Second 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])

20 June 2016

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ABBREVIATIONS

ADB – Asian Development Bank
AH – affected household
CPI – consumer price index
CRP – Compliance Review Panel
DMS – detailed measurement survey
EIRP – expanded income restoration program
GRM – grievance redress mechanism
IRC – Interministerial Resettlement Committee
O&M – operation and maintenance
TA – technical assistance

WEIGHTS AND MEASURES

kg – kilogram
m² – square meter

NOTE

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

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In preparing any country program or strategy, in financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.
I. INTRODUCTION

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

2. The CRP carried out this compliance review under the 2003 Accountability Mechanism Policy 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 Accountability Mechanism Policy 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-approved recommendations of 31 January 2014 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 second 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 site visit; review 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; interviews with concerned ADB staff (including staff at the ADB Cambodia Resident Mission); and feedback from relevant government officials, project affected persons, complainants, and relevant NGOs in Cambodia. The CRP undertook a monitoring mission during 20-27 April 2016 to Cambodia to assess the progress made with respect to the implementation of the CRP recommendations as approved by ADB Board of Directors and ADB Management’s remedial actions so far. The list of persons met by the CRP for this monitoring

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\(^1\) The ADB Board of Directors approved 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. 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 OPEC Fund for International Development (Loan 8228-CAM) which was approved along with the original loan. The Department of Foreign Affairs and Trade (Australia) provided additional financing of $960,000, which was approved by the ADB President in January 2012 for the expanded income restoration program (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. Changes to the project and project history after the approval of the CRP recommendations by the Board in January 2014 are not narrated in this report.

Figure 1: Cambodia Railway Project

Source: Compliance Review Panel (CRP)

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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 through Cambodia’s Railway Department of the Ministry of Public Works and Transport, except for resettlement, which is implemented by the Inter-ministerial Resettlement Committee through the Resettlement Department under the Ministry of Economy and Finance. The loans and grant for the Project are administered from the ADB Headquarters by the Transport and Communications Division of South Asia Department, 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 compliance 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 Inter-ministerial 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 of this report. Consequently, the Management submitted to the Board in April 2014 an action plan with 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 of Cambodia (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 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. The CRP made it amply clear that unless identified basic changes were made to certain measures included in the remedial action plan, the Project could not be brought into compliance even if the said plan was implemented fully.6

IV. RESULTS OF THE MONITORING OF THE ACTION PLAN

11. Overall, the CRP is happy to note that since the decision of the Board and the first CRP monitoring report, the Management and the Government, particularly through 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 all six recommendations approved by the Board. There is full compliance with Recommendation 4; and partial compliance with Recommendations 1, 2, 3, 5 and 6. Such progress is heartening to note and commendable, and ADB staff and the IRC must be complimented on their efforts. However, with regard to Recommendations 5 and 6, the remedial actions fall far short of the Board-approved recommendations. Urgent and concerted action is required on the part of ADB to ramp up efforts to close these gaps and ensure that remedial actions meet Board requirements and expectations. If that is not done in a timely fashion, the Project is unlikely to be brought into full compliance with ADB’s operational policies and procedures as envisaged in the Board’s decision. The CRP hopes that this monitoring 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 second 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.

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6 The CRP by separate communications have informed ADB Management and BCRC (24 April 2014) of what these measures were and how they need to be revised to bring the Project into full compliance with ADB’s operational policies and procedures.
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 having made good progress on re-assessing and paying out deficit compensation for lost assets and additional payments for income support. However, some of those affected by the 30m² rule were not offered resettlement and other compensation and support associated with resettlement. As to the additional income support, the basis for the monthly transition allowance is too low as the amount paid at the time of resettlement would not have sufficed to purchase 100 kg of rice, as specified in the 2006 Resettlement Plan. Additional asset and income payments have been adjusted for inflation for the period 2006 until resettlement but not for the period between resettlement and the time when the additional payments were paid out in the first two quarters of 2015. The CRP is also of the view that the inflation rate of 9.72% applied for AHs in the Phnom Penh resettlement site for the period 2006-2012 is incorrect and that the inflation rate originally proposed by IRC of 34.5% should have been applied.

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) 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 Mechanism (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 losses for relocated AHs.

(For full text, see Appendix 2.)

12. CRP findings regarding compliance with Recommendation 1. At the time of the first monitoring report, IRC had in accordance with the remedial action plan, completed the review of the results of the detailed measurement survey (DMS) for all the 3,573 fully or partially affected households, and had computed compensation deficits using the Cambodian consumer price index (CPI) for property losses as contained in the original DMS. Since then, the DMS review has been completed, and IRC (following review by ADB) has prepared revised contracts for the

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The updated resettlement plans had a total of 3,754 AHs. IRC has satisfactorily clarified the discrepancy between the number of AHs in the updated resettlement plan and the current caseload to the CRP.
3,573 AHs; explained the contents of the revised compensation for assets as per the DMS review (with ADB staff observing); and paid out such additional compensation to 3,104 AHs. There are 144 AHs who are still considering or have refused to accept the revised asset compensation offered, and 235 AHs who could not be located at their last known residence. IRC has published newspaper advertisements notifying the remaining AHs that they can collect their revised compensation contracts and payments. Of the 127 AHs who refused compensation, 120 are from the Phnom Penh Resettlement Site and 7 from the Poipet Resettlement Site. Of these, 15 AHs filed grievance claims before the Grievance Redress Mechanism (GRM). All but two of these were rejected. In these two cases, on appeal, the claims were allowed with compensation being revised in favor of the AHs. The AHs who were allowed to remain within the railway right-of-way were guaranteed a 5-year secure tenure period as stipulated in the 2006 Resettlement Plan. This 5-year secure tenure period has now expired or is about to expire and although the Government did not issue the promised formal certificate to the AHs concerned, their occupation and possession of their houses has not been disturbed during this period.

