

DISPUTE PREVENTION THROUGH COMMUNITY ENGAGEMENT IN INFRASTRUCTURE DEVELOPMENT IN THE ASIA PACIFIC

This book explores the emerging development of community–investor dispute prevention and facilitation mechanisms employed by multilateral and national development banks in the Asia Pacific region. In the decades since the development of the first accountability mechanisms were introduced, much has been learned about public consultation, community engagement and dispute prevention during the early stages of major infrastructure development programs. Drawing on case studies, project statistics and survey data, this book explores the achievements, challenges and lessons learned in community–investor dispute prevention and resolution in infrastructure projects in twelve states in the Asia Pacific region. Given the widescale impact of such projects, understanding how to advance consultation practices with local communities is necessary to realise the benefits of sustainable growth. This book allows readers to understand that localised decision-making channels, far from aggregating disputes, conversely provide a conduit to incorporate joint aspirations into project design such that disputes are avoided.

SHAHLA F. ALI is a professor of law at the University of Hong Kong, where her teaching and research focus on arbitration, governance and law, and sustainable development in a comparative context. She serves as a bilingual arbitrator and advises on mediation systems design and training with US Agency for International Development, International Finance Corporation/World Bank, Asian Development Bank, Asian Infrastructure Investment Bank and the United Nations.

DISPUTE PREVENTION
THROUGH COMMUNITY
ENGAGEMENT IN
INFRASTRUCTURE
DEVELOPMENT IN
THE ASIA PACIFIC

SHAHLA F. ALI

University of Hong Kong



CAMBRIDGE
UNIVERSITY PRESS



CAMBRIDGE
UNIVERSITY PRESS

Shaftesbury Road, Cambridge CB2 8EA, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India

Cambridge University Press is part of Cambridge University Press & Assessment,
a department of the University of Cambridge.

We share the University's mission to contribute to society through the pursuit of
education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781009497664

DOI: 10.1017/9781009497688

© Shahla F. Ali 2026

This publication is in copyright. Subject to statutory exception and to the provisions
of relevant collective licensing agreements, no reproduction of any part may take
place without the written permission of Cambridge University Press & Assessment.

When citing this work, please include a reference to the DOI 10.1017/9781009497688

First published 2026

Cover image: zonadearte / DigitalVision Vectors via Getty Images.

A catalogue record for this publication is available from the British Library

A Cataloging-in-Publication data record for this book is available from the Library of Congress

ISBN 978-1-109-49766-4 Hardback

ISBN 978-1-109-49765-7 Paperback

Cambridge University Press & Assessment has no responsibility for the persistence
or accuracy of URLs for external or third-party internet websites referred to in this
publication and does not guarantee that any content on such websites is, or will remain,
accurate or appropriate.

For EU product safety concerns, contact us at Calle de José Abascal, 56, 1º, 28003 Madrid,
Spain, or email eugpsr@cambridge.org

When an effort is participatory, in the sense that it seeks to involve the people themselves in the generation and application of knowledge . . . all forge together a path of progress.

Universal House of Justice, letter dated 26 November 2012

CONTENTS

<i>List of Figures</i>	<i>page</i> xi
<i>List of Tables</i>	xii
<i>Acknowledgments</i>	xiii
<i>List of Abbreviations</i>	xv
 PART I Global Principles of Community Engagement in Infrastructure Development 1	
1 Introduction: Is an Ounce of Prevention Worth a Pound of Cure? Assessing the Development of Dispute Prevention Mechanisms in Infrastructure Financing	3
Public Facilitation for Major Infrastructure Projects	4
Research Approach	5
Key Findings of the Study	11
Structure of the Book	12
Future Directions and Recommendations	17
2 Emerging Global Principles of Community Engagement in Infrastructure Projects	19
Forging MDB Accountability through Crises in the 1980s	21
Emergence of Global Principles of Community Engagement	25
Transnational Innovation of Investor–Community Dispute Resolution Principles	28

