REPORT

on the proposal for a Council Decision concerning the conclusion of the Cooperation Agreement between the European Community and the Kingdom of Cambodia (COM(97)0078 - 6828/97 - C4-0250/00 - 97/0060(CNS))

Committee on Development and Cooperation

Rapporteur: Mr Luciano Pettinari
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By letter of 29 May 1997 the Council consulted Parliament pursuant to Articles 113 and 130y, in conjunction with Article 228(2), first sentence, and Article 228(3), first subparagraph, of the EC Treaty on the proposal for a Council Decision concerning the conclusion of the Cooperation Agreement between the European Community and the Kingdom of Cambodia.

At the sitting of 9 June 1997 the President of Parliament announced that he had referred this proposal to the Committee on Development and Cooperation as the committee responsible and the Committee on Foreign Affairs, Security and Defence Policy, the Committee on External Economic Relations and the Committee on Budgets for their opinions.

The Committee on Development and Cooperation had appointed Mr Luciano Pettinari rapporteur at its meeting of 9 October 1996.

It considered the draft report at its meetings of 22 May and 18 June 1997.

At the latter meeting it adopted the draft legislative resolution unanimously.

The following took part in the vote: Rocard, chairman; Stasi, vice-chairman; Pettinari, rapporteur; André-Léonard (for Nordmann), Carlotti, Castagnède (for Hory), Corrie, Cunningham, Fernández Martín, Goerens (for Dybkjær), Günther, Kinnock, Lööw, Martens, McGowan, Macartney, Plumb, Pons Grau, Sauquillo Pérez del Arco, Telkämper and Vecchi.

The opinions of the Committee on External Economic Relations, the Committee on Budgets and the Committee on Foreign Affairs, Security and Defence Policy are attached.

The report was tabled on 24 June 1997.
A

DRAFT LEGISLATIVE RESOLUTION

Legislative resolution embodying Parliament’s opinion on the proposal for a Council Decision concerning the conclusion of the Cooperation Agreement between the European Community and the Kingdom of Cambodia (COM(97)0078 - 6828/97 - C4-0250/00 - 97/0060(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the proposal for a Council Decision, COM(97)0078 - 97/0060(CNS),

- having regard to the draft Cooperation Agreement between the European Community and the Kingdom of Cambodia initialled by the Commission (COM(97)0078)({1}),

- having regard to Articles 113, 130y and 228(2), first sentence, of the EC Treaty,

- having been consulted by the Council pursuant to Article 228(3), first subparagraph, of the EC Treaty (6828/97 - C4-0250/97),

- having regard to Rule 90(7) of its Rules of Procedure,

- having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on External Economic Relations, the Committee on Budgets and the Committee on Foreign Affairs, Security and Defence Policy (A4-0221/97),

1. Approves conclusion of the agreement;

2. Instructs its President to forward this opinion to the Council and Commission, and the governments and parliaments of the Member States and of the Kingdom of Cambodia.

{1} OJ C 107, 5.4.1997.
1. The political, economic and social situation

Cambodia’s recent history has been quite unique. Following the genocide which took place during the 70s under the Khmer Rouge regime the country and its people went through a long period of almost total isolation.

The conclusion of the peace agreement of 23 October 1991 and the free and democratic elections held under UN supervision in May 1993 marked a major turning point. A new constitution was adopted. The current political system is unusual in that power is shared by the two largest political parties, between which the main ministerial portfolios are divided. There are also two Prime Ministers. This arrangement is not without its tensions, however. The next general elections are scheduled for November 1998.

The approach of the elections has given rise to new tensions, as illustrated by the violent incidents which took place in Phnom Penh on 30 March 1997, on which Parliament expressed the views set out later in this report.

Lastly, although the number of Khmer Rouge soldiers joining the government army has increased recently, a significant number - according to some estimates, around 2000 to 2500 - continue to control a small area of the country.

