

From: s 22 1(a)(ii)
Sent: Tuesday, 31 January 2012 3:53 PM
To: s 22 1(a)(ii)
Cc: s 22 1(a)(ii)
Subject: FW: Aid and Accountability: Safeguarding Rights in High-Risk Development Projects - 13 February
[SEC=UNCLASSIFIED]

Hi s 22 1(a)(ii)

Please find below the details of the event to be held at Monash University, co-hosted by Oxfam (where the BABC report will be discussed).

Thanks,

s 22 1(a)(ii)

s 22 1(a)(ii)

Program Manager | Cambodia | AusAID
s 22 1(a)(ii) | Fax +612 6206 4036 | s 22 1(a)(ii)
PO Box 887 Canberra ACT 2601
s 22 1(a)(ii)

From: s47f(1) @monash.edu [mailto:s47f(1)@monash.edu] **On Behalf Of** Castan Centre
Sent: 31 January 2012 10:17 AM
Subject: Aid and Accountability: Safeguarding Rights in High-Risk Development Projects - 13 February

Dear Supporter,

You are invited to a panel discussion on:

Aid and Accountability: Safeguarding Rights in High-Risk Development Projects
Learning from the ADB and AusAID-Funded Rehabilitation of the Cambodian Railway Project

Presenters

David Pred, Executive Director, Bridges Across Borders Cambodia

Dr. Natalie Bugalski, Human Rights Lawyer, Author of DERAILED report

Eang Vuthy, Development Watch Program Manager, Bridges Across Borders Cambodia

Panellists

Dr. Adam McBeth, Deputy Director, Castan Centre for Human Rights Law, Monash University

Jessica Rosien, Advocacy Coordinator, Oxfam Australia

Matthew Hilton, Chair, Aid/Watch

Moderator

James Ensor, Policy Director, Oxfam Australia

Date: Monday, 13 February 2012

Time: 12:30pm to 2:00pm (Refreshments and finger food to be provided after the event from 2:00pm to 2:30pm)

Venue: Monash University Law Chambers, 555 Lonsdale Street, Melbourne

RSVP: castan.centre@monash.edu or tel. 9905 3327

Full details: <http://www.law.monash.edu.au/castancentre/events/2012/babc-derailed.html>

On February 13th, Bridges Across Borders Cambodia (BABC) will present the findings of its forthcoming report, *DERAILED, A Study on the Resettlement Impacts of the Rehabilitation of the Cambodian Railway*. The Project, predominantly financed by the Asian Development Bank (ADB) and AusAID, is restoring Cambodia's 650 kilometres of railway infrastructure. A joint venture of the Australian firm Toll Holdings and the Cambodian firm Royal Group had secured a 30-year

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FILE: 14/36897

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concession to operate the refurbished railways. More than 4000 families living near the railway lines stand to be affected by the Project. The report assesses the extent to which the Project's resettlement component has complied with international human rights law obligations and the ADB Policy on Involuntary Resettlement.

A presentation of the report findings will be followed by a panel discussion on resettlement rights, risks and safeguards in relation to infrastructure aid projects:

- Why are safeguard policies important for aid projects that cause displacement?
- What does it take to make safeguard policies effective in political and development environments characterized by human rights abuses and accountability deficits?
- What are Australia's extra-territorial human rights obligations with respect to its overseas development assistance?
- What are the take away lessons from the Cambodian Railways Project for AusAID and the ADB?

This event is co-hosted by **Oxfam Australia** and the **Castan Centre for Human Rights Law**

NB: If this particular educational activity is relevant to your immediate or long term needs in relation to your professional development and practice of the law, then you should claim one 'unit' for each hour of attendance.

s 22 1(a)(ii)



Australian Government

AusAID

MEDIA TALKING POINTS

Subject: Cambodia Railway Rehabilitation project: DERAILED report by Bridges Across Borders Cambodia

14 February 2012

Talking Points

Why does AusAID support this project?

- AusAID is supporting the Asian Development Bank's (ADB) Cambodia Railway Rehabilitation Project to deliver positive economic benefits for the entire country. In carrying out the project we also seek to achieve good and fair resettlement outcomes for affected communities
 - We will continue to assist the Government of Cambodia to rectify problems in what is a very important project for the country's development.
- Resettlement is a difficult and challenging process and if not properly addressed, can potentially lead to negative impacts on vulnerable people, whose livelihoods, homes, access to services and food security can all be put at risk
 - fixing the railway on this project involves moving people who are currently living in squatter settlements along the railway line (often dangerously close) and resettling them in new locations
 - ensuring that people affected by this project would achieve good resettlement outcomes was one of the reasons Australia decided to become involved in this project in the first place
 - despite our best efforts to ensure good outcomes, and see that the process is as fair and transparent as possible, not all affected people will be satisfied by the outcomes of the resettlement process

What are the benefits of this project?

