Report on the Results of Investigation No. 1003/2558

Re: Community rights in the case of the operations of Mitr Phol Sugar Corporation Limited impacting people in the areas of Samrong and Chongkal Districts in the province of Oddar Meanchey in the northeast region of Cambodia.

Complainants: Foundation for Ecological Recovery, Equitable Cambodia, and the Cambodian League for the Promotion and Defense of Human Rights (LICADHO)

Respondent: Mitr Phol Sugar Corporation Limited

1. Background

The National Human Rights Commission of Thailand received a complaint from the Foundation for Ecological Recovery, Equitable Cambodia and LICADHO (Complaint No. 259/2556) that Mitr Phol Sugar Corporation Limited, a company of the nation of Thailand, had accepted the Economic Land Concessions (ELCs) to operate business in the sugar industry in the areas of Samrong and Chongkal Districts of Oddar Meanchey Province in the northeast region of Cambodia. For these land concessions, the Cambodian government had divided them between three subsidiary companies that were connected with Mitr Phol Sugar Corporation Limited. In entering the land concessions, there was illegal seizure of land from people in the area, demolition of people's homes, and slaughtering of their livestock. Fires were laid to burn villages and destroy cereal crops, causing the local people to be threatened and arrested and leading to a loss of food security and severe poverty for the Cambodian people who were affected.
2. Consideration of the Complaint

The National Human Rights Commission of Thailand has considered and has formed the opinion that in this case, the complaint to be considered was whether Mitr Phol Sugar Corporation Limited, an organization from the business sector in Thailand, may not have conducted its business in accordance with international commitments to human rights to which Thailand is a party, which are the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the ASEAN Human Rights Declaration, and there also may be conflict with the United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework (2011), which has the basic principle that business organizations must respect human rights by avoiding any practice or participation in causing an impact on human rights and violating the human rights of others, and they should oversee negative impacts from the involvement of business organizations and prevent or reduce impact on human rights that are directly concerned with the manufacturing operations or services of business organizations that are the result of business relations, even if the business organization has not had a part in causing any impact.

The substance of this complaint thus has the basis that the operations of this Thai business organization may be related to and be the cause of a problem of human rights violations of the Cambodian people coupled with the complainants being private human rights organizations who are juristic persons under Thai law, which are operations directly related to promoting and protecting human rights and do not have a political purpose or the intent to trade for profit from their operations. Therefore, they have the right to file a complaint pursuant to Section 24 of the National Human Rights Commission of Thailand Act BE 2542 (1999), and the case therefore is within the jurisdiction of the National Human Rights Commission of Thailand, pursuant to the National Human Rights Commission of Thailand Act BE 2542 (1999), Section 15 (1), (2) and (3), which stipulates that the National Human Rights Commission of Thailand has the authority to promote respect for and compliance with the principles of Human Rights, both at the national and international level, to investigate and report on commissions or omissions of acts that are a violation of Human Rights, or are not in accordance with the international commitments concerning human rights to which Thailand is a party, and to propose policy and advice in amending laws, rules or regulations to the National Assembly and the Council of Ministers to promote and protect human rights.

/Regarding this, …
Regarding this, the subcommittee considering the matter of the complaint and screening investigation reports into violations of human rights, at Meeting Number 16/2556 on the 11th of June 2013, passed a resolution to pass the matter to the Subcommittee for Community Rights for further consideration and action.

3. The investigation

The Subcommittee for Community Rights considered the complaint, made a record of the testimonies of the complainants and related parties, as well as undertaking an investigation consistent with their powers pursuant to the National Human Rights Commission of Thailand Act BE 2542 (1999) Section 15, and established topics of investigation following the complaint as to whether in the business operations of Mitr Phol Sugar Corporation Limited, and the acceptance from Economic Land Concessions to conduct a business of sugar mills and sugarcane plantations in the areas of Samrong and Chongkal Districts of Oddar Meanchey Province in the northeast of Cambodia, there were actions leading to the facts of the complaint that there were violations of the human rights of others and whether ways were sought to prevent or reduce the related impacts on human rights from these operations with measures to address the problem with compensation or a remedy for justice, as well as the case of whether it was appropriate to propose policy to the Council of Ministers and pertinent agencies.

3.1 Testimony of the Complainants

The complainants were private human rights organizations who were juristic persons under the law, (Foundation for Ecological Recovery) and Equitable Cambodia and LICADHO, gave evidence verbally to the Subcommittee for Community Rights on the 11th of November 2014, and made statements in documents that Mitr Phol Sugar Corporation Limited, a private company of the nation of Thailand, was connected to incidents of violations of human rights that occurred in Cambodia, and this testimony has been summarized as follows:

1. Origins

In January 2008, the Ministry of Agriculture, Forestry and Fisheries of Cambodia (MAFF) approved to grant the Economic Land Concessions (ELCs), over a period of 70 years in the areas of Samrong and Chongkal Districts of Oddar Meanchey in the northeast of Cambodia, the three sugar companies as follows:

(1) Angor Sugar Co. Ltd.,
(2) Tonle Sugar Cane Co. Ltd.,
(3) Cane and Sugar Valley Co. Ltd.,

/All 3 companies …
All 3 companies were subsidiary companies of the Mitr Phol Sugar Group, with the directors of all three companies being high-ranking officers of Mitr Phol Sugar Corporation Limited, and they had received permission from the Cabinet and their concessions on the same day. There was a signing of the concession agreements on the same day, in which all three companies received land concessions totalling over 19,700 hectares (1 hectare equal to 6.25 rai) in the areas of the villages of Bos, O'Bat Moan, Taman, Trapaising Veng and Ktum.

