

LARGE SCALE INVESTMENTS IN LAND: *DÉJÀ VU* OR NEW DEVELOPMENT OPPORTUNITY?

MONDAY, MARCH 2
1:30 – 3:00



ARD WEEK 2009
AGRICULTURE IN A CHANGING WORLD

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Some context

- Cambodia is a post-conflict country
 - Khmer Rouge and Factional Fighting
 - Infrastructure destroyed
 - Legal and other institutions very weak
- Resource rich but governance poor
 - High land, forest and water per capita
 - Resource rights poorly defined
 - As much as 80% of land is technically “state”
 - Frequent conflict and power based appropriation
- Strong resource demand in region

- Fast growth rates

- Less inhibited by governance issues

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Economic Land Concessions

- Since 1998
- For large scale agricultural production – up to 10,000 hectares of state land
- Provide leases – up to 70 years
- Contracts based on agricultural plans with govt revenue schedule
- Approximately 60 ELCs covering almost 1 million hectares varying from 2,000 to 300,000 hectares
- Less than 10% of area has been developed
- Very limited local employment
- Focus of much land conflict



Motivations for ELCs

■ Policy

- Attract market access, technology and capital

■ Public Actors

- “Easy” ag development/modernization
- Control of public resources/Rent seeking

■ Private Actors

- Access to forest resources
- Speculation by local power
- Meet regional raw material needs



Issues around ELCs

■ “Bad Land”

- Absence of land screening results in social and environmental conflicts

■ “Bad Investor”

- Non-transparent, non-competitive selection of investors without capacity assessment

■ “Bad Implementation”

- Absence of effective supervision or enforcement of contracts



Current Situation

- 2006 Subdecree addressed most issues but limited/slow implementation
- Since 2006 key contract information on website
- A few ELCs cancelled
- Slight improvement in land assessment
- “Social Land Concessions” introducing improved land use planning approach
- Continued focus on non-competitive contracting
- Removed right of provinces to grant ELCs
- Recent announcement to review all ELCs, including cancellation and reduction
- Sovereign fund investments – 500,000 hectares?



Lessons to Share

- Agro-processing should be focus
- Land cannot compensate for poor investment climate
- Contract provisions cannot turn bad investors into good ones
- No such thing as “unused land” so need good planning process
- Few winners and many losers under a bad approach

