

European Union and Cambodian Government conclude their Ninth Joint Committee

Joint Press Statement: Phnom Penh, 04 May, 2016

The 9th EU-Cambodia Joint Committee was held in Phnom Penh, capital of the Kingdom of Cambodia, on 4 May 2016 and was preceded by subgroups on development cooperation, on institution building, administrative reform, legal and judicial reform, governance and human rights, and on trade. The Joint Committee was co-chaired by H.E. Mr. Ouch Borith, Secretary of State at the Ministry of Foreign Affairs and International Cooperation of the Kingdom of Cambodia and by Mr. Ugo Astuto, Deputy Managing Director, Asia and Pacific of the European External Action Service.

Both sides reaffirmed their commitment to deepen the good relationship and cooperation between the EU and Cambodia based on the principles of equality and mutual respect, by promoting the implementation of the objectives set out in the 1999 Cambodia-EU Cooperation Agreement.

The Meeting exchanged views on the broad range of bilateral issues including current political development in Cambodia and the EU, multilateral and regional issues such as the Lower Mekong Sub-region, EU-ASEAN trade relations, climate change and human rights cooperation in UN fora.

"The EU is a long standing partner and supporter of Cambodia" said Deputy Managing Director Ugo Astuto. "This high level dialogue allows us to examine the whole spectrum of our bilateral relations, including both our trade and development cooperation and crucial issues such as land management and the resolution of land conflicts, space for civil society actors, democratic dialogue and election reform. In this regard, the EU urged the Government to create and maintain an environment in which all political parties and civil society can operate freely and without fear. We raised our concerns about the independence of the judiciary and the fairness of law enforcement, and specifically about the recent arrests of civil society representatives, and we called for their release."

Regarding this point, H.E Mr Ouch Borith underlined that the judicial actions which have been taken so far are neither a cynical act of malice nor manipulation of the judiciary to undermine the opposition's role but rather an action to enforce the rule of law.

"The EU-Cambodia Cooperation Agreement forms the foundation of our cooperation," said H.E. Mr. Ouch Borith. "The EU has significantly scaled up its support (up to €410 M under the Multi-Annual Indicative programme (MIP) 2014-2020). Meanwhile, bilateral trade and investment relations have considerably expanded, with Cambodia's exports to the EU reaching a record figure of over 4 billion euros in 2015. The EU is now the primary destination of Cambodian exports. The duty-free trade preferences granted by the EU have played an important role in export-led growth in Cambodia."

In the sub-group on "Development cooperation", held on 2 May, the two sides took stock of ongoing bilateral, thematic and regional cooperation activities, as well as new support programmes in preparation. They discussed developments in the three EU focal sectors - Agriculture and Natural Resources Management, Education, and Governance and Administration (including support to key governance reforms – electoral reform, public

financial management and decentralisation). Thematic and regional programmes in areas such as environment, trade support and human rights were also discussed, as well as EU support for the Khmer Rouge Tribunal (Extraordinary Chambers in the Courts of Cambodia).

Dialogue in the sub-group on "Institution Building, Administrative Reform, Legal Reform, Governance and Human Rights" on 3 May focussed on progress and remaining challenges on issues such as freedom of expression and the media, the fight against corruption, strengthening of civil society, the rights of women and children, the rights of minorities, and labour rights. The EU raised its concern over the cases of detained elected politicians and activists and called for respect for pluralist democracy, freedom of expression, human rights and the rule of law. The Government set out its plans to address the challenges in securing land tenure for the rural poor and the most vulnerable, including Indigenous People Communities.

The sub-group on "Trade and Investment" held in the morning of 4 May reviewed EU-Cambodia bilateral trade and the investment climate in Cambodia. The EU explained its new EU Trade strategy for the next five years. The two parties addressed a number of other bilateral issues in relation to Cambodia's uptake of the Everything But Arms preferences as well as market access for European companies in Cambodia. The EU, as a major donor of trade related assistance, agreed to continue to work with the Cambodian authorities to support improvement of the country's business and investment climate.

The two sides agreed to hold the 10th Cambodia-EU Joint Committee and its three Sub-group meetings in 2018 in Brussels.

Background:

At the heart of the relationship between the European Union and the Kingdom of Cambodia is the 1999 Cooperation Agreement, which provides the legal basis for the Joint Committee. The Joint Committee, which normally meets every other year, alternately in Phnom Penh and in Brussels, allows the EU and the Royal Government of Cambodia to formulate recommendations and set priorities. Collaboration between the EU and Cambodia also takes place on the regional and international stage through fora such as ASEAN, ASEM and the WTO.

The EU is one of the main trade and development partners of Cambodia.

Trade relations with the EU:

Cambodia, as a Least Developed Countries, benefits from duty-free access to the EU under the Everything But Arms initiative. In 2015, Cambodian exports to the EU amounted to € 4 billion, concentrated in clothing (72,7%), footwear (12,5%), bicycles (8,8%), rice and sugar (4,3 %). The EU has been Cambodia's biggest export market since 2013.

Development cooperation:

*The EU allocated **EUR 410 million** for bilateral cooperation from 2014 to 2020 (tripling assistance in the previous period of 2007-2013). The EU is significantly increasing direct budget support to Cambodia, accompanying Government reform efforts and the increasing Government allocations to these reforms, as well as increasing country ownership and supporting Cambodia's institutional systems.*

European Development partners (European Commission, EU Member States and Switzerland) active in Cambodia, provide in the Joint Programming period of 2014-2020 a funding envelope of an estimated € 1.4 billion.