

IMF Resident Office in Cambodia Initiates Roundtables with National and International NGOs

June 2003

The IMF Resident Office recently launched an initiative to facilitate and deepen dialogue with the NGO community in Cambodia via a series of roundtable discussions with NGO representatives. The IMF Resident Representative extended the invitation because the IMF wanted to hear the views of civil society regarding policies to speed up and sustain poverty reduction in Cambodia, especially in the context of the Royal Government of Cambodia's recently approved *National Poverty Reduction Strategy* (NPRS).

Several roundtables are to be held during the coming months to facilitate an informal but substantive discussion with representatives of civil society on policy areas that fall under the IMF's mandate. The first of these roundtables was held on June 19, 2003 at the IMF Resident Office in Phnom Penh. Fifteen representatives of international and Cambodian NGOs were invited to discuss revenue policies. Participants from the NGO community were sensitized to the precariousness of Cambodia's fiscal situation, and to the scale of the revenue challenge. The Resident Representative also described the policy and institutional reforms (i.e., administrative improvements) underway to boost revenue performance. Participants welcomed the extensive base-broadening efforts underway, and recognized that the actions to improve compliance and to broaden coverage aimed not only at improving efficiency, but also both *horizontal* and *vertical* equity. Specific reform proposals made by the NGO representatives included introduction of a progressive land tax to discourage land speculation, tax reductions on agricultural inputs to improve agricultural competitiveness and help diversify production, and the reduction or elimination of various fees collected at the provincial level to reduce disincentives to rural entrepreneurship.

The next roundtable was scheduled to be held on July 16, 2003, for a discussion on governance and corruption.