Contributions and Limits of Soft Law-Derived Community Grievance Mechanism	30
Conclusion	32
3 Dispute Mitigation in Global Multilateral Development Banks	33
Emergence of Community–Investor Facilitation and Dispute Resolution Mechanisms	35
CAO of the IFC/World Bank	36
ADB Independent AMs	46
AIIB’s Accountability Mechanism	55
Why Might Expanded Grievance Channels Reduce Grievances?	61
MDBs’ Adoption of FPIC and GMs	64
Evolution of Engagement, Monitoring and Evaluation Mechanisms in MDBs	65
Selected MDB Bank Policies	66
Stakeholder Engagement	71
Free, Prior and Informed Consent	73
Grievance Mechanisms	79
A Closer Look at MDB GMs	81
Do Expanded Grievance Channels Lead to Fewer Disputes? Statistical Analysis	90
Conclusion	91
PART II Towards Greater Community Oversight in Practice	95
4 Practitioners’ Insights into the Efficacy of Mitigation Measures	97
Introduction	97
Survey Data Collection Method	99
What Is Your Region of Practice?	100

How Would You Describe Your Institution of Practice?	101
How Long Have You Worked in the Field of Dispute Prevention?	102
What Are the Key Mechanisms Used in Preventing Community-Investor Disputes (Check All That Apply)	103
Effectiveness of Dispute Prevention Mechanisms	104
Best Practice Experiences, Lessons Learned and Suggestions for Improvement	108
Practitioners' Insights	109
Conclusion	117
5 Discretionary Pre-project Community Engagement Cases in the Asia Pacific	119
Introduction	119
Phase 1 (Pre-2013) Case Overview	125
Overview of the Role of the CAO in Case Handling	126
Case 1: IFC/World Bank Cambodia Airport II Project	128
Case 2: IFC/World Bank Mongolian Oyu Tolgoi Community-Investor Dispute	137
Case 3: World Bank Indonesia PT WBN Project	146
Case 4: ADB/IFC/EIB Bangladesh LSC	153
Case 5: IFC Philippines: Mindoro Resources Project	160
Case 6: IFC/World Bank PNG SEZ Project	174
Conclusion	183
6 Mandated Pre-project Community Engagement Cases in the Asia Pacific	185
Overview	185
Case 1: IFC-Funded Adjaristsqali Georgia Power Plant Project	189

Case 2: IFC-Funded Azerbaijan TANAP Natural Gas Pipeline Project	194
Case 3: Amaravati Project	201
Case 4: Karot Hydropower Project in Pakistan	211
Case 5: Nubian Suns Project in BSP, Egypt	216
Case 6: Ulaanbaatar Urban Services Case	222
Conclusion	228
PART III Community Engagement Developments in the BRI Region and Beyond	231
7 Dispute Prevention and Resolution Regimes in the Belt and Road Initiative and Beyond in the Context of Sustainable Development Goals	233
Introduction	233
Insights from Practitioners on BRI Dispute Prevention and Resolution Mechanisms	241
Mediation and Consultation Mechanism for the Mining Industry	242
Belt and Road Dispute Resolution Regimes in Greater China	244
China-Related Global ISDS Investment Arbitration Cases	252
Conclusion	255
8 Conclusions and Policy Recommendations	256
Future Directions and Recommendations	261
<i>Select Bibliography</i>	263
<i>Index</i>	272

FIGURES

1	Total of all projects, total of all grievances raised.	<i>page</i> 92
2	Region of practice.	101
3	Institution type: how would you describe your institution?	102
4	Years of experience in the field of dispute resolution.	102
5	Key mechanisms used in preventing community–investor disputes.	103

TABLES

1	Selected MDB policies.	<i>page 66</i>
2	Effectiveness of mechanisms in preventing disputes.	104
3	Most significant challenges in community dispute prevention.	105
4	Phase 1: ‘informing the community’: pre-2013 multilateral development bank models of community engagement and resulting challenges.	120
5	Phase 2: post 2013 multilateral development bank models of community engagement and resulting challenges.	186

ACKNOWLEDGMENTS

The research for this book has been made possible by funds from the government of Hong Kong's Research Grants Council HKU 17610921 and CRF C7030-24 G. Without the valuable observations from dispute resolution and mitigation practitioners in the Asia Pacific, including members of the Asian Development Bank, Asian Infrastructure Investment Bank, European Bank of Reconstruction and Development and the World Bank, the practical insights in this book would not be possible.

Many people have helped with this book. Special thanks to the Cambridge University Press publishing team, including Joe Ng who expertly oversaw the review and publication of this book. Anonymous reviewers provided extremely valuable input at the early stages of the project. Special thanks go to an outstanding team of research assistants including Fan Ziwei, Hayley Chan, Lily Li, Bonnie Lai, Bill Sun, Faith Lee, Angel, Fiona Zhang, Prakritree Yonzon, Abdullah Bin, Claudia, Siddharth, Nathan Tsang, Stephanie, Matt, Geoff, Gao YueYang and John Tseung.