13. With regard to asset compensation deficits, the following are outstanding and require remediation to bring the Project into full compliance:

(i) AHs whose houses were affected and who do not have at least 30m² area of land to move back to were to be treated as fully affected, and resettlement and compensation offered on that basis. This has not yet been completed. Management and IRC informed the CRP that a fresh survey of these houses has been conducted for the concerned railway section in Phnom Penh using modern drone technology and that by June 2016 such AHs will be offered what was due to them in accordance with the original updated resettlement plan with adjustments required under the Board decision. Houses that might have been affected because they intruded on the corridor of impact but which have not been physically affected at all will be allowed to continue to be used without let or hindrance by the Government until such time as it may need the land. The CRP will keep this matter under review through the quarterly reporting and monitoring reports from Management;

(ii) While the mapping of AHs with less than 30m² remaining area of land has been done for the concerned railway section in Phnom Penh, this issue may also apply in the Poipet section, and mapping needs to be undertaken there as well.

(iii) Compensation payments were adjusted for inflation for the period between 2006 and the time of resettlement, as prescribed in the remedial action plan (see footnote 3 of the Management’s remedial action plan). But these compensation payments were not adjusted for inflation for the period between resettlement and the actual payment of the amended compensation. Compensation payments were paid out in the first two quarters of 2015 to all AHs who had accepted the amended DMS contracts. As resettlement dates varied, the time period to be adjusted for inflation varies between 4 to 4.5 years, depending on when resettlement took place and additional compensation payments.

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8 In Sihanoukville, relocation to the resettlement site started in October 2010; in Battambang and Pursat in November 2010; in Phnom Penh in September 2011; and in Poipet, between April and November 2011.
were made. Based on present CPI indicators, the cumulative inflation adjustment for sites where people were resettled in October/November 2010 would amount to 16.9%. For sites for which resettlement took place between September 2011 and November 2011, the cumulative inflation adjustment would amount to 10.8%. The CRP is of the view that inflationary adjustments should have been made up to the payment of compensation, as inflation erodes the value of money. Inflation adjustments can be broad adjustments with one value calculated as cumulative inflation for each resettlement site. It is not necessary that precise adjustments for each contract are calculated.

(iv) A particular concern is the inflation rate applied for adjustments for 2006 to resettlement for the Phnom Penh site. Here, the IRC proposed to apply an inflation rate of 34.5%, which ADB suggested to lower to 9.72%. The rationale for this downward adjustment in rate is not clear as Cambodia experienced very high inflation between 2006 and the time of resettlement at the Phnom Penh site. The time value of money thus had eroded significantly also in Phnom Penh and the 34.5% rate originally proposed by IRC should have been applied.

14. Recommendation 1 also provides for payment of additional compensation for income losses for relocated AHs. The CRP compliance review report argued that AHs which moved to resettlement sites incurred substantial income losses during the resettlement process. Due to the distance of most resettlement sites from the original location of AHs, most lost their previous employment and new employment opportunities first needed to be found and created. To compensate for some of these income losses, IRC decided to pay additional transition allowances for the period between resettlement and commencement of the EIRP. The length of the period between resettlement and start of the EIRP varied between resettlement sites, ranging from 8 to 19 months. The transition allowances were originally designed to provide income support to families who relocated to resettlement sites so that income losses sustained while they rebuild their houses could be compensated. Transition allowances were either paid for a period of 3 or 6 months depending on the structure of the house which had to be rebuilt. The amount of transition allowances was determined in the resettlement plan of 2006. It established that monthly transition allowances for each family would amount to $25 per month. The CRP welcomes the additional payments made as income support to resettled families, but has two significant concerns:

(i) The basis of the transition allowance of $25 per month per family is too low. Transition allowances were to provide sufficient resources to buy 100 kg of rice per month per family. The amount of $25 would have been sufficient to buy 100 kg of rice in 2006, i.e.,

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9 Resettlement took place between October 2010 and November 2011. In Sihanoukville relocation to the resettlement site started in October 2010, in Battambang and Pursat in November 2010, in Phnom Penh in September 2011, and in Poipet between April and November 2011.

10 The following annual consumer price index (CPI) inflation rates are assumed to be 5.5% (2011); 2.9% (2012); 3% (2013); 3.9% (2014); 1.2% (2015). For 2015 only half the CPI rate is applied for calculation of cumulative rate, as payments were made during the first two quarters of 2015. The CPI rates were from the 2016 IMF World Economic Outlook.

11 Footnote 5, paras. 179 to 193.

12 The transition allowance was based on the calculation that each person consumed 20 kg of rice per month. The average household was assumed to consist of five members. Thus, each family was to receive 100 kg per month. As a kilo of rice was valued at $0.25, the monthly transition allowance was calculated to amount to $25 per family.
the time the resettlement plan was drawn up. At the time when most families resettled, rice prices in Cambodia increased by about 70%.\textsuperscript{13} The CRP argued in paras. 169 to 173 of its compliance review report that the level of transition allowances paid at the time of resettlement was too low and that the base needed to be adjusted to reflect the very significant real increase in rice prices. In the additional compensation paid out in 2015, IRC continued to use the $25 as the monthly value for transition allowances, adjusted for inflation up to the time of resettlement. The inflation adjustment made in 2006 until the date of resettlement, compensated some of the price increases, but as real price increases for rice were about twice as high as CPI inflation, additional payments thus undercompensated for income support.\textsuperscript{14}

(ii) Transition allowances need to be fully adjusted for inflation. The IRC made this adjustment for inflation for the period up to resettlement but did not make an inflation adjustment for the period beyond. As additional income support was only paid out in 2015, inflation adjustment is incomplete.\textsuperscript{15} (See also para. 13 (iii) of this report).