This situation would tend to indicate that, although the peace-building process is well under way, there remain some grounds for concern. Democracy and peace are still fragile and should continue to be supported in all possible ways.

As far as regional affairs are concerned, Cambodia has applied for membership of ASEAN, in which it already has observer status. Membership of this organization - which it may well secure in the near future - should help Cambodia to improve its political relations and achieve closer economic integration with its neighbours.

In economic terms, Cambodia is classified by the United Nations as a least-developed country. It is one of the poorest developing countries, with a per capita gross domestic product (GDP) of approximately US$ 235 (in 1994). Overall, the country runs a very large trade deficit (in 1994, exports worth US$ 284m as against imports worth US$ 404m), but has a trade surplus with the European Union (again in 1994, exports to the EU worth US$ 35m as against imports worth US$ 10m).

Cambodia is heavily dependent on international aid, which, in 1994, accounted for 48% of the national budget, and is now looking to attract foreign investors, whence the adoption of an extremely liberal investment code in 1994. However, political uncertainty has done much to discourage foreign investment, which, despite having steadily increased over the past few years (US$ 80m in 1994, 150m in 1995 and 171m in 1996), is still at a much lower level than Cambodia’s leaders had hoped for.

As regards food and agriculture, heavy floods followed by a period of drought in 1994 caused a food shortage of approximately 300 000 tons of rice.
As far as social affairs are concerned, there remain a considerable number of displaced persons in the country (approximately 65 000 according to some estimates). The resettlement of such persons in their area of origin at the earliest opportunity must be seen as a priority.

Lastly, Cambodia must continue to tackle the terrible problems caused by landmines, of which there are over 10 million in the country - approximately one for every inhabitant. Every month landmines cause 300 injuries, one third of them fatal. Cambodia, which has 50 000 amputees, is one of the countries worst affected by this problem, which causes considerable social and economic damage. Entire regions cannot be made economically viable, particularly as far as the agricultural sector is concerned, until they have been cleared of mines. The European Union, which is already providing aid in this area, must step up its efforts in future and, in particular, help to provide more resources for the Mine Action Centre set up by the Cambodian authorities.

A recent report by the UN Secretary-General’s special representative for human rights in Cambodia stated that, owing to the poverty to be found in many areas of the country, child prostitution - in many cases under conditions tantamount to slavery - was on the increase.

Lastly, Cambodia has its own extremely severe environmental problems, caused by large-scale, unsustainable logging, which is damaging the country's teak forests in particular. A number of organizations have highlighted the scale and impact of the deforestation under way in both Cambodia and Thailand and denounced various high-ranking political figures in those countries\(^1\). As we shall see later in this report, Parliament has also drawn attention to this situation.

2. The views expressed by the European Parliament

Parliament has closely monitored the situation in Cambodia. It has condemned the campaign of genocide conducted by the Khmers Rouges, called for a return to democratic life by means of free elections under United Nations supervision and, in 1990, stated that the isolation of the Cambodian people had to be ended as a matter of extreme urgency. It has also drawn attention to the need for the Community to aid in the repatriation and resettlement of refugees\(^2\).

More recently, Parliament drew attention to the need to increase the resources (particularly those provided under EU aid programmes) devoted to mine clearance and rural development. It emphasized the need to help restore the rule of law and develop human resources\(^3\).

In 1996 it endorsed the conclusion of a cooperation agreement including a clause referring to democracy, human rights and the rule of law, which would enable the Union to suspend its assistance in the event of serious violations of human rights and fundamental democratic principles. In the same resolution, it stressed the need to exert pressure on the Cambodian Government to save its forests and develop environment-friendly logging methods\(^4\).

