

Chapter 11

Land and Natural Resources Management Reforms

Reforms in land, forest, fishery management are still the most important areas and urgent issues to lay the foundation for poverty reduction and sustainable development. As noted, poverty incidents are closely related to landlessness, inaccessibility of the poor to forest and fishery resources, and above all low productivity growth in the natural-based rural activities. Indeed, the government has declared reform programs and taken some measures to improve governance in these areas. However, the significance of the reforms have to be reviewed so that their drawbacks could be identified for further improvement.

11.1. Land Management Reforms

Land reform is the hottest issue of government reform programs due to growing concerns over land conflicts and the negative impacts from the unproductive use of lands. Without clear and secure land tenure and inventory, it is impossible to rationalize land distribution and management conducive to economic development and as a means to reduce poverty⁴⁰.

Even though genocide and war were factors causing complicated land management as all land titles were destroyed, emerging issues such as landlessness, land concentration, and land grabbing, and confusion in state land management are contemporary phenomena and need to be addressed. In the past decade, the government has taken measures to resolve these problems. A legal framework and land policy have been established to set out a long-term reform strategy. Both management capacity and dispute settlement mechanisms have been strengthened through which the Ministry of Land Management, Urban Planning, and Construction (MLMUPC) is a leading execution agency to implement strategies on land reforms.

But it is interesting to note that in the early stage of land reforms in 1989, upper ceilings were imposed on the size of land ownership: 2,000 sq. meters for residential land, less than 5 ha for cultivated land and more than 5 ha for land concession. The new land law adopted in 2001 does not clearly limit the size of land ownership, but only limits land concessions to less than 10,000 ha. Without an upper ceiling on the size of land ownership, lack of supporting legal framework to implement the land law

⁴⁰ The World Bank. Land Management and Administration Project, January 29, 2002. p 3 – 6.

in addition to weak enforcement on taxes on unused lands continue to be reasons leading to high land concentration in the country.

Up to 2004, the government had issued 560,000 land titles through Sporadic Land Registration method and 400,000 parcels of land had been registered through Systematic Land Registration⁴¹. With more qualified officials and the delegation of power to 11 provinces on land registration, on average about 20,000 land parcels can be registered per month. The government plans to issue 1 million land titles through the systematic registration method by 2007 and to grant lands to at least 10,000 households.

Even though the government seems to have made some progress, many challenges remain ahead. The sub-decree on economic land concession has not been approved and inventory of state lands are not available (Sub-decree on State Land Management is under preparation). Rather than finalizing the long-awaited sub-decree on economic land concessions, the government issued a circulation to advice its relevant authorities to grant lands for investment projects but within a limit of 10,000 ha of the land law⁴².

Information on other economic land concessions has not been disclosed as promised at the Consultative Group meeting last year. Some land concessions with sizes exceeding 10,000 ha are still controversial. Land disputes are on the rise though some have been resolved by the Cadastral Committee and through courts (about 2000 cases have been solved⁴³). But the poor are still vulnerable to loose the cases due to a lack of knowledge of the land law and corruption in the court system⁴⁴.

Moreover, the grants of large-scale economic land concessions without appropriate socioeconomic and environmental impact assessment have produced minimal benefits for economic development and poverty reduction. These land concessions are partly the source of conflict and thus should be cancelled.

Inadequate information on inventory of state lands, land classification and demarcations are sources of land grabbing. These have caused difficulties in enforcement of article 18 of the Land Law to control both public and private state lands. The recently adopted sub-decree on the

⁴¹ Ministry of Land Management, Urban Planning, and Construction. Report on Achievement during 2000 – 2004 and Prospects, 11 August 2005.

⁴² Royal Government of Cambodia. Circulation No. 05 dated 01/07/2005 on Awarding Economic Land Concession for Investment in the framework to implement Order No. 02 dated 13/06/2005 on Strengthening Management of State Assets.

