First Annual Monitoring Report to the Board of Directors

on the

Implementation of Remedial Actions

for the

Greater Mekong Subregion: Rehabilitation of the Railway Project

in the

Kingdom of Cambodia

(Asian Development Bank Loan 2288 and
Asian Development Bank Loan 2602/Grant 0187 [Supplementary])

6 April 2015

This document is being disclosed to the public in accordance with ADB’s Public Communications Policy 2011.
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ABBREVIATIONS

ADB – Asian Development Bank
AH – affected household
AMP – Accountability Mechanism Policy
AusAID – Australian Agency for International Development
CDF – Social development fund (under the SHG)
CPI – consumer price index
CRP – Compliance Review Panel
CUFA – Credit Union Foundation of Australia
DMS – detailed measurement survey
EIRP – expanded income restoration program
EMO – external monitoring organization
GRM – grievance redress mechanism
IRC – Interministerial Resettlement Committee
IRP – income restoration program
MEF – Ministry of Economy and Finance, Cambodia
MOU – memorandum of understanding
MPWT – Ministry of Public Works and Transport, Cambodia
NGO – nongovernment organization
OCRP – Office of the Compliance Review Panel
OM – operations manual
O&M – operation and maintenance
PPTA – project preparatory technical assistance
PSC – project supervision consultant
RD-MEF – Resettlement Department, Ministry of Economy and Finance, Cambodia
RP – resettlement plan
SERD – Southeast Asia Department
SETC – Transport and Communications Division, Southeast Asia Department
SHG – self-help group
SSNF – social safety net fund (under the SHG)
TA – technical assistance
URP – updated resettlement plan

In this report, “$” refers to US dollars.

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I. INTRODUCTION

1. This is the first annual monitoring report of the Compliance Review Panel (CRP) on the implementation of the CRP recommendations as approved by the ADB Board of Directors (Board) and the Management’s remedial actions following a compliance review of the Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia Project.¹

2. The CRP carried out this compliance review under the 2003 Accountability Mechanism Policy (2003 AMP) as this request was first filed with the Office of the Special Project Facilitator and was declared eligible on 11 January 2012 before the revised Accountability Mechanism Policy took effect on 24 May 2012. Thus, monitoring procedures as stipulated in the 2003 AMP were followed. The request for compliance review of the Project was emailed to the CRP on 28 August 2012 by 22 project affected persons represented by David Pred of Inclusive Development International and Eang Vuthy of Equitable Cambodia. The requesters explicitly sought to keep their identities confidential.

3. Upon determination of eligibility of the request, the CRP submitted its report to the Board which subsequently authorized the conduct of a compliance review on 9 October 2012. On 14 January 2014, the CRP issued to the Board its findings and recommendations after the compliance review. The Board decided on the CRP’s recommendations on 31 January 2014, adopting them with certain modifications. In April 2014, Management submitted to the Board its remedial action plan to bring the Project back into compliance in response to the Board’s decision.

4. This report assesses the progress made on the implementation of the said Board decision of 31 January 2015 and remedial actions and identifies areas and issues for further action by the Management. This report covers the following:

   (i) a short description of the project;
   (ii) the results of the CRP’s compliance review and its recommendations;
   (iii) Management’s action plan to comply with the CRP’s Board-approved recommendations;
   (iv) the findings of the CRP during its first year of monitoring;
   (v) the CRP’s conclusions regarding the current state of Management’s compliance with the Board-approved recommendations; and
   (vi) the CRP’s feedback regarding the implementation of Management’s remedial actions.

5. This report is based on a review by the CRP of Management’s quarterly reports on the implementation of the remedial actions and other relevant documents submitted to the CRP by the Southeast Asia Department (SERD); interviews with concerned ADB staff; feedback from relevant government officials; project affected persons; and relevant NGOs in Cambodia. The list of persons met by the CRP for this monitoring report is in Appendix 1. For a better appreciation of the situation on the ground, the CRP also visited four out of the five resettlement sites.

¹ ADB approved the following financing for the project: Loan 2288 in December 2006 and Loan 2602/Grant 0187 (Supplementary) in December 2009.
II. DESCRIPTION OF THE PROJECT

6. The Project was to support Cambodia’s economic development and strengthen integration of countries in the Greater Mekong Subregion through increased domestic and regional trade movement through the railway system. The original Project (Loan 2288-CAM) involved rehabilitating or reconstructing the railway between Sihanoukville and Poipet and reestablishing a railway link with Thailand. It was estimated to cost the equivalent of $73 million, including taxes and duties and was approved in December 2006.\(^2\) A supplementary financing (Loan 2602-CAM) approved in December 2009 was estimated at the equivalent of $68.6 million to (i) establish a new freight and rolling stock maintenance facility at Samrong; (ii) upgrade or strengthen parts of the main line to enable early initiation of integrated multimodal services; and (iii) establish additional sidings to terminals to facilitate multimodal connectivity. The Project also had financing of $13 million from OFID (Loan 8228-CAM) which was approved along with the original loan. DFAT provided additional financing of $960,000, which was approved by the ADB President in January 2012 for the EIRP. Additionally, a technical assistance (TA) with an estimated cost of $0.45 million (funded by the Government of Australia) for Outcome Monitoring and Procurement Review was provided to the Ministry of Public Works and Transport for (i) outcome monitoring; and (ii) procurement review for the works to be added to the project scope through variations to the existing contracts.\(^3\)

Figure 1: A Section of the Cambodia Railway Project
(Source: Inter-Ministerial Resettlement Committee [IRC])

\(^2\) ADB. 2006. Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Loan to the Kingdom of Cambodia for the Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia Project. Manila.

\(^3\) ADB. 2009. Report and Recommendation of the President to the Board of Directors: Proposed Supplementary Loan and Administration of Grant and Technical Assistance Grant to the Kingdom of Cambodia for the Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia Project. Manila.
7. The Project is being implemented from ADB headquarters by the Transport and Communications Division of the Southeast Asia Department (SETC) in close collaboration with the Cambodia Resident Mission. As it would physically and economically displace thousands of persons living along the corridor of impact of the railway, the Project was categorized as A for impacts on involuntary resettlement. Resettlement issues primarily triggered the request for compliance review by project affected persons.

III. COMPLIANCE REVIEW AND RECOMMENDATIONS

8. After the Board’s authorization of a compliance review and the clearance of the terms of reference for the review by the Board Compliance Review Committee (BCRC), the CRP conducted its fact-finding from October 2012 to December 2013. The compliance review was done through (i) desk review of documents; (ii) interviews with ADB Management and staff; (iii) meetings in Phnom Penh with relevant government officials, project consultants; and NGOs involved in the issue; (iv) meetings with the requesters, their authorized representatives and other affected persons; and (v) visits to four of the five resettlement sites. Subsequent analysis of results and deliberation resulted in the following findings by the CRP:

   (i) major design flaws in the original 2006 Resettlement Plan;
   (ii) inadequate compensation for livelihood restoration;
   (iii) considerable inaccuracies in the detailed measurement survey;
   (iv) serious infrastructure problems in most resettlement sites;
   (v) inadequate income restoration programming to support resettled people; and
   (vi) high levels of project-induced indebtedness among the resettled people.

9. The CRP concluded that the above findings which resulted in material harm to project affected persons were the direct results of ADB’s failure to comply with its relevant operational policies and procedures during project design and implementation. As such, the CRP focused its recommendations on the following:

   (i) establish a compensation deficit payment scheme;
   (ii) improve facilities at resettlement sites;
   (iii) improve the functioning of the grievance redress mechanism, to be reflected in a time-bound and verifiable action plan;
   (iv) develop an appropriate program to build capacity for resettlement in the Interministerial Resettlement Committee (IRC), to be reflected in a time-bound and verifiable action plan;
   (v) establish a debt workout scheme to help highly indebted families repay their accumulated debts through a dedicated credit line and a debt workout facility; and
   (vi) implement the expanded income restoration program in a sustained and sustainable manner.

10. With some modifications, the Board approved the CRP’s recommendations on 31 January 2014. The Board-approved recommendations are set out in full in Appendix 2 to this report. Consequently, the Management submitted to the Board in April 2014 an action plan with

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the intent of responding to the CRP’s recommendations and to bring the Project back into compliance. In formulating the action plan, the Management had several policy dialogues with the government. A draft of the action plan was sent to the CRP for its comments prior to the submission of the plan to the Board. In its comments dated 3 April 2014, the CRP noted that several aspects of the action plan fell short of the expectations of the Board-approved recommendations. After the Management submitted the action plan to the Board, the CRP submitted further comments to the BCRC through its memo dated 24 April 2014 in which it also noted several aspects of the plan that fell short of the Board-approved recommendations.

IV. RESULTS OF THE MONITORING OF THE ACTION PLAN

11. Overall, the CRP is happy to note that since the decision of the Board, the ADB Management, the Government and the Inter- Ministerial Resettlement Committee (IRC) has invested considerable time, funds, and effort to bring this project back into compliance. Significant progress has been made with regard to five out of the six recommendations approved by the Board. Such progress is heartening to note and commendable. Nevertheless, more effort is still required to bring the project into full compliance. The CRP hopes that this monitoring assessment report together with its findings and recommendations will be seen in the above light and in the spirit of continuing efforts to improve compliance. The following paragraphs present the findings and conclusions of the CRP’s first annual monitoring report. Each Board-approved recommendation is mentioned first, together with the related actions proposed in the Management’s Action Plan. The CRP’s related findings, conclusions, and feedback follow.