15. All public consultations related to the compensation payments have been conducted and observed by ADB staff. The CRP is satisfied that these were done according to ADB policy requirements. During its first monitoring mission, the CRP was concerned that the information dissemination did not include the appeals mechanism under an improved GRM and suggested that this should be done with regard to all contracts. The CRP examined documentation and verified during interviews with AHs that information on the GRM was disseminated to AHs during the contract consultations. Accordingly, the CRP finds that sub-action (c) has been performed and brought into compliance.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure2.png}
\caption{Interview with Affected People}
\end{figure}

16. Under sub-action (d), ADB had reviewed and suggested changes to the draft contract format, and these had been accepted by IRC. During the first monitoring mission, the CRP found that the amended contract ought to have been accompanied by a separate user-friendly

\textsuperscript{13} International rice prices doubles between 2006 and 2009 and by 2010 had settled at a level about 70% above the 2006 price. Cambodian rice prices closely followed the international price development. (For data see World Bank, Food and Agricultural Organization, and International Monetary Fund data bases. See Footnote 5, para. 169.)

\textsuperscript{14} The inflation adjustment made by the CRP compensates only for part of the real price increase for rice as the price increases for rice were significantly higher than the CPI inflation rate.

\textsuperscript{15} The EIRP started in July 2012 in all five resettlement sites.
document setting out the information on the procedure and deadlines for reviewing the amended contract and any DMS errors including non-inventoring and mis-categorizations as well as on how appeals can be made with regard to these. The CRP also took the view that all appeals/complaints submitted at the commune level ought to be properly recorded and an adequate and transparent paper trail be maintained, which was not the case at that time. In its second monitoring mission, the CRP examined a GRM manual produced by an international consultant and found that there was good guidance provided to GRMs in that manual. All community GRM members were aware of the manual and when questioned said they had received training on the same. The CRP also examined a number of appeal decisions and found that procedural steps outlined in the manual were being followed. A user-friendly document with the compensation payment and GRM procedure (with pictures) had been prepared and disseminated to AHs.

17. **CRP conclusions regarding compliance with Recommendation 1.** The CRP finds that ADB has made significant progress to implement this recommendation and to achieve compliance with it. If and when the above issues on additional asset compensation; compensation for income losses; and appropriate inflation adjustments are fully implemented; the CRP will be able to declare this recommendation to be fully complied with.

18. **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 those AHs affected by the 30m² rule who were not offered resettlement and the compensation and support associated therewith in the concerned railway section in Phnom Penh, the CRP is happy to note that the IRC is taking steps to identify and offer appropriate and commensurate compensation and other benefits to these AHs by June. The CRP recommends that ADB monitor this matter and ensure that it is implemented in keeping with ADB safeguard policies.

- Similar to Phnom Penh, an assessment of AHs affected by the 30m² rule also needs to be conducted for the Poipet section.

- With regard to compensation of income losses, the base of the transition allowances has to be increased. All compensation payments (additional asset and income payments) need to be adjusted for cumulative inflation for the period between resettlement and a date proximate to the date of payment of compensation. The inflation adjustment rate applied for the Phnom Penh site needs to be corrected.
B. Board-approved CRP Recommendation 2

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

**Status of Compliance:** At the time of this report, 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.)

19. **CRP 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. Following the verification, the IRC improved access roads to all five resettlement sites by raising them in several sites and compacting them with new material. The improvement of the roads was confirmed by AHs on the site, and the CRP was able to observe such improvements. Electricity is no longer an issue on all the sites. (See Appendix 4 - Resettlement Site Infrastructure Status).

![Figure 3: Access Road in Phnom Penh Site – 2015 and 2016](source: CRP)

20. However, water still remains a significant issue of concern in Sihanoukville, Battambang, and Poipet. In Pursat, the AHs were happy with their supply from the nearby river, and although the water is unfiltered, they boil and filter the same for drinking purposes. The
Phnom Penh site is connected to a local authority water supply. Water is a basic human need and there is no gain saying the fact that it is fast being recognized as a basic human right. In Sihanoukville, the resettlement site has a deep well with a hand pump. The hand pump is maintained by the AHs themselves. However, there is now a general drought in Cambodia exacerbated in the dry season and the water table has likely dropped. The CRP was informed by AHs that there is no longer water in the well and some residents have had to resort to purchasing their water from a private supplier. This is ironic because the local authority’s water supply line extends to the middle of the resettlement site and the AHs can easily be connected to it. However, it costs $250 per household to connect to the water supply and many of the AHs cannot afford this. The CRP considers this an instance where ADB should provide the necessary means to ensure the AHs are connected to a regular water supply – given the uncertainly of their access to ground water.

21. In Battambang, the resettlement site gets its water from an artificial rain water pond. The water is pumped to an overhead tank and then filtered before being delivered to the houses of the AHs. When the CRP inspected the water in homes on this monitoring mission, it appeared to be clearer than what the CRP observed last year, but it is only used for washing and cooking. However, the water in the pond is very low and given the current drought conditions, this water supply is likely to become dry soon. If this were to happen, these AHs too will have to start purchasing their water. Here too, the local authority water supply is not very far from the resettlement site and it would only take a small investment to ensure that the AHs are connected to the local supply. The CRP considers that this too is an instance where ADB should provide the necessary means to ensure the AHs are connected to a regular water supply – given the uncertainty of their access to water in the rain-fed pond and its questionable quality.

