KAREL DE GUCHT

MEMBER OF THE EUROPEAN COMMISSION

Brussels,
Ares(12)S-1053647 -

11 4 AOÛT 2012

Dear Mr Pred,

Thank you for the joint letter dated 26 June 2012 from your organisation and several other NGOs on the granting of economic land concessions for agro-industrial development in Cambodia and your call to launch an investigation on the reported human rights abuses in connection with agricultural goods exported to the EU under the Everything But Arms (EBA) initiative.

The European Commission is fully aware of legitimate concerns which have been expressed in this context and the relevant departments in the European Commission have looked in depth at whether initiation of an EBA investigation is legally feasible and whether an ultimate withdrawal of EBA concessions would contribute to resolving the problems at hand.

EU legislation provides that the Commission may decide to initiate an investigation where it considers that there are sufficient grounds for the withdrawal of EBA preferences and also states that these preferences can be withdrawn in cases of serious and systematic violations of principles laid down in the international conventions, on the basis of the conclusions of the relevant international monitoring bodies. We thank you for quoting the 2009 Concluding Observations of the Committee on Economic, Social and Cultural Rights on Cambodia which underline a number of problems in relation to land concessions. However, there has been some progress. On 7th June 2012, Prime Minister Hun Sen announced a moratorium on the issuance of new economic land concessions and a review of existing ones, which was one of the recommendations made in the aforesaid 2009 Concluding Obervations.

At this stage therefore, the situation is more nuanced than it could appear. This being said, the EU continues to closely follow the work by international monitoring bodies. If these unequivocally conclude that serious and systematic violations are taking place, the European Commission will not hesitate to launch the EBA investigation.

At the same time, we all need to bear in mind that the EBA initiative was created as an incentive-based tool to support development of least developed countries. Thus while the removal of preferences, in the circumstances foreseen by the regulation may be a necessary signal that a country is not on the right track, such removal is not likely to tackle the root causes of the problems, which stem more from weaknesses in Cambodia's land management policy. On the contrary, a potential removal of EBA concessions would unduly target exports of Cambodian goods which are not concerned by land abuse.

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On our end, we will continue to use all diplomatic tools at our disposal to fight against human rights problems in Cambodia, including in the high-level dialogue with the Royal Government of Cambodia. The last such dialogue (June 2012) underlined that substantial progress had been achieved, in terms of land rights registration and land conflict resolution, including securing land rights for indigenous communities.

On this occasion, while recognising the complexity and sensitivity of the matter, the EU encouraged the Cambodian authorities to speed up the process of land reform in the interest of the country's sustainable development and the achievement of its relevant Millennium Development Goals. The EU noted that economic land concessions should be awarded in a transparent and consultative process and that any land conflict should be resolved in a peaceful manner, in full respect for the rights and human dignity of all concerned.

Let me finish by stressing that I am well aware of the grave difficulties your work entails, and by thanking you for your continuing input on this sensitive issue.

I copy this letter to the High Representative and Vice President, Baroness Ashton, with whom I work very closely on this matter.

Yours sincerely,
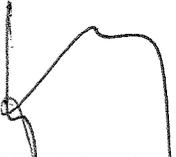
Karel De Gucht

<u>*CC*</u>*: Baroness Ashton, High Representative and Vice President of the European Commission*