

CAMBODIA: Donors pledge \$1 billion but criticise corruption



Photo: [Brendan Brady/IRIN](#)

A woman paddles a small fishing boat in a Phnom Penh lake being drained by developers to make room for a high end Korean-built residential community

PHNOM PENH, 3 June 2010 (IRIN) - Donors pledged the largest aid package in Cambodian history this week while at the same time scolding the country for failing to implement various reforms.

Donors pledged US\$1.1 billion in aid for this year - up from last year's \$950 million - during a two-day conference ending on 3 June. Cambodian Prime Minister Hun Sen insisted his government would use the funds effectively, calling reform a "life-or-death issue for Cambodia".

But rights groups say donors should take a tougher stance to weed out corruption; the country was last year ranked the world's 22nd most corrupt by [Transparency International](#).

Activists say much of last year's money has been diverted from the projects they were intended for, such as schools, roads and hospitals.

"The onus for protecting donor aid falls squarely at the door of the donors themselves," said Ou Virak, head of the Phnom Penh-based [Cambodian Centre for Human Rights](#).

Donors needed to do more to make sure their aid was put to good use, he added.

The World Bank is also unconvinced there has been adequate progress. "It is important for the government to take the lead in aligning resources to development priorities," Annette Dixon, country director for the World Bank, said at the conference.

The Bank said the Cambodian government had to be more transparent with its public finances and handling of natural resources after allegations that foreign oil companies paid bribes for oil exploration deals in the Gulf of Thailand, off Cambodia's southwest coast.

Last summer, Carol Rodley, US ambassador to Cambodia, said Cambodia lost about \$500 million to corruption each year, a remark the government condemned as "politically motivated".

"It's normal that these donor countries raise this issue of corruption," Phay Siphon, a government spokesman, told IRIN. "The new anti-corruption law will reduce those improper activities."

Some lawmakers have praised the anti-corruption law, passed in March, which requires government and military officers to disclose their wealth to an anti-corruption body.

But critics say the law was passed hastily and that it contains disturbing amendments, including prison time for whistleblowers.

Various drafts of the law lingered in the National Assembly, the lower house, for 15 years before the bill suddenly went to the floor in March.

Friction

Despite the prime minister's assurances, Cambodian officials have in recent months issued increasingly bold warnings to donor governments and the UN, complaining of interference in internal matters when they urge officials to clean up corruption, halt arbitrary land evictions and curtail defamation lawsuits against opposition lawmakers.

In March, Cambodian foreign minister Hor Namhong threatened to have UN country head Douglas Broderick expelled after Broderick had requested the government spend more time drafting the anti-corruption law. The foreign minister called this an "unacceptable interference in the internal affairs of Cambodia" in a letter to Broderick. The UN has stayed silent on the issue.

Cambodian officials claim the country has been transformed from a war-torn pariah state to a politically stable destination for tourists and investors.

But activists say that is not enough. "The aid situation has done pretty well in infrastructure," Donald Jameson, a former US embassy official in Phnom Penh, told IRIN by telephone from Washington DC. "But there is very little being done about the quality of education, healthcare or corruption in the judiciary."

About one-third of Cambodians still live on \$1 a day or less, according to government statistics.

Playing the China card

Some analysts contend that China, Cambodia's largest donor, is shaking things up by increasing the size of its aid packages each year, with few conditions. Cambodia now makes more decisions in the interests of China, observers say.

In December, Cambodia deported 20 Uighur refugees from Xingjian, a province in northwest China. The UN and US condemned the decision,



Photo: Brendan Brady/IRIN

Homeless people found in city parks are sometimes rounded up by police and held in "rehabilitation" centres" like this one

claiming it was against international refugee law.

After the expulsion, China awarded \$1.2 billion in aid and soft loans to Cambodia.

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