2. Problems and impacts arising in Cambodia

2.1. Eviction, demolition and burning of houses

After receiving its concession in April 2008, employees of Angor Sugar Co. Ltd., dismantled and demolished the houses of villagers in O'Bat Moan, a total of 154 houses, while over 150 police officers, soldiers and forest rangers dismantled and burned down the houses of villagers in Bos until they were completely destroyed and evicted local people from the area. Later in October 2009, another 100 houses were dismantled and burnt in O'Bat Moan. The total number of local people's houses dismantled and burned in O'Bat Moan was 254.

2.2. Arrests on charges and imprisonment

During the evictions, there were arrests, imprisonments and assaults on two persons who were formerly village and community leaders, who were imprisoned for a period of 2 years on charges of clearing state forest, while another two persons were released after 6 months of confinement in a confinement camp before their trial. One of those arrested was a woman named Mrs Hoy Mai, a villager from Bos. She testified at a meeting of the Subcommittee on Community Rights on 11th November 2014 that on the 12th of October 2009, after the village of Bos was demolished and burned down, Mrs Hoy Mai, and her husband and another six villagers travelled from the area to petition Prime Minister Samdech Hun Sen in Phnom Penh. However, on arrival, they were denied permission to meet the Prime Minister and stayed overnight at an old chedi in central Phnom Penh. During the night, the police arrested Mrs Hoy Mai, from which her husband and other villagers managed to escape. Mrs Hoy Mai was arrested and charged with the breach of a criminal case under forestry law and was imprisoned in Siam Reap Prison when she was 5 months pregnant.

After having been imprisoned for 8 months, subsequently in June 2010, Mrs Hoy Mai and her son who had been born in prison, were released on the condition of signing

/an agreement …
an agreement to withdraw her claim of land rights in Bos and accept land that had been allocated to her in its place. However, after Mrs Hoy Mai returned home, she did not receive any land as had been promised.

2.3. Loss of agricultural land

Villagers had to lose a large amount of land for farming rice, other crops and fruit orchards. A survey of the information found that villagers lost an average of five hectares of rice farming land per family. The seizure of land occurred during the villagers' harvest season, causing them to lose their entire crop of cereal. Villagers also found that their produce, which had been seized, was sold by the land concessionaires.

2.4. Lack of food security

From the loss of agricultural land and the inability to harvest the complete crop that had been grown, the villagers did not have an adequate food supply to live, and they did not have enough money to buy food to live. Apart from this, the area of community forest that villagers used to use as a source of food was allowed to become degraded and was destroyed by the company making a sugar cane plantation. Also, the concession of Angor Sugar Company made the community forest (currently the subject of a submission to be officially demarcated as a community forest), which was originally in the area of Rattanak Sambak community and covered 26,772 hectares, become reduced to only 12,872 hectares, impacting many thousands of people in 16 villages. Meanwhile, natural water sources that had been used, both as a source of potable water and for catching aquatic animals or collecting water plants, was enclosed by the sugar plantation. The usable parts only had a small amount of water remaining, and this had become polluted with the result that there was a reduced catch of fish from this water.

3. Compensation and remedy

Although villagers had lost all their residences, farmland, their crops and natural sources of food due to the concessions of Mitr Phol Sugar Corporation Limited, a number of villagers did not receive any money or any kind of compensation, while for the villagers who did receive compensation, it appeared that the compensation that they had received was assessed below the value of the real damage that had occurred. Only 14 families received compensation in the form of new land to where they had migrated; however, the houses that had been built on the new land were of inferior quality and could not be lived in. The villagers were required to use plastic fertilizer bags or rice sacks to repair them. There was a lack of potable water, and travel on the new land was difficult, taking both a lot of time and expense in traveling because of the remote location. Healthcare, education and communications with the outside world were limited. The nearest school to the new land where they had migrated was /10 km away …
10 km away. The land that had been given in compensation did not have any title documents despite the villagers attempting to request them on many occasions, as to have title documents in writing, but all of these requests were consistently denied. Apart from this, the compensation process lacked participation from the villagers, and there were threats, corruption and fraud.

4. Incomes and occupations

Although some villagers from the impacted areas received permission to work in the sugar plantations, the income was not adequate to live on because on average a worker would receive wages of about 10,000 rial (2.50 US dollars) for working 10 to 12 hours per day. These workers did not receive permission to leave the sugarcane plantation, except for when they were sick. Also, the report of Pred, D. and Nuijen M. (2013) Bittersweet Harvest: A Case Study on the Displacement Impacts of the EU Everything But Arms Initiative in Cambodia. Oxford: Forthcoming Publication, it appeared that there was open employment of pregnant women and children, and there were also significant hazards from a lack of health protection standards and safety regulations in the workplace. The company did not train workers in spraying chemicals, there was no protective equipment for users, causing workers to have symptoms of illness such as itchy skin and vomiting blood. Also, the work did not have security, as the company only needed workers for the sugarcane plantation for about 2 to 4 months of the year.

5. Attempts at assistance by various Cambodian organizations

In 2010, various organizations in Cambodia sent the matter, attaching a large number of documents concerning violations of human rights, to the Better Sugarcane Initiative, now known as Bonsucro, an association based in the United Kingdom with the purpose of conducting the production of sugar with standards and sustainability according to stipulated standards, of which Mitr Phol Sugar Corporation Limited was formerly a member, and the matter was forwarded to the company. However, subsequently the company withdrew from membership of Bonsucro and conducted its further operations without certification of standards from this association.

Subsequently, the Clean Sugar Campaign, a non-governmental organization, attempted to get a response from the company by a demand through the Business and Human Rights Resource Center, a non-profit website who acts as a centre of communications for companies with the task of getting companies alleged of conducting operations inappropriately to make a statement. On the 24th of July 2012, the company made a statement through this website and denied the allegations and maintained that the company should not shoulder the responsibility of human rights violations in their investment in Cambodia, as it was an investment in which the Cambodian government had guaranteed correctness.
6. Violations of Cambodian law

In the matter of land concessions, Article 59 of the Land Law of Cambodia, 2002 limits the amount of land in an economic concession to be not more than 10,000 hectares per one concessionaire (Land Law of Cambodia, 2002, Article 59), or 62,500 rai (1 hectare equal to 6.25 rai). In this case, although the three land concessions had separate registrations under different company names, Mitr Phol Sugar Corporation Limited admitted that all three companies were connected.

