

# Cambodia

## 2015 Country Summary

### Recommendations

Cambodia's GI ranking in Band F places it in the critical risk category for corruption in the defence and security sector. The country was graded in Band F across all four risk areas: Finance, Procurement, Operations and Personnel, and in Band E for Political risks. Because the ruling Cambodian People's Party (CPP) has near total control of the country's defence and security policy, Parliament has little to no ability to oversee the defence budget, monitor procurement, or scrutinise the military's commercial activities. Furthermore, evidence suggests that little separation exists between the chains of command and the chains of payment in Cambodia's military contributing further to the proliferation of ghost soldiers, bribery, and unpredictability in promotions. Reform of payroll and publishing open data on personnel issues is essential. We also suggest the following reforms of the security sector to minimise corruption risk:

#### **Strengthen Legislative Scrutiny**

As provided for in the Cambodian constitution, three parliamentary committees formally exist to oversee activities of the military. However, in practice, these committees exert little to no authority over the ruling Cambodian People's Party. We recommend that the Parliament fully realise its constitutional authority to scrutinise the military. It should have access to internal audits reports in the Ministry of Defence, and the ability to oversee and scrutinise all aspects of procurement, as well as the power to challenge the Prime Minister's defence policy through public debate.

#### **Increase Budget Transparency**

While the National Audit Authority was designed to monitor formally government and defence spending, it has yet to exercise this duty. Oversight of defence spending is further limited by lack of public disclosure of the country's defence budget. While the aggregate sum is available (approximately 8.8% of the national budget), no breakdown of defence expenditure is given and the ministry does not publicly release data on how many defence personnel are employed. We recommend that the government publish an annual defence budget that includes detailed information on expenditure across functions including research & design, training, salaries, acquisitions, disposal of assets, maintenance and personnel expenditures. It should also include further information on its sources of defence income and the asset disposal process, this will help ensure that the budget is not diverted or stolen.

### Enhance scrutiny of the military's legal and illegal commercial activities

While the military has publicly announced some of its commercial holdings (e.g Military Television 5), evidence suggests that the military's real commercial activities far exceed their declarations. The Cambodian military has been involved in natural resource exploitation for many years, for example, senior officers in the Royal Cambodian Armed Forces are major players in illegal business activities such as logging and drugs trafficking. Similarly, the military has often provided services to companies that contravene their duty to act in the nation's best interest. To cite one example, interviews conducted by Global Witness indicate military officers in the Royal Cambodian Armed Forces have evicted villagers from land in the countryside and then sold the land.

We recommend that the government impose tighter regulations on the military's legal commercial activities so to as to preclude abuse of power, by explicitly outlawing private enterprise by defence and security institutions and personnel, this law should be overseen by a robust and independent enforcement agency, with strong sanctions in place for offenders.

## Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	0
		Defence Committee	1
		Defence Policy Debated	1
		CSO Engagement	0
		International AC Instruments	2
		Public Debate	1
		AC Policy	1
		AC Institutions	2
		Public Trust	1
		Risk Assessments	1
	Defence budgets	Acquisition Planning	1
		Budget Transparency & Detail	1
		Budget Scrutiny	1
		Budget Publicly Available	1
		Defence Income	0
		Internal Audit	1
		External Audit	1
	Other Political Areas	Natural Resources	0
		Organised Crime Links	0
		Organised Crime Policing	0
		Intelligence Services Oversight	1
		Intelligence Services Recruitment	1
		Export Controls	1

Finance	Asset Disposals	Asset Disposal Controls	0
		Asset Disposal Scrutiny	0
	Secret Budgets	Percentage Secret Spending	0
		Legislative Access to Information	0
		Secret Program Auditing	1
		Off-budget Spending in Law	1
		Off-budget Spending in Practice	0
	Links to Business	Information Classification	1
		Mil. Owned Businesses Exist	0
		Mil. Owned Business Scrutiny	1
Personnel	Leadership	Unauthorised Private Enterprise	0
		Public Commitment	1
		Measures for Corrupt Personnel	2
		Whistleblowing	1
	Payroll and Recruitment	Special Attention to Sensitive Personnel	0
		Numbers of Personnel Known	0
		Pay Rates Openly Published	0
		Well-established Payment System	0
		Objective Appointments	1
	Conscription	Objective Promotions	0
		Bribery to Avoid Compulsory Conscription	1
		Bribery for Preferred Postings	1
	Salary Chain	Ghost Soldiers	0
		Chains of Command and Payment	0
	Values, Standards, Other	Code of Conduct Coverage	1
		Code of Conduct Breaches Addressed	0
		AC Training	1
		Prosecution Outcomes Transparent	0
		Facilitation Payments	1
	Operations	Controls in the Field	Military Doctrine
Operational Training			0
AC Monitoring			0
Controls on Contracting			0
Private Military Contractors			0
Procurement	Government Policy	Legislation	0
		Transparent Procurement Cycle	0
		Oversight Mechanisms	0
		Purchases Disclosed	0
		Standards Expected of Companies	0
	Capability Gap	Strategy Drives Requirements	0
		Requirements Quantified	0
	Tendering	Open Competition v. Single-Sourcing	0
		Tender Board Controls	0
		Anti-Collusion Controls	1
	Contract Delivery / Support	Procurement Staff Training	0
		Complaint Mechanisms for Firms	1

		Sanctions for Corruption	0
	<b>Offsets</b>	Due Diligence	0
		Transparency	0
		Competition Regulation	0
	<b>Other</b>	Controls of Agents	0
		Transparency of Financing Packages	0
		Subsidiaries / Sub-Contractors	0
		Political Influence	1