\(^{1}\) Global Witness, Corruption, War and Forest Policy, the unsustainable exploitation of Cambodia’s forests, 1996.
\(^{2}\) OJ C 284, 12.11.1990, p. 59.
Lastly, at the part-session held in April 1997, Parliament stated its position on the attack of 30 March 1997 in Phnom Penh on a peaceful demonstration of activists from one of the Cambodian political parties(1). It condemned all attempts to achieve political destabilization by violent means, particularly in the run-up to the 1998 elections and called on the Commission to point out to the Cambodian Government how much importance the European Union attaches to observance of the human rights clause contained in the EU-Cambodia Cooperation Agreement.

3. EU development cooperation measures

The European Union resumed development cooperation with Cambodia in 1991. Between 1991 and 1996, the EU disbursed a total of ECU 189.14m, including ECU 49.8m in respect of financial and technical cooperation measures, ECU 32.3m for refugees, ECU 31m for rehabilitation operations and ECU 26.1m for food aid.

Most of the Community aid was channelled into the following areas:

- rural development;
- primary education;
- institutional support;
- health;
- mine clearance;
- human rights; and
- the environment.

Furthermore, ECU 21.4m was allocated to the cofinancing of measures with NGOs which are particularly active in Cambodia.

In this connection, mention must be made of the independent study commissioned by the members of the NGO Forum on Cambodia. The study, which covers a number of projects regarding rural development and, in particular, irrigation and micro-lending, contains a number of useful suggestions for future implementation of development projects in the country(2).

It should also be pointed out that Cambodia has for many years enjoyed special tariff concessions under the European Union’s Generalized System of Preferences (GSP).

4. The broad lines of the Cooperation Agreement between the European Union and Cambodia

The agreement is a framework cooperation agreement founded on respect for human rights, which is intended to promote development aid and economic and commercial cooperation in the broadest sense of the term.

It is the first such agreement to be concluded between the European Union and Cambodia.

(1) Minutes of the sitting of 10 April 1997, p. 142 (PE 258.436).
(2) NGO Forum on Cambodia - Study on differing approaches to development assistance in Cambodia - INTRAC - August 1996.
The desire of both parties to promote human rights is made clear in Article 1 of the agreement, which states that respect for the democratic principles and fundamental human rights established by the Universal Declaration on Human Rights inspires the internal and international policies of the Community and Cambodia and constitutes an essential element of the agreement.

Furthermore, the preamble refers to a number of international instruments such as the United Nations Charter, the Universal Declaration of Human Rights, the Vienna Declaration and the plan of action of the World Conference on Human Rights of 1993.

In the event of human rights violations, all appropriate measures may be taken under a special 'urgent' procedure. The EU is therefore able to suspend implementation of the agreement, should this prove necessary.

The development cooperation objectives are set out in Article 3, which states that priority shall be given to schemes aimed at alleviating poverty and fostering sustainable development and social progress. The article also makes reference to training, education, health care, promoting the role of women in development and protecting the most vulnerable sections of the population. It stipulates that cooperation measures shall be carried out in accordance with the priorities laid down in Council Regulation (EEC) No 443/92(1).

As far as trade is concerned, this is a non-preferential agreement containing a clause granting Cambodia most-favoured-nation treatment.

The provisions on economic cooperation seek in particular to assist Cambodia in its efforts to restructure its economy and promote private investment.

Environmental cooperation is dealt with in a detailed article which stresses the need to promote sustainable economic growth. This article makes explicit reference to the need both to put an end to illegal logging activities and to promote the sustainable development of new forest resources.

Various other areas of cooperation are covered by specific articles, such as agricultural cooperation, energy, regional cooperation, science and technology, and infrastructure. The agreement also makes provision for cooperation in the cultural sphere.

Conclusions

The conclusion of a cooperation agreement with Cambodia which contains a strongly worded human rights clause is wholly in keeping with the wishes expressed by Parliament.

Furthermore, it is extremely important for Cambodia and its people that such an agreement be concluded now, given that, at the political level, the agreement can help to further the process of peace-building and to consolidate democracy in the run-up to the general elections in 1998, at a time when, as was mentioned earlier, tension is rising once again.

