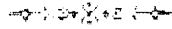


## Kingdom of Cambodia

Nation Religion King



THE ALLIANCE OF DEMOCRATS



FUNCINPEC PARTY



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## WORLD BANK REQUESTED TO PUT SGS CONTRACT ON HOLD

The Alliance of Democrats requests the World Bank to put the SGS contract on hold until a new government is formed, and to properly consider the contract. The contract is to formally appoint Societe Generale de Surveillance (SGS), a Swiss company, to replace Global Witness as a monitor of the Cambodia's forest. The appointment will effectively release a loan fund of USD 15 million to the caretaker government.

There is no need to rush. The World Bank can wait for the new government that will be formed soon. Meanwhile, it could release details of the SGS contract for public scrutiny to support the concept of good governance everyone, including the Bank, is so much in favour and support of. In the absence of the contract details, it is speculated that under the term of reference, the SGS will conduct no field work, and rely basically on second-hand report by the Cambodian government officials who are well known for being involved in massive illegal deforestation.

It seems SGS is not a company with fine repute. According to Financial Times issued on 13 March 1998, SGS has admitted paying fees of millions of dollars to secure a pre-shipment inspection contract with Pakistani government worth USD 150 million. Former Pakistani Prime Minister Benazir Bhutto and her husband were later convicted by the country's High Court for receiving kickbacks of USD 4.3 million after granting the inspection contract to SGS in 1994.

Therefore, if the World Bank contract with SGS proceeds, the meager remaining of the Cambodian forest will now be monitored by a profit-seeking company with unscrupulous reputation in complicity with the government removing an independent non-profit monitor, Global Witness, for exposing its involvement, or tolerance, in destruction of the country's forest resources. It is not different from allowing Dracula to take charge of the blood bank.

The Alliance of Democrats categorically rejects the SGS contract unless it has an opportunity to review it in details. Besides, a caretaker government cannot, in principle, commit the country to any long term loan arrangement; and the World Bank should know that.

General Secretariat