Early Warning System

WB-P150631

KH-Land Allocation for Social and Economic Development Project II

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Quick Facts

Countries	Cambodia
Specific Location	Kampong Speu, Kampong Thom, Kratie, Battambang, Kampong
Financial Institutions	World Bank (WB)
Status	Active
Bank Risk Rating	B
Voting Date	2016-05-19
Borrower	Government of Cambodia - Ministry of Land Management, Urban Planning & Construction
Sectors	Agriculture and Forestry, Law and Government, Transport
Potential Rights Impacts	Healthy Environment, Housing & Property, Indigenous Peoples, Labor & Livelihood, Right to Food, Right to Health, Right to Water
Investment Amount (USD)	$ 25.06 million
Project Cost (USD)	$ 26.86 million

Project Description

In late 2014, the World Bank announced its intention to re-engage in Cambodia after it had suspended all lending in 2011 over mass evictions in Phnom Penh's Boeung Kak lake community. It is expected that in mid-2016, the World Bank board will consider 4-5 several projects for approval to re-initiate its lending to Cambodia. LASED II, if approved by the World Bank Board, would be one of the first projects that marks the Bank's re-entry into Cambodia.

LASED II is the second phase of an earlier project (LASED) which aims to transfer private state land to Cambodian citizens falling within the bottom 40% of the poverty range, or who are deemed "landless." The project will focus on the existing eight Land Allocation for Social and Economic Development (LASED) sites and six Japan Social Development Funded sites established under the original LASED project, as well as one additional site in Kampong Thom Province. "The total area is proposed to cover approximately 17,000 hectares with 5,400 households."

According to the World Bank, the project activities and interventions are expected to focus firstly on the scaling up of agricultural support activities and provision of remaining infrastructure in the existing social land concession (SLC) sites, and secondly, on development of the new sites which includes planning and provision of social and rural infrastructure and service delivery. Its main purpose is "to provide infrastructure where it is still missing, link up to and harmonize the agricultural service delivery approaches under the project with national research and extension systems and scale up livelihood support activities to project beneficiaries." The land for these SLCs will be coming from three sources: 1) cancelled Economic Land Concessions (ELCs); 2) recovered illegally occupied lands; and 3) degraded forestland. However, none of the cancelled ELCs in LASED I has been made available for new SLCs.

Location: The project is proposed to cover a total of 14 Social Land Concession sites in Cambodia, in the provinces of Kratie, Kampong Cham, Kampong Chhnang, Kampong Thom, Kampong Speu and Battambang. These include the existing eight for the first phase of Land Allocation for Social and Economic Development (LASED) sites and six Japan Social Development Funded sites, as well as one new/additional SLC site in Kampong Thom Province. The total area is proposed to cover approximately 17,000 hectares with over 5,000 households affected.

Resources needed: Land acquired. As noted above, the project is proposed to cover 14 Social Land Concession sites in Cambodia.

Early Warning System Project Analysis

Risk Assessment: Category B.

The World Bank classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category B is assigned to a project if it has “potential adverse environmental impacts on human populations or environmentally important areas - including wetlands, forests, grasslands, and other natural habitats.”

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

According to Bank documents, the following environmental and social safeguard policies are triggered:

Environmental Assessment OP/BP 4.01 - this safeguard is triggered due to potential impacts from civil works including community infrastructure and agriculture and livelihood activities, particularly during the implementation phase. Typical impacts for small scale civil works include land clearance, erosion and sedimentation of water bodies, dust and waste generation, etc. Additionally, agriculture and livelihood activities may impact land and soil.

Involuntary Resettlement OP/BP 4.1 triggered because some land taking might be required due to infrastructure investments. However, potential impacts regarding evictions are unknown as the precise locations of new infrastructure development have not been determined at this stage.

Physical Cultural Resources OP/BP 4.11 - triggered because the infrastructure investments may impact on unknown, buried physical cultural resources.
Natural Habitats OP/BP 4.04 triggered because infrastructure investments and the land use plan implementation may impact on the natural habitat such as wetlands, natural ponds or remnant forests/remaining forest patches.

Forests OP/BP 4.36 triggered because the infrastructure investments and the development of new SLC site(s) may [have an] impact on remnant forests.
Indigenous Peoples OP/BP 4.10 Previous World Bank documentation stated that it had not yet determined whether this standard will be applicable. However, recent documents state that "ethnic minorities are not present in the present SLC sites under LASED. For the new SLC site, ethnic screening was conducted and did not find any IP community (the Khmer Loeu or hill tribes) in project areas (including its potential recruited villages)."

Safety of Damns OP/BP 4.37 - triggered because "the project may finance
construction of embankments (i.e., weir or water storage facility) for small scale gravity irrigation in the prioritized communities, which would be identified during project implementation." The exact sites and number of embankments was not known at the time of writing.