22. Finally, for Poipet, water is drawn by AHs from wells with hand pumps. A few have subscribed to local private suppliers. Here too, the local authority supply can be connected to the resettlement site but the initial investment is something the AHs cannot bear. The CRP considers that this too is an instance where ADB should provide the necessary means to ensure the AHs are connected to a regular water supply – given the uncertainty of their access to the hand pumps, some of which are defunct.

23. With regard to the infrastructure facilities at the resettlement sites, the action plan required the improved infrastructure to be handed to an Operation and Maintenance (O&M) Committee from the resettlement site, and since the resettlement sites are incorporated into the sub-national governance structures, O&M of public infrastructure at resettlement sites is now considered part of the local commune’s infrastructure responsibilities. The goal of doing so was
to ensure that future O&M will be funded partly by collections from AHs, but also significantly, by contributions from the commune and local authorities. Besides, the technical know-how needed for regular maintenance and repair of the roads and other infrastructure is well beyond the capability of AHs at any of the sites. In some cases, expertise will be required from the commune or local authority concerned. The IRC has appointed O&M committees. They have prepared an O&M manual and trained the committee members of AHs to use the manual including simplified versions put up on notice boards with user-friendly pictures at the resettlement sites. In discussions with AHs at all the resettlement sites, it became clear to the CRP that while very minor repairs can be carried out by the O&M committees using funds collected from AHs, major repairs and maintenance works will be beyond such committees. The CRP did not, as yet, find evidence that the communes, governors, or local authorities have stepped up to fund any of the O&M on site. Perhaps, it is too early to come to a conclusion on this and the CRP will monitor this aspect through the quarterly management reports made to the CRP and report to the Board in the CRP’s monitoring report in 2017.

24. Sub-action (e) required 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 Resettlement Site, the building was locked; no staff was present; and no schedule of operations was posted on the gate or wall outside the building. It was however clear that the building had been renovated and was being well maintained. The AHs in the Phnom Penh Resettlement Site did confirm that the facility now had a fully qualified doctor and nurse and that it was operating at regular hours. They also confirmed they used the facility for treatment of illnesses. The Poipet Resettlement Site has many more AHs than the Phnom Penh Resettlement Site and many AHs there requested that a medical facility be opened for their use. The CRP raised this issue with IRC which said that there were medical facilities close by. According to the AHs, the closest facility is near the Thai border which is some distance away. The CRP suggests that ADB, together with the Government, explore the possibility of establishing a medical facility at the Poipet Resettlement Site.

25. A separate issue, not directly related to the quality or O&M of infrastructure facilities at the resettlement site, but nevertheless affecting the quality of life of the resettled AHs, is the burning of garbage by a private garbage collection company neighboring the school in the Poipet Resettlement Site. The AHs have approached the provincial authorities on this issue, but despite their promise to end the burning of garbage, the problem continues. The CRP takes the view that the smoke and air pollution coming from the burning of garbage near the Poipet Resettlement Site seriously diminishes the air quality at this site and unless this situation is addressed satisfactorily by the relevant authorities, the site itself will no longer be suitable as a
resettlement site. The IRC confirmed that when it chose this site, the garbage burning was not taking place. The CRP recommends that the ADB liaise with the Government to ensure that adequate abatement action is taken by the appropriate and mandated authorities to eliminate this air pollution hazard.

26. CRP conclusions regarding compliance with Recommendation 2. The CRP finds that there has been significant progress made on the implementation of this recommendation. The IRC has put in considerable effort into developing and improving the access roads. This was widely acknowledged by all AHs as well. However, with regard to the water supply, the CRP finds that the situation of AHs in Sihanoukville, Battambang, and Poipet are still quite precarious. Additionally, the O&M committees are functioning but their mandate will not be enough to sustain the use of existing facilities unless the local authority, the commune, and governors concerned also provide funding and expertise to the maintenance and repair of the roads and other infrastructure – which now is officially considered an integrated part of the wider commune infrastructure. Finally, the air pollution from the burning of garbage adjacent to the Poipet Resettlement Site needs to be addressed urgently.

27. 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 the resettlement sites at Sihanoukville, Battambang, and Poipet be connected to the local pipe water supply schemes and that the ADB seriously consider bearing the costs thereof or making a significant contribution to such costs to enable the AHs to connect to the water supply; (ii) that the O&M committees be supported by funds, or where required, by direct O&M activities from the local commune and/or governors to enable major maintenance and repairs of the infrastructure to be carried out when necessary; (iii) that the burning of garbage next to the Poipet Resettlement Site and its school be terminated or abated, and (iv) that a medical facility at the Poipet Resettlement Site be considered to service the medical needs of the persons at the resettlement site.

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.)

28. CRP findings regarding compliance with Recommendation 3. Since the first monitoring report, the IRC has improved the GRM significantly. An expert was hired by the IRC and a manual for the GRM setting out step by step procedures for entertaining, hearing and deciding grievances was developed. The manual also sets out record keeping requirements. The GRM committee of every resettlement site was re-established and each site elected a representative to be on the GRM at the commune level. All the GRM committee members,
including the representatives of AHs, were then trained in how to conduct proceedings using the manual. Each GRM committee member has been given a copy of the manual. The CRP met the representatives of AHs for most of the sites, and it is clear to the CRP that they know what steps to take when they receive a grievance or complaint. While this aspect of the recommendation has been fulfilled, the CRP is not convinced that the GRM committees are working as expected under the ADB policy. First, the current GRM only covers compensation issues, but should also be a mechanism for complaints regarding other resettlement-related grievances (e.g., burning garbage next to the Poipet Resettlement Site). Second, only complaints by an individual are recognized, the AHs are not permitted to submit complaints collectively. Third, out of 127 AHs who refused to take the new compensation package offered, only 15 appear to have filed a complaint using the GRM. All these 15 complaints were rejected by the commune-level GRM committee (first round), and only two were reversed in appeal and their compensation adjusted.