(1) on financial and technical assistance to, and economic cooperation with, the developing countries of Asia and Latin America.
The agreement can also help to ensure that more effective support is provided for the efforts which Cambodia, one of the world’s poorest countries, is making in the economic and social spheres.
18 June 1997

**OPINION**
(Rule 147)

for the Committee on Development and Cooperation

on the proposal for a Council Decision concerning the conclusion of the Cooperation Agreement between the European Community and the Kingdom of Cambodia

(COM(97)0078 - 6828/97 - C4-0250/97 - 97/0060) (report by Mr Pettinari)

Committee on External Economic Relations

Draftsman: Christa Randzio-Plath

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**PROCEDURE**

At its meeting of 18 March 1997, the Committee on External Economic Relations appointed Mrs Ranzio-Plath draftsman.

It considered the draft opinion at its meetings of 16 April, 27 May and 18 June 1997.

At the last meeting it adopted the following conclusions unopposed, with one abstention.

The following took part in the vote: Castellina, chairman; Moniz, vice-chairman; Randzio-Plath, draftsman; Elchlepp, Ferrer, Hindley, Janssen van Raay (for Parodi pursuant to Rule 138(2)), Erika Mann, Miranda de Lage, Moorhouse, Schwaiger, Smith and Wiersma (for Falconer).

**BACKGROUND**

There was only very limited contact between Cambodia and the EU from 1975 when the Khmer Rouge took power until the withdrawal of the Vietnamese occupying troops and the UN-sponsored peace treaty concluded in Paris in 1991. Since 1991 ECU 194 million have been made available for the reintegration of refugees and the reconstruction of the country (schools, environment and mine clearance).

1. **POLITICAL, ECONOMIC AND SOCIAL SITUATION OF CAMBODIA**

After almost four years of negotiations, the four warring parties in Cambodia signed a peace treaty in 1991 which ended thirteen years of civil war.

Cambodia is a constitutional elective monarchy, the governing coalition comprises primarily the two large parties in the country. It is divided and goes from crisis to crisis. Overall, the political situation is very unstable. Democracy and the rule of law are still not very developed. Despite the death of Pol Pot and the pardon for Iey Sary the second most important Khmer Rouge leader, fighting in the country has still not come to an end. Many regions still suffer from raids, murders and violence.
Corruption and mistrust of the administration, criminal gangs, drug taking and drug trafficking, gambling, money laundering, child trafficking and a large number of wounded from the war and the civil war mark the suffering of the country and its people. After twenty years of civil war and terror there are too many weapons in the country and too few security forces. The constitution and the law in Cambodia are of little importance because they cannot be implemented. The lack of transparency, democratic principles and the disregard of laws make the international donor organizations reticent. The IMF, for example, has withheld credits in order to bring about more transparency in the use of funds.

The economy has been damaged by the long war. Landmines adversely affect agriculture and transport. The infrastructure has been largely destroyed or is underdeveloped and perceptibly hinders economic reconstruction. As a result, Cambodia is today one of the poorest countries in the world. The information situation is very uncertain. According to government figures growth in GDP since 1993 has been about 6.2% per annum. Agriculture plays the most important role. In 1994 it represented 51% of GDP and around 80% of the working population. Industry accounted for 14% of GDP and 10% of the working population and the services sector had a 35% share of GDP and also 10% of the working population. Per capita GDP is, according to the Government is approximately US$ 287 (1995). The inflation rate is said to have fallen from 151% (1990) to 3.5% (1995).

