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March 3, 2001

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Sir,

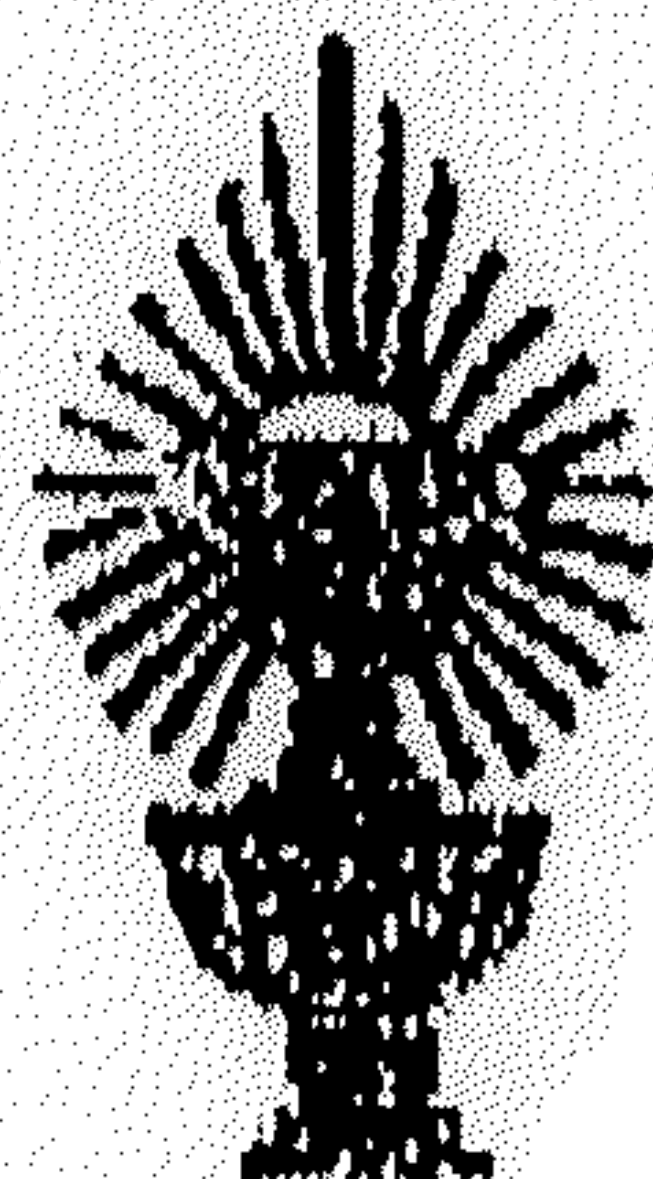
Thank you for responding to the plea of hundreds of thousands of Cambodian landless farmers in your February 22, 2001 letter on behalf of President James Wolfensohn.

I am happy to learn that land reform is on the top of the World Bank's agenda in its program for "building the foundation for sustainable development and poverty reduction" in Cambodia. I am encouraged to know that the World Bank is "supporting the Cambodian authorities in the preparation of a proposed land management and administration project, which is intended to improve the security of land tenure and to support the development of clear land policy and legal framework with regard to land administration, management and distribution". I know that in this project, every piece of land nationwide will be registered under a unified national land titling system. I am also aware that the project is expected to take at least 10 years and cost more than \$100 million. Your letter clearly states that "this work is at the initial stages, but we [at the World Bank] hope that the project can be ready for submission to our Executive Directors for their review during our Fiscal Year 2002". We all know that a new land law, passed by the Council of Ministers last July, awaits debate in the National Assembly.

My point is that Cambodia cannot wait until all conditions are met for the whole project to be completed as envisaged above. The situation requires that some transitional but fundamental measures be immediately implemented to ensure the rule of law, protect State assets, improve fiscal transparency, increase State revenues, provide funds for public and social services, combat land speculation, redistribute unexploited land or provide adequate resettlement allowances to the most destitute landless or homeless families, therefore contributing to poverty reduction and social justice.

The measures I am calling for, are concrete and urgent and are based on existing laws and regulations, which must be effectively enforced. As is often the case, in defending vested interests, the present Cambodian government invokes the necessity to wait for a comprehensive reform under preparation as a pretext not to implement existing laws and regulations, therefore allowing powerful people to resort to illegal practices associated with corruption.

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What is most needed is political will. Technical and financial reasons are often put forward to hide political motives that are behind the fact that, while land reform is practically stalled, no measure whatsoever has been taken to enforce the law, curb corruption and alleviate the plight of landless families. Though legally possible and socially desirable such measures are blocked because they would damage the selfish interests of a small group of rich and powerful people who control most of Cambodia's most valuable land. Therefore, while waiting for a monumental land reform that requires a long and costly preparation, I urge the World Bank to push for the implementation of the following measures that are simply dictated by good governance and the rule of law advocated by the international donor community:

- 1- Respect for the December 28, 1993 Public Finance Law which says that all State revenues -- including those derived from the management and disposal of State assets -- must be transferred to the State coffers (but because of systemic corruption the State has been so far deprived of one of its most substantial sources of revenues).
- 2- Accountability for all recent transactions on State assets (a list can be easily made).
- 3- Establishment and update of an inventory of State assets in order to facilitate their tracing.
- 4- Temporary freeze on all commercial transactions involving what is publicly known as State assets (schools, hospitals, military barracks, public gardens, etc). The attention of international aid officials should be drawn to the ongoing frenzy of land speculation in Siem Reap city, near the Angkor temples, in connection with the tourist industry boom. But deals on State assets generating millions of dollars have also been made recently in Phnom Penh, Sihanoukville and other places.
- 5- Respect for the August 10, 1992 Land Law giving legal land ownership to the occupant of any previously unoccupied piece of land after a five-year period of actual occupation (the effective implementation of this law would help avoid many cases of land grab).
- 6- Publication and possible revision of all public contracts such as the one secretly signed in 1994 with the Malaysian-based Ariston company for the "development of Sihanoukville" (thousands of hectares of prime location land have since been frozen for nothing).
- 7- Implementation of a progressive tax on privately owned and unexploited land in order to encourage the productive use of land and fight against land speculation.
- 8- Creation of a wealth tax that particularly targets the wealthiest land owners.
- 9- Effective collection of the 10% tax on rents from urban properties (such as villas and buildings owned by the political establishment and rented to embassies and foreign corporations and NGOs).
- 10- Prohibition of land ownership for commercial activities by State institutions such as the police and the army.

Thank you for your consideration.

Sincerely,

Sam Rainsy

Sam Rainsy
Member of Parliament