Besides this, Sub-decree No. 146 on Economic Land Concessions 2004 stated that companies receiving concessions must have some aspects of operations, such as Article 12 and Article 60, that stipulate that the company must perform a social and economic impact assessment, whereas, in fact, villagers never received any documents about impacts as stipulated in the law.

7. Violations of commitments in international human rights conventions

The complainants had the opinion that the problems that impacted villagers in the concession of lands, which had taken land from the areas of the villages of Bos, O’Bat Moan, Taman, Trapaing Veng and Ktum in Samrong and Chongkal Districts of Oddar Meanchey Province in the northeast of Cambodia, were in violation of the conventions on human rights stipulated in the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR) in the matter of evictions and violating food rights (Section 11, Paragraph 1 – ICESCR), arrest and imprisonment (Section 9 – ICCPR) and including violations of the United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework (2011).

8. Report on research into the impact of Economic Land Concessions for sugarcane plantations and sugar mills in the village of O’Bat Moan in Oddar Meanchey province of Cambodia:

Equitable Cambodia and LICADHO performed field research in the village of O’Bat Moan between September and October 2014, one of the villages which was impacted. The reason for choosing this village for the study was because it was the area that was the most severely affected.

/The research …
The research study interviewed 48 villagers who were evicted from their village to obtain information from at least 22 percent from the total of 214 families who were evicted from the land. Of the 48 interviewees, 28 of them were in the group who submitted a complaint to the National Human Rights Commission of Thailand. The other 20 who did not submit this complaint were certified by community leaders to be genuinely impacted people.

The questionnaire used in the research was prepared with the cooperation between Equitable Cambodia and the Foundation for Ecological Recovery. The original questionnaire was in English and translated into Cambodian. The questionnaire had the style of open-ended questions composed of five parts, which were:

- Data of the interviewees
- Situation and living conditions of the interviewees before the sugar mill was established in the area
- Situation and living conditions of the interviewees when the sugar mill was established in the area
- The current and future situation
- The complaint to the National Human Rights Commission of Thailand

The result of the research concluded that before their eviction from O'Bat Moan village in 2008 and 2009, the majority of the interviewees (more than 90%) were able to look after their families adequately from mixed agriculture and gathering from the neighbouring forests. Growing rice used to be the main source of income for 83% of the interviewees, while gathering from the forest was the main source of income for 17% of the interviewees. Most of them grew other crops on their land. Even though the average monthly income was rather low at 566,600 rials/month, approximately 140 US dollars per month, most families were able to make an adequate living from their ability to plant rice, which was enough to feed their families.

In October 2009, all of the interviewees were the subject of violence by being evicted from their houses to make way for a sugar cane plantation. This made them lose land for building houses to live in, of 40x60 meters in size, and also land for growing, of five hectares (approximately 31.25 rai), many houses and various possessions. However, although they were pressured and threatened by local officials, the majority of interviewees (45 out of a total of 48) insisted on not moving to a migration area, as the compensation offered was not fair. That is, they were offered compensation of one hectare (approximately 6.25 rai) of forest land which had not been cleared, instead of the growing land of five hectares which had been expropriated.

/The research ...
The research revealed significant changes in the way of life of the interviewees after their land had been expropriated. From being a main source of income for the people before the evictions from the land, that is, growing rice and gathering from the forest, the loss of land and the destruction of forest forced the families of the interviewees to change their ways of life. Regarding this, there were only 30% of interviewees who reported that agriculture was still their main source of income, while 35% said that they had to become day laborers, whether in agriculture or construction. Although the number of families who still gathered from forests after the evictions was similar to before, every family said that the area of forest from which they could gather had been reduced because the forest had been significantly cleared and destroyed.

The people’s average income was reduced from 566,600 rials (approximately 140 US dollars) per month before the evictions to 496,200 rials (approximately 124 US dollars) per month after they were moved. Although overall there was not much change in terms of average income, when specifically considering income from agriculture and gathering from the forest, the figures showed a loss. Regarding this, 30 of the 48 interviewees who used to have income from agriculture lost this income at an average of 75,000 rials (approximately 19 US dollars) per month, and 38 of 48 interviewees who had income from gathering from the forest lost this income at an average of 227,500 rials (approximately 56 US dollars) per month. Regarding this, for many of the interviewees this income would be considered an important income. Also, despite the income figures not changing much on average, the cost of living for the people on the other hand, had increased significantly, as at present, the families of the interviewees had to buy food to eat, where before the evictions, they were able to grow or gather from the forest themselves. This item thus impacted the self-sufficient way of life of the interviewees.

Prior to this, all of the interviewees depended on agriculture, such as planting rice, gathering from the forest, or planting other crops around their houses as a source of food and income. The fact of having to lose land thus had a severe impact on their way of life. A majority of the interviewees (87%) said that they were no longer sufficiently able to feed their families and also that their quality of life was lower. Their food security was at a low level, with more health problems, getting into debt, and many people could not live with their families because they had to leave to work in other provinces. Some interviewees also made the observation that their freedom of travel had been limited, as they could not access the forest and land around the concession land as they were threatened by local officials. And because they did not clearly know whether they would get their own land or not, the majority of interviewees had very negative expectations about their future lives.

/9. The withdrawal ...
9. The withdrawal of Mitr Phol Sugar Corporation from the investment area

In additional testimony from the complainants, local people had heard the news of the withdrawal of the company from the concession land in January 2015 from the information of government officials at the district level. However, the people did not receive any information about their land, and there was no direct communication from the company. This caused the people to be afraid about whether or not they would receive back their land and forest which had been expropriated. Subsequently in May 2015, a division of the military travelled to the area in a manner as if they were going to seize the land to use for some purpose, but the people did not let them pass. This increased doubt among the people that if the company had withdrawn from the area, whether the concession land would then fall to the ownership of a new company instead of being returned to the villagers.

