

Annex 2.1.2

Design Study: Country Conflict Situation

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1. ABOUT THIS ANNEX

This annex is part of the wider annex 2 on design study of the Community Resilience Partnership Program. This annex provides a brief background on conflict situation in the countries included in the CRPP Investment Fund. The information is based on desk review and not exhaustive. Recognizing the close linkage between climate risk and conflict, where existing conflict situation can exacerbate climate risks, and climate change can drive conflict, projects that aim to receive support from the CRPP, will need to ensure that climate risk assessments undertaken as part of project identification and preparation adequately captures this linkage with conflict, where appropriate.

2. COUNTRY CONFLICT SITUATION

Countries	Conflict Situation
Cambodia	<ul style="list-style-type: none"> • In Cambodia, some population groups still experience marginalization and exclusion, heightening their vulnerability. Ethnic minorities are highly vulnerable to the loss of land. In 2007, it was estimated that indigenous communities had lost 30% of their traditional land since 1989, and conflict over land remains one of the most contentious issues in the country. • Compounding climate change-associated risks, Cambodia's natural capital is being degraded rapidly by unsustainable economic activities. According to official estimates, forest cover declined by 21% between 2006 and 2014, and approximately 45% of the country's original, natural wetland area has been lost. Such losses have wide-ranging impacts, including on the productivity of the agricultural and fisheries sectors, hydropower generation, and tourism assets. In addition, negative externalities from urbanization hamper economic growth. <p>Source: World Bank. 2017. Cambodia Sustaining Strong Growth for the Benefit of All: A Systematic Country Diagnostic.</p>
Indonesia	<ul style="list-style-type: none"> • The recent expansion of the forestry and plantation sectors in Indonesia has intensified agrarian and natural resource conflicts, especially those related to land tenure, forest boundary and classification, and illegal logging and land clearing, and created increased awareness of the social, economic and environmental impacts of these disputes. • A World Bank study (2014) reported that nearly 25 million hectares of all designated state forest lands are in conflict (more than 20 percent of the total forest area, encompassing nearly 20,000 villages), primarily due to competing land claims and governance issues. • The expansion of oil palm plantations has fostered hundreds of land conflicts. Palm oil conflicts generally stem from a sense of unfairness about how the lands are acquired by the company and how the benefits of land use are being shared. • Religious minorities (non-Sunni minorities and non-Muslim minorities) continue to suffer from discriminatory regulations that makes it difficult for minorities to build houses of worship. • The West Papua conflict and discrimination to indigenous Papuans. The Papuan provinces, or West Papua, the easternmost part of Indonesia's territory, have been wracked with conflict for decades. From the 1970s to the 1990s, the Indonesian government settled hundreds of thousands of people from other parts of the country in West Papua through the transmigration program, aiming to forcibly change the region's demography and control the region, even as the government also embarked on military operations. This result to a decline in the number of Indigenous Papuans on their own land, numerous deaths, and

Countries	Conflict Situation
	<p>massive displacement. This led to both a non-violent movement and an armed struggle to defend Papuans' identity and rights.</p> <p>Sources: Aljazeera. Why Indonesia fails to address the West Papua conflict; Diplomat. Indonesia and the Papua Issue: Resolution Increasingly Unlikely; Universitas Andalas KITLV Leiden Universitas Wageningen Lembaga Gemawan Scale Up Walhi Sumatra Barat Walhi Kalimantan Tengah Epistema Institute dan HuMa. 2021. Palm Oil Expansion and Conflict in Indonesia: An evaluation of the effectiveness of conflict resolution mechanisms; Fischer et.al. 2017. Managing Forest Conflicts: Perspectives of Indonesia's Forest Management Unit Directors</p>
Lao PDR	<ul style="list-style-type: none"> • Lao PDR is listed as one ADB's Fragile and Conflict Affected Situations (FCAS) due to its fragility. The country is experiencing an unprecedented level of macroeconomic stress (including high levels of public debt, and current weak fiscal policy and public financial management), and the coronavirus disease (COVID-19) exacerbated an already fragile economic landscape. As of 2020, major credit rating agencies deemed the country's sovereign credit rating as speculative and of poor standing, with substantial credit risk and default a real possibility. In the third quarter of 2020, Moody's and Fitch announced downgrades to the Lao PDR's sovereign credit rating. • Environmental concerns and vulnerability to shocks have also escalated due to intensifying climate-related risks and environmental degradation caused by both natural and human factors. • Economic growth has seen jobless and unemployment rose from 4.1% to 15.7% during 2012–2018 while inequality increased. Migration has increased during the last decade with a sharp rise from 2015 onward, with a high incidence of migration observed in provinces where non-farm employment declined significantly. • The depletion of natural capital stocks and high vulnerability to shocks raises sustainability concerns. Economic growth has relied on natural resources, particularly through mining, hydropower generation, and agricultural activities. This has resulted in natural resource depletion and environmental degradation while also contributing to social tensions. <p>Source: ADB. 2021. Fragile and Conflict-Affected Situations and Small Island Developing States Approach. Manila; World Bank. 2021. Systematic Country Diagnostic Lao PDR, 2021 Update: Executive Summary.</p>
Timor-Leste	<ul style="list-style-type: none"> • Timor-Leste remains in a FCAS and is a small island developing state with a narrow economic structure, increasing inflation, volatile food prices, a weak private sector, a high cost of service delivery, and a large reliance on government spending. • Environmental degradation and climate change risks pose challenges to agriculture and food security, social well-being, and sustainable development. • Political conflicts beginning in 2017 led to an unanticipated election and delayed parliamentary approval of the state budgets in 2018 and 2020, which exerted a negative impact on economic growth. • Poverty continues to be a serious problem and about 40% of the population lives below the national poverty line. The government is still challenged with high rates of malnutrition, maternal mortality, infant mortality, and child morbidity and mortality. Prevalence of child labor is also high in agriculture and fishing. • The country ranks as one of the lowest countries in Asia and the Pacific in the World Bank's Doing Business 2016 report.