- This is a very important project for Cambodia
 - Poor infrastructure is a key constraint to sustained economic growth and poverty reduction in Cambodia
- A properly functioning railway network will support trade with Cambodia's neighbouring countries and the wider world
 - the project will help rebuild 650 kms of Cambodia's railways, which have deteriorated over many years due to war, neglect and mismanagement
 - the project will see the railway repaired to meet international standards and restore a missing link between Sisaphon and Poipet on the Thai

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border as well as restoring a freight link to the country's port at Sihanoukville.

- construction of 110 km of the railway line is complete, and commercial trains are running on this line. In December 2011, a 1000m train was successfully tested on this stretch.
- Cambodia's poor will directly benefit from the rehabilitated railway system by enjoying:
 - reduced transport costs, enabling local industries to become more competitive in international and local markets
 - new employment opportunities for people working on the railway and in related transport and maintenance industries
- A properly functioning railway system will also help all Cambodians by reducing the number of heavy vehicles on the road, leading to
 - fewer road accidents (road deaths in Cambodia – in a country of 15 million people - almost 1800 people die each year and thousands of others are seriously injured)
 - savings in road and sea transport costs, estimated at over \$1 billion
 - lower CO² emissions, resulting in estimated savings of \$28 million
 - savings in road maintenance costs of \$39 million
 - savings in road safety costs, estimated at \$30 million

[NB: data comes from ADB cost benefit analysis conducted during the design phase of the project]

s 22 1(a)(ii)

s 22 1(a)(ii)

What have been the results of AusAID's efforts to improve resettlement on this project?

- Since late 2010 there have been improvements in the implementation of resettlement, including in the following areas:
 - essential services are installed at resettlement sites before families are relocated

3

- financial compensation is provided to households that takes into account rising food prices
- grievances of affected households are being assessed and responded to
- additional funding is being provided to an income restoration program to help those relocated earn a living after being resettled.
- With Australian support an expanded community-based income restoration program run by the ADB began in November 2011, and includes
 - a range of training opportunities including in trades. Some of the resettlement sites (particularly Phnom Penh) are close to factories, and efforts will be made to provide households with the skills required to take advantage of these employment opportunities
 - a revolving fund, which will provide loans to affected households for income generation activities including agricultural inputs and tools
 - a social safety net, which will provide money to the very poorest households (eg widows) for reestablishment costs or to cushion social shocks (for people with unforeseen medical expenses, for example).

s 22 1(a)(ii)

pp. 8-10 omitted as outside the scope of the request

s 22 1(a)(ii)

Background

DERAILED Report

Local NGO Bridges Across Borders Cambodia launched the DERAILED report at Monash University on 13 February, with support from Oxfam. Media attention is expected. Entitled 'Aid and Accountability: Safeguarding Rights in High-Risk Development Projects,' the event will feature panelists from Oxfam, Aid/Watch and the Castan Centre for Human Rights Law at Monash University, and include presentations from David Pred, Executive Director of Bridges Across Borders Cambodia, and Natalie Bugalski, human rights lawyer and author of the report.

s 22 1(a)(ii)

s 22 1(a)(ii)

Media Interest: Yes

Author	s 22 1(a)(ii)	Mekong Section, 08/03/12
Cleared by	Cleared by Chris Elstoft, ADG MPBR	
Consultation	Communications Section	
Point of Contact	s 22 1(a)(ii)	

s 22 1(a)(ii)

pp 14-23 omitted as outside the scope of the request

s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: Tuesday, 14 February 2012 6:32 PM
To: Chris Elstoft
Cc: s 22 1(a)(ii)
Subject: FW: Back pocket briefing [SEC=UNCLASSIFIED]

Chris – see below from DFAT – s 22 1(a)(ii) thanks.

From: s 22 1(a)(ii) [mailto:s 22 1(a)(ii)@dfat.gov.au]
Sent: Tuesday, 14 February 2012 6:29 PM
To: s 22 1(a)(ii)
Cc: s 22 1(a)(ii) (DFAT); s 22 1(a)(ii)
Subject: Re: Back pocket briefing [SEC=IN-CONFIDENCE:BRIEFING] [SEC=UNCLASSIFIED]

Classification: UNCLASSIFIED

s 22 1(a)(ii)

s 22 1(a)(ii)

If we get any questions at Estimates about the report which we understand will be released that day, it would be a very fair answer to note that the report has only just been released and to say that we will examine it carefully in the coming days.