2. FOREIGN TRADE

Foreign trade is limited and amounts to US$ 585 million (1994). By far the largest export countries are Singapore and Japan; imports come mainly from Singapore and Indonesia. In addition to wood and rubber, other agricultural and forestry products are exported. Imports are mainly vehicles, tobacco and alcohol and petroleum products. Trade between the EU and Cambodia has grown by a factor of 20 from ECU 4 million in 1989 to ECU 81 million in 1994, but in absolute terms is still low (source: Eurostat 1996). Exports consist almost exclusively of textiles and finished clothing; imports consist of machines, vehicles and chemical products. Since the Paris peace agreement a reorientation from state to private external trade has taken place and it is geared mainly to South-East Asia. There are problems in foreign trade due mainly to illegal foreign trade evading customs. Unregistered exports from Cambodia are, according to estimates of the Asian Development Bank, three times higher in value than official exports. The share of illegal imports is said to be 60% of total imports. Taking illegal external trade into account, instead of a deficit of US$ 90 million, Cambodia would have a surplus of US$ 165 million.

3. COOPERATION AGREEMENT BETWEEN CAMBODIA AND THE EU

Cambodia is highly dependent of international aid (1996: US$ 501 million). In addition to measures to help refugees, the EU adopted additional aid of ECU 9.7 million for measures in the educational field and for administrative reform. The cooperation agreement between the EU and Cambodia follows the example of the agreement between the EU and other Asian states such as Sri Lanka, Nepal and Vietnam. It rightly stresses the importance of the UN Human Rights Charter, respect for human rights and democratic principles, as well as the action programmes of the UN Conferences in Vienna, Copenhagen and Peking. Compared with the agreement with Vietnam, this constitutes progress. The importance of improving social rights and the living conditions of women is expressly underlined. This too is an innovative development in cooperation agreements.

4. OBJECTIVES AND CONTENT OF THE COOPERATION AGREEMENT
In the agreement, the parties grant one another most-favoured-nation status and undertake to promote trade and economic and development operation. Particular importance is attached to the environment, sustainable development of natural resources, the development of natural energy sources and combating urban and industrial environmental pollution. Thus, the agreement is intended to make a contribution to improving living conditions and the reconstruction of the country. Programmes are planned for promoting employment, rural development and enhancing the role of women. Health care and special anti-drugs and anti-AIDS programmes have a high priority. Programmes on schools and vocational training, which have been cofinanced by the EU, continue to be supported.

Specifically, the cooperation agreement is intended to remove all obstacles to trade, facilitate mutual access to markets and diversify and improve the structure of trade (Article 4). In this regard, granting of most-favoured-nation status relates to customs duties and levies, taxes and other provisions. Cooperation in the field of tourism is also planned. Cambodia commits itself to protect intellectual property and foreign investments. The EU promises technical assistance to this end. Further sectoral agreements, for example in the field of textiles, are also envisaged.

Economic cooperation will facilitate Cambodia’s access to know-how, standards and legal provisions in the EC and contribute to the reorganization of the Cambodian economy. In addition to supporting the private sector, programmes also deal with measures on mine clearance, infrastructure improvements and combating the drugs trade and money laundering. The agreement also supports Cambodia’s efforts to maintain its cultural heritage, especially as tourism could be an important source of foreign exchange. The importance of cooperation in the fields of information, communication and the information society is also stressed. Account is also taken of the role of the country’s regional integration into ASEAN cooperation and the promotion of ASEAN trade. A joint committee will ensure implementation of the agreement.

5. CONCLUSIONS

The important and, in parts, innovative cooperation agreement between Cambodia and the EU will only be able to generate dynamism and enthusiasm for the urgently-needed reconstruction of the country and social reform if the interested parties from the Cambodian elites can agree on a peaceful resolution of their conflicts and the democratic reform process and respect for human rights continue to develop favourably. The agreement can underpin this path and is an appropriate legal framework for trade, cooperation and development cooperation, the regional integration of Cambodia within South-East Asia, and improved relations with the EU.
OPINION
(Rule 147)

for the Committee on Development and Cooperation

on the proposal for a Council Decision concerning the conclusion of the Cooperation Agreement between the European Community and the Kingdom of Cambodia
(COM(97)0078 - 6828/97 - C4-0250/97 - 97/0060(CNS)) (report by Mr Pettinari)

Committee on Budgets

Draftsman: Mr Jean-Louis Bourlanges

PROCEDURE

At its meeting of 20 March 1997 the Committee on Budgets appointed Mr Bourlanges draftsman.

