



Reference No.: CTIA/SFMP/0281/05
 Date: 28th November, 2005

To: **-H.E. Chan Sarun**
 Minister of Agriculture, Forestry and Fisheries
-H.E. Ty Sokhun
 Director of the Forestry Administration, TWG-F&E Chairman
-H.E. Mogens L. Christensen
 TWG-F&E Coordinator

CC: **-H.E. Mark D. Wilson**
 Sector Director
 Rural Development and Natural Resources
 Sector Unit
 East Asia and Pacific Region
-H.E. Ian Porter
 World Bank Country Director
-H.E. Nisha Agrawal
 World Bank Country Manager, Cambodia
-Mr. Peter Jipp
 Sr. Forestry Specialist, MSN MC 10-1011
 World Bank Group
-Mr. Steven Navon Schonberger
 Senior Operations Officer
-Mr. Arvid Sloth and Mr. Eang Savet
 TWG-F&E Secretariat

Ref: Concessionaires' Strategic Forest Management Plan (SFMP)

Dear Your Excellencies,

I am, as Chairman of CTIA and on behalf of its members, writing this letter to Your Excellencies to express concessionaires' concern and seek Your Excellencies high consideration regarding their legal investment in Cambodia.

The World Bank's plan, addressed at the TWG-F&E meeting on 28/11/2005 and its letter dated 24/11/2005 by H.E. Mark D. Wilson to H.E. Minister Chan Sarun, to have the Royal Government of Cambodia (RGC) to terminate concessionaires' legal operation has been taken by concessionaires as a new and unacceptable threats to their sincere commitments toward sustainable forest management and their legal investment rights protected under the investment law and other exiting law of Cambodia.

Concessionaires are not surprised with the World Bank's plan but have just been very frustrating that the World Bank is the one who masterminds, encourages and supports concessionaires to start the preparation of SFMP from the beginning of the process and also the one who guarantees concessionaires, in every forum, to be able to re-operate their concession forest with the new SFMP.

Your Excellencies, concessionaires have questioned that ones may replace the mission of the former independent monitor who just to ask the RGC to cancel this concession or that concession any second without legal and technical base as well as the knowledge of forestry history in Cambodia. Concessionaires are confident that the RGC has its sovereign rights and integrity to allow concessionaires to go ahead with their legal investment and monitor closely the performance of their management activities. Concessionaires already agreed to improve their SFMP as long as there is no interference and interruption by any third parties that lead to the waste of times and efforts in such case as the World Bank which brought about from one review to another that can be seen as a one-nonstop review and the final result is empty and only hurt the legal investors. Concessionaires also wonder it is an intention to wipe the concession forest companies out from fourteen, to nine, to six, to three and finally to zero company. It is strange and very strange that a world economic and financial body of the type of the World Bank fails to protect the private sector.

Remembering what was told by Mr. Peter Jipp, Mr. Steven Navon Schonberger and World Bank staff at the World Bank office in Phnom Penh on 20/05/2005's evening for the preparation of the GFA's ground review part II¹, the last GFA's review team is a high profile professional expert. Now, the final review report came out without indicating that all concession forest should be deadly terminated. How the World Bank and its people, who had approached the GFA for review and already recognized GFA team as experienced professional experts, works against these professional expert recommendations? Concessionaires have fully respected the rights of the local communities leaving in the concession zone and relevant stakeholders and now concessionaires demand a full respect of their legal investment by the World Bank and other stakeholders.

Your Excellencies, since the release of the GFA Part II's Final Report, concessionaires, in particular Cambodia Cherndar Plywood Mfg. Co., Ltd. and Everbright CIG Wood Co., Ltd. have so many communications with GFA's expert team, Mr. Johannes Huljus, expressing our agreement/disagreement with the report and our workplan/clarification/outline for the revision/improvement of our SFMP². Also, recently Cherndar, Colexim and Everbright have always been meeting to discuss and plan how to have the SFMP of acceptable quality. This could be proven that concessionaires are seriously committed to the refinement of the SFMP.

Therefore, concessionaires strongly request Your Excellencies to seriously re-consider this issue without the abandonment of this existing sustainable forest management endeavor and already progressive/improved forest concession system. Concessionaires have already been severely suffered since the logging moratorium.

With assurance of our highest considerations,

Yours Faithfully,
For CTIA and Members



Lu, Chu-Chang
Chairman of CTIA

¹ The same confirmation to CTIA by the World Bank had also been made during a meeting on 12/05/2005's morning with Mr. Chea SamAng, FA deputy director, Mr. Steven Navon Schonberger and Mr. Lars C. Lund.

² Cherndar's last communication with GFA is 26/11/2005.