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PRESS RELEASE

Families Displaced by Cambodian Railway Development Seek Justice from the Asian Development Bank

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Families displaced from their homes and livelihoods by the Asian Development Bank (ADB)-financed project to rehabilitate Cambodia's railway have filed a complaint to the Bank's Compliance Review Panel (CRP) stating that they have suffered serious harms, including impoverishment, because of the project. The complaint, which was filed on behalf of affected families by Inclusive Development International (IDI), describes a litany of problems with the involuntary resettlement process that have inflicted undue hardships on hundreds of poor families. The CRP [registered the complaint](#) on September 4, 2012.

The Railway project, financed mainly by loans from the Asian Development Bank (ADB) and grants from the Government of Australia, affects at least 4164 families who live alongside the dilapidated railway tracks. At least 1200 families are required to relocate in order to make way for the project. A joint venture of the Australian firm Toll Holdings and the Cambodian firm Royal Group secured a 30-year concession to operate the refurbished railways.

"The ongoing failure of ADB to comply with its policies has meant that vulnerable families who previously hovered just above the poverty line have now been made destitute by a botched resettlement process and can no longer meet basic needs," said IDI Managing Associate David Pred.

Project affected communities have attempted for the past two years to get ADB to adhere to the basic tenets of its safeguard policy, which requires the Bank to ensure that affected households are "compensated and assisted so that their economic and social future will generally be at least as favorable with the project as without it."

"ADB has been presented with substantial evidence that the Railway resettlement process falls well below ADB's standards, yet on issues from a flawed inventory of losses to below-market compensation rates, ADB has consistently declined to take the remedial action that is necessary to bring the Project back into compliance," said Pred.

“Affected households are now turning to the Compliance Review Panel to seek accountability and reparations for the harms they have suffered in line with their rights under ADB’s safeguards policy,” he added.

According to the complaint, children in particular are bearing the brunt of displacement. Parents, who signed the complaint but wish to remain anonymous for fear of retribution, lament that they no longer earn enough to feed their children and they are dropping out of school.

The complaint quotes a mother of three who says that before resettlement her children ate three meals a day of “whatever they wanted from the market,” but now she can only feed her children one or two meals per day and does not always have enough money to buy rice. She no longer has enough money to send all her children to school, so two out of three have dropped out. One daughter now works at a factory and the other stays home and helps her cook and clean. She says that her children were not often sick before resettlement and are now “always sick” with headaches because they are hungry. She says her children are “more stressed because they are angry with their mother since they don’t have enough to eat.”

Eang Vuthy of Equitable Cambodia, a Cambodian organization that has been monitoring the impacts of the Railway resettlement process, confirmed that “children are dropping out of school and in some cases have gotten work in factories to supplement the family income and help pay interest on debt.”

“It seems that girls, in particular, are dropping out,” he said.

Many resettled families say they were coerced into accepting low compensation rates and are now unable to make ends meet. IDI Legal Associate Natalie Bugalski says that the way resettlement has unfolded for many families under the ADB-financed project has constituted a forced eviction, which is illegal under international law.

“Basic due process protections such as access to information and meaningful consultation were not in place, and following relocation people have experienced a dramatic deterioration in their enjoyment of human rights to housing, food and education.”

“ADB has an obligation not only to comply with its own safeguard policies, but also the international law obligations of its borrowers and shareholders,” she added.

While the complaint welcomes the new Enhanced Income Restoration Program (EIRP), funded through a supplemental grant from the Government of Australia, it says it is too little too late. The EIRP commenced more than two years after the first families were resettled and does not provide debt relief for the crippling loans families have taken out from private creditors at 5 - 7 percent interest per month. Nor does it compensate families for the months of income losses they

have endured since being displaced from their inner-city jobs or small businesses.

IDI states in the complaint, “the refusal by ADB to provide debt relief will mean that the [the program] will not successfully reverse impoverishment of vulnerable families who are heavily indebted.”

Families have requested a number of remedies from the ADB including reimbursement for the actual costs of replacing lost assets, at least enough compensation to build an adequate home and meet basic needs, debt relief and support to get their children back into school.

The full complaint is available at the following link:

<http://compliance.adb.org/dir0035p.nsf/alldocs/RDIA-8XT5DA?OpenDocument>

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More information about the Railway project is available at:

www.inclusivedevelopment.net/railway

[Inclusive Development International](http://www.inclusivedevelopment.net) is an independent non-profit association of researchers, educators and advocates working to make the international development paradigm more just and inclusive.