Cheers,
s 22 1(a)(ii)

From: s 22 1(a)(ii) [mailto:s 22 1(a)(ii)@ausaid.gov.au]
Sent: Tuesday, February 14, 2012 06:07 PM
To: s 22 1(a)(ii)
Cc: s 22 1(a)(ii) [mailto:s 22 1(a)(ii)@ausaid.gov.au]
Subject: Back pocket briefing [SEC=IN-CONFIDENCE:BRIEFING] [SEC=UNCLASSIFIED]

Hi s 22 1(a)(ii)
s 22 1(a)(ii)

Also – FYI – we have left a message with Aid/Watch,

asking for a copy of their report.

Many thanks,
s 22 1(a)(ii)

.....
This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed.

CAMBODIA

Railway Rehabilitation Project - Resettlement

s 22 1(a)(ii)

Background

Derailed Report by Bridges Across Borders Cambodia

Local NGO Bridges Across Borders Cambodia launched the *Derailed* report at Monash University on 13 February, with support from Oxfam.

Continued media attention is expected. Entitled 'Aid and Accountability: Safeguarding Rights in High-Risk Development Projects,' the event featured panelists from Oxfam, Aid/Watch and the Castan Centre for Human Rights Law at Monash University, and included presentations from David Fred, Executive Director of Bridges Across Borders Cambodia, and Natalie Bugalski, human rights lawyer and author of the report.

s 22 1(a)(ii)

Prepared By:
s 22 1(a)(ii)
Mekong/MPBR
Phone: s 22 1(a)(ii)
Date: 14/2/12

Cleared By:
Chris Elstoft
ADG MPBR
ASIA
Phone: Ext 4044

2. Cambodia: Toll Holdings' railway concession

s 22 1(a)(ii)

s 22 1(a)(ii)

Does the Government agree with Aid Watch's criticism of Toll Holdings' role in the Cambodia's railways?

- . Understand that Aid Watch released a report today [16 February] on Cambodia's railways, including Toll Holdings' involvement.
- . Have not yet seen the report.
- . Toll Holdings' involvement in Cambodia's railways is a commercial matter for it.
- . Toll Holdings is a reputable Australian company
 - expect that it operates in accordance with all relevant Cambodian and Australian laws
 - no reason to think otherwise.

Why is the Government supporting the railway rehabilitation project?

- . AusAID is co-financing the railway rehabilitation project with the Cambodian Government and the Asian Development Bank.
- . A functioning railway system will facilitate growing trade and ease of transportation in Cambodia
 - will benefit poor Cambodians, including by reducing transport and commodity costs, and creating employment.
- . Questions on the project, including resettlement issues, should be directed to AusAID.

Background

s 22 1(a)(ii)

We understand that Aid Watch will release a report on 16 February 2012 on Cambodia's railways that will be critical of Toll Holdings' role. We have not seen an advance copy of the report.

s 22 1(a)(ii)

Prepared by:	Cleared by Branch Head:
s 22 1(a)(ii) Director TPC	Bassim Blazey, AS SBB
s 22 1(a)(ii)	Ext: 1766 Mobile: s 22 1(a)(ii)
Date: 15 February 2012	Date: 15 February 2012

s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: Thursday, 16 February 2012 7:31 PM
To: s 22 1(a)(ii) Chris Elstoft; Ausaid Media
Cc: Roderick Brazier; s 22 1(a)(ii) Lisa Wright
Subject: RE: Interview? [SEC=UNCLASSIFIED]

His 22 1(a)(ii)

As Senate Estimates for AusAID still hasn't happened, and we haven't had a chance to fully consider the AidWATCH report s 22 1(a)(ii) - due to be released tomorrow, s 22 1(a)(ii)

s 22 1(a)(ii)

Kind regards

s 22 1(a)(ii)

s 22 1(a)(ii)

Counsellor - Development Cooperation / Phnom Penh

s 22 1(a)(ii) | Fax +855 23 213 466
Australian Embassy, No. 16B National Assembly Street

Phnom Penh, Cambodia
www.ausaid.gov.au

The Australian Government is committed to the implementation of the Millennium Development Goals

s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: 16 February 2012 3:18 PM
To: s 22 1(a)(ii) Chris Elstoft; Ausaid Media
Cc: s 22 1(a)(ii) Roderick Brazier; s 22 1(a)(ii) Lisa Wright
Subject: RE: Interview? [SEC=UNCLASSIFIED]

s 22 1(a)(ii)

Media Director | Communications and Media Branch | AusAID
s 22 1(a)(ii) | Fax +612 6206 4233 |
s 22 1(a)(ii)
PO Box 887 Canberra ACT 2601
www.ausaid.gov.au

From: s 22 1(a)(ii)
Sent: Wednesday, 15 February 2012 3:34 PM
To: s 22 1(a)(ii) Chris Elstoft; Ausaid Media
Cc: s 22 1(a)(ii) Roderick Brazier; s 22 1(a)(ii) Lisa Wright
Subject: RE: Interview? [SEC=UNCLASSIFIED]

All

s 22 1(a)(ii)

Regards,

s 22 1(a)(ii)

