

# Economic land concession as a means for land grabbing in Cambodia



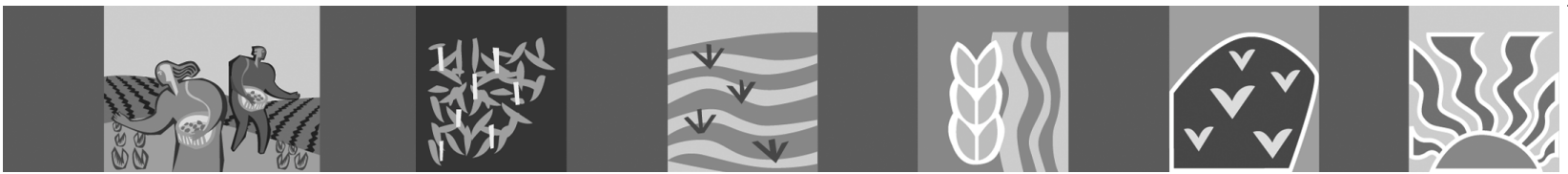
Map of the Union Development Group in Cambodia  
Map by the NGO Forum

Condensed from *Resettlement by Land Concession in Butom Sakor and Kiri Sakor District, Koh Kong Province by Nhek Sarin of STAR Kampuchea*. For more details of the case, contact: [star-director@starkampuchea.org.kh](mailto:star-director@starkampuchea.org.kh).

In Cambodia, growing interest from foreign investors in agro-industrial crops like rubber, cassava, sugarcane, and maize has raised concerns about the potential effects of such investments on community livelihoods, the environment, and national food security. Since agriculture is one of the main drivers of economic growth, rules and regulations, bureaucratic procedures, and costs of doing business have been enhanced to promote the sector and make it more competitive (CDRI, 2012).

The investment of the Union Development Group, Co. Ltd (UDG) is an example of such foreign investment. The company received an Economic Land Concession (ELC) from the Royal Government of Cambodia (RGC) to build an international trade and tourism center in Botum Sakor and Kiri Sakor of Koh Kong Province. The concession covers 36,000 hectares (ha) of white sand beach stretching about 70 km, as well as 23 small and large islands to be developed into a tourism resort equipped with big sea ports, an international airport, a casino, business centers, guesthouses, and hydropower (RGC, 2012).

RGC expects the investment, worth over USD 3 billion, to benefit thousands of families who live in this area through increased incomes from tourism activities and jobs. These families have ownership certificates for their residential and agricultural land, which they inherited from their



ancestors and have occupied peacefully since 1989. They are totally dependent on agriculture and fishing. When the UDG came in, they were forced to resettle to a new area, with no infrastructure, electricity, clean water, schools, nor a health center.

### Protests

The UDG project raised many issues. A major one is transparency. The affected families were not consulted nor informed about the development plans and compensation policies. According to research done by the NGO Forum of Cambodia and the Cambodian Human Rights Action Committee (CHRAC), the farmers and local communities were not invited for consultation on the ELC before the project started. They came to know about it only when the company moved in and forced them to resettle and accept the compensation offered, which they found to be low and unreasonable.

Information and documents regarding development plans, the compensation budget, the action plan for relocation, location mapping, the lease contract, and any applicable sub-decree, Land Law, Forestry Law, Environment



Map showing the masterplan of Krisakor Seaside Tourism in Koh Kong Province  
Photo by the NGO Forum

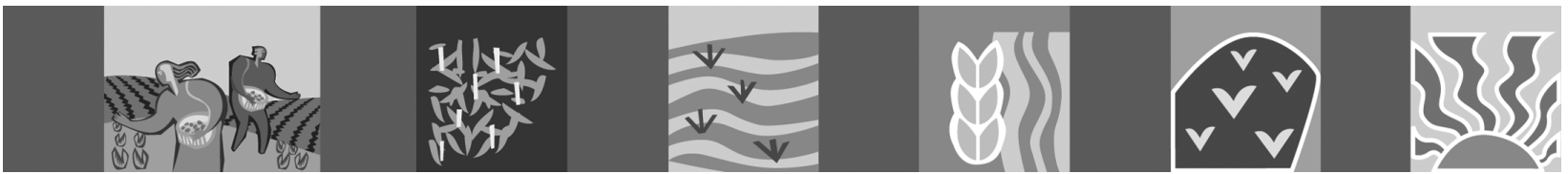


Protesters appealed for Prime Minister Hun Sen to take action in the illegal resettlement  
Photo by the NGO Forum

Law, and so on (NGO Forum, 2013) were not accessible to the people. Instead, they obtained information and public documents from NGOs. Even though the government has its official website, the community does not have access to computers nor to an internet connection. This selective accessibility of information benefits only a minority and contributes to the proliferation of land-related conflicts, which, in turn, contribute to instability.

Consequently, in 2010, the affected residents demonstrated against their illegal resettlement.