3.2 Travelling to hear additional information from the complainants in the area

Dr. Niran Pitakwatchara, a National Human Rights Commissioner and the chair of the Subcommittee for Community Rights, travelled to hear additional information from complainants and the people on the 11th of August 2014. During the journey, he attended meetings to discuss situations concerning Business and Human Rights under the Land Concession Policy for Agribusiness in the area of Oddar Meanchey Province. In the morning, he heard information from villagers from the villages of Taman, Trapaing Veng and Ktum, and in the afternoon, he heard information from villagers from the village of O'Bat Moan. In summary, they heard that villagers had come to reside and make a living on this land since about 60 years ago, where in the past, villagers had land of about 5-20 hectares per family, depending on whether the family was a large family or a small family. On average, the majority of villagers had no more than 5 hectares per family. Subsequently, when villagers became aware that their land had become the company’s, the villagers attempted to negotiate with the company, but to no avail. Finally, the villagers were forced to put their fingerprints on documents, which villagers subsequently found out were documents telling the villagers to leave their land.

In the matter of compensation, the company offered compensation of about 400 dollars per hectare. Subsequently, the company bargained this to only 200 dollars per hectare. Finally, the company did not pay any compensation. As for compensation in land, it appeared that the land with which the company compensated the villagers was land of which villagers from other villages were already owners, so the villagers from whom the company had taken their land could not make use of the land with which the company had compensated them with. As a result, the villagers did not have land to make a living, or in cases of those who still had some land left, this was not adequate to make a living to feed their families. The villagers were thus required to migrate to work in Thailand, in occupations of casual employment or labour, or small trade along the border, causing their families ...
to be separated, and their children were not able to go to school because they had to help their parents to earn money. As for working for the company, this was not possible, because there were not many positions.

Besides this, the company also received land concessions which were an area of community forest and a public area for the community which villagers from many communities would use in gathering forest products to make a living. However, when the company came into operate according to the land concession in the area of the community forest, the company forbade villagers from entering the community forest and entering the area of the community forest required going through the company's concession land, where it had set up security guards to forbid villagers from entering the area. This meant that villagers could not make use of this land anymore, which had a large effect on the villagers' food security.

Regarding this, the villagers confirmed that there were no villagers in the villages of Taman, Trapaing Veng or Ktum who had been beaten up or imprisoned.

In the afternoon, there was a trip to hear information from the villagers of O'Bat Moan village, during which the information given was summarized that, originally, villagers had received allocations of land from the state to live and make their living on the land since 2003 (BE 2546). Subsequently, from 2007 to 2008 (BE 2550-2551) the company arrived in the area and had the villagers put their thumb prints onto plain paper. In 2009 (BE 2542), the company came in and evicted the villagers who were previously living there, using various methods of burning down the villagers' houses, burning and seizing of all the villagers' crops, and there were also arrests and imprisonments of 11 villagers on charges of squatting on government land and making a living on Royal Land.

After this incident, a new migration area was allocated to the villagers, but only some portions of the villagers agreed to live in the new migration area. Besides this, there was also a problem of villagers not knowing where the area they had received the land was, as the boundary of the land was not clearly demarcated, and there were no documents or other specifications which stated how long the villagers could live in the area. The villagers were still in a state of starvation and required food assistance from LICADHO, which had brought rice to alleviate the villagers' suffering until there was notification of the boundary of the land to make a living and the villagers could start planting rice themselves.

As for other families who did not agree to live in the new migration area because they had the opinion that the condition of the land could not be used to make any living, they were scattered working in other areas, with some of them moving to the former village of Bos, and some had migrated to work in Thailand.

The villagers wanted the return of the land on which they had previously made a living. Not having land had caused their children to not go to school, and they had to run away to work in Thailand, which was through either legal or illegal immigration, while working for the sugar company brought an income of only 90 baht per day.
3.3 Testimony of the respondent

Mitr Phol Sugar Corporation Limited

Mitr Phol Sugar Corporation Limited gave testimony, which can be summarized as follows:

(1) Written testimony as of 14th July 2013

Mitr Phol Group is committed to operating its business in relation to "sustainable agriculture" in every form. Operations over the last 60 years are considered as proof to confirm and illustrate this commitment to farmers and sugarcane growing communities. Mitr Phol Group manages its business to promote relationships that are secure, transparent and fair to sugarcane farmers. Also, Mitr Phol Group's leadership of the sugarcane and sugar industry in Thailand reflects the company's commitment to overseeing its business on a basis of good corporate governance, being a role model of excellence in operations, investment in research and development, and sharing knowledge and transferring new technology to sugarcane farmers.

Mitr Phol Group started its business operations in Thailand in 1946. Subsequently, it has expanded its production base to the People's Republic of China and The Lao People's Democratic Republic respectively by investing in the construction of sugar mills and continuous business operations in over 10 locations. It has also promoted the sustainable planting of sugarcane to over 150,000 growers in local communities. These business operations also include large investments in promoting learning among sugarcane farmers, in both technical aspects and in the appropriate application of technology. This also covers service work in the promotion of sugarcane growing, constructing roads, developing irrigation systems, and supporting education and public health in local communities.

The company has applied the same attributes of business operations in the Kingdom of Cambodia, which started in 2009, that is, laying plans to use land to grow sugarcane on a limited scale (small scale) and promoting the growing of sugarcane by local farmers in nearby areas in the long term. The company's investment plans included the construction of sugar mills and biomass power plants to generate and transmit electric power to Cambodia's local electricity authorities. This investment should be considered an important opportunity for local sugarcane growers to develop their production with the technological support, knowledge transfer and employment with the Mitr Phol Group.