A. Board-approved CRP Recommendation 1

Recommendation 1: Establish a compensation deficit payment scheme.

Status of Compliance: At the time of this report, ADB is in partial compliance with the Board-approved recommendation.

Management’s Action Plan:

a. Inter-ministerial Resettlement Committee (IRC) reviews for each affected household (AH) the: (i) Detailed Measurement Survey (DMS); and (ii) Contract between IRC and AH, for mis-categorization in the DMS.

b. IRC computes compensation deficits for property losses due to mis-categorization and inflation using consumer price index (CPI).3 and (ii) living/income and transport allowances due to inflation using CPI.

c. IRC conducts consultations and disseminates information to AHs on the: (i) timelines for house-to-house consultations; (ii) methodology for computation of compensation deficits; and (iii) appeal’s mechanism under the improved Grievance Redress Mechanism5 (GRM) regarding computation and payment of compensation deficits.

d. IRC prepares amended contracts for AHs reflecting compensation deficits.

e. IRC conducts house-to-house consultations.

f. IRC provides payments to AHs.

g. Computation and payment of compensation for income losses6 for relocated AHs.

(For full text, see Appendix 2.)
12. **CRP findings regarding compliance with recommendation 1.** To carry out this recommendation and Management’s action plan, IRC has in accordance with the Action Plan schedule, completed the review of the results of the detailed measurement survey (DMS) for all the 3,581 fully or partially affected households (AHs), and has computed compensation deficits using the Cambodian consumer price index (CPI) for property losses as contained in the original DMS. ADB reports that it has verified IRC’s DMS review and compensation deficit calculation for all AHs in the Southern Line, Poipet, Northern Line sections, and for 75% of the AHs in the Phnom Penh section. ADB has suggested corrections to specific contracts that were subsequently incorporated by IRC. The review by ADB has comprised two rounds of verification: first a complete review of all revised contracts, and following incorporation of the suggested corrections, a 10% sample review of the completed DMS contracts. During the first round of verification, ADB found errors in 36.4% of the revised contracts for Southern Line, in 31.7% of those for Poipet section, and in 71.8% of those for Northern Line. These errors ranged from simple calculation mistakes to the use of wrong building categories; non-inclusion of other lost assets; mistakes in the classification of vulnerable households; and mistakes in the allocation of entitlements for disruption of businesses and living allowances. The 10% sample review of the completed contracts found that the errors identified by ADB had been corrected.

13. While sub-action (b) is supposed to include calculation of compensation deficits for living/income and transport allowances, this has not yet been completely done since the Action Plan only schedules computation and payment of compensation for income losses for relocated AHs to be completed by Q2 of 2015 under sub-action (g). After discussion between IRC and ADB, IRC has recently agreed – and confirmed to the CRP – that additional inflation indexed compensation for the living/income allowance now will cover the period from resettlement until the start of the expanded income restoration program (EIRP), and that these payments will be made as scheduled in Q2 of 2015.

14. Initial public consultations were conducted by IRC, MPWT and local authorities from 6-20 June 2014 to inform about the remedial actions, timelines for implementation of remedial actions, dissemination of information materials, how to obtain information materials for those unable to attend and details of contact persons for future inquiries. However, subsequent consultations with and information dissemination to AHs about the revised contract under sub-action (c) are delayed. This activity, in which ADB participates as observer, has been completed for the Southern Line in December 2014, and is ongoing in the Poipet section. It is scheduled for Northern Line and Phnom Penh for February and March 2015. Information on the GRM was provided in group consultations and was repeated in individual/house-to-house consultations. Information using GRM flyers were also used in these consultations. However, the CRP is concerned, that the information dissemination does not include the appeals mechanism under an improved Grievance Redress Mechanism (GRM) since this is not yet in place. The CRP feels that the IRC ground staff and GRM members need to be appropriately trained on this. **There is, as will be discussed below in connection with Recommendation 3, a critical disconnect**

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5 The updated RPs had a total of 3,754 AHs. IRC has satisfactorily clarified the discrepancy between the URP figure and the current caseload to the CRP.

6 ADB: DMS Review of Southern Line Section (conducted 28 July to 8 August 2014); DMS Review of Poipet Section (conducted 11 August to 28 November 2014); and DMS Review for Northern Line (conducted 29 September to 18 December 2014). While ADB’s DMS Review for Northern Line states that all contracts have been reviewed, the Status Report on Remedial Actions of 23 January 2015 states for sub-action (d), that amended draft contracts have been reviewed 100% by ADB for Southern Line and Poipet, and is ongoing for Northern Line and Phnom Penh.

7 ADB: Amendment Contract Review of Southern Line, Poipet Section, and Northern Line (no date)
between the timelines for the revision and amendment of the DMSs and the improvement of the GRM.

15. Under sub-action (d), ADB has reviewed and suggested changes to the draft contract format, and these have been accepted by IRC. The CRP finds that the amended contract ought to be accompanied by a separate user friendly document setting out the information on the procedure and deadlines for reviewing the amended contract and any DMS errors including non-inventorying and miscategorizations as well as on how appeals can be made with regard to these. In addition, IRC needs to ensure that all appeals/complaints submitted at the commune level are properly recorded and an adequate and transparent paper trail is maintained, which is not the case at present.

**Figure 2: IRC’s House to House Consultation with Affected Households on the Detailed Measurement Survey (Source: IRC)**

16. The house-to-house consultations on the amended contracts under sub-action (e) have been completed for the Southern Line and are ongoing for the Poipet Section. The consultations are scheduled for Northern Line and Phnom Penh for February and March 2015. However, the information to the AHs on grievance redress regarding appeals against revised payment computations will only start in Q1 of 2015 (see Recommendation 3), and since the window for acceptance of the revised contracts is 30 days, AHs in the Southern Line and those already ‘consulted’ in the Poipet Section, will not have the required and timely information on the appeals process.

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8 ADB: Reporting on Reviewing Contract Agreement (no date)
17. The CRP is concerned that the house-to-house consultations on the amended contracts have so far not provided scope for dialogue with AHs to correct DMS ‘mis-categorizations’ (including possible cases of non-inventorizing or mis-inventorizing of assets that may not have been captured by the ADB verification of the DMS. The many and diverse DMS errors identified by the ADB verification highlights the need for consultation with AHs regarding their losses. Moreover, AHs met with by the CRP were not aware of how the planned improved appeal’s mechanism would work, and how appeals on the revised DMSs could be submitted. To mitigate this, IRC agreed with the CRP during the monitoring mission, that IRC will now consider documented and verifiable evidence from AHs leading to adjustments of the amended contract regarding cases of non-inventorizing or mis-inventorizing of assets without requiring the AHs to go through the GRM (IRC holds that there has been no such claims by AHs for Southern Line, and so far only two cases were reported by the external monitoring organization [EMO] for the Poipet Section).

18. Under sub-action (f), IRC has started making payments for the DMS compensation deficits for property losses, and these payments have been made to all AHs under the Southern Line and to 301 AHs in the Poipet Section. The EMO reported to the CRP that the additional DMS compensation payments are paid in cash, and payments are made in public at the community center in the resettlement site or at the commune office. Since most APs do not have bank accounts, cash payments are appropriate, and payments made at public events serve to reduce the scope for corruption.

Figure 3: CRP Meeting with Affected People in Phnom Penh
(Source: Compliance Review Panel [CRP])

19. The IRC informed the CRP that it has decided to pay additional transition allowances for the period between moving households to the settlement sites and the start of the EIRP but that
this process of additional payments has not yet started. The CRP appreciates that the Government recognizes the need to consider additional payments as support for income losses, but continue to be concerned about the limited amount which the transition allowances would provide. Monthly allowances would amount to US$25 per family, which in most cases would not be adequate to compensate families for the income losses experienced through the relocation. Table 7 of the CRP Compliance Review Report provided estimates of income losses based on rough calculations that were based on available data and possibly overestimated to some extent. Nevertheless, the income losses are likely to be higher than US$25 per family a month. The CRP therefore finds that recommendation 1 sub-action (g) is not complied with and urges Management to work with government to fulfill these obligations.

20. **CRP conclusions regarding compliance with Recommendation 1.** The CRP finds that ADB has made significant effort to achieve compliance with this recommendation. This notwithstanding, both the procedures regarding the DMS revision as defined by the sub-actions and the scheduling disconnect between these actions and those of Recommendation 3, weakens the likelihood of full achievement of compensation at replacement value for all assets lost by the AHs. IRC’s DMS review is a desk exercise based on the 2009 DMS data, and does not involve upfront consultations with AHs. It only captures losses already on record. Correction of ‘mis-categorizations’ does not necessarily capture all non-inventorying and mis-inventorying of assets. This approach to the DMS review does not take on board lessons learned by ADB during project implementation about the need for consultation with AHs on DMS preparation (CRP Final Report paras. 74-82). ADB’s verification of the adjusted DMS is also a desk exercise, and subject to the same limitations as the DMS adjustment by IRC. The disconnect between the actions under Recommendation 1 and those of Recommendation 3 means that an improved and functioning GRM and trained IRC ground staff and GRM committees are not in place, and that APs do not have access to a credible grievance redress process at the critical stage of the DMS adjustment, especially with regard to non-inventorying and mis-inventorying of assets. Finally, CRP finds that sub-action (g) on compensation for income losses is not complied with.

