



## CAO Conclusion Report – Cambodia Airports-01/Phnom Penh

*This report summarizes CAO's dispute resolution process in relation the IFC-supported Cambodia Airports project (#21363) in Cambodia.*

### BACKGROUND

#### The IFC Investment

Société Concessionnaire de l'Aéroport (SCA) holds a 45-year concession<sup>1</sup> from the Royal Government of the Kingdom of Cambodia to design, finance, construct, maintain, and operate the Phnom Penh International Airport (PPIA), the Siem Reap International Airport (SRIA) and the Sihanoukville International Airport (SIA) in Cambodia. PPIA is located 10 kilometers west of the capital city of Phnom Penh.

It is the first of two projects IFC had with SCA and involved upgrading PPIA airport facilities, including runway lengthening and widening, construction of a parallel taxiway, expansion of apron and warehouse facilities, and modernization of airport operating equipment.

IFC's investment consisted of a loan of up to US\$10 million. The project was classified as a Category B project. The loan to SCA has been fully disbursed and utilized, and IFC closed the project in November 2018.



*PPIA boundary and communities located around it.*

### The Complaint

In June 2013, 59 households from Thmor Korl and Prey Chisak villages, with the support and assistance of a Cambodian NGO, Equitable Cambodia, lodged a complaint with CAO. The complaint raises concerns about threatened land acquisition and possible forced evictions in connection with the development of the airport. Issues related to community consultation and due diligence were also raised in the complaint. The complainants requested that their identities remain confidential.

### CAO ASSESSMENT

CAO found the case eligible for assessment in June 2013 and assessment trips were conducted in July and November 2013. The purpose of the assessment process is to clarify the issues and concerns raised by the complainants and to help the parties determine whether and how they might be able to resolve the issues in the complaint. CAO does not gather information in order to make a judgment on the merits of the complaint.

During the assessment, the parties—which included affected communities, SCA, and government entities—agreed to a CAO dispute resolution process to try to resolve the issues raised in the complaint in a collaborative way. This decision was documented in CAO's assessment report, which was publicly released in February 2014.

<sup>1</sup> The concession provided by the government to SCA dates from 1995.

## DISPUTE RESOLUTION PROCESS

CAO's Dispute Resolution function provides a non-judicial, non-adversarial, and neutral forum through which parties may find mutually satisfactory solutions to environmental and social issues raised in complaints and help improve project outcomes on the ground.

For the dispute resolution process in this case, CAO provided neutral mediation/facilitation and convened separate and joint multi-stakeholder meetings as needed. CAO worked with the parties to help them agree on issues related to both process design for the mediation and the issues about which the mediation would take place.

The primary parties in the dispute resolution process were:

- Royal Government of Cambodia represented by the Land Committee (LC) and State Secretariat for Civil Aviation (SSCA);
- Phnom Penh Airport Community Advisory Group (PPACAG) – local community members representing and advocating for affected communities' needs, interests, and rights;
- SCA – the private operator of Phnom Penh International Airport;

The following additional stakeholders also participated at the invitation of the parties:

- IFC;
- Green Goal (GG) – lead resettlement consultant to SCA and the Land Committee; and
- NGOs – Equitable Cambodia (EC), Housing Rights Task Force (HRTF), and Sahmakum Teang Tnaut (STT) who provide advice, support, and capacity-building to affected communities.



*CAO facilitated multi-stakeholder session, February 2015.*

## DISPUTE RESOLUTION OUTCOMES

### 1. Agreement on No Evictions

One of the first outcomes of the process was that the government, SCA, and Green Goal agreed to consider feasible alternative project designs. These would avoid or minimize physical and/or economic displacement, while balancing environmental, social, and financial costs and benefits, and pay particular attention to impacts on the poor and vulnerable. Following that agreement, the government announced that there would be no forced evictions and they would follow applicable IFC Performance Standards.<sup>2</sup>

In June 2016, while the Resettlement Action Plan (RAP) was still being finalized, the Royal Government of Cambodia announced that there would be no resettlement and alternative plans to build a new airport at another location were being reviewed.

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<sup>2</sup> See Technical Working Group minutes dated January 9, 2014, available at: <https://bit.ly/3arlywE>, accessed April 23, 2020.