⁴³ Supreme Council for State Reform (2005). *Draft Governance Action Plan II 2005 – 2008*. p. 29

⁴⁴ Interviews with stakeholders.

management of public and private state lands will provide more of a legal framework to control large scale public land grabbing and mismanagement. The government should also take urgent and strict measures to curb land concentration and large-scale idle lands by imposing high tax and selectively re-introducing the upper ceiling on the size of private land ownerships.

11.2. Forestry Management Reforms

At the Consultative Group meeting last December, the government promised to maintain the suspension/moratorium on logging and transport of logs, except those which have already been inventoried and reviewed. A National Forest Management Plan and National Community Forest Program are scheduled to be established and be implemented in 2005, including the demarcation of forests and protected areas. Forest crime monitoring is continued and other complementary measures such as research and capacity-building of Forestry Administration (FA) are also underway.

Table 11.1: Recent Developments in Forestry Reforms

Progress	Remained Issues
- Public disclosure of existing forest concessions. - Strengthening capacity of FA's local officials and to support newly established forest communities. - Establishment of community forest management (274) and forest protected areas. - Sub-decree No. 53 on Establishment, Classification, and Registration of Permanent Forest Estates, dated 01/04/2005. - Decision No. 28 on an Establishment of Control and Evaluation Committee to Stop Encroachment on Inundated Sea Forests, Land Leveling and Land Filling Along Sea Side, dated 14/08/2005	- Lack of financial resources and coordination among governmental institution to combat illegal loggings and encroachment on forest lands. - Illegal loggings and forest land abuses are still at large. - Forest rehabilitation and preservation are still very critical. - Small scale management of forest exploitation to meet domestic consumption is hard to materialize when forest communities are still weak.

Source: EIC, compiled from various government sources and interviews.

The FA has made concerted efforts to implement government pledges and actively take part in the preparation of regulations to combat illegal logging and encroachments on forest areas. Information on forest concession review are open to the public and 274 forestry communities have been established in 19 provinces with support from non-governmental organizations and the FA. The government issued a sub-decree and the decision to go ahead with the forest inventory, demarcation, and to control encroachment on inundated sea forest. To maintain 11 million ha of forest areas, the target of the Cambodian Millennium Development Goal, by 2015, about 1 million ha have to be demarcated annually.

The reforms are still facing an uphill struggle due to many remaining problems. More than 220,000 ha of forest lands have been cleared and are under private possession. Forest offenses are still at large although 771 of which were suppressed by the FA in 2004. The FA faces some difficulties in bringing forest abuses to court due to a lack of incentives of prosecutors to cooperate with officials. Some of the FA officials have faced death threats, confronted with powerful and armed men⁴⁵. Like most government institutions, the FA is under funded and its capacity to manage and enforce regulations is limited. Successes in forestry reforms depend on strong commitment and the government's responsibility and adequate financing.

11.3. Fisheries Management Reforms

In an effort to address problems and promises at last year's CG meeting, the Royal Decree was signed by the King and Sub-decree on Management of Community Fisheries was finally adopted. "Fisheries Development Action Plan 2005 – 2008" was signed by the Prime Minister. But the draft Law on Fisheries is still pending at the National Assembly. Other legal documents on the sector are drafted. A draft sample of the statute of the fishing community is under preparation and public national consultation is planned to be conducted in August 2005

The Department of Fishery has made some progress in management of both fresh and marine fishing activities. Marine fishing activities have been identified and registered. Open biddings for fishing lots were conducted, and illegal fishing activities have been suppressed. Fishing yields in the first half of 2005 increased by 25 percent compared with that of 2004. However, aquaculture seems to decrease at the same period. Up to date, 388 fishing communities have been established with total membership

⁴⁵ Interview with Chief of Forestry Administration and Cambodia: Forestry Statistics 2004.

of 111.341 households⁴⁶ and more than 0.5 million ha of fishing areas have been released for family fishing purposes.

However, the country continues to suffer from over exploitation to meet pressing demand for fish consumption. Most urgent problems are still on the protection of fishing shelters (inundated forests), demarcation of fishing areas and poor management of fishing communities that causes conflicts. Some released fishing areas for community purposes have been commercialized which has created disputes within and between fishing communities. Illegal fishing does not seem to abate. Throughout the country, about only 100 fishery officials are authorized by the general prosecutor to enforce and suppress illegal fishing activities⁴⁷.