Numerous colleagues have provided valuable insights that have improved this book. I am grateful for fruitful exchanges with Kevin Davis, Mathew Erie, Hiro Aragaki, Eric Feldman, Susan Franck, Jean Oi, Hui Li, May Farid, Lori Noguchi, David Palmer, Ma Jun and Fan ZiWei. I am also thankful to our law faculty dean Fu Hualing, associate deans for research Simon Young and Michael Ng, and department heads Zhao Yun and Michael Jackson for providing a supportive research environment at the University of Hong Kong. I am also grateful to participants who shared valuable feedback at the following conferences: Asian Law and Society Association Conference (Seoul, Hanoi); International Association of Comparative Law (Paris); CASS International Law Conference (Beijing); ABS (Association for Borderlands Studies) Annual Conference (Atlanta); IACM (International Association for Conflict Management, Singapore); Law and Society Association Conference (Denver, Puerto Rico); Singapore Convention Week; ICCA (International Council for Commercial

Arbitration, Hong Kong); American Society of International Law (Washington, DC); American Society of Comparative Law Conference (Miami); Asian Law Scholars Conference (University of Washington); Comparative Procedural Law and Justice (CPLJ) Max Planck Institute (Luxembourg); International Association of Procedural Law (Brescia); and the American Bar Association (ABA) Section on Dispute Resolution Spring Conference.

This book is dedicated to my parents, Charleen and Nasrollah Maghzi, and after my father’s passing, my mom’s husband Steve. All that is positive in this book reflects the support and generosity of family, including my two beautiful girls, husband, siblings, colleagues, research participants, family, friends and associates. All errors and omissions are my own.

ABBREVIATIONS

ADB	Asian Development Bank
ADC	Amaravati Development Corporation
ADGM	Abu Dhabi Global Market
AfDB	African Development Bank
AGL	Adjaristsqali Georgia LLC
AIIB	Asian Infrastructure Investment Bank
ALU	Awami Labor Union
AM	accountability mechanism
AMAN	Association for Mass Advancement Network
APCRDA	Andhra Pradesh Capital Region Development Authority
AS	advisory services
ASCCDP	Amaravati Sustainable Capital City Development Project
ASM	artisanal and small-scale mining
BAC	Beijing Arbitration Commission
BCRM	compliance review and mediation unit
BCS	broad community support
BIT	bilateral investment treaty
Blue Book	dispute resolution mechanism for the Belt and Road
BOT	build, operate, transfer
BP	British Petroleum (Shah Deniz) Limited
BRG	Bismark Ramu Group
BRI	Belt and Road Initiative
BSDA	Benban Solar Developers Association
BSL	Benban Solar Labour
BSP	Benban Solar Park
BT	build, transfer
BUC	Beijing Urban Construction
CABEI	Central American Bank for Economic Integration
CAD	Canadian dollars
CAO	Compliance Advisor Ombudsman
CBA	collective bargaining agreement
CCCMC	China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters

CCPIT	China Council for the Promotion of International Trade
CEIU	Complaints-resolution, Evaluation and Integrity Unit
CERC	Committee on the Elimination of Racial Discrimination
CICT	China Information and Communication Technologies Group Corporation
CJSC	closed joint-stock company
CPEC	China–Pakistan Economic Corridor
CPPA	Central Power Purchasing Agency
CRO	complaint receiving officer
CRP	Office of the Compliance Review Panel
CSO	civil society organisation
CSR	corporate social responsibility
CTWG	community technical working group
DCI	Department of Commerce and Industry
DEG	Deutsche Investitions und Entwicklungsgesellschaft MBH
DMC	developing member country
DSO	direct shipping of ore
E&S	environmental and social
EA	environmental assessment
EBRD	European Bank of Reconstruction and Development
EHT	Elected Herders Team
EIA	environmental impact assessments
EIB	European investment bank
EMP	environmental management plan
EOT	Erdenes Oyu Tolgoi, LLC
EPC	engineering, procurement and construction
EPFT	Equator Principles financial institution
EPs	Equator Principles
ESF	Environmental and Social Framework
ESG	environment, sustainability and governance
ESIA	environmental and social impact assessment
ESMF	Environmental and Social Management Framework
ESP	environmental and social policy
ESS	environmental and social standards
EU	European Union
FPIC	free, prior and informed consultation
FPP	Forest Peoples Programme
GMs	grievance mechanisms
GoPNG	government of Papua New Guinea
GRM	grievance redress mechanism
GRS	grievance redress service
H&SH	health and safety home

