JOINT DONOR STATEMENT ON
"ENHANCEMENT OF THE AGRICULTURE SECTOR
(INCLUDING NATURAL RESOURCES MANAGEMENT)"
Remarks by Murray Proctor, Assistant Director General,
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Cambodia Consultative Group Meeting
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Excellencies, colleagues, ladies and gentlemen

In a country where around 85% of the population lives in rural areas and depend largely upon agriculture and access to natural resources for their livelihoods, the importance of this sector in reducing poverty and improving lives cannot be overstated. Donors warmly welcome the emphasis given in the Rectangular Strategy to improving rural livelihoods through supporting agriculture and the more efficient, equitable and sustainable use of land, water, fisheries and forest resources.

There will be challenges ahead for both the Government and donors in implementing the Strategy and we are therefore pleased to support the Technical Working Groups on Agriculture and Water, Fisheries, Land, Forestry and Environment, and Mine Action as mechanisms to improve cooperation, coordination and allocation of resources.

In recent years, the agriculture sector has not performed as well as needed in order to really reduce rural poverty. Access for the poor to productive natural resources has also become more uncertain, reducing their ability to make a living and to cope with risks. The hardship being endured by so many families during the current drought is further evidence of the precarious state of rural livelihoods and the need for appropriate water resource development, management and use.

Within the agriculture and water sectors, as in all other sectors, the needs are great and resources remain limited. There is a need for us all to become more strategic, more cooperative and direct our shared resources to areas that will contribute to both broad economic growth and direct poverty reduction in rural areas.

We need to ensure that policies developed are implemented for the benefit of the poor, not the already wealthy, and that market orientation and commercialisation does not come at the expense of smallholders and communities. We need to work on linking private investors with smallholders to allow both sides to profit. We must expect from private investment that natural and human resources will be used sustainably and not for short-term benefit based on asset stripping, which regrettably is too often the case in Cambodia at present.

In a sector with limited public investment we need to consider the respective roles of different levels of government versus private sector and community based organisations in service delivery and inputs supply. The Government's role should be to facilitate the private sector to make the right investments and to contribute to rural economic growth with equity the creation of employment and the broadening of the Government's revenue base.

We need to ensure equitable access to land for agricultural purposes. 12-15% of the rural population is already landless and land holdings per household appear to be declining. Farmers with no security of land tenure have little incentive to make long-term plans to improve their family's livelihood such as investing in infrastructure or growing commercial crops which may offer improved incomes only after a number of years.

We need to give special emphasis to ensuring that women, who represent more than half the agricultural workforce and thus contribute significantly to agricultural production and

household food security, are more appropriately targeted in agricultural policy development and implementation.

Agriculture sector donors are willing to progressively align resources with a jointly developed sector strategy for agriculture and water which takes account of these needs and we look forward to progressing this over the next twelve months.

As most Cambodians are dependent on agriculture for their livelihoods, access to land and water resources are crucial. But most also have diversified livelihood strategies which involve exploitation of common property resources such as fish and forest products, as well as agricultural production. Sadly, there are significant challenges to ensuring ongoing access to these resources - the pressure on reducing natural resources increases almost daily. The need for swift and decisive action has been highlighted in previous Consultative Group meetings and must be emphasised again today.

The core principles of good governance are laid out for us in the Rectangular Strategy-wide participation, enhanced sharing of information, accountability, transparency, equality, inclusiveness and the rule of law. There is an immediate need for these principles to be applied to the management at natural resources in Cambodia to ensure benefits for all Cambodians.

The recent grenade attack on villagers peacefully protesting renewed activities in a concession area in Pursat province highlights the urgent need to respond to the concerns of people whose livelihoods are threatened. We need to ensure that policies for natural resources management benefit the poor, not just the powerful, and that community access to resources is improved, not reduced. In this context, community-based approaches to management of resources should be further explored and facilitated.

Effective enforcement of sustainable use of natural resources will require greater collaboration amongst local communities, district and provincial officials through arrangements that share the benefits of, and responsibilities for, effective management with local stakeholders. Such approaches are already being implemented, and with increased commitment by Government and support from donors, there is scope to move these approaches from the margins to the mainstream of natural resources management.

Donors have been encouraged by His Excellency Prime Minister's recognition of many of the problems. We particularly welcomed his speech to the National Land Forum in Phnom Penh on 18 October in which he announced that the granting of further economic land concessions would be suspended until legislation is in place and effective, and requested the review of existing contracts.

Donors urge that this suspension of new economic land concessions, along with the moratorium on logging and transport of logs not already inventoried and for which royalties have been paid in full, be maintained pending completion of review processes and legal frameworks.

We also recommend that Government pass and enact key laws and sub-decrees governing natural resources management including the fisheries law and community fisheries sub-decree the Law on Water Resources Management and associated sub-decrees the state land management sub-decree and the economic land concessions sub-decree based on a process or extensive consultation with stakeholders, and incorporation of their inputs to the extent possible, to build support for effective implementation.

In order to increase transparency we urge immediate public disclosure or existing contracts for economic concessions, mining concessions and fishing lots, and their compliance status, and continued disclosure of the status of forest concession reviews.

Donors continue to emphasise the need for effective and participator planning processes - including Environment and Social Impact Assessments, investor evaluations, community consultation, public disclosure and comment - prior to entering into new contracts for private use or management of natural resources.

Significant improvements in agriculture sector performance and natural resource management will be crucial to ensure broad-based growth benefits the poor. Donors remain strongly committed to assist government efforts to enhance rural livelihoods