21. **CRP feedback to Management on actions to bring the project into full compliance with Recommendation 1:** For ADB to bring the project into compliance, the CRP suggests that the following actions be taken by Management:

- Regarding sub-action (d): The CRP recommends that the amended contract ought to be accompanied by a separate user friendly document setting out the information on the procedure and deadlines for reviewing the amended contract and any DMS errors including non-inventorying and miscategorizations as well as on how, to whom, and when appeals can be made with regard to these and that such appeals are not timebound. The CRP recommends that clarifications be made to AHs that the 30 day time limit applies only to the acceptance or rejection of the amended contract and that appeals to correct contract errors and DMS errors can be entertained at any time. Ground staff need to be instructed that AHs should be told about the right to appeal not being time-bound and that the 30-day period relates to the right to accept or reject the revised contract. Since this clarification was not made for the Southern Line and Poipet sections, the CRP suggests that Management ensure a supplementary notice is issued to these AHs by IRC allowing for further time to lodge appeals, should any AH wish to do so.

- Regarding sub-action (e): In the absence of up-front consultation with the AHs on the DMS amendment and in the absence of a functioning GRM, IRC has agreed with the
CRP, that house-to-house consultations on the amended contracts will consider documented and verifiable evidence from AHs leading to adjustments of the amended contract regarding cases of non-inventorying or mis-inventorying of assets without requiring the AHs to go through the GRM. In this regard, the CRP suggests that the Management should ensure that all AHs, including those who have already been consulted about the revised DMS, are notified of their right to have errors regarding non-inventorying or mis-inventorying of assets corrected by IRC on the production of adequate and reliable evidence.

- Regarding sub-action (g): Management needs to ensure that the government compensates relocated households for income losses. The IRC informed CRP that income losses would be compensated for the period between relocation and the start of the EIRP and that the formulae would include inflation adjustments as well. Beyond these payments, the CRP suggests to Management to continue its dialogue with the government to ensure that relocated households are fully compensated for income losses occasioned by their move to resettlement sites.

**Figure 4: Solar Panel Filter System at Pond**
(Source: IRC)

### B. Board-approved CRP Recommendation 2

**CRP Recommendation 2:** Improve facilities at resettlement sites.

**Status of Compliance:** At the time of this report, the ADB is in partial compliance with this recommendation.

**Management’s Action Plan:**
- a. IRC assesses facilities at the relocation sites to ensure that these facilities conform to relevant national, provincial, or local authority standards.
- b. IRC prepares a time-bound action plan for the improvement of the facilities at the relocation sites.
- c. IRC improves the facilities at the relocation sites identified as urgent actions under the time-bound action plan.
- d. IRC hands over the improved facilities to the appropriate local authorities.
- e. IRC requests the Ministry of Health (MOH) to ensure that the medical center at the Phnom Penh relocation site operates as per national standards.
- f. O&M mechanism of the facilities at the relocation sites.

(For full text, see Appendix 2.)
22. **RP findings regarding compliance with Recommendation 2.** To carry out this recommendation and Management’s action plan, IRC and ADB jointly conducted field verifications of the existing public and nonpublic facilities and completed a report on these. The CRP notes that the assessment of infrastructure deficiencies only partially corresponds with the deficiencies identified in the CRP Final Report paras. 18-22. Appendix 4 describes the CRP’s observations on the physical facilities in the five resettlement sites visited during the monitoring mission. Per Management’s Third Quarterly Progress Report on the Remedial Actions as of January 2015, IRC has finalized an inventory list and assessment of facilities at the resettlement sites and is preparing to start construction in March 2015 with the view of completing all the improvements by June 2015. To date, a time-bound action plan has not been prepared.

23. It is of concern to the CRP that preparation of the action plan has not involved adequate consultation with AHs on the facilities that will be identified for improvement or on the operation and maintenance (O&M) arrangements for these. The Status Report on Remedial Actions makes a distinction between public facilities (which will be owned by the national, provincial, or local governments) and non-public facilities (which will be owned by the resettled AHs). However, the Infrastructure Assessment Report\(^9\) suggests that in all resettlement sites, the maintenance of access and internal roads as well as drainage will be an obligation of both the resettled community and commune authorities. The observations of the CRP in the four resettlement sites that were visited, show that maintenance of these facilities (in part due to inadequate construction quality), is a technically complex and costly undertaking, and the resettled AHs are neither technically nor financially equipped for this. The ADB consultant, who has been mobilized to assist in drafting an O&M plan (under sub-action (f)), needs to ensure that consultations on O&M arrangements take account of the technical and financial capacity of the AHs (including ability and willingness to pay), and to assess the likelihood that O&M on public facilities will be maintained.

**Figure 5: Water Supply in Affected Households and Water Pond in Battambang**
(Source: CRP)

\(^9\) Infrastructure Assessment Report: Relocation Sites in Poi Pet, Battambang, Pursat, Phnom Penh, and Sihanoukville (no date)
24. Sub-action (e) requires that the medical center at the Phnom Penh resettlement site starts operating as per national standards. When the CRP visited the medical center at the Phnom Penh relocation site, it found an adequate building (and apparently some improvements to equipment inside), but the building was locked, no staff was in place, no schedule of operations was posted at the building, and AHs were not knowledgeable about the hours of operation.

25. **CRP conclusions regarding compliance with Recommendation 2.** The CRP finds that there is incomplete identification of infrastructure deficiencies; inadequate consultation with AHs on O&M arrangements; infeasible involvement of AHs in responsibility for maintenance of facilities that should be ‘public facilities’ and the responsibility of public entities; and a failure to bring the medical center at the Phnom Penh resettlement site up to national operating standards. The CRP provided a list of infrastructure deficiencies in the compliance report to the Board in January 2014 (reproduced in Appendix 4 to this report) and in comparison some facilities have not been identified and targeted for repairs or maintenance.

![Figure 6: Medical Center at the Phnom Penh Resettlement Site](Source: CRP)

26. **CRP feedback to Management on actions to bring the project into full compliance with Recommendation 2:** For ADB to bring the project into compliance, the CRP suggests that Management take the following actions: (i) that APs be consulted on facilities to be improved and on the maintenance arrangements for these facilities (including for ‘public’ facilities for which involvement of the APs in maintenance is considered); (ii) develop a time-bound action plan to improve identified infrastructure facilities at all resettlement sites and carry out improvement, as appropriate before the next rainy season; and (iii) bring the medical center at the Phnom Penh resettlement site fully up to national operating standards.
C. Board-approved CRP Recommendation 3

CRP Recommendation 3: Improve the functioning of the grievance redress mechanism, to be reflected in a time-bound and verifiable action plan.

Status of Compliance: At the time of this report, ADB is in partial compliance with this recommendation.

Management’s Action Plan:
   a. IRC prepares a specific and verifiable time-bound action plan for improving the functioning of the GRM.
   b. IRC implements the specific and verifiable time-bound action.

(For full text, see Appendix 2.)

27. CRP findings regarding compliance with Recommendation 3. To carry out this recommendation and Management’s action plan, a specific and verifiable time-bound action plan for improving the functioning of the GRM should have been prepared by Q4 2014. The Third Quarterly Report on Remedial Actions states that the GRM action plan has been finalized and recruitment of a national contractual staff member by IRC is planned for February 2015. However, the CRP has not had the advantage of seeing the said GRM action plan, or ADB's review and feedback on the plan. Management’s Third Quarterly Report also states that implementation of the action plan would start in Q4, 2014, and that IRC has re-established the composition of GRM committees to local authorities and all GRM committees have been re-established. This is not the case. IRC informed the CRP that only the Province level GRM committees have been re-established, but not those at the Commune level. No representatives of affected persons have as yet been selected for the Commune level committees. This selection is scheduled for February 2015. No GRM training has been provided to either IRC ground staff or GRM committees.

28. The Management’s Third Quarterly Report also states that implementation of the action plan would start in Q4, 2014, and that IRC has re-issued revised guidelines on the composition of GRM committees to local authorities and all GRM committees have been re-established. This is not the case. IRC informed the CRP that only the Province level GRM committees have been re-established, but not those at the Commune level. No representatives of affected persons have as yet been selected for the Commune level committees. This selection is scheduled for February 2015. No GRM training has been provided to either IRC ground staff or GRM committees.
29. As mentioned above, the disconnect between the timelines for the actions under Recommendation 1 and those of Recommendation 3, is of concern to the CRP:

- Consultations on amended compensation contracts are completed for Southern Line, ongoing for Poipet Section, and scheduled for February and March 2015 for Phnom Penh and Northern Line.
- AHs are informed that they have 30-day time limit to accept or reject the revised contracts.
- If AHs reject a revised contract they may submit complaints/appeals on their revised contract to the GRM, but neither this nor the avenue for appeals are described in the contract, although IRC assured the CRP that it is brought to the attention of AHs during the general presentation of interventions to the entire community.
- Information on the GRM for appeals against payment computations is scheduled for Q1 of 2015.
- The implementation of GRM capacity building plan for IRC staff now only appears to be able to start towards the end of Q1 of 2015 and that for the GRM committees even later.
- The result is lack of awareness among affected persons of how the planned improved appeals mechanism would work and how appeals on revised DMSs and contracts can be submitted.
- There is a resultant loss of confidence in AHs of the usefulness, credibility and impartiality of GRMs partly as a result of this disconnect and delay.

30. For this reason, speedy implementation of the commitment made by IRC in its meeting with the CRP on 29 January 2015 is critical, namely that IRC will now begin to consider documented and verifiable complaints regarding cases of non-inventorying or mis-inventorying of assets without requiring the AHs to go through the GRM. ADB must ensure that this avenue for correction of the new DMS contracts is (i) immediately and clearly communicated to the AHs;
(ii) supported by monitoring of both the timely communication and of the appeals by AHs; and (iii) reported on in future Quarterly Progress Reports on Remedial Actions.