Countries	Conflict Situation
	<p>Sources: ADB. 2022. Timor-Leste Country Partnership Strategy 2023-2027. Manila; ADB. 2016. Mapping Fragile and Conflict-Affected Situations in Asia and the Pacific. The ADB Experience. Manila.</p>
Pakistan	<ul style="list-style-type: none"> • Weak institutions and governance remain key challenges for inclusive and sustainable growth in Pakistan. The country’s performance on Worldwide Governance Indicators has been persistently poor, and is lower than the average score of South Asia. • The disaggregated analysis reveals that Pakistan is ranked lowest among South Asian countries on political stability, and also lags on control of corruption, the rule of law, voice and accountability, and government effectiveness. The institution and governance issues limit the government’s ability to devise effective policies and deliver pro-poor services for the vulnerable parts of the population. • Pakistan continues to face multiple sources of internal and external conflict. It faces a resurgence of extremist groups along its border with Afghanistan, which has raised tensions with Taliban-led Afghanistan. <p>Source: ADB. 2020. Pakistan Country Partnership Strategy 2021-2025. Manila. United States Institute of Peace. 2023. The Current Situation in Pakistan, A USIP Fact Sheet.</p>
Papua New Guinea	<ul style="list-style-type: none"> • Papua New Guinea (PNG) is a resource-dependent, lower middle-income country classified by ADB as FCAS. • PNG’s political, security, and service delivery functions are sometimes limited and concentrated in the urban areas, and 87% of the population from the rural areas are being left behind. • Critical infrastructures in PNG are prone to damage by natural disasters, such as landslides and floods. • Gender inequality remains a major barrier to human development. Rates of violent crimes against women, such as rape and domestic violence, are extremely high. Women and young girls are also subject to sex trafficking and forced labor. The institutional response of the justice system to these crimes is generally weak. Women have little access to education and health services as well as economic opportunities, and are predominantly engaged in subsistence agricultural and other unpaid labor. • Women, girls and children’s, disability rights abuse. Sorcery-related killings and domestic violence. People with disability are unable to participate in the community like attending schools, work, etc. due to inaccessibility, stigma, and other barriers. • Only about 3% of lands in PNG has clearly defined boundaries and ownership (which is termed “alienated” or outside the customary landholding system) and held by the state. These lands are available for public use or lease, and a smaller portion of them is held as freehold. Securing property and contract rights on a legal basis is hindered by informal landholdings in most rural areas (under customary arrangements), problematic resolution of land disputes, and weak capacity and corruption of enforcement authorities • PNG’s law-and-order situation remains a major issue for the business community. The state is ineffectual in protecting citizens’ lives and properties against crimes and violence in a significant part of its territory. In cities and major towns, violence generally involves property crimes, and can be attributed to high unemployment, social displacement, and ineffective policing. PNG’s law-and-order situation remains a major issue for the business community. The state is ineffectual in protecting citizens’ lives and properties against crimes and violence in a significant part of its territory. In cities and major towns, violence generally

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	<p>involves property crimes, and can be attributed to high unemployment, social displacement, and ineffective policing.</p> <ul style="list-style-type: none"> • Public administration remains weak and ineffective despite efforts to improve policy coordination and responsiveness. Central agencies often complain about line agencies pursuing their own agenda without adequate coordination. Despite significant increases in funding in recent years, PNG’s administrative structures continue to produce deteriorating or stagnant public service delivery outcomes. Agencies are fragmented and responsibilities are often overlapping or unclear. Management capacity is inadequate and funding is inconsistent for institutions at provincial and district levels that have the primary responsibility for service delivery. <p>Source: ADB. 2016. Mapping Fragile and Conflict-Affected Situations in Asia and the Pacific. The ADB Experience. Manila.</p>
Vanuatu	<ul style="list-style-type: none"> • Vanuatu is classified as one of ADB’s Small Island Developing States (SIDS). The country is geographically remote and isolated, and they are highly vulnerable to climate change and natural disasters. • The country has small market size, underdeveloped institutions, and limited absorptive capacity. • Domestic violence continues to be widespread in Vanuatu. Legislation on sexual assault is present, but is inadequate to protect a range of sexual violations perpetrated against women and girls. • The government’s policy on environmental issues and sustainable management of marine, coastal, and watershed resources is reasonably comprehensive. However, compliance is poor, largely due to a lack of capacity for enforcement and political will to support environmental protection. Despite the Code of Logging Practice and systems for sustainable management of forests, logging and related harvesting activities are still greater than replanting efforts. In addition, the traditional land tenure system is seen as a constraint to sustainable forest management, as there are still numerous disputes between customary owners and forestry leaseholders. • About 97% of lands in Vanuatu are communally owned, except those in Port Vila and Luganville where most of the lands have been legally alienated and leased for up to 75 years. However, lease creation and management could be problematic due to inefficiencies in land administration. • The formal justice system remains costly, inefficient, and inaccessible to the rural population. However, kastom and community-based justice systems exist, with the traditional chiefs having the major role in preventing crime, settling conflicts, and maintaining harmony at the community level. Crime is not regarded as a major impediment to business activity; however, the capacity of the police force is limited in dealing with potential civil outbreaks <p>Source: ADB. 2016. Mapping Fragile and Conflict-Affected Situations in Asia and the Pacific. The ADB Experience. Manila.</p>