Senior Development Specialist | AusAID Cambodia

Ph +855 23 213 470 s 22 1(a)(ii)

| Fax +855 23 213 466

From: s 22 1(a)(ii)

Sent: 15 February 2012 6:02 AM

To: Chris Elstoft; s 22 1(a)(ii) Ausaid Media

Cc: s 22 1(a)(ii) Roderick Brazier; s 22 1(a)(ii)

Lisa Wright

Subject: RE: Interview? [SEC=UNCLASSIFIED]

Chris, s 22 1(a)(ii)

s 22 1(a)(ii)

The fact it is on Friday means we will have seen what Senate Estimates has to offer on the issue on Thursday (and AidWatch's report). as well.
s 22 1(a)(ii)

Regards,

s 22 1(a)(ii)

Media Director | Communications and Media Branch | AusAID

s 22 1(a)(ii) | Fax +612 6206 4233 |

s 22 1(a)(ii)
PO Box 887 Canberra ACT 2601

www.ausaid.gov.au

From: Chris Elstoft

Sent: Tuesday, 14 February 2012 7:56 PM

To: s 22 1(a)(ii) Ausaid Media

Cc: s 22 1(a)(ii) Roderick Brazier; s 22 1(a)(ii)

Subject: Re: Interview? [SEC=UNCLASSIFIED]

Classification: UNCLASSIFIED

Thanks.

s 22 1(a)(ii) grateful you raise at morning media meeting

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FILE: 14/36897

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Rodd: below is a request for an abc radio interview.

Chris Elstoft
 Assistant Director General
 Mekong, Philippines, Burma, Asia Regional
 AusAID
 6206 4044
 s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: Tuesday, February 14, 2012 07:10 PM
To: Chris Elstoft; s 22 1(a)(ii)
Cc: s 22 1(a)(ii)
Subject: FW: Interview? [SEC=UNCLASSIFIED]

Hi All

s 22 1(a)(ii)

Thanks, s 22 1(a)(ii)

s 22 1(a)(ii)

Senior Development Specialist | AusAID Cambodia

s 22 1(a)(ii)

| Fax +855 23 213 466

From: s 22 1(a)(ii) @dfat.gov.au
Sent: 14 February 2012 2:14 PM
To: Penny Richards (DFAT); s 22 1(a)(ii)
Cc: s 22 1(a)(ii)
Subject: FW: Interview? [SEC=UNCLASSIFIED]

Ambassador, s 22 1(a)(ii)

See the below request for an interview froms 47 F(1) s 22 1(a)(ii)

s 22 1(a)(ii)

s 22 1(a)(ii)

s 22 1(a)(ii)

First Secretary and Deputy Head of Mission
 Australian Embassy
 Phnom Penh
 Tel: +855 23 213 470, s 22 1(a)(ii)
 Fax: +855 23 810 806

s 22 1(a)(ii)

s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: Thursday, 16 February 2012 12:12 PM
To: Roderick Brazier; Chris Elstoft
Cc: s 22 1(a)(ii)
Subject: FW: FW: AID/WATCH report [SEC=UNCLASSIFIED]

FYI – quick reaction from s 33(a)(iii)

in the AidWatch missive

From: s 33 (a)(iii)
Sent: 16 February 2012 12:19 AM
To: s 22 1(a)(ii)
Cc: s 33(a)(iii)
Subject: Re: FW: AID/WATCH report [SEC=UNCLASSIFIED]

His 22 1(a)(ii)

s 33 (a)(iii), s 33(b)

s 33(a)(iii)

On 15/02/2012 14:48, s 22 1(a)(ii) wrote:
Hi (and all)

Yet another report on resettlement; seems focused on AusAID from the title, but I'm yet to read it.

From AidWatch, an Australian advocacy organisation.

Hot off the press.

FYI.

s 22 1(a)(ii)

s 22 1(a)(ii)

Senior Development Specialist | AusAID Cambodia

Ph +855 23 213 22 1(a)(ii)

Fax +855 23 213 466

s 22 1(a)(ii)

s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: Thursday, 16 February 2012 9:06 PM
To: s 22 1(a)(ii) (DFAT)
Cc: Chris Elstoft; Ausaid Media; s 22 1(a)(ii) Penny
 Richards (DFAT)
Subject: RE: Media enquiry - Report on railway rehabilitation project [SEC=IN-CONFIDENCE:BRIEFING]

Dear s 22 1(a)(ii)

s 22 1(a)(ii)

Given the above, I would recommend going back to ^{s 47}_{F(1)} tonight with the following response:

Dears 47 F(1)

Many thanks for your questions related to AusAID's engagement with the Rehabilitation of the Railway Project in Cambodia. Unfortunately we are not able to meet your deadline this evening. We look forward to responding to your enquiry tomorrow.

