



## **Setting the Record Straight: The Facts about the Railways Rehabilitation Project**

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For Immediate Release**

The Asian Development Bank (ADB) and the Ambassador of Australia to Cambodia have recently made statements to the media about the resettlement process of the Rehabilitation of the Cambodian Railways Project. These statements do not reflect the real situation being experienced by affected people.

Bridges Across Borders Cambodia (BABC) has been monitoring this resettlement process closely for the last 20 months and has observed widespread problems, which amount to systematic non-compliance with the ADB Involuntary Resettlement Safeguard Policy and the requirements of international human rights law. This non-compliance has resulted in serious, and in some cases irreversible, material harms to affected people. Rather than alleviating poverty, the Railways project has exacerbated it.

“The ADB and AusAID are well aware that the Project is in serious breach of safeguard policies and violating the basic rights of affected people,” said BABC Executive Director David Pred. “However, rather than publicly admitting the truth, these international development institutions continue to minimize the problems, exaggerate the progress, and mislead the public with spin.”

“In this statement, we seek to set the record straight and urge ADB and AusAID to stop focusing on their public relations damage control and start taking serious action to repair the damage that this project has done and continues to do to people’s lives,” he added.

### **SPIN:**

*“People will be compensated for the assets, which they've left behind.”*

- Australian Ambassador Penny Richards, Radio Australia interview, 7 November 2011

### **FACT:**

Out of 200 affected households surveyed by BABC throughout the country, 56% reported that they have or will have to borrow money in order to rebuild a house of at least the same quality at the relocation site due to inadequate compensation. The project’s External Monitoring Agency similarly reported in

its 12<sup>th</sup> Social Monitoring Report that 60% of totally affected people in Sihanoukville were unable to move to the relocation site and build a house due to inadequate compensation. Those families petitioned ADB for low-interest loans so they could build their houses. Their request was denied.

Recent interviews with people who have been relocated in Phnom Penh reveal that the majority have had to deposit their land certificates with private moneylenders at 7% interest per month in order to obtain sufficient funds to build adequate shelters and maintain their daily subsistence needs after being displaced from their livelihoods. Some have reported that if they cannot make the monthly payments on their loans and pay back the principle within three months, they risk having their land plots confiscated.

**SPIN:**

*"The areas to which they're moved will have electricity and running water, which of course you can't take for granted anywhere in the Cambodia countryside which only has 20 per cent electrification."* - Australian Ambassador Penny Richards, Radio Australia interview, 7 November 2011

**FACT:**

Affected people have been forcibly relocated from urban areas, where many previously enjoyed access to electricity and/or piped water. The ADB Policy on Involuntary Resettlement states that people cannot be made worse off than they were before the Project, and in fact, resettlement should form part of a development strategy aimed at improving the lives of resettled people.

At the Phnom Penh resettlement site, affected people report having to pay a deposit of 308,000 Riels (\$77 USD) in order to connect to water and electricity, in addition to paying more for services than they paid at their previous location. Electricity connection fees and have also been charged to affected people in Sihanoukville and Poipet.

At the Battambang resettlement site, in May 2010, affected people were relocated to a site without any water supply at all and were forced to collect water from the rice fields or a nearby pond. Days after being relocated, two children drowned in the pond. Following an intervention by ADB, the IRC began bringing subsidized water trucks to the site to deliver water to affected people at an affordable price. This service has now stopped and has been replaced by a new pond that has been dug behind the resettlement site, which was intended to be a permanent water solution. Affected people report that the pond water is undrinkable and that there is an insufficient supply to meet the water needs of even a few families. The families have now been forced to return to fetching water from the rice fields.

### **SPIN:**

*“One of the issues which has been discussed is grievances, is the amount of compensation adjusted correctly and so on and that's another area where we've been concentrating, helping to get the grievance resolution process working better and I'm informed that as at the current time about 60-70 per cent of grievances have been addressed.”* - Australian Ambassador Penny Richards, Radio Australia interview, 7 November 2011

*“A thorough review of all complaints is being conducted, a more responsive and effective grievance redress process has been put into place, and an expanded income restoration program will commence in November.”* - ADB statement issued to the Cambodia Daily, 16 November 2011

### **FACT:**

BABC has tracked the status of grievances submitted by 332 affected households throughout the country beginning in December 2010. ADB reported in June that over 400 households have submitted complaints to the local grievance mechanism. In the absence of a timely response, the majority of these complaints have been resubmitted two to three times. As of last week, more than 90% of the complaints that BABC has monitored remained unresolved.

94% of affected households surveyed by BABC report that their incomes have declined since they have resettled. There remains no Income Restoration Program in place in Phnom Penh, despite the fact that more than half of the totally affected households have already relocated after being given a 30-day deadline by the authorities to remove their homes. In Battambang, Pursat, and Sihanoukville, where income restoration programs did not commence for up to a year after resettlement and were little more than trainings on chicken raising or growing mushrooms, affected people overwhelmingly report that the programs failed to help them restore or establish new livelihoods. ADB and AusAID have not released any terms of reference for the proposed Expanded Income Restoration Program, so there is no basis by which affected people and monitoring groups can assess whether or not it will be successful.