

from the previous year and outside investment dropped off.⁵

More recent events, however, have given some grounds for cautious optimism. The government seems committed to hold elections this year. Both the law on political parties and on elections, the two main pieces of the legal framework needed for elections, have now been passed. Both reflect most of the concerns of the international community (both the key donors and the ASEAN countries), including the need for rules giving the National Election Committee (NEC) independence in running the election process. The international community is now essentially satisfied with the adequacy of the framework as the basis for free, fair and credible elections.⁶ The government has welcomed outside assistance in preparing for them and says it also welcomes outside monitors.

The National Assembly decided to hold the elections on July 26, 1998, two months after the date under discussion in much of 1997, but still justifiable on technical grounds (in part because an acceptable legal framework took considerable time to develop). While the date is still ambitious, given the need to establish the electoral machinery, register voters, parties, and candidates, and may cause logistic problems if the rains by that time are significant, Cambodian and international observers appear to see the new date as a reasonable compromise.

In addition, some of the other conditions for a free, fair and credible election are falling into place. A Japanese proposal intended to allow Ranariddh and the remaining exiles to return and participate in elections and which is based on "four pillars", including a ceasefire between Ranariddh and RCAF forces and a severing of ties between Ranariddh and the Khmer Rouge, has been accepted by Hun Sen and the Prince. The ceasefire - fragile though it is - took effect on 27 February. Hun Sen's government continues to insist, however, on Ranariddh's "trial" by a military court, probably in his absence, for his role in events that led to the July fighting.

A number of the other opposition leaders and their families who fled in July have been returning to Cambodia, so far without incident (the government has promised to assure their security). The UN Secretary-General's Special Representative (SRSG) for Cambodia, Lakhan Mehrotra, and UNHCR are assisting with the remaining leaders' return.⁷ Hun Sen has called on the King, who left the country in January for Beijing after a brief return, to come back (the King apparently had left in anger over the government's attempts to change the terms of an amnesty arrangement for Ranariddh. Many observers consider his presence important for the country's

⁵In the first half of 1997, the Board of Investment approved \$400 mn in new investment; from July to October, only \$97 mn.

⁶A good deal of the work in drafting these laws was based on the advice Theo Noel, a Canadian formerly with Elections Canada and IFES, who, with CIDA support, was seconded to the Cambodian Bureau of Elections and who will now work in the NEC itself as a technical advisor.

⁷The SRSG has a small number of monitors who are available to the returnees should they wish to have an international presence nearby.