Table 11.2: Recent Developments in Fisheries Reform

Progress	Remained Issues
▪ Royal Decree No.0505/240 on the Establishment of Fishing Community, dated 29/05/2005. ▪ Sub-Decree No. 80 on Management of Fishing Community, dated 10/06/2005. ▪ Ongoing fishing lot reforms and establishment of community fisheries. ▪ Long-term strategy and action plans have been approved. ▪ Promoting aquaculture and continued efforts in combating illegal fishing.	▪ Demarcations of fishing areas are still not clear causing many disputes and violations. ▪ Serious punishment on large-scale illegal fishing activities and use of banned fishing gears. ▪ Improving management of marine fishing and protecting marine fishing areas of the country. ▪ Strengthening capacity of community fisheries.

Source: EIC, compiled from various government sources and interviews.

Limited capacity of officials, lack of coordination from local authorities and armed forces, and poor resources also ruin effective and efficient operations of the department for research and the protection of inundated forests. Some inundated forests were cleared by the poor hired by the rich so that they could buy at a cheap price for their personal possession⁴⁸. Fishing communities will not be able to sustain themselves without technical and financial support to manage their own fishing areas.

⁴⁶ Department of Fishery's report of the first semester 2005.

⁴⁷ Interview with General Director of Department of Fishery.

⁴⁸ Ibid.

Maintaining fish stock is fundamental for the livelihood of those depending on it and sustainable food supply for the country. It requires participation from relevant stakeholders. Awareness should be raised on preservation and be part of the educational curriculum. Development of other sectors such as construction of irrigation systems, use of chemical substances in agriculture and industry must take the viability of fishery into account. It also needs closer cooperation with other countries in the Mekong upstream to divert side-effects and secure a regular water regime favorable for fish reproduction in the region.

Concluding Remarks

High economic growth performance in Cambodia in the last decade is no longer pleasant news for either the government or stakeholders. The shift is now on poverty reduction which is playing a pivotal role in shaping policy process for development. The simple reason is that there is no automatic mechanism to ensure simultaneous growth and poverty reduction. The growth is not concomitant with social improvement such as poverty, health, and education.

The baseline is no longer “year zero” from 1975 – 1979 during which the country was plunged into the darkest pages in its history, the disaster and genocide, such that survival was the only ultimate hope of every Cambodian. Expectations on prosperity and national pride on the international stage are now unsurprisingly high in which the majority of stakeholders believe that Cambodia deserves, given her rich, natural and cultural resources.

Concentration of growth and marginal trickle down effects of economic growth on income distribution and poverty reduction in the past decade requires an acceleration of reforms across sectors. Development will not change the distribution of innate ability, and therefore will not change the distribution of income. Higher public investments in physical and social infrastructures are highly critical to mitigate and alter the current pattern that requires an effective and efficient mobilization and utilization of both national revenues and foreign assistance.

There are no other suggestions except furnishing the measures that have been already prescribed by the government itself in poverty reduction and the Rectangular Strategy. However, several reforms, if achieved, would help redistribute gains from economic growth. While the reforms in the areas of land and natural resource management, with particular emphasis on the landless and land poor, will directly benefit the poor, those in legal and judicial systems, public administration, banking, finance, public finance, trade will provide more rooms for the private sector to lead the growth, job creation, and better public service deliveries.

As evidence from the latest reports of the World Bank and EIC on “Doing Business 2006” and “Cambodia’s Competitive Report 2004 -2005”, Cambodia is ranked very low in the world and not an ideal destination for investment and business. The most cited obstacle is rampant corruption which is a result of the slow progress of reforms in the legal and judicial systems and public sector management. The unreliable public sectors and

justice systems mean poor law enforcement which provides an unpredictable and a costly environment for a secure living space, let alone for business transactions. If these reforms fail to materialize, the prospect for future growth and poverty reduction is simply far too remote.