“PROMOTING GOOD GOVERNANCE:
FIGHTING CORRUPTION AND INCREASING ACCOUNTABILITY”
REMARKS ON BEHALF OF THE DONOR COMMUNITY
BY AMBASSADOR OF THE UNITED STATES, CHARLES A. RAY
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Distinguished guests, ladies and gentlemen: I welcome this opportunity to summarize donor perspectives on a theme that is central to this Consultative Group (CG) meeting and to the future of Cambodia -- “good governance.”

This first session appropriately embraces several principles that form the foundation of good governance, including legal and judicial reform, human rights, public financial management and public administration reform. We open this session with discussion of two interrelated topics that are equally important--fighting corruption and increasing accountability.

The importance of combating corruption and increasing accountability in Cambodia has been highlighted through recent events, official statements and reports. Notably, the Prime Minister has stated his intent to “declare war” on corruption. Similarly, the Government’s Rectangular Strategy has placed good governance at the heart of its program of reform.

The donor community ranks corruption and accountability as two of the most important issues facing Cambodia. At the pre-CG meetings held in Phnom Penh in September, my Japanese colleague stated that, “fighting corruption is the most important challenge the Cambodian government is facing.” That same speech noted that “corruption not only damages the fabric of society, but also distorts the allocation of economic resources and thus prevents sustained economic growth.”

According to the August 2004 USAID-funded corruption assessment, “ordinary Cambodians are subject to a daunting array of small and medium exaction, some paid virtually on a daily basis.” That same report highlighted the significant loss in legal revenue due to smuggling, bribes and other illegal practices, which possibly totals as much as all donor assistance.

The investment climate assessment sponsored by the World Bank Group and also released in August states: “Most firms acknowledge that payments to public officials are frequently, mostly or always required to ‘get things done.”’ More recently, at the NGO civil society forum that preceded the CG meetings, one presenter remarked that payments made by students to teachers suggest that children as young as six are already being “schooled in the art of corruption and bribery.”

In light of these statements, it is no exaggeration to view corruption as a cancer that threatens this country's economic, political and social development.

Recent discussions highlight the fact that documentation related to the management of state land -- including economic concessions and forestry -- should be made public. This includes information about contracts, boundary maps and payments made to government departments and officials. Additionally, according to the November 2004 report by the Special Representative of the UN Secretary General for Human Rights, some 20 out of 64 known land concessions exceed the legal limit of 10,000 hectares stipulated in the 2001 land law.

At the same time, public statements by the Special Representative during his recent visit to Cambodia emphasized the importance of transparency, especially in regard to land concessions and contracts. Access to information held by public authorities is a key component of transparent and accountable governance. The assets and financial interests of public officials should be a matter of public record. To this end, there should be an effective freedom of information law and there should be administrative procedures in place to effectively implement it. Accountability is possible only when governments operate and make decisions in an open, transparent fashion.

According to some accounts, not a single case of corruption or embezzlement has ever been prosecuted before a court in Phnom Penh. The obstacles to overcoming corruption and increasing accountability are also reflected in the ongoing discussions seeking to address the alleged diversion of resources from the World Food Program. Since the Prime Minister declared war on corruption and pledged to hold accountable those responsible for this diversion, there have been no arrests, no charges filed and no court cases. Without doubt, the misuse of donor resources undermines the effectiveness of assistance and puts the prospects for future contributions in jeopardy.

Donors want to see accountability, especially when resources they have provided appear to have been diverted for personal gain. There is widespread consensus that defeating corruption is the key challenge facing Cambodia. The donor community is now ready to see government commitments translated into real improvements in governance and real reductions in corruption.

The fundamental question here is the question of political will, and translating political will into action by: (1) holding government officials accountable for their actions; (2) denying safe haven to corrupt officials and their assets; (3) assigning punishments for corruption offenses that are sufficient to deter potential perpetrators; and (4) promoting transparency and good governance.

The Legal and Judicial Reform Working Group (TWG) has already reached consensus on several important benchmarks related to corruption for 2005:

First, Cambodia should sign and implement the UN Convention Against Corruption.

Second, Cambodia should pass an effective anti-corruption law that is based on international standards, as embodied in the United Nations Convention against Corruption. Even as the law is in the process of being enacted, a strategy needs to be developed to ensure effective implementation and enforcement—implementation and enforcement that complies with the general principles of substantive and procedural law, including the core and internationally recognized principle of the presumption of innocence.

And third and most important, Cambodian authorities should pursue verifiable and successful investigations and prosecutions of corruption cases. Even with the existing legal framework, there should be scope for thoroughly reviewing cases and, where appropriate, bringing them to court.

In this context, judicial reform must be addressed in order to ensure that the judiciary contributes to combating corruption and is not part of the problem. A transparent, effective and independent judiciary that upholds the constitution and laws of Cambodia and is committed to the principles of consistency and fairness must be the objective of legal and judicial reform. A strong, transparent and independent Bar Association can help advance these goals with respect to the judiciary.

Civil society has an important role to play in supporting the process for achieving good governance and judicial reform by promoting high standards for official conduct and by drawing public attention to egregious cases of corruption when they occur. The government is, of course, ultimately accountable to the public of Cambodia—its citizens. For progress to be made on reducing corruption and strengthening transparency and accountability, the citizens of Cambodia need to be given opportunities to engage with the reform process. They need to be given information to ask service providers why standards are not being met, and to ask central government why finances have not reached local levels. Building stronger, constructive relations between civil society and government is a key engine to progress on governance reform.

Thank you once again for this opportunity to speak on behalf of the donor community. As I mentioned earlier, there is widespread consensus about the importance of accountability and the pervasiveness of corruption and its adverse impact on Cambodia’s future growth prospects. We must move beyond simple acknowledgement of the problems to demand concrete, verifiable actions to combat the epidemic of corruption directly.