s 22 1(a)(ii)

Many thanks

s 22 1(a)(ii)

s 22 1(a)(ii)

Counsellor – Development Cooperation / Phnom Penh

s 22 1(a)(ii) | Fax +855 23 213 466
 Australian Embassy, No. 16B National Assembly Street

Phnom Penh, Cambodia
www.ausaid.gov.au

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 FILE: 14/36897
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The Australian Government is committed to the implementation of the Millennium Development Goals

s 22 1(a)(ii)

From: s 47 F(1)
Sent: 16 February 2012 3:47 PM
To: s 22 1(a)(ii) (DFAT)
Cc: s 22 1(a)(ii)
Subject: Media enquiry - Report on railway rehabilitation project

His 22 1(a)(ii)

I hope this email finds you well. Today, a report was released by an Australia-based watchdog group called AID/WATCH about the railways project, which I've provided a link to. The report makes a number of recommendations to AusAID specifically and I would just like to ask a few questions about it.

- The report recommends that AusAID "immediately suspend the project and undertake a complete review of the resettlement process, including assessing whether ADB has breached its resettlement guidelines and undertake punitive action if so". Do you have any comment on this particular recommendation? Have ADB resettlement guidelines been breached?

- The report also recommends that AusAID should suspend cooperation with the Cambodian government should NGOs monitoring such projects be "targeted". The recent report from Bridges Across Borders Cambodia on the project stated that the resettlement process had taken place in an atmosphere of intimidation, and BABC executive director David Pred told the *Post* that NGOs monitoring the project have come under "significant pressure". Has AusAID approached this issue with the Cambodian government at any stage?

- Both AusAID and ADB, which are providing funding for the project, have emphasised its importance for the development of Cambodia. As an agency partially funding such a large-scale project, how do you balance the benefit of development with a resettlement process that is fair to affected households?

- In previous comments this week, you said that AusAID seeks project outcomes in accordance with ADB resettlement policies. Has AusAID experienced difficulties in implementing ADB safeguard policies, and fair resettlement processes, while working with the Cambodian government on the project?

If you would also like to comment specifically on any of the other recommendations in the report, or the report generally, please do.

s 22 1(a)(ii)

Best regards,

s 47 F(1)

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s 47 F(1)

Reporter

The Phnom Penh Post

s 47 F(1)

s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: Monday, 20 February 2012 2:20 PM
To: s 22 1(a)(ii)
Subject: FW: URGENT: ABC media inquiry on AidWatch Cambodia Railways report [SEC=UNCLASSIFIED]
Attachments: Archived attachment list.txt attachment not filed with the e-mail
Importance: High

Hows this look

From: s 22 1(a)(ii)
Sent: Monday, 20 February 2012 1:33 PM
To: s 22 1(a)(ii)
Cc: Chris Elstoft; Roderick Brazier; Blair Exell; James Batley; Chris Elstoft
Subject: URGENT: ABC media inquiry on AidWatch Cambodia Railways report [SEC=UNCLASSIFIED]
Importance: High

Hi s 22 1(a)(ii)

s 47 F(1) from ABC Radio (news and current affairs) has sent an email about the AidWatch report on Cambodia Railways – he wants to know our response to it, specifically on the ‘suspending’ our involvement question: will we and should we.

Question: AidWatch is calling for AusAid to suspend its involvement with the Cambodian Railways project. Can I get a response to this?

I spoke to Chris about this a short time ago and he asked me to pull together a draft response to get you started. I've not had a chance to speak to s 22 1(a)(ii) about this yet, but I suspect will simply go to AidWatch for comment if he hasn't already. s 22 1(a)(ii)

I've taken a stab at pulling together a response based on the TPs from last week that tries to address some of the key concerns I could see in the report. It needs to be shortened and finessed a bit further but I didn't want to delay any more given the deadline is COB today. I'd be grateful if you could look at what I've done and come back to me with any changes/suggestions. I'd appreciate an opportunity to run this past before we start the approval process.

Cheers,
s 22 1(a)(ii)

s 22 1(a)(ii)

Media Officer | Communications and Media Branch | AusAID
s 22 1(a)(ii)

PO Box 887 Canberra ACT 2601
www.ausaid.gov.au



Acting Director General

Liz Barrett
Co-Director Aid/Watch
19 Eve St
Erskineville NSW 2043

Dear Ms Barrett

Thank you for your letter and for providing us with a copy of the Aid/Watch report: *Off the Rails – AusAID and the Troubled Cambodian Railways Project*.

We note your concerns about the way resettlement has been handled by the Cambodia Railway Rehabilitation Project.

AusAID is supporting the Asian Development Bank (ADB) on this project to deliver positive economic benefits for the entire country. In carrying out the project we also seek to achieve good and fair resettlement outcomes for affected communities. We work closely with the ADB to monitor and review the implementation of resettlement (through our participation in joint review missions on a quarterly basis, regular roundtable meetings and our own monitoring missions) and we offer assistance to the Cambodian Government to assist it with implementation of resettlement, where needed, and will continue to do so.

