

FORUM BRIEFER 01-26

# Cambodia: National Highway 1 Project

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In the very first project developed under ADB's Greater Mekong subregion (GMS) initiative, an estimated six thousand lives are expected to be disrupted.

National Highway 1 Improvement Project involves the construction of a 240 kilometer highway linking Phnom Penh to Ho Chi Minh City aimed to encourage trade flows between Cambodia and Vietnam. Of the total \$195 million project cost, \$40 million comes from ADB coffers. The project started in January 2000 and is due to be completed by June 2003.

Of the entire length, 160 km is in Cambodia and the remaining 80 km is in Vietnam. The project involves the acquisition of approximately 210 hectares of land much of this with existing building structures -- 61% are residential, 37% are a combination of business and residential and 21% are wholly for commercial purposes.

A few months after start-up, however, compensation and resettlement schemes implemented by the Royal Government of Cambodia (RGC) contradicted that of the ADB's policy on Involuntary Resettlement. The RGC's policy is based on the edict that gives the government the right-of-way of 30 meters from the axis of the National Route 1, a refinement of what was previously practiced involving 25 meters from any national road. This clearly violates an earlier discussion between the Bank and the RGC on an initial right-of-way distance of just 10 to 15 meters.

Moreover, the RGC has agreed to bear the full liability of financing the cost of relocation, including land acquisition resettlement and compensation for people affected by the project. Its Interministerial Resettlement Committee, however, has made clear that people with houses on the side of the road will not be fully compensated as these areas are state properties. The least they could obtain are contributions to compensate for the cost of removing their houses and constructing a new one.

In a survey conducted by the NGO Forum on Cambodia in the resettlement communes in Prey Vang and Svay Rieng provinces, the majority of respondents complained of lack of transparency and consultations.

Some 55% have very little understanding of the government's policy on compensation and relocation nor do they know the portion of the road that will be acquired. A mere 38% clearly understands that their houses will be removed if they were situated less than 25 meters from the road axis.

A majority had very little understanding of how the road project would affect them. They reported how their houses were measured by local authorities and being asked to fingerprint a document. Later, the authorities came back to ask the people to sign a document alleging that they had agreed to move their homes and accept compensation from the government.

Compensation for affected families has been undervalued, with 66% of the respondents receiving limited compensation of \$140-US\$150 per family. Though they thought that the compensation was not enough, they agreed to it because otherwise they would get nothing at all.

Finally, the resettlement scheme seemed to be inappropriate since the sites are located some 130 kilometer from the nearest town. Moreover, these sites lack the most basic facilities such as schools or a clinic and do not have provisions for farming. The compensation given by the government is not even enough to cover the cost of building new homes. Many of the affectees are highway vendors and have lost their livelihoods when they were displaced from their homes near the road.

Ironically, the Bank's Involuntary Policy speaks mainly of full compensation so that the affected population will be "at least as well-off as they would have been in absence of the project" and that the absence of "formal legal titles to land by some affected groups should not be a bar to compensation" remains to be observed.

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\* The NGO FORUM ON ADB (FORUM) is a network of diverse non-governmental organizations (NGOs), peoples' organizations (POs), community-based organizations and other public interest groups with advocacy and campaigns relating to the Asian Development Bank (ADB). The Manila-based Secretariat can be reached at: Room 402, 107-A Kalayaan Avenue, Diliman, 1101 Quezon City, Philippines; Telefax: +632 9297987; E-mail: [forum@pacific.net.ph](mailto:forum@pacific.net.ph). Visit our homepage: [www15.brinkster.com/ngoforum](http://www15.brinkster.com/ngoforum).