While not every complaint filed ought to result in a decision favorable to the AHs – having such a high initial rejection rate will (a) send a negative message to potential AH complainants and (b) underscore the importance of checking the work of the GRM committees through compulsory appellate procedures, at least initially, to ensure that the decisions being made are for good reasons and that complaints are not justified. Extra effort should also be made by the GRM committees to explain their reasoning to complainants from AHs the reasons for rejecting the complaint. AHs who had appealed said they did not attend hearings because they could not afford the cost of travel to the venue of hearings. Finally, it behooves NGOs assisting AHs to explore possible ways of providing legal and other counselling to AHs so that they can assert their rights under the remedial action plan regarding compensation dues. The AHs would likely need assistance to make cogent arguments and advance their cases before GRM committees. Here too perhaps, the ADB may consider a funding mechanism of a grant that allows a suitable and qualified NGO to provide this service to AHs, when they require it. AHs also complained that they did not invoke appeal procedures largely because of the costs involved in participating in appeal proceedings and because most AHs were illiterate and unable to initiate or pursue such appeal processes.

29. **CRP conclusions regarding compliance with Recommendation 3.** The CRP finds that there have been significant actions taken by ADB and IRC to implement this recommendation. However, the CRP has concerns as to whether the GRM committees are delivering justice to aggrieved AHs in the first instance and recommends that if there are only a few complaints that they be elevated after initial hearing to the District or even national level so that those can be carefully considered and reasoned decisions can be made to address them. Also, the CRP recommends that special efforts be made to explain the reasons for the rejection of complaints of AHs so they understand better why their complaint failed.

30. **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 ensure that the GRM manual is adjusted to include a compulsory appeal proceeding where complaints are rejected by the original GRM committee; that complaints can be made regarding resettlement issues other than compensation; that AHs with the same grievance can submit their complaint as a group, and that the appeal proceedings be conducted as close to the AHs’ resettlement sites as possible or alternatively, that complainants be provided the travel costs at the very least for attending these appellate proceedings. The CRP also recommends that such appeal proceedings explain the reasons for complaint rejection to AHs.
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>Status of Compliance:</td>
<td>Recommendation implemented and brought into compliance.</td>
</tr>
<tr>
<td>Management’s Action Plan:</td>
<td>a. IRC, in consultation with ADB, prepares a time-bound and verifiable action plan for capacity building.</td>
</tr>
<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>

31. CRP findings regarding compliance with Recommendation 4. Several capacity building retreats and learning visits abroad have been conducted by IRC. In discussions with IRC, it is evident that many lessons were learned. The IRC confirmed that these lessons are being mainstreamed into its work and that they are being applied in projects funded by other donors as well. The CRP is satisfied that this recommendation has been implemented and the Project brought into compliance on this account.

32. CRP conclusions regarding compliance with Recommendation 4. Apart from completing the program, no further steps are recommended by the CRP.

33. CRP feedback to Management on actions to bring the Project into full compliance with Recommendation 4: None.

E. Board-approved CRP Recommendation 5

<table>
<thead>
<tr>
<th>CRP Recommendation 5:</th>
<th>Establish a debt workout scheme to help highly indebted families repay their accumulated debts through a dedicated credit line and a debt workout facility.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status of Compliance:</td>
<td>There is partial compliance with Recommendation 5. Efforts undertaken so far are modest and have not resulted in an adequate debt workout scheme.</td>
</tr>
<tr>
<td>Management’s Action Plan:</td>
<td>Develop and implement measures to help address financial sustainability of AHs.</td>
</tr>
<tr>
<td>(For full text, see Appendix 2.)</td>
<td></td>
</tr>
</tbody>
</table>

34. 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 be 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. The VisionFund Cambodia – supported by the Government of Australia – has implemented a pilot program. The contract of VisionFund Cambodia will end in 2016 and it does not intend to
continue its activities. VisionFund Cambodia does not consider the pilot program successful and has not fully spent the resources provided for under the program. VisionFund Cambodia has tried to launch programs in all resettlement sites except Sihanoukville. There have only been a modest number of debt workout contracts signed. Based on information received from VisionFund Cambodia, only about 38 debt workout contracts were completed.\textsuperscript{16} This is a very small number in light of the very high level of indebtedness observed among AHs in resettlement sites. VisionFund Cambodia does not dispute the high level of indebtedness of AHs but argues that most AHs do not meet the requirements or eligibility criteria for them to participate in the program. Eligibility criteria include, among others, adequate income earnings to be able to repay the monthly installments; continuous residence in the resettlement site; indebtedness level which should not be too high so that debt workout can be achieved within the financial envelope provided by VisionFund Cambodia; and the willingness of informal lenders to sign off the agreement. Apparently, some informal lenders were not keen to sign off on the agreement, supposedly as they do not wish repayment as they would like to capture the resettlement plot once final land titles are issued. In light of continued high debt levels of AHs in resettlement sites, it is disappointing that only such a modest program could be implemented. As the pilot debt workout program will be discontinued, there is no ongoing debt workout program or scheme in place and thus Recommendation 5 is only partially complied with.

35. **CRP conclusions regarding compliance with Recommendation 5.** The pilot program for a debt work out scheme has been very limited in scale and will be discontinued in 2016. At present, there is no satisfactory debt work out scheme in place. The CRP finds that Recommendation 5 has been partially complied with.

36. **CRP feedback to Management on actions to bring the Project into full compliance with Recommendation 5.** To bring the Project into compliance, ADB needs to continue efforts to establish a functioning and robust debt workout scheme.