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About 200 families travelled to Phnom Penh to request the Prime Minister to intervene in the conflict and to negotiate for just compensation. The last demonstration was in December 2011 when the resettled protesters blocked Road no. 48 for eight hours to appeal to the government and UDG to offer two ha of land to each family who agreed to resettle (Titthara, 2011).

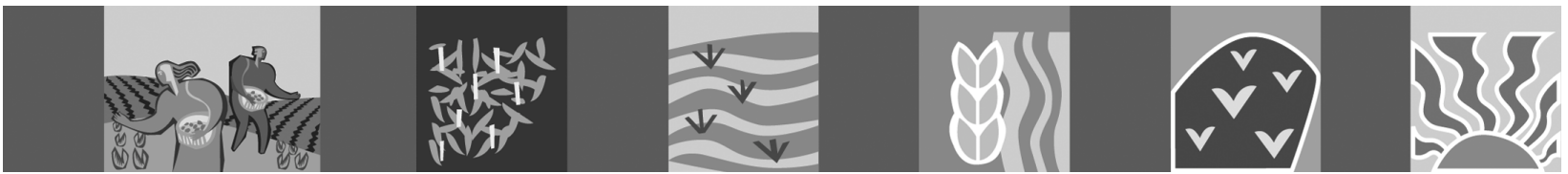
In February 2012, 100 families filed complaints against the resettlement and inappropriate compensation and insisted on remaining in their residential land in Koh Sdech Commune, Phnee Meas Commune, and Tmor Sar Commune. The government, instead of helping, consistently created obstacles to derail them. On February 28, 2012, with the intervention of NGOs in Phnom Penh, some community members were able to call for a press conference to air their grievances to the public.

As an attempt to resolve the conflict, the government established an Inter-Ministerial Commission (IMC) to review the project’s master plan and compensation policies to ensure that these adequately meet the needs of the affected

communities. When the IMC and their assigned Technical Working Group went to survey the project site in Koh Kong, they did so without informing the people. Their measurements of the farming lands were inaccurate. They took more photos of bushes and grass instead of crops to justify compensating the villagers less. As a result, only 15 families qualified for the highest compensation package (USD 8,000) when many more families actually met the condition.<sup>1</sup> In effect, the communities felt no improvement in their lot. The local authorities promised to provide land to the relocated villagers, but some of them have not yet received it, while the ones who did received pure jungle. They thus had to spend their own money to clear the forest. Moreover, 32 families who bought farm land totaling 129 ha were not compensated because, according to the company and the IMC, their lands lie outside the compensated area. In fact, they live in Koh Sdech commune, which is part of the compensated area (NGO Forum, 2013). The villagers who refused the compensation continue to protest and live in the area to protect their land. They are building a network to advocate for a common voice (LICADHO, 2013).

The UDG project also violated certain laws and policies. The 1993 Cambodian Constitution grants local communities the privilege to manage natural resources and the right to own lands, especially agricultural lands. However, the government revoked land ownership certifications issued after 1993 by issuing a sub-decree. When the UDG project started in 1998, the communities were promised by H.E Mok Moreth, Minister of Environment, that they would be protected by the Leopard Skin Policy, which allows communities

<sup>1</sup> The maximum compensation is \$8,000 per hectare for a family that was granted a land title before November 01, 1993; has occupied the land (residential or farm); and lives in or outside the vicinity.



**Affected residents from the UDG project demolition in January 2014**

Photo by the NGO Forum

to live side by side with the concessions, and be provided adequate compensation. In actuality, this was not so. The affected villagers were excluded from any decision-making and conflict-resolution measures. Yet, many land disputes are not brought before the courts because the community lacks the knowledge and resources. Worse, they do not trust the courts because they see them as corrupt institutions.

## Impacts

**On food security.** Eighty percent of the villagers depend on planting rice and crops, fishing, and collecting non-timber products and edibles. Because they have been deprived of their lands, they are becoming food insecure. The area to which they were resettled does not allow them to raise animals or keep livestock. Their fishing tools have been destroyed and the forest they now live in is experiencing massive illegal logging. Their debt is increasing from lack of income.

**On local culture.** The project has so far evicted 1,143 families, bulldozed about 1,500 houses, and transferred two schools and three Buddhist pagodas to the UDC's development area. Not only

did the villagers lose their means of income when they were relocated, they also lost their social connections. They have had to learn to adapt to a new way of life in a new location. The children have been separated from their friends and are staying home because there is no school and no teachers in the relocation area. The villagers have lost their trust in the authorities.

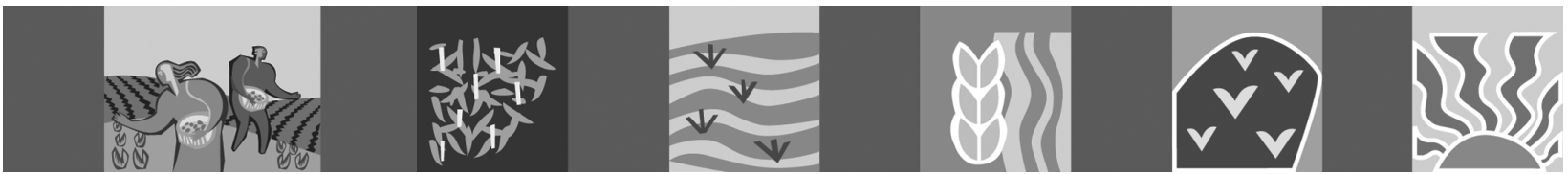
**On the environment.** Forests within and around the ELC area are being illegally logged and deforested. This practice is destroying the ecosystem, harming flora and fauna which are important sources of income for the local communities.