## 2. Enhanced Information-Sharing and Consultation



*Informational signboard posted in Thmor Korl village.*

Early in the process, the parties also agreed to participate in airport-related consultations on topics such as land valuation, calculation of replacement value, possible relocation sites, and compliance with International Civil Aviation Organization (ICAO) standards and requirements, among others. The parties agreed to place informational sign boards in potentially affected communities.

IFC agreed to share information on resettlement best practices and provide information and advice regarding application of the Performance Standards. Events included meeting with NGOs, participating in multi-stakeholder meetings, private consultations with SCA and the Land Committee, and convening a two-day workshop for government and private sector participants.

SCA agreed to provide information and consult with affected communities and NGOs regarding compliance with International Civil Aviation Organization standards and requirements.

<sup>3</sup> Minutes of Inter-Ministerial Committee Meeting, July 8, 2014, available at <http://goo.gl/FVtVFA> (accessed 4/22/20)

## 3. Demarcation of Security and Safety Zones

The demarcation was conducted by a Technical Working Group established by SSCA and a baseline socio-economic survey and census was conducted by Green Goal, in consultation with the Phnom Penh Airport Community Advisory Group. The security and safety zones around Phnom Penh International Airport covering 3 villages (Prey Chisak, Thmar Kol, Kok Chambak villages in Cham Chao commune)<sup>3</sup> were determined based on the security and safety provisions of the International Civil Aviation Organization.

## 4. Alternative to Resettlement

In order to meet International Civil Aviation Organization safety and security standards<sup>4</sup> and avoid impacts to local communities, the government and SCA agreed to build a new interior security fence, inside the existing airport and to renovate and improve the original exterior airport wall. The interior fence construction and exterior wall renovations were completed in June 2018.



*New airport interior fence and refurbished exterior boundary wall.*

<sup>4</sup> It is outside of CAO's mandate to verify or otherwise comment on compliance with ICAO standards, and this Report merely reflects the intentions of local stakeholders who participated in the CAO process.

## **CASE CLOSURE**

A final closure meeting was held in Phnom Penh on August 23, 2019 with participation of the Phnom Penh Airport Community Advisory Group, SCA, IFC, SSCA, and NGOs. Prior to the meeting, participants took a joint tour of the new airport fence and construction of the wall. The meeting provided an opportunity for the stakeholders to provide their respective perspectives on the process and outcomes, as well as feedback for CAO.

At the closure meeting, community members from the Phnom Penh Airport Community Advisory Group noted the importance of receiving land title for those who still reside near the airport boundary, especially since some expressed fear that they could be resettled at some future date. They cited the meeting minutes from the final Land Committee meeting on August 19, 2019 where it was agreed that SSCA would provide documents containing the airport location map to the Ministry of Land Management, Urban Planning and Construction in order to prepare for the procedure for issuing hard land titles. CAO noted that the land titling process is government-managed and in the absence of IFC project-related resettlement, encouraged community members to contact the relevant government agencies, including the local government, the Ministry of Land Management, Urban Planning and Construction, and SSCA.

In this case, CAO worked with the parties to create a more flexible approach considering the specific context of the Cambodia Airports case, including the need to fully respect sovereignty of the Royal Government of Cambodia, the number of stakeholders that needed to be involved, and the request of original complainants to keep their identities confidential. The process primarily involved separate, bi-lateral meetings and occasional large multi-stakeholder meetings convened and facilitated by CAO. There were no formal signed agreements between the parties. Issues were discussed, and when one or more parties agreed to specific actions, they were implemented. Relevant government decisions were documented in meeting minutes which were publicly disclosed. While this was not a typical CAO dispute resolution process, the principles of voluntary participation and informed decision-making still applied. The process was designed in consultation with all parties and implemented by mutual agreement.

## **LESSONS AND INSIGHTS**

### **Creativity and Flexibility in Process Design**

Most CAO cases that go through a dispute resolution process follow a traditional mediation model, whereby a professional, neutral mediator holds separate and joint meetings with the parties. If agreements are reached, they are documented in writing and signed by the parties, and implementation of the agreed actions is subsequently monitored by CAO.