Mitr Phol Group does not support encroachment on land owned by others, evictions, nor the destruction of anybody's property. In the case of Mitr Phol Group's investment in the Kingdom of Cambodia, operations were correct according to every legal procedure of the Kingdom of Cambodia and were consistent with the Guiding Principles...
on Business and Human Rights 2011. In the agreement according to the contract, the Cambodian government was the party performing the survey and allocating concession land for agriculture to Mitr Phol Group. Regarding this, government officials were the party stating the attributes of the land, such as that it was land which had ownership and residence or that it was land which had to be separated for conservation, such as conserved National Forest, archaeological sites or land under protection. If it was necessary to expropriate land, government officials would be the negotiators until a settlement were to be reached. Under the terms of this contract, Mitr Phol Group, as the concessionaire, would take responsibility in paying compensation for the expropriation according to the settlement upon which had been agreed.

The investment project of Mitr Phol Group in the Kingdom of Cambodia is in its final stage of business development. There is direct investment through one company and joint investment with another two companies. Regarding this, there are no Cambodian shareholders of these companies. At the present time, the company has received allocations of land concessions of only 18,400 hectares, which are at a trial stage of growing sugarcane because the soil conditions in some areas are not suitable. There has not yet been construction of a mill to produce sugar. However, operations during this period have helped to stimulate local economies by creating over 100 jobs (which will increase to 300 jobs during the planting and harvest season). Besides this, it is also creating opportunities for Cambodian growers to develop their subsistence land and learn about managing a sugarcane plantation sustainably, in which Mitr Phol Group is transferring knowledge directly to local workers and promoting learning to farmers through the company's employees.

To summarize the project in an overview, it may be said that a large amount of land that was specified in areas considered for concessions was removed after surveys and consultations between government officials and the public. This includes separating land which is part of natural reserves and archaeological sites. The removal of land of up to 50-60% is in accordance with Mitr Phol Group's expectations from previous investment experience. Regarding this, the company expects that the concession land received may be further cut to a level which is similar to or lower than expected, to make a reasonable earning of a return on investment from a sugarcane plantation and a sugar mill with a production capacity of 100,000 tons, which requires sugarcane as a raw material of not less than 1,000,000 tons.

(2) Verbal testimony on the 12th of May 2015
The representative of Mitr Phol Sugar Corporation Limited testified in summary that around the end of 2014, the company's directors passed a resolution to withdraw their investment and return the land concessions to the Cambodian government. The company was aware that villagers had been in distress and had hired the International Environment Management Group, a company of Swiss nationality, to survey data about damage that had arisen in the area from the company's land concession. Regarding this, the company confirmed that it was ready to take responsibility for the damage which…
the damage which had occurred using the framework of the International Finance Corporation. This took about 3 to 4 months to gather data, in which data was gathered about the number of families who had incurred damages and the income per household. Apart from this, the company also advised the government of Cambodia to return land titles to the villagers. However, returning land to the villagers depended on the further considerations of the Cambodian government.

(3) Written testimony as of the 9th of July 2015
Mitr Phol Group informed about progress in operations as follows:

1. At the time (July 2015), Mitr Phol Group had prepared documents stating a request to return all of the concession land received from the Cambodian government, for which the Cambodian government, through the Prime Minister’s Office, sent an internal document to the relevant Cambodian ministries and agencies, to confirm approval of returning the concession land. Meanwhile, the company withdrew from all of the lands for which it had received concessions.

2. Mitr Phol Group was at the stage of conducting the closure of its subsidiaries in Cambodia, with the implementation being strictly correct according to the legal procedures of Cambodia and would be expedited to be completed quickly.

3. Mitr Phol Group had hired an international consultant to make a post-investment study using a study framework that was endorsed and applied at the international level by the ADB and the World Bank. After Mitr Phol Group had received approval from the Ministry of Agriculture, Forestry and Fisheries, the consulting company visited the area during last May and had met the provincial governor to consult about details. There was ongoing coordination between the province and relevant agencies in Cambodia to make preparations for the consulting company to make its study in the area. After the consulting company had started its operations in the area, it was expected to take about 4 months for the study, analysis and conclusions on of all the relevant data.

4. Pertinent laws and international conventions

// (1) Constitution …
(1) Constitution of the Kingdom of Thailand (Interim) of BE 2557 (2014)

Section 4: Subject to the provisions of this Constitution, human dignity, rights, liberties and equality previously enjoyed by the Thai people with protection under Thailand's constitutional convention of the democratic regime of government with the King as Head of State and Thailand's existing international obligations shall be protected under this Constitution.

(2) Constitution of the Kingdom of Thailand BE 2550 (2007)

Section 82, First Paragraph: The State shall promote friendly relations with other countries and adopt the principle of non-discrimination and shall comply with human rights conventions in which Thailand is a party thereto, as well as international obligations concluded with other countries and international organizations.

Section 257; The National Human Rights Commission has the powers and duties as follows:

(1) To examine and report on the commission or omission of acts which violate human rights, or which do not comply with obligations under international treaties to which Thailand is a party and to propose appropriate remedial measures to the person or agency committing or omitting such acts while taking action. In the case where it appears that no action has been taken as proposed, the Commission shall report to the National Assembly for further proceeding.

(3) National Human Rights Commission of Thailand Act BE 2542 (1999)

In Section 3 of this act, "Human rights" means human dignity, rights, liberty and equality of people which are guaranteed or protected under the Constitution of the Kingdom of Thailand or under Thai laws or under treaties to which Thailand has obligations to comply.

In Section 15, the Commission has powers and duties as follows:

(1) To promote respect for and the practice of compliance with the human rights principles at the domestic and international levels.

(2) To examine and report on the commission or omission of acts which violate human rights or which do not comply with obligations under international treaties to which Thailand is a party and to propose appropriate remedial measures to the person or agency committing or omitting such acts while taking action. In the case where it appears that no action has been taken as proposed, the Commission shall report to the National Assembly for further proceeding.

