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World Bank Board of Executive Directors Considers Inspection Panel Report on Cambodia Land Management and Administration Project

Washington, March 8, 2011 – The World Bank’s Board of Executive Directors met today to discuss an Inspection Panel investigation of the Cambodia Land Management and Administration Project (LMAP) and the proposals of World Bank Management responding to the findings of the Inspection Panel. The Board considered the Panel report and approved Management’s Action Plan for addressing the issues raised by the Panel.

The Panel Investigation report notes that the Project “undoubtedly benefited about one million households,” and recognizes “this important achievement of LMAP.” The project provided 1.24 million predominantly poor Cambodians with land titles and its goal was to provide fair and transparent access to land in a country where property rights were destroyed through decades of conflict. The report agrees with the view that securing land rights is critical to sustained poverty reduction in Cambodia.

The Panel also found there were problems, many of which Management identified in an earlier report in 2009. Residents in the Boeung Kak Lake area were denied access to due process of adjudication of their property claims and were displaced in violation of the policies the Bank agreed with the Government for handling resettlement. Management did not adequately follow up on strengthening public awareness and community participation, and there were delays in implementing dispute resolution mechanisms and the assistance to improve state land management. The Panel also found management was too slow to respond to the evictions.

“We are deeply troubled and frustrated about the people who are being forced from their homes. We have been working hard to try and help them, with an action plan offering the Government financing and technical advice to find practical solutions. We are open to other ways to help these people. We have repeatedly called on the Government to end the evictions. We are seeking a positive Government response,” said **World Bank President, Robert Zoellick**.

The Panel Investigation was conducted in response to a Request for Inspection submitted on September 4, 2009, by NGOs on behalf of residents in the Boeung Kak Lake area of central Phnom Penh, who have been forcibly resettled by the Phnom Penh Municipality and a private developer to make way for a new development. The Inspection Panel Report focused on whether the Bank has complied with its own policies including Resettlement Policies during the design, implementation and supervision of the LMAP.

The residents of Boeung Kak Lake alleged that evictions were being carried out in violation of the agreed Resettlement Policy Framework established under LMAP, and applicable to the eviction of people from state land in project titling areas.

An IDA credit for LMAP was approved by the Board on February 26, 2002, in an amount equivalent to US \$24.3 million. The project was designed to support the first phase of the Government of Cambodia's long-term plan to build a modern land administration system, by improving land tenure security and promoting the development of efficient land markets. Canada, Finland and Germany provided co-financing to the project. Cambodia's land administration system was largely destroyed during the Khmer Rouge era.

The Government canceled financing for the project on September 7, 2009 after the Bank suggested joint suspension of the project pending discussions on the application of its safeguard policies for handling resettlement issues.

"The claims of the Boeung Kak Lake community are serious. The issues raised involve fundamental questions of their land rights and tenure security. In assessing Bank Management compliance, the Panel found that the evictions took place in violation of the Bank policy on Involuntary Resettlement and resulted in grave harm to the affected families and community. The Panel notes the fundamental importance of actions to address the harm suffered by people in project areas and of compliance by Bank Management with Bank policies, including on Involuntary Resettlement," said **Roberto Lenton, Inspection Panel Chairperson.**

Going forward, the Bank seeks to pursue high-level engagement with the Government of Cambodia and Development Partners to support affected communities in a manner that responds to their development and livelihood needs. Management proposed to report back to the Board on the implementation of the Action Plan within 60 days.

"We call on the Government to stop the evictions and to find a way to help the people. Over the last decade Cambodia has experienced high levels of economic growth, leading to increased pressure on land. The development of a fair and just land administration needs to keep pace with rapid economic development. We will ensure that lessons learned from this project are applied more broadly," said **Annette Dixon, Country Director for Cambodia.**

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The Inspection Panel was established by identical Resolutions of the Boards of Executive Directors of the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) in 1993. In response to complaints from project-affected communities, the Inspection Panel is an independent, "bottom-up" accountability and recourse mechanism that investigates IBRD/IDA financed projects to determine whether the Bank has complied with its operational policies and procedures (including social and environmental safeguards), and to address related issues of harm. <http://web.worldbank.org/WBSITE/EXTERNAL/EXTINSPECTIONPANEL/0,,menuPK:64132057~pagePK:64130364~piPK:64132056~theSitePK:380794,00.html>

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