31. **CRP conclusions regarding compliance with Recommendation 3.** The CRP finds that the Management’s action plan regarding improvements to the GRM is disconnected from its interrelatedness to the remedial actions taken under recommendation 1 and only partially complies with the Board-approved recommendation. In a communication to the CRP, it was informed that IRC will make the GRM fully functional (with inclusion of a AH representative) at the commune, district and provincial levels by the end of June 2015.

32. **CRP feedback to Management on actions to bring the project into full compliance with Recommendation 3.** For ADB to bring the project into compliance, the CRP suggests that Management take the following actions:

   (i) Speedily implement the commitment made by IRC in the meeting with the CRP on 29 January 2015, namely that IRC will now consider documented and verifiable evidence from AHs as sufficient for adjusting the amended contract regarding cases of non-inventorying or mis-inventorying of assets without requiring the AHs to go through the GRM.

   (ii) ADB must ensure that this avenue for correction of new contracts is (a) immediately and clearly communicated to the AHs; (b) supported by monitoring of both the timely communication and of the appeals by AHs; and (c) reported on in future Quarterly Progress Reports on Remedial Actions.

   (iii) ADB must ensure that appeals and other grievances filed in the GRM are properly documented, and a transparent and accountable paper trail is maintained with appropriate formal written notifications to AHs of the receipt of and decisions on their appeals and grievances with reasons for the same. In a communication to the CRP through the ADB Management, the IRC has stated that these measures will be developed.

D. **Board-approved CRP Recommendation 4**

<table>
<thead>
<tr>
<th>CRP Recommendation 4:</th>
<th>Develop an appropriate program to build capacity for resettlement in the IRC, to be reflected in a time-bound and verifiable action plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status of Compliance:</strong></td>
<td>At the time of this report, the ADB is in partial compliance with this recommendation.</td>
</tr>
<tr>
<td><strong>Management’s Action Plan:</strong></td>
<td>a. IRC, in consultation with ADB, prepares a time-bound and verifiable action plan for capacity building.</td>
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<tr>
<td></td>
<td>b. IRC implements the time-bound and verifiable action plan.</td>
</tr>
<tr>
<td>(For full text, see Appendix 2.)</td>
<td></td>
</tr>
</tbody>
</table>

33. **CRP findings regarding compliance with Recommendation 4.** To carry out this recommendation and Management’s action plan, a time-bound and verifiable action plan for capacity building will be developed by IRC in consultation with ADB by Q1, 2015, and
implementation of the plan will start in Q2, 2015. To support this, an ADB technical assistance was approved on 15 December 2014 to augment resources for IRC to strengthen its capacity.

34. The action plan is not yet finalized, but for its preparation, IRC has conducted an internal retreat in November 2014 comprising staff from IRC, RD-MEF and the General Department to assess challenges, identify areas where improvements are required, and establish priorities in capacity building. IRC informed the CRP that key areas for capacity building would include improved skills regarding communication and consultation; calculation of replacement costs; institutional roles and coordination between IRC and implementing agencies; and international best practices on resettlement. In addition, a study tour to Thailand had been scheduled for mid-February 2015 with the assistance of ADB to provide further exposure to the policies, procedures, experiences, lessons learned, and best practices on resettlement.

35. Ideally, the strengthening of the IRC could have been phased in such a way as to benefit the remediation undertaken as a result of this compliance review. Hopefully, some of the capacity building will ensure to its benefit.

36. **CRP conclusions regarding compliance with Recommendation 4.** The CRP finds that steps have been taken towards fulfilling the Board-approved recommendation and the Management’s action plan. This recommendation remains an important element in the overall scheme of remediation.

37. **CRP feedback to Management on actions to bring the project into full compliance with Recommendation 4**: For ADB to bring the project into compliance, the CRP suggests that Management speedily develop a time-bound and verifiable action plan for IRC’s capacity building that includes those areas identified by IRC and that the implementation of the technical assistance be expedited.

### E. Board-approved CRP Recommendation 5

| **CRP Recommendation 5:** Establish a debt workout scheme to help highly indebted families repay their accumulated debts through a dedicated credit line and a debt workout facility. |
| **Status of Compliance:** At the time of this report, the ADB is not in compliance with this recommendation. |
| **Management’s Action Plan:** Develop and implement measures to help address financial sustainability of AHs. |

(For full text, see Appendix 2.)

38. **CRP findings regarding compliance with recommendation 5.** To carry out this recommendation and Management’s action plan, ADB has assumed the implementation responsibility since the government has taken the position that it will not get involved in actions to address the indebtedness of AHs (due to the perceived moral hazard), but is not opposed to the involvement by other actors and by ADB to implement this recommendation.

39. From interviews the CRP had, it was gathered that in collaboration with ADB, the Australian Embassy has in late January 2015 provided a grant for a debt workout scheme to
World Vision International which on-grants the funds to Vision Fund. World Vision International already has experience in Cambodia in working with poor communities on debt reduction schemes. The CRP was unable to secure reliable documentation on the exact amount and nature of the grant. Activities will apparently start in the Phnom Penh resettlement site, where indebtedness to money lenders is most pronounced, and which will serve to pilot activities that may later be replicated in other resettlement sites. The activity in Phnom Penh will attempt to reduce the burden of debt among the most highly indebted and vulnerable families resettled under the project. This activity will address the over indebtedness through refinancing of loans on terms that allow families to address their debt obligations while restoring and improving their incomes.

40. The Credit Union Foundation of Australia (CUFA) has been providing valuable financial literacy training to affected persons. CUFA has also been collecting household level income data on the AHs from 2012. As reported to the CRP by the ADB Cambodia Resident Mission and AusAid, CUFA findings suggest that incomes of affected persons are increasing, and debts declining (although affected persons met with by the CRP informed that they were only able to pay the interest on their loans, and not the principal). The CRP was impressed by the work of CUFA and hopes that similar services will continue to be provided as part of the debt workout scheme through some appropriate arrangement.

41. **CRP conclusions regarding compliance with Recommendation 5.** The CRP finds that ADB has taken significant steps in the direction of complying with this recommendation, but these steps have not manifested themselves on the ground as yet. As such, the CRP concludes that this recommendation is not as yet complied with at this time. The government has clearly taken up the position that it will not be involved in implementing this recommendation but that it is not opposed to the ADB with other actors taking the lead to implement the same. In this light, the Management has taken preliminary steps with the Australian Embassy to begin addressing this recommendation. The CRP hopes that progress will be made urgently in this regard.

42. **CRP feedback to Management on actions to bring the project into full compliance with Recommendation 5.** For ADB to bring the project into compliance, ADB should continue its active collaboration with the Australian funded program and, after testing of the program at the Phnom Penh site, support the application of the program to the other resettlement sites. In addition, the CRP recommends that ADB seeks funding to assure the continued operation of CUFA or a similar entity to provide financial advisory services to indebted households. ADB management has informed the CRP that more recently agreements have been reached which would allow CUFA or a similar entity to remain operative.
F. Board-approved CRP Recommendation 6

**CRP Recommendation 6:** Implement the expanded income restoration program (EIRP) in a sustained and sustainable manner.

**Status of Compliance:** At the time of this report, ADB is in partial compliance with this recommendation.

**Management’s Action Plan:**

- a. IRC to continue implementation of the EIRP.
- b. Build capacity of self-help groups (SHGs) for sustainability.
- c. IRC to design exit strategies for SHGs.
- d. IRC to implement exit strategies for SHGs.

(For full text, see Appendix 2.)

43. **CRP findings regarding compliance with Recommendation 6.** To carry out this recommendation and Management’s action plan, an ADB TA approved on 15 December 2014 will continue implementation of EIRP beyond the close of current financing in March 2015 till the end of 2016. A community organizer is currently working with the established self-help groups (SHG) at each relocation site to (i) strengthen SHG capacity in financial management; (ii) meet with SHGs on a monthly basis relating to bank account management; and (iii) follow-up the SHG activity based on the provided training.

**Figure 8: Resettled Affected Households in Phnom Penh Explaining to the CRP How They Make a Living (Source: CRP)**

44. Regarding sub-action (b), ADB undertook an assessment in October 2014 covering the 14 SHGs across the five resettlement sites which found that while loan repayment is generally good (with the exception of the Phnom Penh resettlement site), the SHGs are not viable economic entities; their social capital is weak; and so is their financial management capacity. Notwithstanding this assessment, the CRP found that the SHG in Sihanoukville appeared to
function well as a provider of revolving credits to support livelihoods. In Sihanoukville, the SHG had provided APs with five rounds of credit for livelihood activities. All loans had been repaid and the affected persons viewed this as critical to livelihood sustainability, but requested larger loan amounts and longer repayment periods coupled with vocational training to enable strengthening and diversification of their livelihoods.