(3) To propose to the National Assembly and the Council of Ministers policies and recommendations with regard to the revision of laws, rules or regulations for the purpose of promoting and protecting human rights.

/(4) International …
(4) International Covenant on Civil and Political Rights (ICCPR), to which Thailand became a party on the 29th of October 1996:

Article 1. 1. All peoples have the right of self-determination. By virtue of that right, they freely determine their political status and freely pursue their economic, social and cultural development.

2. All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic cooperation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of its own means of subsistence.

3. The States party to the present Covenant, including those having responsibility for the administration of Non-Self-Governing and Trust Territories, shall promote the realization of the right of self-determination, and shall respect that right, in conformity with the provisions of the Charter of the United Nations.

Article 47: Nothing in the present Covenant shall be interpreted as impairing the inherent right of all peoples to fully and freely enjoy and utilize their natural wealth and resources.

(5) International Covenant on Economic, Social and Cultural Rights (ICESCR), to which Thailand became a party on 5th December 1999:

Article 1. 1. All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

2. All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic cooperation, based upon the principle of mutual benefit, and international law. In no case may people be deprived of its own means of subsistence.

3. The States party to the present Covenant, including those having responsibility for the administration of Non-Self-Governing and Trust Territories, shall promote the realization of the right of self-determination, and shall respect that right, in conformity with the provisions of the Charter of the United Nations.

/Article 25 …
Article 25: Nothing in the present Covenant shall be interpreted as impairing the inherent right of all peoples to enjoy and utilize fully and freely their natural wealth and resources.

(6) ASEAN Human Rights Declaration, which Thailand signed to ratify on 28th November 2012

      Right to Development

35. The right to development is an inalienable human right by virtue of which every human person and the peoples of ASEAN are entitled to participate in, contribute to, enjoy and benefit equitably and sustainably from economic, social, cultural and political development. The right to development should be fulfilled so as to meet equitably the developmental and environmental needs of present and future generations. While development facilitates and is necessary for the enjoyment of all human rights, the lack of development may not be invoked to justify the violations of internationally recognized human rights.

36. ASEAN Member States should adopt meaningful people-oriented and gender responsive development programs aimed at poverty alleviation, the creation of conditions including the protection and sustainability of the environment for the peoples of ASEAN to enjoy all human rights recognized in this Declaration on an equitable basis, and the progressive narrowing of the development gap within ASEAN.

      Cooperation in the Promotion and Protection of Human Rights

39. ASEAN Member States share a common interest in and commitment to the promotion and protection of human rights and fundamental freedoms which shall be achieved through, inter alia, cooperation with one another as well as with relevant national, regional and international institutions/organizations, in accordance with the ASEAN Charter.

40. Nothing in this Declaration may be interpreted as implying for any State, group or person any right to perform any act aimed at undermining the purposes and principles of ASEAN, or at the destruction of any of the rights and fundamental freedoms set forth in this Declaration and international human rights instruments to which ASEAN Member States are parties.

/ (7) United Nations Guiding Principles …

Part 1: The state duty to protect human rights

A. Foundational principles

1. States must protect against human rights abuse within their territory and/or jurisdiction by third parties, including business enterprises. This requires taking appropriate steps to prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication;

2. States should set out clearly the expectation that all business enterprises domiciled in their territory and/or jurisdiction respect human rights throughout their operations.

B. Operational principles

3. In meeting their duty to protect, States should:

(a) Enforce laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights, and periodically to assess the adequacy of such laws and address any gaps;

(b) Ensure that other laws and policies governing the creation and ongoing operation of business enterprises, such as corporate law, do not constrain but enable businesses to have respect for human rights;

(c) Provide effective guidance to business enterprises on how to respect human rights throughout their operations;

(d) Encourage, and where appropriate require, business enterprises to communicate how they address their impact on human rights.

/Ensuring …
Ensuring policy coherence

8. States should ensure that governmental departments, agencies and other State-based institutions that shape business practices are aware of and observe the State’s human rights obligations when fulfilling their respective mandates, including by providing them with relevant information, training and support.

Part 2: The corporate responsibility to protect human rights

A. Foundational principles

11. Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

12. The responsibility of business enterprises to respect human rights refers to internationally recognized human rights, understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

13. The responsibility to respect human rights requires that business enterprises:

   (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;

   (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.

14. The responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure. Nevertheless, the scale and complexity of the means through which enterprises meet that responsibility may vary according to these factors and with the severity of the enterprise’s adverse human rights impacts.

/15. In order to …
15. In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:
   (a) A policy commitment to meet their responsibility to respect human rights;
   (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
   (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

B. Operational principles

Policy commitment

16. As the basis for embedding their responsibility to respect human rights, business enterprises should express their commitment to meet this responsibility through a statement of policy that:
   (a) Is approved at the most senior level of the business enterprise;
   (b) Is informed by relevant internal and/or external expertise;
   (c) Stipulates the enterprise’s human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services;
   (d) Is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties;
   (e) Is reflected in operational policies and procedures necessary to embed it throughout the business enterprise.

Human rights due diligence

17. In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts …
human rights impacts, business enterprises should carry out human rights due diligence. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:

(a) Should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships;

(b) Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations;

(c) Should be ongoing, recognizing that the human rights risks may change over time as the business enterprise’s operations and operating context evolve.

18. In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. This process should:

(a) Draw on internal and/or independent external human rights expertise;

(b) Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.

Remediation

22. Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes.

Issues of context

23. In all contexts, business enterprises should:

(a) Comply with all applicable laws and respect internationally recognized human rights, wherever they operate;

(b) Seek ways to honour the principles of internationally recognized human rights when faced with conflicting requirements;

(c) Treat …
(c) Treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate.

Part 3: Access to remedy

A. Foundational principle

25. As part of their duty to protect against business-related human rights abuse, States must take appropriate steps to ensure, through judicial, administrative, legislative or other appropriate means, that when such abuses occur within their territory and/or jurisdiction those affected have access to effective remedy.