\textsuperscript{16} Based on information received by the CRP, 25 contracts were completed for the Phnom Penh site; 5 for Pursat; 5 for Battambang; and 3 for Poipet. No debt workout scheme was offered to AHs at Sihanoukville Resettlement Site.
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. In addition to strengthening self-help groups, substantive vocational training programs will need to be introduced and support for self-employment needs to be provided. The EIRP needs to be extended beyond 2016.

**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.)

37. **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 the implementation of EIRP beyond the close of current financing in March 2015 until the end of 2016. The EIRP, as presently implemented, focuses exclusively on strengthening the self-help groups. The Credit Union Foundation of Australia has been engaged under a TA to strengthen self-help groups in each resettlement site, to make them financially well performing and sustainable. ADB seems to be actively engaged with the Credit Union Foundation of Australia to implement the self-help group support program. As a large number of self-help groups are fragile and not yet performing adequately, support for self-help groups should be continued. Establishing sustainable self-help groups cannot be achieved in a short period of time.

38. The ongoing EIRP focuses almost exclusively on support to self-help groups. With a very few exceptions, skills training has been discontinued. Vocational skills training was an essential component of the original design of the EIRP as the objective of the EIRP was – and still is – to empower resettled families to earn income. Self-help groups alone, with its very limited financial means, cannot achieve this objective. An adequate program for vocational skills training and support to finding employment and small business development need to be urgently introduced. Previous skills training were unsuccessful. The AHs in resettlement sites have a negative view of previous skills training, and with a very few exceptions, none of the AHs are still carrying out activities related to the training provided. Thus, a fundamental redesign of professional skills training is needed, where first employment opportunities and skills are identified on and around each site and then, site specific training programs, based on demand expressed by AHs, are implemented. In the design of the program, a consultative approach with AHs needs to be pursued. ADB staff informed the CRP during the monitoring mission that preparations for the design of a vocational training program have been launched.

39. Skills training in the past have been conducted as a one-time training activity with no further ongoing support provided. This does not lead to sustainable human capital formation and income earning. Training programs need to be complemented by support to small business creation and to finding employment where newly acquired skills can be used. The AHs in
several resettlement sites also requested that unutilized land plots located in resettlement sites be used for gardening or small animal-raising. On a few plots this has — in the past — been done successfully but AHs were asked to discontinue using any plots not assigned to them. Possibilities to allocate some communal plots to groups of AHs should be considered. To design and implement a vocational skills training and support program will require substantial efforts and resources. It is regrettable that during the last 2 years, the EIRP has not been fully implemented. It is thus essential, that the EIRP be expanded and implemented in all its dimensions.

40. **CRP conclusions regarding compliance with Recommendation 6.** The CRP finds that at present no adequate EIRP is under implementation. The focus on support to self-help groups is very important but not sufficient. The objective of the EIRP is to improve incomes. Self-help groups alone cannot restore the incomes. A comprehensive and well-designed vocational skills training program, which reflect business and employment opportunities in and around the resettlement sites, and which provide ongoing support to the application of acquired skills in employment and business creation support is needed. The EIRP needs to be extended for a sufficient length of time so that such skills training program and vocational support can be designed and implemented.

41. **CRP feedback to Management on actions to bring the Project into full compliance with Recommendation 6.** ADB needs to ensure that an adequate EIRP, which includes vocational skills training and employment/business support be implemented in addition to ongoing support to self-help groups. For this purpose, the EIRP needs to be extended for an adequate length of time, at least until there is robust evidence that AHs on resettlement sites have achieved real income levels (which are income levels adjusted for inflation) which AHs had prior to resettlement. Since little to no training has been provided to AHs over the past 2 years, it now becomes necessary that such training and ongoing support be provided for a sufficient length of time.

V. **CONCLUSIONS**

42. In summary, the CRP concludes that ADB is in partial compliance with the Board-approved Recommendations 1, 2, 3, 5, and 6. The CRP also concludes that ADB is in compliance with Board-approved Recommendation 4. A summary of the Management Action Plan together with the CRP’s main conclusions and feedback to Management on actions to bring the Project into full compliance, can be seen 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>Status of compliance: Partially complied with</td>
</tr>
<tr>
<td></td>
<td>The CRP suggests that the following actions be taken by Management:</td>
</tr>
<tr>
<td></td>
<td>• Regarding those AHs affected by the 30m² rule in the concerned railway section in Phnom Penh, the CRP is happy to note that the IRC is taking steps to identify and offer appropriate and commensurate compensation and other benefits to these AHs by June. The CRP recommends that ADB monitor this</td>
</tr>
<tr>
<td>CRP Recommendations</td>
<td>Feedback to Management on Actions to Bring the Project into Full Compliance</td>
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<tr>
<td></td>
<td>matter and ensure that it is implemented in keeping with ADB safeguard policies.</td>
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<tr>
<td></td>
<td>- Similar to Phnom Penh, an assessment of AHs affected by the 30m² rule also needs to be conducted for the Poipet section.</td>
</tr>
<tr>
<td></td>
<td>- With regard to compensation of income losses, the base of the transition allowances has to be increased. All compensation payments (additional asset and income payments) need to be adjusted for cumulative inflation for the period between resettlement and a date proximate to the date of payment of compensation. The inflation adjustment rate applied for the Phnom Penh site needs to be corrected.</td>
</tr>
</tbody>
</table>

2. Improve facilities at resettlement sites.  

**Status of compliance: Partially complied with**  
43. The CRP suggests that Management take the following actions: (i) that the resettlement sites at Sihanoukville, Battambang, and Poipet be connected to the local pipe water supply schemes and that the ADB seriously consider bearing the costs thereof or making a significant contribution to such costs to enable the AHs to connect to the water supply; (ii) that the O&M committees be supported by funds, or where required, by direct O&M activities from the local commune and/or governors to enable major maintenance and repairs of the infrastructure to be carried out when necessary; (iii) that the burning of garbage next to the Poipet Resettlement Site and its school be terminated or abated, and (iv) that a medical facility at the Poipet Resettlement Site be considered to service the medical needs of the persons at the resettlement site.