It considered the draft opinion at its meeting of 9 June 1997.

At that meeting it adopted the following conclusions unanimously.

The following were present for the vote: Samland, chairman; Willockx and Giansily, vice-chairmen; Bourlanges, draftsman; Bösch, Elles, Fabra Vallès, Ghilardotti, Haug, Jöns (for Dührkop Dührkop), Kellett-Bowman (for Bardong), McCartin, Mulder (for Kjer Hansen), Müller, Pimenta, Pronk (for Böge), Virrankoski and Wynn.

I. INTRODUCTION

1. Since the early 1990s relations between the European Community and the Kingdom of Cambodia have entered a new phase. The key dates are 23 October 1991, when the peace agreements were concluded in Paris, the general elections held in 1993 and the opening of the official negotiations between the Commission and the Cambodian Government in February 1995.

2. On 29 April 1997 in Luxembourg the European Union signed a framework agreement with Cambodia covering economic, trade, financial and technical cooperation which does not include trade concessions.

3. Cambodia is due to hold local elections in late 1997 and a general election in November 1998. It is set to join the ASEAN group in July 1997. However, there is clearly still latent internal tension in Cambodia and the cooperation with the European Union will take place against an uncertain background.
II. REMARKS

4. The conclusion of the cooperation agreement (legal basis: Articles 113 and 130y of the EC Treaty, in conjunction with the first sentence of paragraph 2 and the first subparagraph of paragraph 3 of Article 228 of the Treaty) should bring the contracting parties a series of mutual benefits. It should be stressed, however, that from its first article onwards the agreement emphasizes the requirement to respect democratic principles and fundamental human rights as set out in the Universal Declaration of Human Rights.

5. That said, the cooperation should cover the following areas:

(a) trade cooperation;
(b) development cooperation;
(c) economic cooperation;
(d) cooperation in the environmental sphere, agricultural cooperation, energy, regional cooperation, science and technology, chemical precursors, the laundering of capital, infrastructure, information, communication and culture.

6. The agreement covers a wide range of areas and, in institutional terms, will require the establishment of a joint committee similar to those set up under other cooperation agreements. The 1998 budget should therefore incorporate the appropriate nomenclature in Section III A - Annex I, which sets out the list of committees funded under budget Item A-2510.

7. As the Commission points out, since 1991 Cambodia has received substantial volumes of aid through the commitment of a sum in excess of ECU 160 m. However, it should be emphasized that in the Commission document that substantial aid is presented as a Commission contribution (see COM(97)0078 final, p. 2), whereas in fact it is a contribution from the Union budget.

8. The financial statement fails to give full details of the financial impact of the proposal. In particular, it appears to give priority to administrative expenditure, to the detriment of information on operating expenditure.

9. As far as administrative expenditure is concerned, the financial statement notes that resources already exist to cover three officials (1 A, 1 B, 1 C) and puts forward an estimate of ECU 300 000/year without giving a precise assessment of the costs arising from these staffing arrangements. In addition, mention is made of other administrative expenditure such as committology, Article A-251 (token entry), and mission expenses, Article A-130 (ECU 35 000).

10. The estimated budget (ECU 35 000 every two years) to cover the cost of missions to be undertaken every two years raises a number of questions, since, in the case of a neighbouring country (Vietnam), the cost of undertaking two missions per year has been calculated at ECU 10 000 (see, in that connection, COM(97)0002 final). What, therefore, are the criteria and parameters which have been used to calculate the mission expenses? Attention should also be drawn to the recent Parliament report on daily subsistence allowance rates for officials on mission (A4-39/97, adopted on 13 March 1997).
11. No financial details are provided concerning operating appropriations. The Commission merely presents the budget nomenclature and heading concerned, so that it is impossible to determine the financial cost of the cooperation, even though Article 3 of the Financial Regulation stipulates that a financial statement must contain an estimated schedule of annual requirements in appropriations.

