

Annex 4 Opening Statement by Wolfgang Kanera, Deputy Director General Asia, Human Rights, Governance and Gender

Dear Minister Chhieng, dear Ambassador Chem, Excellencies, Ladies and Gentlemen,

It is my great pleasure to welcome you to our German-Cambodian government negotiations in Bonn.

I am impressed by the size of the Cambodian delegation. Let me take this as a sign of the importance you attach to Cambodian-German development cooperation.

We are aware that Cambodia has been hit by the worst floods in 10 years, and offer our condolences for the tragic loss of lives. Yesterday, I already informed some of you that Germany will make available **additional financial support to cope with some of the effects of the recent flooding** – as a sign of solidarity between the German and Cambodian people.

Let me briefly address some issues that are critical for our overall cooperation:

First, human rights and related issues

Human rights, democracy and the rule of law are the foundation on which German development policy is based. The protection of property rights especially for small farmers and vulnerable population groups is key for us, as development requires legal certainty.

Let me congratulate you on **granting communal land rights to an indigenous community** for the first time. I am happy to hear that further communal land titles are ready to be granted in January 2012. Meanwhile, the implementation of interim protective measures is crucial for protecting the lands of indigenous peoples. With regard to the challenge of speeding up the titling process, I hope that our German technical assistance in developing a handbook for this complex process is seen as a handy support.

In Cambodia, many **resettlements** are carried out without sufficient respect for the people affected, mostly poor or nearly poor households that already have to struggle to make ends meet. I encourage the Cambodian government to develop a national resettlement policy.

We welcome that His Excellency Prime Minister Hun Sen has recognised the need to solve the land conflicts caused by granting **economic land concessions**. It is crucial that relevant sub-decrees are implemented and that economic land concessions are handed out only with prior assessment of social and environmental impacts and with agreed action plans to tackle such impacts. Furthermore, coordination between the different line ministries is crucial. We

see the Minister of Land – as chair of the Council of Land Policy – carrying the greatest responsibility to ensure overall coherence. But I urge all of you – as representatives of your ministries – to contribute to a transparent granting of economic land concessions so as to keep negative social and environmental impacts to a minimum.

Human rights are crucial for development and, for us, **human rights are non-negotiable**. The current situation in Cambodia, in particular in the land sector, makes it **difficult for us to continue our support as before**. We have to justify not only within our ministry but also to the German parliament and representatives of civil society why we are continuing our cooperation and support. We are **under pressure from concerned parliamentarians and from civil society to phase out our support for the Cambodian land sector reform**. Only a few days ago, my minister was asked by members of parliament to explain in detail why our budget contains provisions for supporting the land sector in Cambodia. At the same time, there are reports from your country that land conflicts, some of them violent, continue unabated. And it appears that government authorities at various levels are protecting the rich and influential rather than the poor and powerless.

There is an immanent danger that German development cooperation and the German government can appear as being involved in human rights violations occurring in the Cambodian land sector. Indeed, in May 2011 the UN Committee on Economic, Social and Cultural Rights voiced its concern about German development cooperation activities resulting in violation of economic, social and cultural rights in the Cambodian land sector.

Let me tell you also, that the handling of land issues has become an important issue at European level, too. The **European Council's political committee on Asian affairs has several times discussed land policies in Cambodia**, asking the ambassadors of the EU and the member states represented in Phnom Penh to report regularly on developments concerning the UN Office of the High Commissioner for Human Rights and land rights in Cambodia.

Based on what I said before, it is certainly not an exaggeration to describe the political environment in Cambodia for cooperation on land sector reforms as unfavourable or, in other words, not conducive. If we are proposing to you today that we, as a country, stay engaged and even **intensify our cooperation and address those critical issues** I have just mentioned, then we are undoubtedly **taking political risks**. Being with this ministry now for some 30 years and working as the minister's spokesman for more than five years, I am convinced that most of my six previous development ministers would have hesitated to take such a risk. Why are we suggesting that Germany stay engaged? As development partners, our most important goal is to improve the living conditions of the poor and support inclusive development in Cambodia. We are convinced that **through our enhanced support in the**

land sector we can make a difference by helping to speed up fair land registration and land title distribution.

For us to be able to step up our commitment, we ask the Cambodian government to agree to specific **milestones** that will ensure that the Cambodian land sector reform will contribute to the progressive realisation of human rights. In other words, we hope that our readiness to take this risk will be honoured by the Cambodian government by engaging in a second and more detailed process of several milestones related to the government's land reform policy. We will discuss this in more detail this afternoon.

Now let me turn to good governance and related issues -

Respect, protection and fulfilment of human rights are key characteristics of good governance. But good governance also requires effective public administration, sound financial management and rule of law. Despite efforts by the Cambodian government, the urgently needed **remuneration reform for civil servants is still outstanding, a circumstance that jeopardises effective development cooperation** as of mid 2012, when the *Priority Operation Cost* system comes to an end.

While an anti-corruption law has been passed, **corruption continues to compromise development gains**. Let me highlight the work of the Anti-Corruption Unit as a good example. Their investigation and subsequent sentencing of high ranking officials are important steps towards preventing corruption and are thus highly appreciated.

These criticisms are neither new, nor are they being raised only by Germany. I admit, these are frank words and I know they are not easy to digest. However, I am convinced that our longstanding cooperation and partnership is strong enough to allow for such open dialogue.

You have been informed yesterday as well as the draft record about the **reduction of our bilateral commitments for 2011/2012** [from €34 million for 2009/2010 down to €21.5 million]. As you are aware, the world is tumbling from an economic and financial crisis into a debt crisis. While Germany – just like Cambodia – is doing better than others, **budget constraints** do remain. During our yearly internal planning and budget allocation process, each **country's development orientation is assessed** based on, for example, pro-poor and sustainable policies, human rights, democracy and rule of law, as well as good governance. While it is not the only criterion, this assessment clearly impacts on the budget available for bilateral cooperation.

I have been told that another critical issue, the “**Law on associations and non-governmental organisations**”, is close to being successfully resolved. While the law enables the Cambodian government to ensure that NGOs are supervised, it will not curtail NGO activity.

I hope that your **visit to VENRO** – the umbrella organisation of German non-governmental organisations active in development cooperation – and your discussions with Malteser International and Welthungerhilfe illustrated to you why it is so important to have **independent civil society organisations**. Let me be honest, NGOs can really make governments' life difficult and sometimes they are too focused on one narrow aspect, while governments have to consider the bigger picture and accommodate many different demands. But at the same time, having them as a **watchdog** ensures that mistakes are addressed and that governments strive for constant improvement.

Regional integration is another force that constantly pushes us to speed up reforms. Despite the current severe debt crisis in Europe, nobody would question the progress Europe has made thanks to regional integration. Based on our European experience, Germany supports regional integration in Asia, mostly through ASEAN. In particular, we intend to focus our support on those ASEAN member countries that face the biggest challenges with regard to ASEAN's common market as from 2015. To be assuming the ASEAN chair in January 2012 is a great success for Cambodia, and we congratulate you on that.

Let me finish by saying that, overall, we are convinced that our **Cambodian-German development cooperation is highly relevant for inclusive and sustainable development in Cambodia**, and contributes to the achievement of the Cambodian MDGs. We wish to continue together with the Cambodian government along that avenue of close cooperation, and we remain confident that the necessary basis of shared values is strong enough to meet the challenge.