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

**Status of compliance: Partially complied with**  
The CRP suggests that Management ensure that the GRM manual is adjusted to include a compulsory appeal proceeding where complaints are rejected by the original GRM committee; that complaints can be made regarding resettlement issues other than compensation; that AHs with the same grievance can submit their complaint as a group, and that the appeal proceedings be conducted as close to the AHs resettlement sites as possible or alternatively, that complainants be provided the travel costs at the very least for attending these appellate
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<th>Feedback to Management on Actions to Bring the Project into Full Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Develop an appropriate program to build capacity for resettlement in the IRC, to be reflected in a time-bound and verifiable action plan.</td>
<td><strong>Status of compliance:</strong> Recommendation implemented and brought into compliance. The CRP also recommends that such appeal proceedings explain the reasons for complaint rejection to AHs.</td>
</tr>
<tr>
<td>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.</td>
<td><strong>Status of compliance:</strong> Partially complied with.</td>
</tr>
<tr>
<td>6. Implement the expanded income restoration program (EIRP) in a sustained and sustainable manner.</td>
<td><strong>Status of compliance:</strong> Partially complied with.</td>
</tr>
<tr>
<td></td>
<td>ADB needs to ensure that an adequate EIRP, which includes vocational skills training and employment/business support be implemented in addition to ongoing support to self-help groups. For this purpose, the EIRP needs to be extended for an adequate length of time, at least until there is robust evidence that AHs on resettlement sites have achieved real income levels (which are income levels adjusted for inflation) which AHs had prior to resettlement. Since little to no training has been provided to AHs over the past 2 years, it now becomes necessary that such training and ongoing support be provided for a sufficient length of time.</td>
</tr>
</tbody>
</table>

44. Management has agreed with CRP to provide quarterly progress reports on each of the balance five recommendations. The CRP will assess progress in its third annual monitoring report to be submitted to the Board in the first half of 2017.

/S/ Dingding Tang, Chair, Compliance Review Panel
/S/ Lalanath de Silva, Member, Compliance Review Panel
/S/ Arntraud Hartmann, Member, Compliance Review Panel

20 June 2016
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
(Meetings at headquarters and staff interviewed)

1. Hideaki Iwasaki, Director, Transport and Communications Division, Southeast Asia Department (SERD)
2. Samiuela Tukuafu, Country Director, Cambodia Resident Mission (CARM), SERD
3. Munawar Alam, Unit Head, Project Administration, SETC, SERD
4. Sokha Ouk, Senior Safeguards Officer, CARM, SERD

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. Nhean Vannak, Deputy Director, Regional Department, MEF
4. Chan Samley, Director of Railway Department
5. Ly Borin, Under Secretary of State of Ministry of Public Works and Transportation
6. Sun Sokny, Chief, 2nd Resettlement Office, MEF
7. Non Wattanaka, Deputy Chief, MEF
8. Chheang Chhorlin, Deputy Chief of 2nd Resettlement Office
9. Natin Patel, Advisor, MEF

Requesters’ Representative and Complainants

1. Eang Vuthy
2. The names of complainants were withheld upon their request. The CRP met with 46 complainants/affected persons from Phnom Penh; 18 from Pursat; 28 from Battambang; 29 from Poipet; and 7 from Sihanoukville.

Others

1. Meg Fukuzawa, Equitable Cambodia
2. Leng Sarom, Equitable Cambodia
3. Pol Tourist, Equitable Cambodia
4. Wesley Jordan, VisionFund Cambodia
5. Kundi Lay, Credit Union Foundation Australia (CUFA)
6. Phearak Sok, CUFA
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.
## Remediial Actions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Implementation</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation 1</strong>: Establish a compensation deficit payment scheme.</td>
<td>IRC completes review of the DMS and the Contracts for 3,581 AHs and identifies mis-categorizations. (By Quarter (Q) 3, 2014)</td>
<td>Review completed by Q3, 2014.</td>
</tr>
<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>ADB verifies the results of IRC’s review. (By Q3, 2014)</td>
<td></td>
</tr>
<tr>
<td>IRC computes compensation deficits for: (i) property losses due to mis-categorization and inflation using consumer price index (CPI)(^2); 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). (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(^5) (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>ADB observes IRC’s consultations with AHs.</td>
<td></td>
</tr>
<tr>
<td>IRC provides AHs with copies of the amended draft contracts and</td>
<td>IRC prepares amended draft contracts. (By Q4, 2014)</td>
<td>Amended draft contracts prepared by Q4, 2014.</td>
</tr>
<tr>
<td></td>
<td>ADB reviews sample amended draft contracts. (By Q4, 2014)</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>House-to-house consultations and</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>
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</tr>
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<tbody>
<tr>
<td>explains corrections to DMS and computation of compensation deficits.</td>
<td>supply of amended draft contracts to AHs completed by Q1 2015.</td>
<td></td>
</tr>
<tr>
<td>(By Q1, 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRC provides AHs 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 AH decides and agrees. (By Q1, 2015)</td>
<td></td>
<td></td>
</tr>
<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 AHs. (By Q1, 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRC provides payments to AHs. (Q1-Q2, 2015)</td>
<td>Payments completed by Q2 2015.</td>
<td></td>
</tr>
<tr>
<td>ADB monitors, through the existing external monitor, payments to AHs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computation and payment of compensation for income losses for relocated AHs.</td>
<td>Under discussion.</td>
<td>Under discussion.</td>
</tr>
<tr>
<td>Recommendation 2: Improve facilities at resettlement sites.</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 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 AHs 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>identified urgent actions.</td>
<td>(Q1, 2015)</td>
<td></td>
</tr>
<tr>
<td>ADB reviews the time-bound action plan.</td>
<td>(By Q1, 2015)</td>
<td></td>
</tr>
<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 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>
<td>Under discussion.</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.