12. The value of that information is all the more evident because, in the budget, Article B7-870 (Commercial and economic cooperation agreements with third countries) and the other budget headings in subsection B7 set out appropriations broken down on the basis of geographical areas which are so large as to make it impossible to determine the precise allocation and because the background documents accompanying the preliminary draft budget are just as vague.

13. Although this choice may seem sensible, in order not to over-complicate the nomenclature, the Commission should nevertheless submit detailed estimates for each proposal.

CONCLUSIONS

14. The Committee on Budgets:

(a) deplores the gaps in the financial statement, not least as regards operating appropriations;

(b) calls on the Commission to provide appropriate evidence to justify the administrative expenditure:
   - establishment plan;
   - mission expenses;

(c) will consider, during the 1998 budgetary procedure, the arrangements made to incorporate the joint committee into the budget and the proportion of operating appropriations earmarked for Cambodia.
OPINION
(Rule 147 of the Rules of Procedure)

for the Committee on Development and Cooperation

on the proposal for a Council Decision concerning the conclusion of the Cooperation Agreement between the European Community and the Kingdom of Cambodia (COM(97)0078 - 6828/97 - C4-0250/97 - 97/0060(CNS)) (report by Mr Pettinari).

Committee on Foreign Affairs, Security and Defence Policy

Draftsman: Mr Charles Goerens

PROCEDURE

At its meeting of 19 November 1996 the Committee on Foreign Affairs, Security and Defence Policy appointed Mr Goerens draftsman.

It considered the draft opinion at its meetings of 28 January, 17 June and 24 June 1997.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Spencer, chairman; Mendiluce Pereiro, 1st vice-chairman; Goerens, draftsman; Barón Crespo, Bernard-Reymond, van Bladel, Burenstam Linder, Caccavale, Camero González, Cohn-Bendit, De Melo, Ephremidis (for Alavanos), Fernández-Albor, Galeote Quecedo, Gomolka, Izquierdo Rojo (for Candal), Lindqvist (for Cars), Lalumière, Mcmillan-Scott (for Cushnahan), Oostlander and Pettinari (for Manisco).

GENERAL COMMENTS

The situation in Cambodia continues to be characterized by extreme political instability. This is the result of a past with which the country has scarcely come to terms, the outcome of conflict and civil war. Nearly six years after the Paris peace accord (1991) the Cambodians seem to be finding it as difficult as ever to deal with the heritage of the Khmers Rouges, and as a result there is profound uncertainty about the country's future, especially since there has been an upsurge in violence, as exemplified by the fatal grenade attack which took place on 30 March in the very centre of Phnom Penh.

What was particularly worrying about that attack was that it targeted activists of Sam Rainsy's Khmer Nation Party (KNP), the main opposition force ranged against the reigning coalition between FUNCINPEC (close to King Sihanouk) and the Cambodian People's Party (CPP) of Prime Minister Hun Sen, the successor of the Communist Party. This coalition is itself extremely unstable and is likely to collapse at any time, especially with the approach of the next elections, which are scheduled for 1998. It is actually the CPP which controls the main machinery of power (the army, the security
forces and the central and provincial administrations). This situation continues to paralyse the Royal Government.

The illusion of democracy, which emerged with the intervention of the United Nations in 1992-93 (UNTAC), has thus ended in failure.

This situation weighs heavily on the economic prospects of the country, which remains one of the poorest in the world. Not only is Cambodia’s reconstruction being held back, but there is also rampant corruption in the State sector, and the country is a prey to all kinds of carpet-bagging and dubious interests. Their damaging influence is particularly evident in the uncontrolled exploitation of one of Cambodia’s main resources, namely massive deforestation with no sustainable basis. The Cambodian people are also powerless observers of the sterile power-struggles between Cambodia’s leaders, as illustrated by the lack of dialogue between the co-Prime Ministers, Hun Sen and Norodom Ranariddh.