45. Regarding sub-action (c), an ADB note on ‘Draft Exit Strategy’ from January 2015 suggests a two-phased exit strategy involving (i) a first phase comprising consolidation of all SHGs focusing on better understanding among members of the rationale for the SHGs, strengthening of their systems and procedures, and improvement of their programs (CDF, SSNF, and savings funds); and (ii) a second phase in which the SHGs operate with less direct support from EIRP management and consultants and instead are assisted to link up with local and international agencies with similar programs as those of the SHGs. An exit strategy along these lines seems akin to a strategy for transferring responsibility for supporting the SHGs to agencies other than IRC and ADB, and raises the question of why the planned period of support by IRC/ADB is so much shorter than that recommended by the CRP. The proposed exit strategy also seems to ignore other means of promoting the ultimate objective of ADB’s Involuntary Resettlement Policy, namely to ensure that affected persons receive assistance so that they will be at least as well off as they would have been in the absence of the project. Some such activities suggested to the CRP by affected persons include (i) more diversified skills training and support through the SHG mechanisms (including larger loans) for livelihoods that respond to local economic opportunities, and (ii) assistance to affected persons to obtain the identity documentation which is a requirement for formal sector employment (thus, in the Phnom Penh resettlement site, about two thirds of the affected persons did not have the identity cards that are required for employment in the factories near the site).

Figure 9: Houses of Poor Affected Persons at the Phnom Penh Resettlement Site
(Source: CRP)
46. Under sub-action (d), implementation of the exit strategies for SHGs, is scheduled to start in Q1, 2015 and end in Q4, 2015. While IRC informed the CRP that it expects its involvement in the EIRP to terminate by end 2015, ADB informed that the TA closing date will be the end of 2016. This issue needs to be resolved, and in either case, the duration of support for the EIRP is much shorter than the 5 years recommended by the CRP. The CRP considers that EIRP completion by Q4, 2015 (or Q4, 2016) is unrealistically early. As a minimum (and irrespective of the scheduled completion date), the completion and phase-out must be based on robust monitoring to ensure that:

- the achievement of the EIRP outcomes is monitored (i.e. sustainable income restoration of affected persons/affected households and functioning SHGs). In the absence of solid pre-project baseline data on the livelihoods of affected persons, the only data comes from CUFA’s monitoring, and this needs to continue to enable assessment of the achievement of income restoration; and
- the timing and implementation of exit strategies is contingent on and informed by such monitoring data.

47. **CRP conclusions regarding compliance with Recommendation 6.** The Board approved a recommendation which called for support under the EIRP to resettled household be continued over an extended period of time. The Management Action Plan states that the EIRP will be completed by Q4 2015. This time frame is insufficient to make the EIRP sustainable as called for under the Board-approved recommendation. The CRP finds that ADB needs to extend the support for EIRP beyond 2016; ensure continued robust monitoring of the sustainable income restoration of affected persons/AHs and the functioning of the SHGs; and base the timing and implementation of exit strategies on the results of these monitoring data.

**Figure 10: Better Constructed Houses at the Phnom Penh Resettlement Site**
(Source: CRP)

48. **CRP feedback to Management on actions to bring the project into full compliance with recommendation 6:** For ADB to bring the project into compliance, the CRP suggests that
Management extends the EIRP to the end of 2016 and beyond which would bring the actions in line with the Board-approved recommendations in Appendix 3. ADB needs to ensure continued robust monitoring of the sustainable income restoration of affected persons/AHs and the functioning of the SHGs; and base the timing and implementation of exit strategies on the results of these monitoring data.

V. CONCLUSIONS

49. In summary, the CRP concludes that the ADB is in partial compliance with the Board-approved recommendations 1, 2, 3, 4, and 6 and not in compliance with recommendation 5. A summary of the management action plan together with the CRP main findings, conclusions, and feedback to Management on actions to bring the project into full compliance, are found in the table below.

<table>
<thead>
<tr>
<th>CRP Recommendations</th>
<th>Feedback to Management on Actions to Bring the Project into Full Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establish a compensation deficit payment scheme.</td>
<td><strong>Status of compliance: Partially complied with</strong></td>
</tr>
<tr>
<td></td>
<td>For ADB to bring the project into compliance, the CRP suggests that the following actions be taken by Management:</td>
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<td></td>
<td>- Regarding sub-action (d): The CRP recommends that the amended contract format needs to be further revised to include information to AHs on the procedure and deadline for submitting appeals regarding the draft contract. Field staff need to be instructed that AHs should be told about the right to appeal not being time-bound and that the 30-day period relates to the right to accept or reject the revised contract. Since this clarification was not made for the Southern Line and Poipet sections, the CRP suggests that Management ensure a supplementary notice is issued to these AHs by IRC allowing for further time to lodge appeals, should any AH wish to do so.</td>
</tr>
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</table>
|                                            |   - Regarding sub-action (e): In the absence of up-front consultation with the AHs on the amendment and in the absence of a functioning GRM, IRC has agreed with the CRP, that house-to-house consultations on the amended DMS contracts will consider documented and verifiable DMS complaints regarding cases of non-inventorying or mis-inventorying of assets without requiring the AHs to go through the (as yet non-existent improved) GRM. In this regard, the CRP suggests that the Management should ensure that all AHs, including those who have already been consulted about the revised DMS, are notified of their right to
<table>
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<tr>
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<tbody>
<tr>
<td>have errors regarding non-inventorying or mis-inventorying of assets corrected by IRC on the production of adequate and reliable evidence.</td>
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<tr>
<td>- Regarding sub-action (g): Management needs to ensure that the government compensates relocated households for income losses. The IRC informed CRP that income losses would be compensated for the period between relocation and the start of the EIRP and that the formulae would include inflation adjustments as well. Beyond these payments, the CRP suggests to Management to continue its dialogue with the government to ensure that relocated households are fully compensated for income losses occasioned by their move to resettlement sites.</td>
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<tr>
<td>2. Improve facilities at resettlement sites.</td>
<td>Status of compliance: Partially complied with</td>
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<tr>
<td>For ADB to bring the project into compliance, the CRP suggests that Management take the following actions: (i) that APs be consulted on facilities to be improved and on the maintenance arrangements for these facilities (including for ‘public’ facilities for which involvement of the APs in maintenance is considered); (ii) develop a time-bound action plan to improve identified infrastructure facilities at all resettlement sites and carry out improvement, as appropriate before the next rainy season; and (iii) bring the medical center at the Phnom Penh resettlement site fully up to national operating standards.</td>
<td></td>
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<tr>
<td>3. Improve the functioning of the grievance redress mechanism, to be reflected in a time-bound and verifiable action plan.</td>
<td>Status of compliance: Partially complied with</td>
</tr>
<tr>
<td>For ADB to bring the project into compliance, the CRP suggests that Management take the following actions: (i) Speedily implement the commitment made by IRC in the meeting with the CRP on 29 January 2015, namely that IRC will now consider documented and verifiable DMS complaints regarding cases of non-inventorying or mis-inventorying of assets without requiring the AHs to go through the GRM. (ii) ADB must ensure that this avenue for correction of new contracts is (a) immediately and clearly communicated to the AHs; (b) supported by monitoring of both the timely communication and of the appeals by AHs; and (c) reported on in future Quarterly Progress Reports on Remedial Actions.</td>
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<td>CRP Recommendations</td>
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<tr>
<td>ADB must ensure that appeals and other grievances filed in the GRM are properly</td>
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<td>documented, and a transparent and accountable paper trail is maintained with</td>
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<td>their appeals and grievances with reasons for the same.</td>
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<tr>
<td>4. Develop an appropriate program to build capacity for resettlement in the IRC, to</td>
<td><strong>Status of compliance: Partially complied with</strong></td>
</tr>
<tr>
<td>be reflected in a time-bound and verifiable action plan.</td>
<td>For ADB to bring the project into compliance, the CRP suggests that Management speedily develop a time-bound and verifiable action plan for IRC’s capacity building that includes those areas identified by IRC and that the implementation of the technical assistance be expedited.</td>
</tr>
<tr>
<td>5. Establish a debt workout scheme to help highly indebted families repay their</td>
<td><strong>Status of compliance: Not complied with</strong></td>
</tr>
<tr>
<td>accumulated debts through a dedicated credit line and a debt workout facility.</td>
<td>For ADB to bring the project into compliance, ADB should continue its active collaboration with the Australian funded program and, after testing of the program at the Phnom Penh site, support the application of the program to the other resettlement sites. In addition, the CRP recommends that ADB seeks funding to assure the continued operation of CUFA or a similar entity to provide financial advisory services to indebted households. ADB management has informed the CRP that more recently agreements have been reached which would allow CUFA to remain operative.</td>
</tr>
<tr>
<td>6. Implement the expanded income restoration program in a sustained and sustainable</td>
<td><strong>Status of compliance: Partially complied with</strong></td>
</tr>
<tr>
<td>manner.</td>
<td>For ADB to bring the project into compliance, the CRP suggests that Management extend the EIRP to the end of 2016 to bring the actions in line with the Board-approved recommendations in Appendix 3. ADB needs to ensure continued robust monitoring of the sustainable income restoration of affected persons/AHs and the functioning of the SHGs; and base the timing and implementation of exit strategies on the results of these monitoring data.</td>
</tr>
</tbody>
</table>

50. Management has agreed with CRP to provide quarterly progress reports on each of the six recommendations. The CRP will assess progress in its second annual monitoring report to be submitted to the Board by March 2016.
/S/ Dingding Tang, Chair, Compliance Review Panel
/S/ Lalananth de Silva, Member, Compliance Review Panel
/S/ Arntraud Hartmann, Member, Compliance Review Panel

6 April 2015
LIST OF PERSONS MET DURING THE COMPLIANCE REVIEW MONITORING

The Compliance Review Panel (CRP) contacted the following persons within and outside the Asian Development Bank (ADB) in carrying out its monitoring of the request for compliance review under the project. This list is not exhaustive as it does not include persons who requested their identities to be kept confidential.