LIST OF ABBREVIATIONS xvii

HCR	Herders’ Complaint Resolution Agreements #1 and #2
HKIAC	Hong Kong International Arbitration Centre
HPP	hydropower project
HUMA	Humanitarian Medical Assistance
IBA	International Bar Association
ICC	International Chamber of Commerce
ICEL	International Council of Environmental Law
ICP	informed consultation and participation
ICSID	International Centre for Settlement of Investment Disputes
IDB	Inter-American Development Bank
IDF	International Development Finance
IEE	initial environmental examination
IEP	independent expert panel
IFC	international finance corporation
ILO	international labour organisation
IPAM	Independent Project Accountability Mechanism
IRC	Inter-ministerial Resettlement Commission
IsDB	Islamic Development Bank
ISDS	investor–state dispute settlement
JATAM	mining advocacy network
KAU	anti-debt coalition
KHPP	Karot hydropower project
KIARA	People’s Coalition for Fisheries Justice
KPCL	Karot Power Company Limited
KSG	Khanbogd Soum government
LAC	land acquisition committee
LARR	Land Acquisition, Rehabilitation and Resettlement
LATIN	Lembaga Alam Tropika Indonesia
LCIA	London Court of International Arbitration
LMMPL	Lum Maushun Minerals Private Ltd
LPSs	land pooling schemes
LSC	Lafarge Surma Cement Ltd
LUMPL	Lafarge Umium Mining Private Ltd
LUOs	local umbrella organisations
MA&UD	Department of Municipal Administration and Urban Development
MDB	multilateral development bank
MDT	multi-disciplinary team
MICI	independent consultation and investigation mechanism
MIGA	multilateral investment guarantee agency
MOU	memorandum of understanding
MPSA	agata mineral production sharing agreement
MRL	Mindoro Resources Ltd

xviii	LIST OF ABBREVIATIONS
MUB	municipality of Ulaanbaatar City
NAP	national action plan
NCIP	National Commission of Indigenous Peoples
NDB	National Development Bank
NGO	non-governmental organisation
NTDC	National Transmission and Despatch Company Limited
OECD	Organisation for Economic Co-operation and Development
OED	Operations Evaluation Department
OED SES	Operations Evaluation Department Special Evaluation Study
OSPF	Office of the Special Project Facilitator
PCA	Permanent Court of International Arbitration
PCDP	public consultation and disclosure plan
PCM	project complaint mechanism
PIC	project information center
PMIZ	Pacific Marine Industrial Zone
PMO	project management office
PNG	Papua New Guinea
PPI	policy on public information
PPM	project-affected people’s mechanism
PPQs	project processing queries
PRI	principles for responsible investment
PS	performance standard
RCI	Responsible Critical Mineral Initiative
RCR	requests for compliance review
RDR	requests for dispute resolution
RGC	Royal Government of Cambodia
RPF	resettlement policy framework
RTU	registrar of trade unions
SARS	severe acute respiratory syndrome
SCA	Societe Concessionnaire de l’Aeroport
SCC	Arbitration Institute of the Stockholm Chamber of Commerce in Sweden
SCPX	South Caucasus pipeline expansion
SDGs	Sustainable Development Goals
SESA-ESMF	Strategic Environmental and Social Assessment and Environmental and Social Management Framework
SEZ	special economic zone
SHU	Social Hydro Labour Union
SIA	Sihanoukville international airport
SOE	state-owned enterprise
SPF	special project facilitator
SPS	safeguard policy statement

LIST OF ABBREVIATIONS xix

SSTA	small-scale technical assistance
TANAP	Trans-Anatolian Natural Gas Pipeline Project
THR	Turquoise Hills Resources
TPC	Tri-partite Council
UN	United Nations
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Trade and Development
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNGC	United Nations Global Compact
UNGP	United Nations Guiding Principles
USA	United States of America
USD	United States dollars
WALHI	Wahana Lingkungan Hidup Indonesia (Friends of the Earth)
Washington Convention	Convention on the Settlement of Investment Disputes between States and Nationals of Other States
WB	World Bank
WBG	World Bank Group
WBN	PT Weda Bay Nickel
WWF	World Wildlife Fund

PART I

Global Principles of Community Engagement in Infrastructure Development