People Affected By This Project

OUR RISK ASSESSMENT

Based Bank documents and documentation on issues relating to the original LASED project, media and reports by Cambodian civil society groups in particular, a June 2015 report by the Cambodian League for the Promotion and Defense of Human Rights (LICADHO) --- this project poses potential risks to the following human rights:

Right to Property and Adequate Housing This right is triggered based on reported issues with the first phase of the project, LASED, and the bank documents' indication that land acquisition may happen. According to the bank documents, the project will use an approach to minimize potential loss of land or assets as a result of the SLC process. The bank documents state that this process will include:

(a) in case a local resident who is a
legal owner of land as defined under the Land Law loses fixed assets or access to agricultural land in the planned SLC area, he/she is entitled to receive compensation for land and assets at the replacement value;

(b) the planning of SLCs would include practical measures to avoid that poor
unauthorized local residents, whose livelihood is dependent on use of land in the planned SLC
area, lose fixed assets or access to agricultural land due to the SLC program;

(c) land loss within a designated SLC area by any unauthorized poor local resident whose livelihood is dependent on use of land in the planned SLC area, and who began to use this land before the cut-off date, would be eligible to obtain land within the SLC not exceeding the land allocation fixed for regular SLC applicants;

(d) land speculators enjoying unauthorized use of land in an SLC area would not be
entitled to apply for land within the SLC, and may only receive compensation for investments
made on up to 5 hectares of the land illegally occupied within the SLC area; and (e) the projectsupported social land concession programs are not used as a form of compensation to mitigate the resettlement impacts from other projects.

National human rights groups have called into question the implementation of the first phase of LASED, documenting human rights issues related to that first phase. According to the Cambodian human rights group LICAHDO, whose staff visited all SLC sites under LASED, land tenure security is not yet guaranteed and villagers reported at the time of LICADHO's visit that no one had received a land title yet. Villagers who have already occupied the land for more than five years were still waiting for and titles and many others may lose their property rights as poor implementation of the project effectively forces them to violate the legal requirements that they must satisfy to apply for the land title. In addition, due to the socio-economic background of the land recipients, most of them had no additional funds to upgrade their housing. GTZ found out that settling-in support was in most cases not sufficient to stabilise the livelihood of land recipients at the SLCs. These issues, and others, were documented in LICADHO's report, On Stony Ground: A look into Social Land Concessions (June 2015).

That report also states: [w]hilst the project objective to allocate residential and/ or agricultural land to 3,000 families has been achieved, LICADHO estimates that less than 50% of the families that received residential land [under LASED] had settled and remain at the sites at the time of LICADHO's visits. Four of the eight SLC sites were not yet functional at the time of the visits by LICADHO and will need substantial financial and technical support to achieve a minimal level of sustainability. Numerous villagers at seven of the eight sites reported limited ability to use the allocated agricultural plots and hence gained no significant improvement in terms of food security. The land that was allocated by Cambodian authorities appears to be at least in part simply not suitable for agricultural purposes.

It is also noted that conditions of land title under LASED may be strict, and evidence suggests that land titles are not being granted even after conditions are met. The Sub-Decree on SLCs (2003) requires that land must be vacant and conflict free in

Investment Description

- World Bank (WB)

Bank financing: World Bank
Borrower: The Kingdom of Cambodia, to be implemented by the Ministry of Land Management, Urban Planning and Construction, Ministry of Interior, Ministry of Agriculture, Forestry and Fishery (MAFF).
Amount of bank loan or investment: USD $25 million
Total project cost: USD $27 million

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Consultation Process

According to bank documents, "community people, Commune Council members, community-based organizations and SLC implementing staff on the ground were consulted on the draft environmental and social safeguard instrument to be used on LASED II, including the RPF and the EA-EMP during technical support mission – appraisal preparations in June 15 to July 3, 2015." There was also a stakeholder consultation workshop on June 23-24, 2015.

Consultations on the updated instruments will continue through Board submission and during project implementation. No other details were provided.

PROJECT-LEVEL GRIEVANCE MECHANISMS

Bank documents, available at the time of writing, suggest that a community participatory approach may address grievances at the project level. We could not find additional information about a project-level grievance mechanism.

ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm

Bank Documents

- Cambodia - KH-Land Allocation for Social and Economic Development Project II : P150631 - Implementat [Original Source]
- Cambodia - Second Land Allocation for Social and Economic Development Project (English) [Original Source]
- Cambodia - Second Land Allocation for Social and Economic Development Project : environment assessme [Original Source]
- Cambodia - Second Land Allocation for Social and Economic Development Project : resettlement policy [Original Source]
- Cambodia/EAST ASIA AND PACIFIC- P150631- KH-Land Allocation for Social and Economic Development Proj [Original Source]
- Integrated Safeguards Data Sheet (Appraisal Stage) - KH-Land Allocation for Social and Economic Deve [Original Source]
- Integrated Safeguards Data Sheet (Concept Stage) - KH-Land Allocation for Social and Economic Develo [Original Source]
- Official Documents- Disbursement Letter for Credit 5807-KH (Closing Package) (English) [Original Source]
- Official Documents- Financing Agreement for Credit 5807-KH (Closing Package) (English) [Original Source]
- Official Documents- Supplemental Letter Ref. Financial and Economic Data for Credit 5807-KH (Closing [Original Source]
- Project Information Document (Appraisal Stage) - KH-Land Allocation for Social and Economic Developm [Original Source]
- Project Information Document (Concept Stage) - KH-Land Allocation for Social and Economic Developmen [Original Source]

Other Related Projects

- WB-P171331 Land Allocation for Social and Economic Development Project III (LASED III)