11th March, 2008

Mr. Arjun Goswami Country Director Cambodia Resident Mission Asian Development Bank (ADB)

Re: Loan 1659-CAM: Phnom Penh to Ho Chi Minh City Highway---Issuance of the Project Completion Report (PCR)

Dear Mr. Arjun Goswami,

We hope this letter finds you well.

We recently found on the ADB's website the Project Completion Report (PCR) of the Phnom Penh to Ho Chi Minh City Highway Project. The PCR is dated December 2007: http://www.adb.org/Documents/PCRs/VIE/30316-VIE-PCR.pdf

We were quite surprised at the issuance of the said PCR, because the Cambodia Resident Mission (CARM) had earlier made the following agreement with us in its letter dated 16 March 2007:

"Audit and Project Completion Report (PCR). We accept your suggestion of not having a final closure of the Resettlement Audit Report and PCR until the outstanding issues are reviewed and finalized during a next tripartite meeting between the NGO Forum on Cambodia (NGO Forum), IRC, and ADB."

Mr. Nessim Ahmad, the ADB's Director of the Environment and Social Safeguards Division, the Regional Sustainable Development Department, reiterated this in public, while he was speaking at a panel discussion during the ADB's annual meeting held in Kyoto, Japan in May 2007:

http://www.bicusa.org/en/Article.3354.aspx (1.25.50 to 1.27.00).

Please be reminded that the CARM also noted in its letter dated 13 December 2007 an agreement made between the NGO Forum and the Inter-ministerial Resettlement Committee (IRC) that the NGO Forum would inform project-affected families about the outcomes of the 30 November 2007 tri-partite meeting between 30 November 2007 and 30 January 2008. The date of the PCR shows that the report was issued while the NGO Forum was still trying to reach these families to get their consent on the results of the meeting. This is unacceptable.

With regard to 34 families who still did not agree, after our field visits between 30 November 2007 and 30 January 2008, the NGO Forum sent you a letter with detailed reports on 1 February 2008 on their behalf and requested that the ADB encourage the IRC to revise its decision relating to the families' in-eligibility for re-compensation. In the same letter, the NGO Forum also offered to assist additional field visits by the IRC to meet these families directly, in order to facilitate a swift and final resolution to the outstanding cases.

Given the two agreements and up to the 34 resolved cases still under negotiation, besides the other disputes over the Project's impacts on-going separately, we would think that issuing the PCR and putting the Project into a complete closure at this point is inappropriate. As you are well aware of, the issuance of the PCR will limit ways that are available for project-affected people to raise issues with the ADB, including filing a grievance at the ADB's Accountability Mechanism.

Therefore, we request that the ADB should hold the PCR at least until an agreement is reached on all the 93 cases that we have been discussing at a tri-partite meeting.

If you have any question on this matter, please do not hesitate to contact us. We look forward to receiving your positive response.

Sincerely yours,

Chhith Sam Ath Executive Director NGO Forum on Cambodia