B. Operational principles

State-based judicial mechanisms

26. States should take appropriate steps to ensure the effectiveness of domestic judicial mechanisms when addressing business-related human rights abuses, including considering ways to reduce legal, practical and other relevant barriers that could lead to a denial of access to remedy.

Non-State-based grievance mechanisms

28. States should consider ways to facilitate access to effective non-State-based grievance mechanisms dealing with business-related human rights harms.

5. Opinions and Resolutions of the Subcommittee for Community Rights

The Subcommittee for Community Rights considered and investigated the data obtained from the complainants' verbal testimony and supporting documents of the complaint, and their travels to hear additional information from villagers in the areas of the villages of O'Bat Moan, Taman, Trapaing Veng and Ktum, on the 11th of August 2014, as well as the documents and testimony of Mitr Phol Sugar Corporation Limited, with the facts and opinions summarized as follows:

(1) Communities from all four villages, that is, communities from the villages of Bos, O'Bat Moan, Taman, Trapaing Veng and Ktum, were local communities with Cambodian people in residence who had made their livings in the area for a long time already. The villagers in these communities had normal ways of life and of practicing agriculture such as growing rice and various vegetables

/and ...
and gathering forest products from adjacent community forests. Regarding this, these facts were consistent with reports of field research which undertook to study data from communities in the village of O'Bat Moan, that the villagers were able to look after their families self-sufficiently from mixed agriculture and collecting products from nearby forests. Growing rice and collecting forest products was formerly the villagers' main source of income, and they also planted other crops on the land as food and for additional income. The villagers of O'Bat Moan were able to live self-sufficiently from their abilities to plant enough rice to feed their families. The communities of all four villages, who had been reliant and dependent on local natural resources for long periods, were therefore entitled to determine their own intentions; they were entitled to freely manage consumable property and natural resources, and they were entitled to not be deprived of those rights in living their lives in whatever case. These rights have been endorsed in international conventions and the ASEAN Declaration on Human Rights.

(2) Managing the land to give a concession to Mitr Phol Sugar Corporation Limited caused an impact and was a violation of human rights of the Cambodian people, that is to say, the compulsory eviction of villagers from the land which the community had relied on for its way of life for a long time, with the burning of many hundreds of villagers' houses in the villages of O'Bat Moan and Bos, the arrest and court cases against villagers who were complaining, the villagers losing all their land for agriculture, or in some cases that some parts of the land remaining were insufficient to feed family members, the lack of food security from the loss of land to make a living, the inability to harvest crops which they had grown, and the inability to gather forest products from community forest lands as the community forest land had become land under the company's concession as well. This information from the testimony of the complainants was consistent with the additional information the chair of the Subcommittee for Community Rights had travelled to hear from villagers in the villages of O'Bat Moan, Taman, Trapaeing Veng and Ktum on the 11th of August 2014.

Regarding this, the villagers' needs, besides compensation and remedy for the damage to property which had a reason, the villagers also needed the land which they had previously used to make a living to be returned to them. This is because the loss of the land to make a living had a severe impact on their livelihoods. Although Mitr Phol Group (Mitr Phol Sugar Corporation Limited) had testified in documents to the Subcommittee for Community Rights on the 14th of July 2013, that Mitr Phol Group did not support the encroachment of land owned by others, or the eviction or destruction of property of any person, and that the investments of Mitr Phol Group in Cambodia had been conducted correctly according to the laws of Cambodia at every step, while also being consistent with the United Nations guidelines concerning business and human rights, in which in the contractual agreement, the Cambodian government would be the party /making surveys ...
making surveys and allocating concession land for agriculture to Mitr Phol Group, and that at present, Mitr Phol Group had notified of returning all of the land which it had received for the concession to the Cambodian government, and also closing its subsidiary companies in Cambodia, with facts appearing from investigation that the company had been informed of human rights violations of the forced evictions and burning of houses and crops of the villagers for the villagers to leave the area and give the land to the company's business concession. This caused distress to the villagers with nowhere to live, and unfair payment of compensation, while also malevolently arresting and pursuing cases against the villagers as a result of the villagers demanding justice. It is considered that the violations of human rights which had occurred in Cambodia were actions pertinent to enabling Angor Sugar Co. Ltd, Tonle Sugar Cane Co. Ltd and Cane and Sugar Co. Ltd, which were direct investments of Mitr Phol Sugar Corporation Limited or joint investments with other companies, which had received land concessions to operate their business in Cambodia, and which were in violation of the United Nations Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework (2011), which has a foundational principle for business organizations to respect the principles of Human Rights by avoiding commission or omission of acts causing impacts on human rights, or violating the human rights of others. They should oversee the negative aspects from the involvement of their business organization, as well as find ways to prevent or reduce human rights impacts directly connected with the operations of production or services provided by the organization which are the result of business relationships, even though the business operation does not have a part in causing those impacts.

The problems following from these complaints caused Mitr Phol Sugar Corporation Limited to implement returning all of their concession land to the Cambodian government. In this, they withdrew from the concession lands and have also implemented the closure of their subsidiary companies in Cambodia. They have also hired an international consultant to conduct studies of the data of the damage arising from the company's land concession in the area. They have also testified to the Subcommittee on Community Rights that the company was ready to take responsibility for the damage which had occurred by using the framework of the International Finance Corporation, which is a framework accepted and used at the international level by the ADB and the World Bank, to compensate for the damage to the people of Cambodia. It is therefore considered that the company accepts that a problem of the violation of human rights has genuinely arisen on the concession land, and the company has expressed its intention to remedy this problem which is a result of business relations.