## Recommendations

The study presents the following recommendations around which civil society can formulate proposals to strengthen national policies on investments in agriculture. The focus will be on policies that consider national food security and protect the rights of small-scale food producers and local communities.

### *On strengthening land governance*

- ❑ Ensure that all new ELCs granted fully comply with the provisions of the Land Law and the Sub-decree on Economic Land Concessions, which sets a limit of not more than 10,000 ha. In particular, ensure that public consultations and genuine environmental and social impact assessments are conducted prior to the granting of concessions, with the effective participation of local populations.
- ❑ Review all existing ELCs for compliance with the Land Law and the Sub-decree on Economic Land Concessions and concession contracts, specifically:



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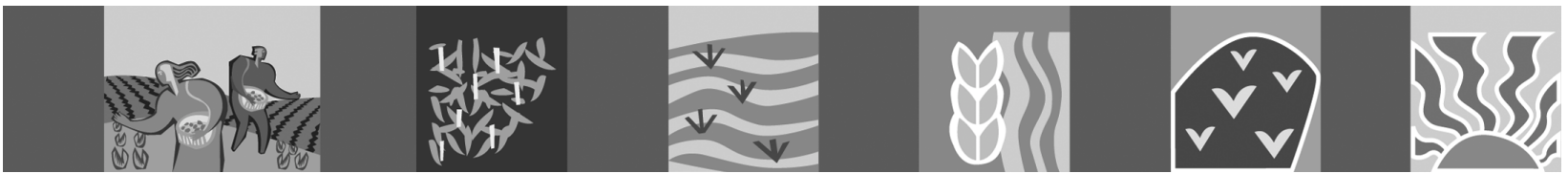
- A. Ensure that ELCs do not encroach upon land possessed and used by communities, including forested areas; and the economic land concessions
  - B. Cancel illegal ELCs that do not comply with the provisions of the Land Law and Sub-decree on Economic Land Concessions, and concession contracts.
  - C. Reduce all ELCs that exceed the 10,000 ha limit.
- Ensure compliance with the Forestry Law and forestry regulations. In particular, ensure that ELCs are not granted in forested areas or former forest concessions, and protect the traditional user rights of communities.
  - Ensure that all information on economic land concessions granted and proposals under consideration are publicly available. Information should also include concessions not exceeding 1,000 ha, location, size, use and status of concessions, and compliance with the requirements of the Sub-Decree on Economic Land Concessions. This information should be made available at local levels

and to civil society, beneficiaries, and other stakeholders.

- “Establish a mechanism enabling communities or their representatives to initiate actions to challenge the validity of ELCs and call for their review or cancellation; and assist families in rural communities to register their interests in land in accordance with the Land Law” (OHCHR Cambodia, 2007).
- Build the capacity and voice of the landless families in gaining access to land and livelihood support for the poor working in ELCs. The focus here is on the NGOs’ complementary role in facilitating and empowering rural community organizations and the government’s role as infrastructure developer as well as provider of livelihood support.
- Ensure that the concessionaires are strictly monitored, both by the public and by civil society, with regard to environmental damage. Monitoring and evaluation of concessionaires ought to be strengthened with regulations and policies by the relevant national government agencies and by international bodies.

#### ***On ensuring food security***

- Ensure that ELCs are beneficial not only to the investors but also the communities through food security and livelihood protection measures. The interventions should include facilitation of loans for the purchase of agricultural equipment (as smallholder farmers often lack financial resources to make such investments), as well as access to internal markets with infrastructural developments to improve community-driven productivity and locally-owned products.



- ❑ Ensure that the resettled people have access to land for their rice and crops, where they can also raise animals, keep livestock, do fishing, collect non-timber products and edibles, get jobs, and access credit and loans to secure access to their food.
- ❑ Ensure that the system of agriculture in the resettlement area is sustainable. Much of modern agriculture is mechanized, using oil-based chemical fertilizers, pesticides, and herbicides. A more sustainable approach, which can be just as agriculturally productive, is needed. These sustainable initiatives can then be promoted and supported by providing financial prizes and knowledge sharing for community-driven efforts that reduce poverty through sustainable use of biodiversity. As many smallholder farmers are already engaged in de facto sustainable agriculture practices, all they need is encouragement and support.

#### ***On facilitating innovative production arrangements***

- ❑ Ensure smallholder farmers' access to and use of irrigation techniques. With this support, they will be able to increase their productivity as well as have year-round water availability. ■

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***For the complete list of references, please contact the author of this case as indicated at the beginning of the article.***