AusAID has consistently pressed the Cambodian Government to implement resettlement in accordance with guidelines issued by the ADB. We have dedicated extra staff to monitor resettlement progress and have allocated extra funds to help affected people, including \$1 million for an enhanced community-based income restoration program. This program includes a range of training opportunities, a revolving fund (which will provide loans to affected households for income generation activities), and a social safety net (which will provide money to the very poorest households for reestablishment costs or to cushion social shocks). We are confident that these and other measures, alongside the efforts of the ADB and the Cambodian Government, are improving resettlement processes.

Australian Agency for International Development
255 London Cct Canberra ACT 2600 GPO. Box 887 CANBERRA ACT 2601
Telephone +61 2 6206 4001 Fax +61 2 6206 4876 www.ausaid.gov.au

We take your report and interest seriously and thank you for your input.

Yours sincerely

James Batley

February 2012

Australian Agency for International Development
255 London Cct Canberra ACT 2600 GPO. Box 887 CANBERRA ACT 2601
Telephone +61 2 6206 4001 Fax +61 2 6206 4878 www.ausaid.gov.au

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FOREIGN AFFAIRS AND TRADE
CAMBODIA : AID : CAMBODIA RAILWAYS

Possible Question

Why is Australia continuing to fund infrastructure projects in Cambodia despite resettlement concerns?

Talking Points

Cambodian Railway Rehabilitation Project (co-funded by the Asian Development Bank and Australia).

- The Australian Government takes the welfare of those affected by development projects very seriously.
- While the Cambodian Government is responsible for implementing resettlement, AusAID and the Asian Development Bank are closely monitoring progress through regular visits to resettlement sites and discussions with affected families.
- Australian aid officials continue to press the Cambodian Government to ensure resettlement is in accordance with agreed guidelines issued by the Asian Development Bank.
- Rehabilitating Cambodia's rail system will have a large positive impact on the lives of Cambodia's poor, through reduced travel costs, enabling local industries to become more competitive, creating new employment opportunities, and improving road safety, reducing pollution and CO₂ emissions.
- Since late 2010 there has been substantial progress on resettlement challenges such as improved access to water and electricity at resettlement sites, an increase in compensation payment levels, and improvement to the handling of grievances.
- Australia has allocated an extra \$1 million to support affected people develop income-earning opportunities such as raising livestock or growing vegetables at their new homes. This program will also support a social safety net fund for vulnerable households and establish revolving community development funds with low interest loans to finance livelihood activities.

Recent NGO Reports by Bridges Across Borders Cambodia and Aid/Watch

- Recommendations in reports recently released by a Cambodian NGO, and Aid/Watch are largely directed towards the Cambodian Government and the Asian Development Bank.
- References to AusAID's work include developing a human-rights compliant policy on resettlement. AusAID has just revised and updated its approach to resettlement (which is available on the AusAID website) and the Government is confident our policies are in line with human rights obligations. Australian

NGOs, including Oxfam, were consulted and supported the development of our approach.

Background

Australia is contributing \$26.5 million to this project, amounting to 15 per cent of the total project cost. This project will affect up to 4000 households of whom around 2000-2500 will be relocated (some households may not need to be relocated, but will still be compensated for their homes being affected by the project or for loss of income). Throughout the project AusAID and ADB have urged the Cambodian Government to implement resettlement in line with ADB policies as agreed under the Funding Agreement. In response to the Cambodian Government's weak capacity to implement resettlement policies, AusAID and ADB increased monitoring of the project and provided increased and specialised resources on the ground.

Recent Reports by Cambodian NGO and Aid/Watch

Cambodian NGO Bridges Across Borders Cambodia launched its report 'Derailed: A Study on the Resettlement Impacts of the Rehabilitation of the Cambodian Railway' at Monash University on 13 February, with support from Oxfam. Limited media attention was received in Australia.s 22 1(a)(ii)

On 16 February Aid/Watch released a report: 'Off the Rails - AusAID and the Troubled Cambodian Railways Project.' The report disputes that the poor will benefit from this project, and is critical of Australian-linked companies' involvement. The report calls for AusAID to suspend the project, pending a complete review of the resettlement process. There has been no significant media attention to date.

s 22 1(a)(ii).

Prepared By:

s 22 1(a)(ii)
ASIA/MPBR
s 22 1(a)(ii)

Cleared By:

Chris Elstoft
ADG
MPBR

Edit Date: 08/03/2012

Phone: 4944

BACK POCKET BRIEF - CAMBODIA

Railway Rehabilitation Project - Response to BABC report (*Derailed*)

s 22 1(a)(ii)

pp. 51-53 omitted as outside the scope of the request

Background

Derailed Report by Bridges Across Borders Cambodia

Local NGO Bridges Across Borders Cambodia launched the *Derailed* report at Monash University on 13 February, with support from Oxfam.