Faced with this situation, most governments appear to be resigned to accepting ‘stability’, i.e. the established order represented by the co-Prime Minister, Hun Sen, and the CPP, as a kind of least worst scenario. Taking a ‘Realpolitik’ stance, it is therefore considered that the precarious order guaranteed by the CPP’s grip on the situation is infinitely preferable to the uncertain prospects that a redistribution of the cards might offer at the next general election. Pursuing the logic of this reasoning, there are some who even advocate postponing the elections indefinitely.

The established order, however, is far from meeting minimum requirements with regard to respect for human rights and democratic principles. Although the circumstances surrounding the grenade attack on 30 March are far from clear, it is particularly shocking to find that the direct perpetrators (and the instigators) remain unpunished. This is, moreover, why Amnesty International considers that ‘ impunity for perpetrators is the most serious human rights problem Cambodia faces’ (AI Index: ASA 23/09/97).

It could certainly be argued that one of the main reasons why Cambodia appears to be sinking inexorably into crisis and heading towards chaos is the fact that it is relatively isolated internationally. There is some truth in this analysis. It leads inevitably to voices pleading for a degree of indulgence for Cambodia, effectively disregarding the most unpleasant aspects of its domestic situation, and for help to reintegrate into the international community as quickly as possible, in the hope that this will encourage changes which are likely to bring its practices as regards human rights and democratic practice more into line with international standards.

This reasoning is apparently that followed by the ASEAN countries, who decided on 31 May, in Kuala Lumpur, to admit not only Cambodia but also Laos and Burma as members with effect from July. ASEAN has thus decided to ignore international pressure, particularly from NGOs active in the human rights field, to refuse to admit Burma and Cambodia on the grounds of their appalling human rights record.

Faced with the fait accompli thus created by ASEAN, the Community has no option but to follow this movement, otherwise it will lose all influence and any means of bringing pressure to bear subsequently on the situation in Cambodia.

The Cooperation Agreement between the EC and Cambodia is based, according to Article 1 thereof, on respect for human rights and democratic principles. Provision is made, by means of a special
urgent' procedure, for the implementation of the agreement to be suspended in cases of particularly serious breaches of those principles. This emphasis on the principles which are supposed to guide the Community’s external activities is thus wholly in keeping with the demands made by Parliament. Steps must be taken to ensure that this good resolution is lived up to in the day-to-day implementation of the Cooperation Agreement.

CONCLUSIONS

1. The committee condemns the widespread human rights abuses being perpetrated in Cambodia by both governmental authorities and other groups.

2. The committee recalls the international responsibility already accepted for Cambodia by the Paris Agreements and by the establishment of the United Nations Transitional Authority in Cambodia (UNTAC). It notes that elections are due next year, five years after the elections in May 1993 held under the auspices of UNTAC. It regards it as vital that these elections take place as scheduled, and is deeply concerned by indications that there is reluctance in some political quarters to allow this to happen.

3. It fully supports, therefore, the Commission’s efforts to help Cambodia prepare for these elections, for example drawing up an electoral register, and urges it to spare no effort to ensure that all necessary steps are taken to permit the elections to be held as scheduled.

4. In view of the widespread abuse of human rights, and the doubt as to the holding of elections as scheduled, the committee feels considerable reluctance about granting Cambodia the benefits of the Cooperation Agreement. Nevertheless, given that the Agreement contains a human rights clause and a suspension clause, which it urges the Commission to be prepared to invoke if necessary, and given the importance of formalizing relations with such a human rights clause with a country about to become a member of ASEAN, it does recommend that Parliament approve the Agreement.

5. The committee insists that human rights and democratic principles be one of the main items on the agenda at every meeting of the Joint Committee provided for in the Agreement, and calls on the Commission to report regularly to Parliament on progress achieved in that field.