governance. Assistance will help local civil society organizations and coalitions collect and use credible fact-based data to inform the public debate on issues such as corruption, court reform, land and labor rights, freedom of information and expression, and other basic human rights. Emphasis on protection of land ownership, provision of legal aid, and protection of core civil and political rights will continue. USAID will support more sustainable, transparent, and efficient administration of justice, especially through strengthening the judicial system, when there is demonstrated political will by the government. The Department of State will continue to provide funding to the Khmer Rouge Tribunal to bring to justice Khmer Rouge leaders and those most responsible for crimes during the Khmer Rouge era.

Investing in People: Cambodia is one of the world's poorest countries, with health indicators among the lowest in Asia. The public health system is weak and highly fragmented, while its relationship with the

burgeoning but unregulated private sector is ill defined. The health system, particularly for the rural and urban poor, continues to be extremely dependent on donor financing, coordination, and technical and managerial innovations. The United States, through USAID, will support the development of an effective, appropriate, and sustainable health delivery system involving both the public and private sectors. Building on prior investments, USAID will expand innovative health financing schemes, improve the quality of health services, and provide basic primary health support, including maternal/child care and family planning, through service delivery and community outreach. USAID assistance also will support prevention and care of infectious diseases such as HIV/AIDS, tuberculosis, and malaria. Finally, a new USAID program will increase the accessibility, quality, and relevance of basic education to reflect the needs of the largely rural population. Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Cambodia will receive significant support to build partnerships to provide integrated prevention, care, and treatment programs throughout the country, and support orphans and vulnerable children.

Focus on Performance: Donors in Cambodia support rule of law and the Cambodian legal system through complementary assistance. USAID has assisted the Royal Government of Cambodia in the creation of a pilot "Model Courthouse Program" aimed at improving the court's capabilities and enhancing the quality of court services. The Department of State will build on these efforts by providing funding to the KRTI. Progress in ongoing genocide trials at the KRT is an important indicator of advances in the rule of law and an end to impunity, and will help to build legal capacity, leaving both a legacy for the still nascent Cambodian judicial system and providing accountability of Khmer Rouge leaders and those most responsible for gross injustices during the Khmer Rouge era. The increase in funding for FY 2010 reflects the costs associated with trying up to trial three additional accused, over and above the current five Khmer Rouge leaders facing trials. Cambodia is a country with significant and unexploited potential in agriculture and agro-industry. Currently, 80 percent of Cambodia's population lives in rural areas, and agriculture is the leading sector in terms of enhancing economic growth and reducing poverty. Increased investments in improved technical practices and sanitary/phytosanitary assistance will enable Cambodia to support its domestic consumption and compete in the global economy. Requested FY 2010 funding will address priority constraints which have emerged from the global economic crisis. Programs will increase investments in cross-cutting agricultural interventions, specifically agricultural inputs; promote bio- and agricultural technology, agricultural services, and resource management, and hence increase production and exports, generate income in rural areas, and ensure food security for more than 75 percent of the Cambodian population employed in agriculture. The proposed level of funding in FY 2010 will allow USAID to double the number of agriculture-related firms benefiting directly from USG-supported interventions. Results will be further scaled-up by FY 2011.

The government's capacity to support the private sector is weak in Cambodia. Requested FY 2010 funding will help build the capability of the rural private sector to advocate for agriculture policy and regulatory reforms by identifying policies or regulations that inhibit agri-businesses. USAID's program will work with the public sector to improve its ability to analyze policy options and make informed decisions that will best promote competitiveness and sustainable agriculture development. With improved communication among businesses within a sector, combined with dissemination of key information through farmer associations, agricultural productivity should accelerate by the transfer of new technology, increasing farmer bargaining power, and improving buyers' marketing capability (such as rice millers). This will, in turn, provide relevant public institutions feedback on policies and unfair trade dealings. To this end, USAID will approximately double the number of public-private dialogues from FY 2008 to FY 2010 to enhance the overall investment climate. The proposed level of funding in FY 2010 will allow USAID to achieve these targets.

Economic Growth: Cambodia's fragile economic growth is dominated by the garment and tourism sectors (25 percent of GDP, but only 5 percent of employment). Working with both the Royal Government of Cambodia and the private sector, the United States will promote a more open and robust

business environment to encourage investment and generate employment. USAID programs will focus on helping Cambodia diversify its economy by increasing the competitiveness and productivity of micro, small, and medium-sized enterprises through value chain activities in promising industries such as aqua- and agriculture, animal husbandry, building materials, and non-timber forest products. USAID assistance will also help the private sector and other reformers organize effectively to advocate for and implement regulatory, legal, and policy reforms. USAID will promote sustainable biodiversity conservation practices, including strengthening the capacity of local forest management committees and non-timber forest products business groups. In FY 2010, new USAID funds are requested to support the expansion of agricultural production and competitiveness in Cambodia, focusing primarily on the rice value chain.