Continued media attention is expected. Entitled 'Aid and Accountability: Safeguarding Rights in High-Risk Development Projects,' the event featured panelists from Oxfam, Aid/Watch and the Castan Centre for Human Rights Law at Monash University, and included presentations from David Pred, Executive Director of Bridges Across Borders Cambodia, and Natalie Bugalski, human rights lawyer and author of the report.

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Prepared By:
s 22 1(a)(ii)
Mekong/MPBR
s 22 1(a)(ii)
Date: 27/4/12

Cleared By:
s 22 1(a)(ii)
Director Mekong Section
ASIA
Phone: Exts 22 1(a)(ii)0

PhD Overview

s 47F(1)

Supervisor: s 47 F(1)

Co-supervisor: s 47 F(1)

Proposed Title

Responses to involuntary resettlement and the politics of community representation:
negotiating displacement in Cambodia

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Introduction

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pp. 59-78 omitted as outside the scope of the request

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There are also a number of smaller, yet similar, documents that have been released by NGOs on the Railway Project. For example, the publication by AidWATCH, entitled '*Off the Rails – AusAID and the Troubled Cambodian Railways Project*,' which outlines the

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impacts on the communities and the policy considerations relevant to whether Australian aid money should be used for such a project.¹¹⁸

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¹¹⁸ AidWatch, 'Off the Rails, AusAID and the troubled Cambodian Railways Project', 16 February 2012, available at <http://aidwatch.org.au/news/aidwatch-new-report-off-the-rails-ausaid-and-the-troubled-cambodian-railways-project-0>, viewed 8 February 2013.

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pp 81-82 omitted as outside the scope of the request

References

AidWatch, 'Off the Rails, AusAID and the troubled Cambodian Railways Project', 16 February 2012, available at <http://aidwatch.org.au/news/aidwatch-new-report-off-the-rails-ausaid-and-the-troubled-cambodian-railways-project-0>, viewed 8 February 2013.

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pp. 84-88 omitted as outside the scope of the request

Cambodia: Toll Holdings' railway concession

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Background
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NGO criticisms

Aid Watch released a report on the project in February 2012. The report notes, *inter alia*, that resettlement has 'been marred by inadequate compensation packages and forced evictions that have left many in poverty ... Residents who have refused to accept the packages have been threatened ... NGOs that have highlighted this intimidation have themselves been targeted ... by the Cambodian Government'. The report asks 'is this the kind of aid program that Australian taxpayers should support?'

The Aid Watch report followed the release of a similarly critical report by Bridges Across Borders Cambodia (BABC), an NGO threatened with suspension by the Cambodian Government for 'incitement', including because of its activism on the project.

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The Aid Watch report referred to above was the first significant report to be harshly critical of Toll Holdings' involvement and any support offered to Toll Holdings by the Australian Government. The report argued, *inter alia*, that TRR would be the 'principal benefactor' of the project, noting that 'Australian-linked companies benefiting from Australian aid is nothing new, but it should ring alarm bells'.

While AusAID has 'insisted' that Toll Holdings has 'not received any aid money', the Aid Watch report asserts that this 'is a simple accounting trick whereby the railway company enjoys the benefit of aid spending ... while absolving itself of responsibility or accountability for how it is spent'.

The Aid Watch report asserted that DFAT 'will not elaborate' on what support it offered to assist Toll Holdings' bid for the concession 'beyond confirming that support was given'. Similarly, questions to AusAID about the nature of support and whether Toll Holdings' involvement influenced AusAID's decision to fund the project 'remain unanswered and opaque beyond assertions'.

s 22 1(a)(ii)

Prepared by:	Cleared by Branch Head:
s 22 1(a)(ii) Director TPC	Kate Duff, AS SBB
s 22 1(a)(ii)	Ext: 1766 s 22 1(a)(ii)
Date: 18 May 2012	Date: May 2012

Issues Brief

Australia is contributing approximately A\$26m to a US\$143m Asian Development Bank (ADB) and Cambodian Government project to rebuild 650 km of Cambodia's railways. As is usual with infrastructure projects, resettlement of families living close to the rail line was necessary. Australia's funding of construction will be completed by December 2013.

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- NGOs, (*Inclusive Development International, Equitable Cambodia and STT*), as well as Australian NGOs (*Aid/Watch and Oxfam*), have consistently called on AusAID, the ADB and the Cambodian Government to take action to fix resettlement problems.

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Media Enquiries

Date Received	Name of Journalist	Media Outlet	Response Provided
4 June 2013	s 47 F(1)	Radio Australia	Yes – statement provided by Embassy in Phnom Penh.

