

Engaging Businesses against Corruption in Cambodia

Phnom Penh (Cambodia), 2 October 2019- In Cambodia, 9 in 10 firms are expected to give gifts to secure government contracts ([World Bank data](#)). UNODC and the Anti-Corruption Unit in Cambodia organized a public discussion in Phnom Penh gathering a large audience of businesses operating in Cambodia and civil society actors with government representatives, with the aim **to give a voice to the business community and promote collective action for business integrity in Cambodia.**



H.E. Om Yentieng, Senior Minister and President of the Anti-Corruption Unit (ACU) of Cambodia, opened the event highlighting the importance of network and whole-society approach to combat corruption in the context of reforms being undertaken in Cambodia, with a specific focus on public procurement. This dialogue was an opportunity **to identify policy recommendations that will enhance prevention of corruption in public procurement and contracting, as well as corruption in public private partnerships and state-owned enterprises.**

Existing initiatives and progresses towards the implementation of relevant [UN Convention against Corruption \(UNCAC\)](#) provisions for businesses in the region were presented by Mr. Francesco Checchi, UNODC Regional Anti-Corruption Adviser for Southeast Asia. These include the liability of legal persons, whistleblower protection, beneficial ownership transparency, guidelines for compliance for the private sector. Practical recommendations and a quick “how-to” for businesses to develop a culture of integrity

were shared by Mr. Florian Beranek, UNIDO Lead Expert on Societal Responsibility & Responsible Business Conduct.

This full day of discussion was the occasion for representatives from the Anti-Corruption Unit, the General Department of Public Procurement and the Tax Crime Investigation Department of the Ministry of Economy and Finance to present [recent development in legal and regulatory frameworks for addressing corruption](#) faced by businesses, as well as existing collaborations with the private sector. Among these initiatives, **96 Memorandum of Understandings (MoUs) were established by the ACU with businesses and special Economic Zones since 2013.** These aim to establish fast, swift and confidential communication channels for investigations, promoting sustainability and fair competition. Through these MoUs, businesses commit to comply with applicable laws and regulations, implement prevention measures and inform the ACU of any problem encountered. This session was followed by an active question and answer with the participants.

In a dedicated session, representatives from businesses operating in Cambodia including [Coca-Cola and Phnom Penh Special Economic Zone shared their approaches to business integrity](#) and **experiences in implementation of prevention of corruption measures** with other businesses, both small and medium enterprises and multinational companies.

Representing civil society, Mr. Kol Preap, Executive Director of Transparency International (TI) Cambodia, highlighted the need to include civil society voices in the on-going public finance management reforms, and to adopt the legislation on access to information and whistle-blower protection. Mr. Preap insisted on two recommendations to improve business integrity based on past TI projects: **simplifying and synchronizing the business registration which creates human interactions and incentives for corruption, and ensuring a level-playing field for companies, especially on tax compliance.** “The issue today is the level playing field for big companies and small companies. The big ones still get away with taxes because they have connections, links. Over the past three years, 18 to 20% of tax revenue has increased, which is although a major improvement” he noted.

Live poll to the audience: What do you think are the biggest challenges to address corruption as an obstacle to doing business in Cambodia?



Finally, a panel focused on the identification of good practices and recommendations **to promote collective action for business integrity** with a [presentation of existing initiatives in the region](#) such as the ASEAN Corporate Social Responsibility Network in Singapore, the Business Integrity Alliance in Malaysia, or the Resource Centre for Corporate Citizenship in Indonesia, bringing perspective to replicate or instill successful initiatives in Cambodia.

Organized in partnership with the European Chamber of Commerce (EuroCham), Cambodia Federation of Employers and Business Associations (CAMFEBA) and the Phnom Penh Special Economic Zone (SEZ), this workshop was opened for public registration and gathered a large audience representing government institutions (20%), business community (40%), international and regional experts (15%) and media, academia and non-governmental organizations (25%).

The full agenda and materials of this workshop are [online](#).