/However ...
However, the Subcommittee on Community Rights has the opinion that the problem of human rights violations which has occurred on the company's concession lands are the direct responsibility of Mitr Phol Sugar Corporation Limited, because the land concession came into being for the benefit of the company's business operations, and the company is the business beneficiary from being granted those land concessions. Despite the company requesting to return all the concession lands to the Cambodian government and implementing the closure of its subsidiaries in Cambodia, with the result that the company no longer had any legal connection with the concession land, the company still had liability for remedy and compensation for the impacts which had occurred, according to the principles of the United Nations Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework (2011), which stipulates that a business organization must find ways to prevent or reduce impacts on human rights directly connected with its manufacturing or service operations which are the result of business relations, even if the business organization did not have a part in causing that impact. It also had to operate its business responsibly by adhering to the principles of human rights in preventing and reducing damage, by having an assessment of impacts on human rights which had occurred, and following up impacts closely, including communicating with the public to be sure that the impacted parties had been looked after and remedied fairly.

The Subcommittee has the opinion that Mitr Phol Sugar Corporation Limited receiving the land concessions had pertinence to causing a violation of human rights to the people of Cambodia. The company thus has a duty and responsibility to remedy the damage, including following up on the problem until redress had been completed and being fair to the impacted parties, according to the United Nations Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework (2011).

The Subcommittee has policy recommendations for Mitr Phol Sugar Corporation Limited and the government as follows:

1. Mitr Phol Sugar Corporation Limited should consider compensation and remedy for damage which had occurred to villagers in the communities in the villages of Bos, O'Bat Moan, Taman, Trapaising Veng and Ktum in Oddar Meanchey Province in the northeast region of Cambodia
according to the intentions it had expressed to the Subcommittee on Community Rights on the 12th May 2015, and in the company's written testimony dated 9th July 2015, in which the impacted villagers should have participation in the consideration of compensation and remedy at every stage, until the impacted parties have been compensated and remedied fairly, including consideration of any undertaking which would be a guarantee that the villagers would have their land returned in the amount of land where they had formerly made their livings.

(2) The Council of Ministers, the Ministry of Foreign Affairs, the Ministry of Commerce, the Stock Exchange of Thailand, the Bank of Thailand and other pertinent bodies should establish mechanisms or stipulate obligations in oversight of foreign investment of investors of Thai nationality, to have respect for the basic principles of Human Rights, using the framework of the United Nations Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework (2011).

6. Opinions of the National Human Rights Commission of Thailand

The National Human Rights Commission of Thailand made consideration in the meeting about protections and standards of protection of Human Rights Number 32/2558 on the 21st of September 2015, in the case of the complaint with allegations that the business operations of Mitr Phol Sugar Corporation Limited, and three joint venture companies which were Angor Sugar Co Ltd, Tonle Sugar Cane Co Ltd, and Cane and Sugar Valley Co Ltd, were commissions or omissions of acts with the attributes of being human rights violations arising from land concessions granted for sugar industry business operations in the areas of Samrong and Chongkal Districts in Oddar Meanchey Province in the northeast of Cambodia in the areas of communities in the five villages of Bos, O'Bat Moan, Taman, Trapasing Veng and Ktum by Mitr Phol Sugar Corporation Limited, a Thai business organization doing joint business. It was seen that the case of business operations in this area of Cambodia in fact appeared to be inconsistent with the corporate responsibility to respect human rights according to the United Nations Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework (2011) Part 2, Article 11 and Article 13, and Mitr Phol Sugar Corporation Limited was responsible for operating its business according to the principles of Article 17, Article 18, Article 22 and Article 23.

/Regarding this, ...
Regarding this, it appeared from investigation of the facts of the Subcommittee for Community Rights on the 12th May 2015, and according to the company's written testimony of the 9th July 2015, that Mitr Phol Sugar Corporation Limited had withdrawn its investment and returned all the concession lands to the Cambodian government, and had hired International Environment Management, a company of Swiss nationality, to survey data of the damages which had occurred on the concession lands for further compensation and remedy. However, the National Human Rights Commission of Thailand (in a majority decision of five votes) had the opinion that Mitr Phol Sugar Corporation Limited should consider amending its business operating policies in a direction which did not cause the violation of human rights in any form, in any area. It should consider implementing compensation and remedy for the damages which had occurred to Cambodian people in the communities of the villages of Bos, O'Bat Moan, Taman, Trapaing Veng and Ktum in Oddar Meanchey Province in Cambodia, according to the intentions testified to the Subcommittee on Community Rights on the 12th May 2015, and according to the written testimony of the company dated 9th July 2015, until the affected parties have been compensated and remedied fairly, and the policies recommended to the Council of Ministers and other pertinent agencies.

7. **Policy recommendations**

National Human Rights Commission of Thailand passed a resolution to make policy recommendations to the Council of Ministers, the Ministry of Foreign Affairs, the Ministry of Commerce, the Stock Exchange of Thailand, the Bank of Thailand and other pertinent bodies, that they should establish mechanisms or stipulate obligations in oversight of foreign investment of investors of Thai nationality to have respect for the basic principles of Human Rights, using the framework of the United Nations Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework (2011).

/8. Resolution …
8. Resolution of the National Human Rights Commission of Thailand

With the foregoing reasons, the National Human Rights Commission of Thailand sees it as appropriate to make policy recommendations pursuant to the National Human Rights Commission Act BE 2542) (1999), Section 7, to the Council of Ministers, the Ministry of Foreign Affairs, the Ministry of Commerce, the Stock Exchange of Thailand, the Bank of Thailand and other pertinent bodies. The National Human Rights Commission of Thailand is assigned to be further informed of this undertaking.

[Signature]
(Professor Amara Pongsapit)
Chair, National Human Rights Commission of Thailand

[Signature]  [Signature]
(Mr Thae-jing Siripanit)  (Mr Niran Pitakwatchara)
National Human Rights Commissioner  National Human Rights Commissioner

[Signature]  [Signature]
(Mr Parinya Sirisarakan)  (Mr Paiboon Warahapaitoon)
National Human Rights Commissioner  National Human Rights Commissioner