



global witness

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**International donors must act on entrenched natural resource-related corruption in Cambodia, says Global Witness**

Cambodia's international donors must tackle head on the gross mismanagement of the country's natural resources at tomorrow's government-donor meeting, campaign group Global Witness said today. Donors gave Cambodia \$1bn in aid last year, despite evidence of widespread corruption and mismanagement of public funds and repeated failures to implement promised reform.

Ambassadors from donor countries will meet in Phnom Penh from June 2-3 for the regular review of the government's progress towards meeting reform targets. They are expected to agree to continue to provide aid to the tune of \$1bn a year - a figure almost equal to Cambodia's entire domestic revenue through the national treasury in 2008 - even though the government has failed to meet agreed benchmarks.

"The Cambodian government has been promising to reform for years, but nothing had changed," said Global Witness Campaigns Director Gavin Hayman. "Our latest report shows that the political elite has no intention of loosening its stranglehold over the country's natural resource wealth. Donors simply cannot continue to turn a blind eye."

Tomorrow's meeting follows a series of revelations of high level corruption and governance failures over the last 18 months, including:

- The mysterious circumstances surrounding a multi-million dollar payment in signature bonuses and "social funds" made by French oil giant Total to the government. No information about the whereabouts of these payments has been made public by the authorities.
- A total lack of transparency in the latest bidding round for oil and gas exploration rights, held in late 2009. No information about the result has been made public by the government;
- An investigation by the US Securities and Exchange Commission into possible violations of anti-graft legislation by multinational mining company BHP Billiton during operations in a country widely reported to be Cambodia;
- The bankrolling of Cambodia's military by private businesses, formalised by Prime Minister Hun Sen in February 2010. The following month a CPP Senator used the Battalion he sponsors to guard a plantation owned by his company against community protests;
- An escalation of land grabs resulting in urban and rural forced evictions;
- Condemnation by civil society of a new Anti-Corruption Law passed in March 2010 which fails to protect whistleblowers, and of the lack of independence of the new Anti-Corruption Unit.

Earlier this month Global Witness published *Shifting Sand* which outlined how a largely unregulated sand trade between Cambodia and Singapore was threatening coastal ecosystems and local livelihoods. It named two of Cambodia's senator-tycoons as benefitting directly from the trade, and estimated that more than \$10m in royalty fees could be missing from national accounts.

Global Witness is calling on Cambodia's donors to make aid dependent on basic governance reforms which will enable Cambodia to harness its own resources for development. "Donors must take a coordinated stand against the horribly subverted dynamic of aid in Cambodia in which their country's money props up the basic functions of the state, leaving an elite free to exploit the state's assets for personal profit and gain further power," said Gavin Hayman. "Taxpayers rightly expect development aid to be spent on genuine poverty reduction rather than underwriting corruption and state failure."

**/ENDS**

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Notes to editors

1) In April 2010, Prime Minister Hun Sen announced that the French company Total had made a payment of US\$28 million to the government. US\$8 million of this was for a social development fund as part of its agreement to explore for oil offshore, and an additional US\$20 million signature bonus went to the government. Information can be found at

[http://www.globalwitness.org/media\\_library\\_detail.php/961/en/multi\\_million\\_dollar\\_payments\\_to\\_cambodia\\_by\\_french\\_oil\\_giant\\_total\\_should\\_be\\_scrutinized\\_by\\_countrys\\_donors](http://www.globalwitness.org/media_library_detail.php/961/en/multi_million_dollar_payments_to_cambodia_by_french_oil_giant_total_should_be_scrutinized_by_countrys_donors)

2) In April 2010, it was announced that the company BHP Billiton is under investigation for potential anti-graft violations by the U.S. Securities Exchange Commission (SEC). Information can be found at

[http://www.globalwitness.org/media\\_library\\_detail.php/958/en/global\\_witness\\_statement\\_on\\_bhp\\_billiton\\_engagemen](http://www.globalwitness.org/media_library_detail.php/958/en/global_witness_statement_on_bhp_billiton_engagemen)

3) Information about the private sponsorship of the Cambodian military, can be found at

[http://www.globalwitness.org/media\\_library\\_detail.php/935/en/global\\_witness\\_urges\\_cambodias\\_donors\\_to\\_condemn\\_s](http://www.globalwitness.org/media_library_detail.php/935/en/global_witness_urges_cambodias_donors_to_condemn_s)

4) Information about land grabs and forced evictions in 2010 can be found at [www.ngoforum.org.kh](http://www.ngoforum.org.kh)

5) Information about the anti-corruption law can be found at <http://www.licadho-cambodia.org/press/files/221Jointstatementondraftanti-corruptionlaw11march2010-Eng.pdf>

Global Witness investigates and campaigns to end natural resource-related conflict and corruption and associated environmental and human rights abuses.