



COMMUNIQUÉ

Dispute Resolution Process between Local Communities and Company Regarding Impacts of Rubber Plantations in Ratanakiri Province

Washington, D.C., March 10 2015 – The Compliance Advisor Ombudsman (CAO), the independent accountability mechanism for the World Bank Group’s private sector arm, the International Finance Corporation (IFC), is addressing a complaint filed by local communities in Ratanakiri Province, Cambodia, regarding Hoang Anh Gia Lai (HAGL), which operates rubber plantations in the area.

According to IFC documentation, HAGL is an investee of Vietnam Enterprise Investments Limited (VEIL or “the Fund”). IFC has invested US\$12 million in the Fund, which is managed by Dragon Capital Management Ltd., a subsidiary of Dragon Capital Group.

The complaint was filed by locally affected people in February 2014 and raises concerns related to loss of land and livelihood impacts in 17 villages in the vicinity of HAGL operations. The complainants have requested confidentiality. In April 2014, representatives of the affected communities and HAGL chose to participate in a dispute resolution process facilitated by CAO.

Following a letter in support of the process from the Ministry of Interior in October 2014, CAO has been engaging the parties to develop Ground Rules; providing dispute resolution training to community representatives, advisors and company staff; and coordinating meetings in the affected villages jointly with civil society organizations supporting the communities in which the affected communities endorsed their representatives.

In order to keep the Royal Government of Cambodia informed of CAO’s assistance to the parties in pursuing resolution of the complaint, as well as to get support and cooperation from the government, CAO has met with representatives of the Ministry of Land Management, Urban Planning and Construction, Ministry of Environment, Ministry of Agriculture, Forestry and Fisheries, Ministry of Interior, and their respective departments at the provincial level, including the Ratanakiri Provincial Office and local authorities at districts, communes, and villages.

The CAO dispute resolution process is ongoing. On March 9, 2015, the parties adopted a mediation agreement, and agreed to issue a Joint Statement to update the public of their work. As is standard practice in mediation, and by agreement of the parties, details of the meetings are confidential.

Further details on this case are available at: www.cao-ombudsman.org

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About the CAO:

The Office of the Compliance Advisor Ombudsman (CAO) is the independent recourse and accountability mechanism of the private sector lending and insurance arms of the World Bank Group—the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). Established in 1999, the CAO reports directly to the President of the World Bank Group. CAO’s mandate is to address complaints by people affected by IFC and MIGA projects in a manner that is fair, objective, and constructive with the overall goal of enhancing social and environmental outcomes on the ground and fostering greater public accountability of IFC and MIGA.