**ADB Staff**
(including those present in various CRP/OCRP meetings at headquarters and staff interviewed)

1. Hideaki Iwasaki, Director, Transport and Communications Division, Southeast Asia Department
2. Eric Sidgwick, Country Director, Cambodia Resident Mission (CARM)
3. Munawar Alam, Unit Head, Project Administration, SETC
4. Ricardo Carlos Barba, former Senior Safeguards Specialist (Resettlement), CARM
5. Craig Clark, Safeguards Specialist, SETC
6. Sokha Ouk, Senior Safeguards Officer, CARM

**ADB Consultant**
Romeo Cleto

**Government**

1. H.E. Im Sethyra, Director, Resettlement Department, Ministry of Economy and Finance (MEF)
2. H.E. Nhean Leng, Deputy Secretary of State and Chairman of Inter-Ministerial Resettlement Committee, MEF
3. Chhuon Samrith, Director, Department of Cooperation and Debt Management, MEF
4. H.E. Uon Song, Project Director
5. Ly Borin, Director, Railway Department
6. Sim Samnang, Director, MEF
7. Sun Sokny, Chief, 2nd Resettlement Office, MEF
8. In Vothana, Chief, 3rd Resettlement Office, MEF
9. Nhean Vannak, Chief of 1st Resettlement Office, MEF
10. Sreang Limsra, Chief, Admin. and Finance Office, MEF
11. Nilla Pin, Officer, Regional Department, MEF
12. In Wathana, Bureau Chief of 3rd Resettlement Office
13. Huot Sambo, Public Works Office
14. Gnin Vanneth, Ministry of Land Management
15. Chheang Chhorlin, Deputy Chief of 2nd Resettlement Office
16. Natin Patel, Advisor, MEF
17. Chann Thorn, Chief, Internal Monitoring Office
18. Non Wattanaka, Deputy Chief, MEF
19. Meng Lee
20. Sun Sokny

**Requesters’ Representative and Complainants**

1. Eang Vuthy
2. Names of complainants withheld upon their request
Others
1. Stephanie Smith, Equitable Cambodia
2. Ben Rutledge, United Nations Office of the High Commissioner for Human Rights (OHCHR)
3. Luisa Prior, OHCHR
4. N. Souphorneary, OHCHR
5. Kim Laurent, Housing Rights Task Force
6. Vong Kosal, NGO Forum on Cambodia
MANAGEMENT'S ACTION PLAN FOR IMPLEMENTING THE RECOMMENDATIONS OF THE COMPLIANCE REVIEW PANEL

Management's Action Plan
To Implement the Board Decision on the Recommendations of the CRP Final Report: Compliance Review Request on the Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia Project
Loans 2288-CAM and 2602-CAM, and Grant 0187-CAM

To implement the Board's decision on the six recommendations of the Compliance Review Panel (CRP) Final Report - Compliance Review Request on the Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia Project - Loans 2288-CAM and 2602-CAM, and Grant 0187-CAM, Management, in consultation with the Government of Cambodia (Government), has developed remedial actions. The attached matrix includes remedial actions that have been agreed to by the Government, with their implementation arrangements and timelines.

Following the Board's decision, an Oversight Committee, headed by the Vice President (Operations 2), was established to provide advice and guidance in the formulation and implementation of the remedial actions which are intended to bring the project into compliance. To facilitate the process and secure the Government's understanding, members of the Oversight Committee also held high-level meetings with senior Government officials.

Actions to implement the six recommendations are summarized in the following paragraphs.

With respect to Recommendation 1, ADB requested the Government to establish a remedial action program. An agreed time-bound remedial action program is given in the attached matrix. The Government has agreed to review for each affected household (AH) the detailed measurement survey (DMS) and the corresponding contract, and provide compensation deficits for (i) property losses due to mis-categorization and due to inflation using consumer price index; and (ii) transition allowances (living/income and transport allowances) due to inflation using consumer price index. However, the Government does not agree to provide compensation for additional income losses from the date of relocation of AHs up to the commencement of income restoration activities. ADB is continuing its dialogue with the Government with a view to reach a resolution of this issue.

To ensure timely and effective implementation of Recommendation 1 within 12-18 months as recommended by CRP, ADB will verify the Government's review of the DMS and will actively engage with the Government in developing information dissemination documents and conducting consultations with AHs. ADB will also closely review reports of external monitoring consultants to ensure proper delivery of compensation deficits.

With respect to Recommendation 2, Government has agreed to assess the public facilities at the relocation sites and improve them to conform to relevant country standards. ADB will review, in close consultation with the Government, the operations and maintenance of the facilities at the relocation sites, and will explore ways for capacity development of community-funded and -driven maintenance mechanisms, by working with self-help groups established at the relocations sites to come up with appropriate operations and maintenance arrangements.

On Recommendations 3 and 4, ADB is ready to provide technical assistance to support the Government in strengthening the grievance redress mechanism (GRM) and building capacity of the Inter-ministerial Resettlement Committee. To ensure transparency of the GRM,
the Government has agreed to include representatives of AHs in the GRM and provide details of grievances regarding computation and payment of compensation deficits in external monitoring reports which are disclosed on ADB's website.

On Recommendation 5, the Government does not agree to establish a debt workout scheme on the grounds that debt workout is not a compliance issue, but has agreed that ADB may help identify possible resources and develop a support program with the participation of a micro finance institution, non-governmental organization, or other suitable entry, to help address the financial sustainability of AHs.

On Recommendation 6, ADB will continue to support the ongoing expanded income restoration program (EIRP) to ensure its sustainability.

Remedial actions will be implemented in consultation with AHs and other stakeholders. Prior to implementation, the remedial actions will be explained to AHs in the project sites and feedback will be sought. The compensation deficit payment scheme (under Recommendation 1) entails multiple tiers of consultations that will be undertaken with AHs.

ADB will continue to perform its supervisory role and will actively support and engage with the Government with the aim of bringing the project into compliance with ADB policies and procedures. In particular, ADB will continue close monitoring of the remedial actions, with increased field presence, through frequent review missions and site visits with Government officials. The Oversight Committee will continue to monitor and guide further development and implementation of the remedial actions.
## Remedial Actions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Implementation</th>
<th>Milestones</th>
</tr>
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<tbody>
<tr>
<td>Inter-ministerial Resettlement Committee (IRC) reviews for each affected household (^1) (AH) the: (i) Detailed Measurement Survey (DMS); and (ii) Contract between IRC and AH, for mis-categorization in the DMS.</td>
<td>IRC completes review of the DMS and the Contracts for 3,581 AHs and identifies mis-categorizations.(^2) (By Quarter (Q) 3, 2014)(^3)</td>
<td>Review completed by Q3, 2014.</td>
</tr>
<tr>
<td>IRC computes compensation deficits for: (i) property losses due to mis-categorization and inflation using consumer price index (CPI)(^4), and (ii) transition allowances (living/income and transport allowances) due to inflation using CPI.</td>
<td>IRC prepares adjusted quantities due to mis-categorizations and new unit rates for: (i) property losses; and (ii) transition allowances (living/income and transport allowances).(^5) (By Q3, 2014)</td>
<td>Computations completed by Q3, 2014.</td>
</tr>
<tr>
<td>IRC conducts consultations and disseminates information to AHs on the: (i) timelines for house-to-house consultations; (ii) methodology for computation of compensation deficits; and (iii) appeal's mechanism under the improved Grievance Redress Mechanism(^6) (GRM) regarding computation and payment of compensation deficits.</td>
<td>IRC prepares: (i) timelines for house-to-house consultations; and (ii) information dissemination materials, including grievance redress. (By Q4, 2014)</td>
<td>Consultation and information dissemination materials prepared by Q4, 2014.</td>
</tr>
<tr>
<td>IRC prepares amended contracts for AHs reflecting compensation deficits.</td>
<td>IRC conducts consultations. (By Q4, 2014)</td>
<td>Consultations conducted and information disclosure completed by Q4, 2014.</td>
</tr>
<tr>
<td>IRC conducts house-to-house consultations.</td>
<td>IRC observes IRC's consultations with AHs.</td>
<td>Amended draft contracts prepared by Q4, 2014.</td>
</tr>
<tr>
<td>IRC provides AHs with copies of the amended draft contracts and House-to-house consultations and...</td>
<td>ADB reviews sample amended draft contracts. (By Q4, 2014)</td>
<td></td>
</tr>
</tbody>
</table>

