

Public Information Summary

Host Country

Cambodia

Name of Counterparty

Overseas Cambodian Investment Corporation, Ltd.

Project Description

Refinancing existing short-term bridge funding used for the construction and development of Phase 1 of the new Techo International Airport in Phnom Penh, Cambodia.

DFC Product Type

Debt Financing

DFC Investment

\$100,000,000

Total Project Costs

\$2.3 billion

U.S. Involvement

N/A

Policy Review**Developmental Objectives**

Cambodia's airport infrastructure has not kept pace with rising passenger and cargo demand, limiting air connectivity, trade facilitation, and tourism growth relative to regional peers. With the country ranking 115th out of 140 on the 2023 Logistics Performance Index and scoring 2.37 out of 5 in infrastructure, limited flight routes, weak airport logistics, and underdeveloped transport networks remain significant barriers to investment and economic expansion.

The Project will significantly expand passenger and cargo capacity, with passenger volumes expected to double over the next five years to serve more than nine million passengers annually. These improvements will enhance connectivity, reduce reliance on regional transit hubs, and strengthen Cambodia's trade and tourism potential. The Project is expected to create over 130 direct permanent jobs, increase local income generation, and prioritize local procurement, enabling SMEs to benefit directly and supporting economic growth. Given the Project's characteristics, it is categorized as Highly Impactful under DFC's Impact Quotient.

Policy Assessment

Screening: The Project has been reviewed against DFC’s categorical prohibitions and has been determined to be categorically eligible. The Project has been screened as Category A because it involves the construction and operation of a large greenfield airport with a runway length of over 2,100 meters, which are likely to have significant adverse environmental and social impacts that are diverse, irreversible, and unprecedented.

Applicable Standards: DFC’s due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation’s (IFC) 2012 Performance Standards:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security;
- PS 5: Land Acquisition and Involuntary Resettlement
- PS 6: Biodiversity Conservation and Management of Living Natural Resources; and,
- PS 8: Cultural Heritage

The Project was screened for Indigenous People and an ethnic minority group, the Cham, was identified in the Project area. Although this group does not meet the diagnostic criteria for Indigenous Peoples under PS 7, due to their vulnerability and historical persecution, the Cham will be treated as a vulnerable/disadvantaged group and receive additional support with regards to resettlement and livelihood restoration. PS 7 is not triggered at this time.

In addition to the Performance Standards listed above, the following IFC Guidelines are applicable to the Project:

- IFC EHS General Guidelines (April 30, 2007); and
- IFC EHS Guidelines for Airports (April 30, 2007).

ESIA Disclosure and site visit: The ESIA for the Project was disclosed on DFC’s website on May 13, 2025. The public comment period ended on July 12, 2025. No public comments were received.

DFC’s due diligence relied on an Independent Consultant’s (IC) site visit that occurred in October 2024. In addition to IC visiting existing and planned Project sites, meetings were held by the IC with the Project’s team and local stakeholders.

Policy Risks and Mitigation: Primary risks associated with the Project are with respect to land acquisition and resettlement, biodiversity, emergency preparedness and response, and potential community health and safety impacts relating to influx and security.

Land Acquisition and Involuntary Resettlement: Since 2019, development of the Airport has resulted in the physical displacement of at least 245 households (181 of which did not have land titles), and the economic displacement of 1,379 households. No information is available on land acquisition and potential physical or economic displacement due to associated facilities. The land acquisition and compensation were overseen by the Government of Cambodia per

national guidelines, however DFC cannot determine at this time that these past land acquisition activities were carried out in compliance with the requirements of PS 5.

To bring the Project into compliance with PS 5 retroactively, the Borrower will be required to complete a detailed independent audit and gap analysis of the past land acquisition process to IFC Performance Standards, and close any gaps identified, including with respect to compensation paid to date. The Borrower will also be required to develop a Livelihood Restoration Plan, a Resettlement Action Plan for any future land acquisitions, a Resettlement Monitoring Plan that includes ongoing/periodic tracking of displaced individuals and the effectiveness of compensation and livelihood restoration measures, as well as perform an independent Completion Audit to assess and verify that all land acquisition and livelihood restoration requirements have been undertaken in line with national and international standards.

