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Global Witness urges Cambodia's donors to condemn sponsorship of military units by private businesses

Aid donors to Cambodia, including the US, EU, Japan, China and the World Bank, should send a strong message to the government that they will not countenance the bankrolling of Cambodia's military by private businesses, said Global Witness today.

The call follows the announcement last week by Cambodian Prime Minister Hun Sen of the formation of 42 official partnerships between private businesses and Cambodian military units. The partnerships will "solve the dire situation of the armed forces, police, military police, and their families through a culture of sharing" according to a government memo.

Global Witness is concerned that this policy officially sanctions an arrangement where businesses get military protection in return for financial backing. A number of the companies named as military sponsors already have track records of using the military to protect their business interests. For example, Global Witness's 2009 report, *Country for Sale*, described how the Try Pheap Company used armed forces to guard a mine in Stung Treng Province.

Other high-profile Cambodian companies allegedly providing sponsorship include the Mong Reththy Group, the Ly Yong Phat Company, and the Chub Rubber Plantation Company.

"Since the end of Cambodia's civil war, the Royal Cambodian Armed Forces has operated as a vast organised crime network," said Gavin Hayman, Campaigns Director at Global Witness. "It is unacceptable for private companies to be financing a military renowned for its corruption and involvement in illegal activities and human rights abuses."

The arrangement also threatens to undermine the legitimacy of international aid, especially in the case of donors such as the US who are directly funding the military. In 2009 the US spent more than \$1 million on military financing, education and training in Cambodia.

"Yet again, Cambodia's donors are being mocked by the government's blatant violation of basic governance and transparency standards. The existence of a strong patronage system between the military and private business is not new. But what is different and shocking is that it has become official government policy," said Hayman. "Donors should send a firm and decisive message that Cambodia's military exists to protect the people, not the financial assets of a privileged few."

"This fire-sale of military units represents an appalling breach of governance standards and threatens to undermine the country's future stability," said Hayman. "The donor community has collectively poured billions into the restoration of peace and democracy in Cambodia since the fall of the Khmer Rouge. Surely they are not going to stand by and allow this to be undercut by a policy of selling off the armed forces to private business interests? This is tantamount to sanctioning a mercenary force."

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Notes for Editors

1. Global Witness has worked in Cambodia for over 15 years and published 18 reports on corruption within the management of the country's natural resources. For examples, see www.globalwitness.org

2. The policy of military-business partnerships was first reported in the *Cambodia Daily* on Friday 26 February in an article titled *Businesses Tie Official Knot With Military*. For a full list of companies and military units allegedly involved, contact Global Witness.

3. In the 2009 financial year, the US spent an estimated \$1,106,000 on Foreign Military Financing and International Military Education and Training in Cambodia, according to the US Department of State's *Executive Budget Summary: Function 150 & Other International Programs Fiscal Year 2011*, accessed at <http://www.state.gov/documents/organization/135888.pdf>

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