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1. 3,581 partially or fully AHs under the Project, excluding households at Samrong Estate.
2. Review of 116 records has already been completed during the OSPF process; the balance to be reviewed by Q2, 2014.
3. Prices will be updated using the CPI from 2006 up to (i) the year of relocation for AHs who relocated to 5 resettlement sites, and (ii) the year of compensation for other AHs. All adjustments will be consistent with the entitlement matrix of Updated Resettlement Plans (URP Phnom Penh, 2010; URP Poipet, 2010; URP Southern Line, 2009; and URP Northern Line and Missing Link, 2008).
4. Living income and transport allowances refer to the category: “Impacts During Relocation and Loss of Income or Source of Livelihood” based on entitlement matrices of URPs (see footnote 3 for URPs).
5. Improved GRM to include representative(s) of AHs in each Commune Resettlement Sub-Committee and quarterly monitoring reports of the existing external monitor to include details of grievances regarding computation and payment of compensation deficits.
<table>
<thead>
<tr>
<th>Actions</th>
<th>Implementation</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>explains corrections to DMS and computation of compensation deficits.</td>
<td>(By Q1, 2015)</td>
<td>supply of amended draft contracts to A-Hs completed by Q1 2015.</td>
</tr>
<tr>
<td>IRC provides A-Hs with opportunity to comment on the amended draft contracts within one month from the date of individual consultations. However, the amended draft contract can be signed within this period if A-H decides and agrees. (By Q1, 2015)</td>
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<tr>
<td>IRC explains GRM for appeals against payment computations. (By Q1, 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRC effectively uses media and other communication channels for outreach of consultations. (Q4, 2014-Q1, 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADB monitors, through the existing external monitor, consultations with A-Hs. (By Q1, 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRC provides payments to A-Hs. (Q1-Q2, 2015)</td>
<td></td>
<td>Payments completed by Q2 2015.</td>
</tr>
<tr>
<td>Computation and payment of compensation for income losses (^6) for relocated A-Hs.</td>
<td>Under discussion.</td>
<td>Under discussion.</td>
</tr>
<tr>
<td><strong>Recommendation 2: Improve facilities at resettlement sites.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRC assesses facilities at the relocation sites to ensure that these facilities conform to relevant national, provincial, or local authority standards.</td>
<td>IRC: (i) visits each relocation site; (ii) prepares inventory lists of the existing public facilities (^7) and existing non-public facilities; and (iii) assesses the quality and adequacy of public facilities based on national, provincial or local authority standards. (Q4, 2014)</td>
<td>Assessments completed by Q4, 2014.</td>
</tr>
<tr>
<td>IRC prepares a time-bound action plan for the improvement of the facilities at the relocation sites.</td>
<td>IRC prepares a time-bound action plan which: (i) identifies urgent actions to improve public facilities at the relocation sites; and (ii) provides cost estimates and detailed implementation schedule of the</td>
<td>Time-bound action plan prepared by Q1, 2015.</td>
</tr>
</tbody>
</table>

\(^6\) Additional income losses from the date of relocation of A-Hs up to the commencement of income restoration activities.

\(^7\) Public Facilities refer to facilities that will be owned by national, provincial or local governments.
<table>
<thead>
<tr>
<th>Actions</th>
<th>Implementation</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRC improves the facilities at the relocation sites identified as urgent actions under the time-bound action plan.</td>
<td>IRC improves public facilities at the relocation sites in accordance with the time-bound action plan. (Q1-Q2, 2015)</td>
<td>Facilities improved by Q2, 2015.</td>
</tr>
<tr>
<td>IRC hands over the improved facilities to the appropriate local authorities.</td>
<td>IRC hands over the non-public facilities to the residents and the improved public facilities to the appropriate local authorities with a clear statement that O&amp;M will be the responsibility of the respective recipients. (By Q1, 2015)</td>
<td>Facilities handed over by Q1, 2015.</td>
</tr>
<tr>
<td>IRC requests the Ministry of Health (MOH) to ensure that the medical center at the Phnom Penh relocation site operates as per national standards.</td>
<td>IRC advises MOH in writing to ensure that the medical center at the Phnom Penh relocation site operates as per national standards set by MOH. (Q3, 2014)</td>
<td>Medical center at the Phnom Penh relocation site operates as per national standards set by MOH by Q3, 2014.</td>
</tr>
<tr>
<td>O&amp;M mechanism of the facilities at the relocation sites.</td>
<td>Under discussion.</td>
<td>Under discussion.</td>
</tr>
</tbody>
</table>

**Recommendation 3:** Improve the functioning of the grievance redress mechanism, to be reflected in a time-bound and verifiable action plan.

<table>
<thead>
<tr>
<th>Actions</th>
<th>Implementation</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRC prepares a specific and verifiable time-bound action plan for improving the functioning of the GRM.</td>
<td>IRC prepares a specific and verifiable time-bound action plan. (Q4, 2014)</td>
<td>Agreed action plan prepared by Q4, 2014.</td>
</tr>
<tr>
<td></td>
<td>ADB reviews and provides feedback on the action plan. (By Q4, 2014)</td>
<td></td>
</tr>
<tr>
<td>IRC implements the specific and verifiable time-bound action.</td>
<td>Implements the specific and verifiable time-bound action. (Starts by Q4, 2014)</td>
<td>Commencement of implementation of the action plan by Q4, 2014.</td>
</tr>
</tbody>
</table>

**Recommendation 4:** Develop an appropriate program to build capacity of IRC, to be reflected in a time-bound and verifiable action plan.

<table>
<thead>
<tr>
<th>Actions</th>
<th>Implementation</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRC, in consultation with ADB, prepares a time-bound and verifiable action plan for capacity building.</td>
<td>IRC prepares a time-bound and verifiable action plan for capacity building with ADB assistance. (By Q1, 2015)</td>
<td>Time-bound and verifiable action plan developed by Q1, 2015.</td>
</tr>
<tr>
<td>IRC implements the time-bound and verifiable action plan.</td>
<td>IRC implements the action plan. (Starts Q2, 2015)</td>
<td>Implementation of the action plan starts by Q2, 2014.</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td><strong>Implementation</strong></td>
<td><strong>Milestones</strong></td>
</tr>
<tr>
<td>-------------</td>
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</tr>
<tr>
<td><strong>Recommendation 5.</strong> Establish a debt workout scheme to help highly indebted families repay their accumulated debts through a dedicated credit line and a debt workout facility.</td>
<td>Under discussion.</td>
<td>Under discussion.</td>
</tr>
<tr>
<td>Develop and implement measures to help address financial sustainability of AHs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation 6.</strong> Implement the expanded income restoration program (EIRP) in a sustained and sustainable manner.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRC to continue implementation of the EIRP.</td>
<td>IRC continues supporting existing EIRP activities in all relocation sites. ADB continues monitoring of the EIRP.</td>
<td></td>
</tr>
<tr>
<td>Build capacity of self-help groups (SHGs) for sustainability.</td>
<td>Builds capacity of SHGs in managing the EIRP funds. (Starts Q3, 2014)</td>
<td>Implementation commences by Q3, 2014.</td>
</tr>
<tr>
<td>IRC to design exit strategies for SHGs.</td>
<td>IRC designs exit strategies and assists in laying the foundation/building blocks for eventual transformation of such SHGs into saving groups. (By Q4, 2014)</td>
<td>Exit strategies designed by Q4, 2014.</td>
</tr>
<tr>
<td>IRC to implement exit strategies for SHGs.</td>
<td>IRC implements exit strategies. (Starts by Q1, 2015)</td>
<td>Projected completion by Q4, 2015.</td>
</tr>
</tbody>
</table>
Decision of the Board of Directors of the Asian Development Bank  
on the CRP’s Recommendations  

31 January 2014  

DECISION OF THE BOARD OF DIRECTORS OF THE  
ASIAN DEVELOPMENT BANK  

On 31 January 2014, the Board considered DOC.R1-14: CRP Final Report – Compliance Review Request on the Greater Mekong Subregion: Rehabilitation of the Railway in Cambodia Project - Loans 2288-CAM and 2602-CAM, and Grant 0187-CAM, and made the following final decision regarding the recommendations set out in Section X of the CRP Final Report. The Board approved recommendations 2, 3, and 4 as proposed by CRP and approved recommendations 1, 5, and 6 with modifications. 

Taking into account the modifications as approved by the Board, Section X of the CRP Final Report would read as follows:  

264. The CRP has given long, serious, and earnest consideration to these recommendations. Their main purpose is to bring the project into compliance with ADB safeguard policies, in view of the noncompliance on the part of ADB that the CRP compliance review disclosed. The recommendations also seek to avoid further harm to affected persons. 

265. Recommendation 1: Establish a compensation deficit payment scheme. With regard to our findings under sections A.1 (on the adequacy of resettlement plan preparation and implementation), B.1 (on the adequacy of compensation for property losses), B.2 (on the adequacy of transition assistance for affected households), and B.3 (on the adequacy of compensation for lost income and income restoration), the most obvious recommendation appeared to be a fresh independent replacement cost study from 2006 to 2013 and a resettlement audit of compensation payments with a follow-up payment program to ensure that full compensation is paid to all AHS. However, on further reflection the CRP concluded that a resettlement audit would not fully serve the purpose of speedily bringing this project into compliance. An audit would take at least 2 years to complete and another year would be spent making compensation payments to AHS. These AHS need assistance as soon as possible and the delay is not justifiable. Besides, the CRP’s interviews with government officials clearly showed that the government does not favor a resettlement audit. 

266. The CRP therefore turned to examining alternative ways of bringing this aspect of the project into compliance. It identified international and national mass compensation claims processing techniques as a model for a potential solution. There is considerable experience and knowledge on mass claims processing techniques in a wide range of situations including post-conflict war reparations to victims, dormant account claims on Swiss banks, and refugee and immigrant compensation schemes at the international level, as well as natural disaster compensation schemes at the national level. The CRP’s recommendation for addressing compensation deficits for property and income losses, as well as transition allowances, draws on these experiences and models. The CRP believes  

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1. This is a key recommendation made in a confidential ADB Report of 12–22 September 2012.  
ADB would thus be able to address the compensation deficits and rectify noncompliance effectively and quickly. The recommendation below is provided with the expectation that if and when it is approved by the Board, it would be used by ADB Management as a guide in crafting its action plan for implementing the recommendations. The recommendation must therefore be seen as a broad framework and not as a rigid scheme.

