ADB STATEMENT
ON STT REPORT ON RAILWAY PROJECT

We appreciate the thoroughness of the report by Sahmakum Teang Tnaut (STT), which has explored the impacts of resettlement on the population relocated to the Trapeang Anhchanh site and acknowledges efforts made by the Royal Government of Cambodia and project partners to address issues.

Since the STT report was researched in July 2012, significant strides have been made to improve the resettlement process and restore incomes.

Unscrupulous loans are a matter of grave concern. ADB, the Royal Government of Cambodia and AusAID are speaking with microfinance organizations to help protect resettled families from predatory money-lenders. AusAID has also engaged the Credit Union Foundation Australia to conduct 18-month long financial literacy training among affected households in all relocation sites.

Initial data from March 2013 involving 44 households in Trapeang Anhchanh shows the average resettled household debt has decreased to $875. Monthly average household income has increased to $373.67, while monthly debt repayments are $64.74 and monthly savings have grown to $39.09. The initial data was collected by the Credit Union Foundation Australia (CUFA) and corroborated by recent IRC/ADB data and will continue to get updated as part of monitoring efforts.

Since STT collected its data, ADB, the Royal Government of Cambodia, and the Australian Agency for International Development (AusAID) have implemented an Expanded Income Restoration Program (EIRP) and established Self-Help Groups to support affected households with training and start-up capital for livelihoods opportunities as they are resettled.

- In Phnom Penh, 63 affected households took out loans from the EIRP, borrowing a total of $28,250 to invest in income-generating activities such as buying motorbikes to work as moto-taxis, buying foodstuffs to expand businesses, or buying chickens to raise, among other activities.

- Maintaining food security at the resettlement sites is crucial to the health and welfare of the relocated families. The EIRP also has a social safety net fund (SSNF) for emergencies. If there is a food crisis in the household, they can access SSNF. AusAID has also been facilitating health insurance so that sudden health crises will not result in depletion of savings or borrowing. In Phnom Penh, $3,730 has been disbursed to 70 families that have accessed the SSNF (an average of $53 per family, although a family may benefit more than once). All the SSNF funds have been used primarily to address health emergencies, including accidents, illness, and births. Of this, $1,375 has been used by 41 families to access low-cost health insurance.

We see these as positive steps toward resolving issues identified in the STT report, and will discuss with Government the recommendations contained within it.

Since STT collected their data in July 2012, ADB’s Office of Special Projects Facilitator has resolved 116 grievances involving issues of compensation and the rehabilitation of infrastructure at relocation sites during missions conducted between August and October 2012.

All resettlement processes provide learning experiences for the future. ADB and other development partners continue to work closely with the Royal Government of Cambodia to address outstanding issues and to make sure the improved provisions are incorporated into updated resettlement plans for those still to be relocated.