

**Inter-Parliamentary Forum on Security Sector Governance (IPF-SSG)
in Southeast Asia**

**Explanatory Background Note
on the Role of Parliament in Defence Procurement in Cambodia
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1. Defence procurement

In Cambodia, there is a legal framework for general procurement made by government agencies, but there is no specific legal framework for defence procurement. The Defense White Paper 2006 defines some general principles of defence strategies, but lacks any details on security sector governance, including on defence procurement.

Procurement by all ministries should be conducted in accordance with the Implementing Rules and Regulations Covering Public Procurement in the Kingdom of Cambodia which were issued by the Ministry of Finance on 8 June 1995.²

In general, procurement is carried out by all ministries using different methods as stated in the Rules and Regulations. For example, each government ministry or unit must only conduct competitive bidding for contracts of over Riel 26 million (or USD 6,500) for goods and services and Riel 52 million (or USD 13,000) for work undertaken by civilians.

There are several methods of procurement:

1. Open competitive biddings (Domestic bidding and International bidding),
2. Non-competitive bidding (International Shopping, Domestic Canvassing, Direct Purchase or Direct Contracting)

Open competitive bidding may be done through worldwide competition (International Competitive Bidding, ICB) or through domestic competition (Domestic Competitive Bidding, DCB). Government agencies are directed to adopt IBC when the value of the

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² The Implementing Rules and Regulations give details of policy provisions, methods of procurement, procurement procedure, contractual documents, procurement of consultants' services, organisational responsibility, categorisation and registration of contractors, procurement procedures for foreign-funded projects and penal provisions.

contract exceeds Riel 130 million (USD 32,500) for goods and services and Riel 260 million (USD 65,000) for work carried out by civilians.

Under exceptional circumstances, the use of any method of procurement that does not match the applicable range of contract values set in the Rules and Regulations can be considered on a case-to-case basis to be decided upon by the head of the agency concerned in conjunction with the Director of the Department of Public Procurement.

For its part, defence procurement may not be conducted on the basis of the same rules and procedures that apply to the other line ministries. Due to its confidentiality, it may be done secretly with non-competitive bidding or by other means such as direct government-to-government deals.

2. The agencies responsible for defence procurement

The administration and control of the importation, production, sale, purchase, distribution and use of weapons and explosives of all types is managed by the Government through the Ministry of National Defense or the Ministry of the Interior which are empowered to do so by a sub-decree. The importation and production of weapons and explosives of all types comes under the competence of the Royal Government at the recommendation of the Ministry of the Interior if the weapons and explosives of all types are to be used for national security and of the Ministry of National Defense if the weapons and explosives are used for national defence.

Each ministry has its own procurement unit which deals with general procurement, including military supplies. This unit is usually based within the Department of Materials or Logistic Supplies. For the Ministry of National Defense, general procurement is conducted by General Department of Materials and Technical Services.

The Department of Procurement of the Ministry of Finance performs a central role, supervising all matters related to the procurement of goods and services, the procurement of civil works and the procurement of consultants to ensure that the procurement process is conducted in accordance with the laws and regulations in effect.

Some of the defence procurement is done solely by donor countries without the involvement of the Cambodian side due to laws and regulations imposed on the donors by their countries. Cambodia's defence sector has been supported by donor communities such as China, United States, Russia, France, Australia, Germany, Vietnam, Japan, India, Indonesia and others, providing it with technical assistance, training and equipment. As an example, in recent years, Cambodia has received military trucks from China and vessels from Japan. The Ministry of Defense has not been involved in procurement except to sign to acknowledge that the assistance has been received during the handing over ceremonies.

Cambodia has no laws on the freedom of information and, indeed, the role of the public and media in overseeing defence procurement is limited or non-existent due to a lack of

information and the fact that defence procurement is a matter of national secrecy. Only a few newspapers produced by the opposition parties have raised issues involving defence procurement and have strongly criticised the government for misusing funds and the lack of transparency.

3. The role of parliament

According to the Cambodian constitution, and the Internal Rules of the National Assembly, parliament is empowered with certain rights to oversee and seek clarification on defence and security issues. However, in practice, with only limited powers, the parliament hardly ever invites the Ministry of Defence to explain any controversial issues including procurement and is generally very reluctant to do so. Within the parliament, there are nine specialised committees assigned to carry out the roles of “checks and balances” over corresponding ministries.

For its part, the Committee of Interior Affairs, National Defense, Investigation, Clearance (anti-corruption) and Civil Service, which consists of nine members of parliament including a chairman and a vice-chairman, is in charge of overseeing the security and defence sector as well as other sectors. Specifically, the Committee is responsible for regularly monitoring the activities of the Ministry of the Interior and the Ministry of National Defense regarding the implementation of the political platform of the Royal Government, the existing laws of the Kingdom of Cambodia and agreements with foreign countries on the duties of the Ministry of the Interior and the Ministry of National Defense. The Committee controls and studies the bills or private bills from the Ministry of the Interior and the Ministry of National Defense. The Committee is entitled to summon the Minister of Defense of the Royal Government or ministerial representatives close to him/her to clarify or make amendments to any fields related to their area of responsibility, including procurement issues.

However, in reality, the scope of power is limited due to the secrecy of procedures within the defence sector which results in the parliament being unable to access and analyse defence operations, and especially procurement.

Although the Committee has the right to intervene and ask questions about points that need to be clarified, the internal details are primarily reserved to the executive body including the Council of Ministers, Ministry of Finance, the Ministry of National Defense and the Ministry of the Interior through royal decrees and sub-decrees. Moreover, parliament is only given a short period of time to evaluate and seek clarification on the defence sector’s budget lines before the debate on the budget is held.

On the other hand, Committee No. 4 faces a number of serious challenges concerning its functioning. The Committee lacks human resources and personnel with adequate training in defence and military affairs. The members of the Committee and supporting staff have only limited capacity or knowledge of how the military works, nor are they sufficiently informed about defence procurement and techniques in defence science and technology.

On the other hand, the Committee has no funds available for conducting research and recruiting experts to advise members on defence issues. Committee does not include any members of the opposition party and without their participation the Committee generally goes along with the government line without expressing any objections.

4. Conclusions/general assessment

The Cambodian constitution limits the roles of the Cambodian armed forces and the defence sector to being defensive rather than offensive. Cambodia has conducted military reforms to try to reduce the number of its personnel and this has resulted in a decrease in the amount of spending on the defence sector, including for procurement purposes. Within the framework of bilateral cooperation, a significant part of the procurement concerning the provision of technical assistance to the defence sector is conducted by the donors without any involvement from the Cambodian side.

Defence procurement in Cambodia is conducted without any involvement from the parliament and without any disclosure of information. It is believed that funds are often misused in matters relating to government procurement, including defence procurement.

During the last decade, Cambodia's procurement only covered a small portion of the national defence budget. However, with the new threats of traditional security and especially the border invasion by the Thai military and non-traditional security threats such as terrorism, maritime security, natural disasters, human trafficking, the illegal trade in drugs and arms, etc, Cambodia will require greater defence procurement to ensure its security and peace. Therefore, one can conclude that the role of the Cambodian parliament will be even more crucial to ensure that the defence budget is both transparent and credible.