| IRC prepares a specific and verifiable time-bound action plan for improving the functioning of the GRM. | IRC prepares a specific and verifiable time-bound action plan. (Q4, 2014) | Agreed action plan prepared by Q4, 2014.          |
| IRC implements the specific and verifiable time-bound action.          | Implements the specific and verifiable time-bound action. (Starts by Q4, 2014) | Commencement of implementation of the action plan by Q4, 2014. |

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

<p>| IRC, in consultation with ADB, prepares a time-bound and verifiable action plan for capacity building. | IRC prepares a time-bound and verifiable action plan for capacity building with ADB assistance. (By Q1, 2015) | Time-bound and verifiable action plan developed by Q1, 2015. |
| IRC implements the time-bound and verifiable action plan.              | IRC implements the action plan. (Starts Q2, 2015) | Implementation of the action plan starts by Q2, 2014. |
| Upon IRC's request, ADB provides expertise and arranges training programs and exchange visits of IRC staff in Asia. (Starts Q1, 2015) | | |</p>
<table>
<thead>
<tr>
<th>Actions</th>
<th>Implementation</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<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.</td>
<td>Implementation commences by Q3, 2014.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>(Starts Q3, 2014)</td>
</tr>
<tr>
<td></td>
<td>(Starts by Q1, 2015)</td>
<td></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.</td>
<td>Exit strategies designed by Q4, 2014.</td>
</tr>
<tr>
<td></td>
<td>(By Q4, 2014)</td>
<td></td>
</tr>
<tr>
<td>IRC to implement exit strategies for SHGs.</td>
<td>IRC implements exit strategies.</td>
<td>Projected completion by Q4, 2015.</td>
</tr>
<tr>
<td></td>
<td>(Starts by Q1, 2015)</td>
<td></td>
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</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:

a. 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

b. 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 103 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.
(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 "(g)iven 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 workout 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 Status

<table>
<thead>
<tr>
<th>Deficiencies described in CRP Final Report (paras. 18-22)</th>
<th>Observations by the CRP during its 2nd Monitoring Mission in April 2016</th>
<th>Observations by the CRP during its 2nd Monitoring Mission in April 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sihanoukville</strong></td>
<td>Access road improved with laterite, but deteriorating. Drainage unimproved.</td>
<td>Access road and internal roads appear adequate. Drainage unimproved.</td>
</tr>
<tr>
<td>Access and internal roads are eroded and barely passable in the rainy season</td>
<td>Water table drops during dry season rendering the hand pump inadequate. Some AHs have connections to the city’s pipe water system; others claim they cannot afford the $250 connection fee. They buy water from a private water truck.</td>
<td></td>
</tr>
<tr>
<td><strong>Phnom Penh (Trapeang Anhchanh)</strong></td>
<td>Access road even more prone to flooding since plots along the road are being raised prior to construction of commercial buildings. AHs report continued flooding during rainy season</td>
<td>Substantial improvement of access road and internal roads, though drainage within the resettlement site need improvement.</td>
</tr>
<tr>
<td>Access road was flooded and difficult to pass for most vehicles when the CRP visited the site</td>
<td>No change</td>
<td>No action.</td>
</tr>
<tr>
<td>Solid waste management has been introduced but part of the access road to the site still functions as a garbage dump</td>
<td>Adequate building (and apparently some improvements to equipment inside), but building locked, no staffing in place, no schedule of operation posted at the building, and AHs not knowledgeable about hours of operation.</td>
<td>IRC informed CRP that the medical facility is upgraded to a Medical Center, but no signboard informing about hours of operation (the facility was closed when the CRP visited the site)</td>
</tr>
<tr>
<td>Community health post has been constructed - contains some dilapidated furniture, a rudimentary supply of medicines, and inadequate staffing</td>
<td>School has been expanded from 5 to 15 classrooms.</td>
<td>Expansion of classrooms completed.</td>
</tr>
<tr>
<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>
<td>Improvement of laterite access and internal roads, and slope protection</td>
<td></td>
</tr>
<tr>
<td><strong>Pursat</strong></td>
<td>Not visited by CRP</td>
<td></td>
</tr>
<tr>
<td>Access road is prone to erosion</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Battambang</strong></td>
<td>No change</td>
<td>Water supply system operational with pipe connections to residences. Water only used for washing and cooking. Community collects water charge based on metering.</td>
</tr>
<tr>
<td>Filtered water (of questionable quality) from a pond, for which an overhead tank and pipes for house connections were being installed</td>
<td>No action</td>
<td>No action</td>
</tr>
<tr>
<td>waste management</td>
<td>Poipet</td>
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<td>------------------</td>
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</tr>
<tr>
<td>Both the access road and internal roads within the site are of very poor quality and in need of upgrading</td>
<td>Improvement of laterite access roads and repair of internal roads.</td>
<td></td>
</tr>
<tr>
<td>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>
<td>Improvement of laterite access roads, and replacement of piped drains. Drains along internal roads inadequate.</td>
<td></td>
</tr>
<tr>
<td>No arrangements for solid waste management</td>
<td>No action</td>
<td></td>
</tr>
<tr>
<td>Project has installed hand pumps – some are defunct. Some AHs buy water from water trucks. Option to connect to city piped water system at $250 per house connection.</td>
<td>Fencing between pond and school completed.</td>
<td></td>
</tr>
</tbody>
</table>