Security: There is a potential significant security-related risk from legacy issues for the Project. There were reports of violent protests and blockades during the land clearing process from approximately 2020-2023 associated with widespread dissatisfaction for how the resettlement process was conducted. The Project must develop clear and well managed security plans and procedures to ensure any future incidents are managed in accordance with PS4.

The Project will be required to develop a Security Management Plan in accordance with IFC PS 4, including requirements that private security be trained in voluntary security principles, all reasonable efforts made to establish a Memoranda of Understanding regarding the use of armed public security in the context of resettlement, and evidence of implementation of a Grievance Mechanism that appropriately addresses highly sensitive issues including disproportionate use of force by security actors.

Biodiversity: During the operational phase, impacts are anticipated from bird-aircraft collisions and to fish from potential surface water contamination. The area directly impacted by the Project is predominantly modified habitat, with a small area of natural habitat that includes wetlands and flooded forests. The ESIA also identified the presence of Criterion 2 critical habitat for the Cambodian tailorbird (*Orthotomus chaktomuk*) as well as habitat for several other vulnerable species. To address these issues, the ESIA includes a preliminary Biodiversity Action Plan, aiming to achieve no net loss of natural habitat, and net gain for the critical habitat for the Cambodian tailorbird. However, the BAP was developed late in the construction process and has not yet been implemented.

The Project will be required to conduct additional biodiversity surveys, quantify impacts on sensitive habitats, and develop and implement a comprehensive operational-phase Biodiversity Management Plan to identify suitable locations for any required offsets and establish clear metrics for assessing progress and success for the target species.

Emergency Preparedness and Response: Potential operational phase risks including fuel leakages, fires, explosions, aircraft crashes, and natural hazards. The Project design includes adequate preventative measures such as fuel spill containment, fire suppression systems, and designated public safety zones near runways to minimize the impact of aircraft crashes.

Additionally, routine emergency drills, staff training, and engagement with local communities are planned to enhance emergency preparedness. To address these risks, the Borrower will be required to create and implement an Emergency Preparedness and Response Plan (EPRP) for operations. The Project will also follow international standards and guidelines for airport operations, such as the International Civil Aviation Organization (ICAO) Standards, Airports Council (ACI) Guidelines, and International Air Transport Association (IATA) Guidelines.

Community Health and Safety: Key risks to community health and safety are those related to worker influx. It is likely households and businesses will move to the new airport location to ensure proximity to income sources, increasing strain on local resources and potentially impacting existing communities located near the airport. To address this, the Developer will be required to develop and implement a local content and influx management plan for the operation phase, which is integrated into the recruitment process with clear hiring preferences for indigenous and local community members.

Other Key Risks and Management Systems. Other key risks associated with the Project include noise, occupational health and safety, air quality, waste management, traffic and transportation management, cultural heritage, as well as potential project contributions to cumulative impacts on land use change.

Project-related noise and vibration impacts are associated with increased flights and traffic. Management measures include operational noise modelling and grievance management, control of airport activities, and traffic management. These and other noise and vibration mitigation measures will be included in the Project's Noise Management Program for operations. OHS risks include working in proximity to aircraft, engagement with passengers, customs, and baggage management, hazardous materials management (fuel), and risks related to facility design (e.g., slip/trip/fall). Potential air quality impacts from Project operations will be addressed through efficient use of machinery, selection of cleaner fuels, and supplementary use of renewable energy where possible. The Project will be required to implement adequate waste storage, segregation, auditing, transportation, management, and disposal practices using licensed waste haulers. The Project will be required to develop and implement an operational phase Traffic Management Plan that includes adequate signage, lighting, signaling, and monitoring indicators. The Project will develop a Cultural Heritage Management Plan in compliance with PS 8 that includes a Chance Find Procedure. For any cultural heritage finds, the Plan must include processes by which to ensure continued access by users. Cumulative impacts include impacts to water quality, air quality, noise and vibration, soil, biodiversity and ecosystem services, and land use/social impacts. The Project will be required to ensure that it coordinates mitigation efforts in these areas among project proponents, regulatory agencies, and local authorities.