Media Products

Type of Product	Date of Latest Version	Title
AusAID website	Updated regularly	Community resettlement on the Railway Project webpage
Talking Points	3 May 2013	Human Rights Commission complaint
Talking Points	19 August 2013	Protection of human rights under the Railway Project

Impact

Media attention on the project has subsided over the last twelve months.

s 22 1(a)(ii)

Author	s 22 1(a)(ii) s 22 1(a)(ii)	AusAID Media, s 22 1(a)(ii)	Mekong Section,
Cleared by FADG	Rod Brazier, First Assistant Director General, East Asia Division, 6178 4237		
Consultation	Phnom Penh Post		
Point of Contact			

Cambodian Railways – Strategic Management Plan

4th September 2012

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Actions to date:

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Next steps:

s 22 1(a)(ii)

Media management:

- The project has been subject to constant criticism from sections of the NGO community based in Cambodia, and Oxfam and AidWatch in Australia.

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s 22 1(a)(ii)

29 August 2012

**Cambodia Railway Rehabilitation Project
Stakeholder Engagement Plan**

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Stakeholder list and objective of engagement

Stakeholder s 22 1(a)(ii)	Objective of engagement
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AID/WATCH	Brief about details of resettlement support / pre-empt and nullify criticism where possible
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pp. 101-104 omitted as outside the scope of the request

Detailed implementation plan

Stakeholder	Engagement Activity	Communication intent	Expected outcome and next steps	Completed by (date)	Responsibility	Status (complete/ incomplete / on-going)
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AID/WATCH (TBC)	Chris Elstoft and AID/WATCH representative	Briefing on resettlement support, financing plan, nullifying criticism and seeking endorsement on aspects where possible	Nullify criticism	12 October	Chris Elstoft	Incomplete
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Cambodian Railway Rehabilitation Project

At the East Asia Summit in October 2010, Prime Minister Gillard announced \$132 million of support to improve infrastructure in the Greater Mekong Subregion. This announcement included Australia's contribution of AU\$26.5 million to a US\$143 million ADB-managed project to rehabilitate Cambodia's railways. The project has been severely criticised by NGO's in Cambodia and Australia over problems in the resettlement of people living in or near the disused tracks.

Australian funding for the project is being used for civil works; training for Cambodian Government staff who will manage the railway; an income restoration program for people resettled from near the lines; and monitoring the resettlement process, which involves relocating around 6,000 people who live in squats along the railway line.

The Cambodian Government is responsible for the resettlement and has agreed with the ADB to ensure that adequate compensation is provided to all those affected, regardless of whether they possess formal documents to prove their legal entitlement to the land or not.

The project has attracted NGO criticism and negative media coverage since November 2010. In February 2012, a Cambodian NGO and Australia's Aid/Watch raised concerns about the resettlement process and questioned the benefits of the project to Cambodia's poor.

Since June 2011, progress has been made on resettlement

- Basic facilities such as water and electricity have been provided at all relocation sites
- Local officials have been trained to address grievances, resulting in 83 per cent of complainants receiving a response (previously none had been addressed)
- AusAID has begun an income restoration program to provide those being resettled with the skills and resources to earn a living.

s 22 1(a)(ii)

From: s 22 1(a)(ii)
Sent: Thursday, 2 January 2014 11:36 AM
To: s 22 1(a)(ii)
Subject: RE: Aid/Watch and Cambodia [SEC=UNCLASSIFIED]

s 22 1(a)(ii)

Can you let Media know. Don't think we need to have anything prepared other than existing points

-----Original Message-----

From: s 22 1(a)(ii)
Sent: Thursday, 2 January 2014 11:23 AM
To: s 22 1(a)(ii)
Subject: FW: Aid/Watch and Cambodia [SEC=UNCLASSIFIED]

Hi s 22 1(a)(ii)

Just wondering if you have had a chance to look at this yet. Apologies - the link below doesn't work - try this one instead: <https://soundcloud.com/#aid-watch/aid-talks-7-where-is-your-aid>

s 22 1(a)(ii)

-----Original Message-----

From: s 22 1(a)(ii)
Sent: Monday, 30 December 2013 10:51 PM
To: s 22 1(a)(ii)
Cc: s 22 1(a)(ii)
Subject: Aid/Watch and Cambodia

<https://m.soundcloud.com/aid-watch/aid-talks-7-where-is-your-aid>

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Not sure this will get any airplay or is worth preparing a defensive response to, but

Just thought I would let you know that Aid/Watch released on their website a recording of one of their seminars ('aidtalks'), which was focused on the railway project. Not very factual, and includes references to the report they released (on Toll and the railway project) last year and the FOI request they have with us.

Let me know how you want to proceed and if we should at very least inform media team.

Thanks,
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