267. The CRP recommends that ADB require the GoC:

- to establish a remedial action program to compensate the AHs. Such a program must ensure that AHs are compensated in accordance with ADB’s safeguards policy and applicable ADB procedures and the guidelines set forth below, which CRP estimates would likely fall in the range of $3 million to $4 million. The source of funding for such program should be an ADB loan or other sources of funds; and

- to agree to the implementation and administration of such program, consistent with the guidelines set forth below, with the assistance, advice and oversight of ADB.

268. There are several options for how such a program could be established and operated and what factors might be considered in computing compensation deficits, but the operations of the program have to satisfy the following guidelines, consistent in any case with ADB’s safeguards policy, applicable ADB procedures, and relevant loan covenants:

(i) The program must be established and the compensation paid to AHs quickly (within 12-18 months of the approval of these recommendations by the Board) and efficiently.

(ii) The program might not compute compensation deficits with precision but should establish sufficient and clear entitlements for compensation categories (property loss, cost adjustments for inflation, transition allowance, income loss, etc.) in compliance with ADB’s safeguards policy and applicable ADB procedures for which AHs could apply.

(iii) The program has to mitigate property, transitional, and income losses suffered by AHs so that they are not made worse off as a consequence of the resettlement.

(iv) As required by paragraph 128 of the Accountability Mechanism Policy, all remedial actions will be carried out in accordance with applicable ADB policies and procedures, and with the consent of GoC as contemplated by such paragraph 128.

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3 This would include the additional 248 AHs in Phnom Penh that were initially assessed as partially affected, but later found to be fully affected (paras. 153–154). The still pending Addendum RP for Phnom Penh was intended to provide compensation and resettlement assistance for the 105 AHs that opted to move to the Phnom Penh resettlement site. The remaining AHs who choose to relocate close to their original place of habitation would apparently not receive any additional compensation although their houses had been found to be fully affected.
Appendix 3

(v) Appropriate arrangements (including necessary skills and infrastructure) will be devoted to implement the program.

(vi) The program should operate transparently.

(vii) The program must have an oversight body which can also act as a single-tier appeal body regarding computation and payment of compensation.

269. An illustrative example of how such a scheme could be designed and implemented is provided in Appendix 5 of this report.

270. ADB Management in its response to the draft CRP report stated that it “agrees that compensation deficits should be rectified” but that the “establishment of an ADB fund for compensation payments is not the appropriate mechanism” for the reasons set out in its response. One reason adduced by ADB Management was that the recommendation constituted “damages” and was not within the competence of the CRP. The CRP believes that the recommendations contained in this final report fall squarely within the definition of compensation payable to AHs under ADB operational policies and procedures and its recommendation seeks to bring this project into compliance.

271. The requesters in their comments on the CRP draft report state that the “broad contours of the proposed compensation deficit payment scheme represent an acceptable remedy for the issues of inadequate compensation for losses.” However they assert that “there is too much discretion granted to ADB Management in the CRP’s recommendation to design the scheme” and “given their experience over the past four years, the requesters have little faith that the ADB will follow through appropriately with this recommendation unless the basic structure and principles of the scheme are clearly prescribed as recommendations by the CRP and adopted by the Board.” In the CRP’s view, the guidelines set out in the recommendation if and when adopted by the Board will need to be followed by the ADB Management, and the CRP will have an opportunity to comment on Management’s action plan drawn up in pursuance of those guidelines and to monitor the implementation of the action plan if and when it is approved by the Board.

272. Recommendation 2: Improve facilities at resettlement sites. With regard to its findings in section A.2 (on adequacy of basic services and facilities at resettlement sites), the CRP acknowledges that considerable efforts are under way to ensure that the access roads are improved after the rainy season ends in November 2013. The CRP also found that all the sites now have water and electricity supply, though in Battambang the quality of the water supply is still a significant issue. A primary school has been built in Poipet and the school at the Phnom Penh resettlement site is being enlarged to accommodate 10 more classrooms. The CRP also expects to see the continued provision of the medical insurance scheme formerly provided by SKY. The CRP recommends that the medical center at the Phnom Penh site be refurbished, provided with a better supply of medication, and properly staffed with a medical doctor. ADB Management should present a time-bound action plan that spells out, in some detail, both urgent and longer-term actions to be taken to improve and maintain the facilities on all sites.
273. Recommendation 3: Improve the functioning of the grievance redress mechanism, to be reflected in a time-bound and verifiable action plan. The CRP’s findings under section A.4 acknowledge the improvements that have been made in the grievance redress mechanism. Yet it is still not functioning as expected. The CRP suggests that the ADB Management review this mechanism and propose interventions, including training and capacity building, as well as a greater up-front role for IRC in providing guidance on complaint handling. ADB Management should have an action plan with specific time-bound and verifiable actions for improving the functioning of the grievance mechanism.

274. Recommendation 4: Develop an appropriate program to build capacity for resettlement in the IRC, to be reflected in a time-bound and verifiable action plan. With regard to the CRP’s findings under section A.5, ADB has taken action to build the capacity of the executing agency (IRC) for resettlement. In CRP interviews with the IRC, it was clear that the resettlement committee has an enthusiastic group of young staff, many of whom are willing to learn best practices and find ways to improve performance in resettlement and other safeguards. IRC now provides services to many projects funded by different donors and it is therefore in the interests of ADB to continue to build the capacity of the IRC by offering training and exchange visits to other places in Asia where resettlement is being carried out more successfully. The CRP suggests that ADB, in consultation with IRC, develop an appropriate capacity-building program for IRC, to be reflected in a time-bound and verifiable action plan. The plan may include training and other interventions such as the provision of expertise.

275. Recommendation 5: Establish a debt workout scheme to help highly indebted families repay their accumulated debts through a dedicated credit line and a debt workout facility. The dedicated credit line would provide funds at a highly subsidized interest rate and at sufficiently long maturity. ADB loans or other funds could be used to finance this debt work out scheme. Funds could be used only to repay debts. Funds provided under the debt workout program would be disbursed directly against AH loan repayment obligations, and would not be disbursed to indebted households. The repayment of informal lenders that have lent at usury rates to AHs presents a special challenge. Households interested in participating in the debt workout scheme should be consulted on how procedures for repaying debts to informal money lenders directly through the debt workout facility could be established. AHs would be required to use the incremental compensation payments proposed in recommendation 1, for debt repayment. Funds provided under the facility to a single household would need to be capped, for example at $1,000, to avoid fund capture by better-off households, which could borrow larger amounts because they have more valuable assets. AHs participating in the scheme would also be required to participate in basic financial training to improve household financial management. The scheme could be implemented by an NGO or other suitable institution that can demonstrate adequate financial management competence. Further data on the debt levels of resettled households would be required to establish the approximate size of the fund for a debt workout.

276. Recommendation 6: Implement the expanded income restoration program in a sustained and sustainable manner. The EIRP now being implemented is an appropriately designed program. It provides funds to SHGs for capacity building, some
funds for investments, and training support. For the program to be sustainable, capacity building should be provided over an extended period, to allow SHGs to develop into sustainable institutions and eventually savings groups, and SHG systems and financial management processes to mature. In light of the vulnerabilities and high indebtedness experienced by many AHs during the resettlement process, support under the EIRP to resettled households should be continued.

With respect to recommendation 7 relating to the freight facility at the Samrong Estate, the Board noted that the government of Cambodia has requested that the development of that freight facility be removed from the project scope. The Board also noted Management's advice that an appropriate amendment to the project scope was being processed, and would be presented to the Board for consideration in due course. The Board did not adopt recommendation 7 pending a final determination of the scope change.

 Uploaded by: OCRP  
 Date: 7 February 2014
## Resettlement Site Infrastructure Deficiencies Described in the CRP’s Compliance Review Report

<table>
<thead>
<tr>
<th>Location</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sihanoukville</strong></td>
<td>- Access and internal roads are eroded and barely passable in the rainy season</td>
</tr>
<tr>
<td><strong>Phnom Penh (Trapeang Anhchanh)</strong></td>
<td>- Access road was flooded and difficult to pass for most vehicles when the CRP visited the site.</td>
</tr>
<tr>
<td></td>
<td>- Solid waste management has been introduced but part of the access road to the site still functions as a garbage dump.</td>
</tr>
<tr>
<td></td>
<td>- Community health post has been constructed - contains some dilapidated furniture, a rudimentary supply of medicines, and inadequate staffing</td>
</tr>
<tr>
<td></td>
<td>- Overcrowded primary school serving the entire site, with classrooms accommodating around 60 pupils, was being expanded from 5 to 15 classrooms at the time of the CRP visit.</td>
</tr>
<tr>
<td><strong>Pursat</strong></td>
<td>- Access road is prone to erosion</td>
</tr>
<tr>
<td><strong>Battambang</strong></td>
<td>- Filtered water (which is of questionable quality) from a pond, for which an overhead tank and pipes for house connections were being installed</td>
</tr>
<tr>
<td></td>
<td>- No arrangements for solid waste management</td>
</tr>
<tr>
<td></td>
<td>- Both the access road and internal roads within the site are of very poor quality and in need of upgrading</td>
</tr>
<tr>
<td><strong>Poipet</strong></td>
<td>- Both the access road and internal roads within the site are of extremely poor quality and in need of upgrading</td>
</tr>
<tr>
<td></td>
<td>- No arrangements for solid waste management</td>
</tr>
<tr>
<td></td>
<td>- There is a large and deep pond adjacent to the site and next to the new primary school. Children were playing and fishing in the pond. At the suggestion of the SPF, a wire fence is being built around the pond to keep children away from the area.</td>
</tr>
</tbody>
</table>