

# Resettlement and Income Restoration in Thilawa SEZ

*– Lessons from the first & second phases and emerging good practices –*

Thilawa SEZ Management Committee (TSMC)  
Yangon Region Government (YRG)

20 February 2017

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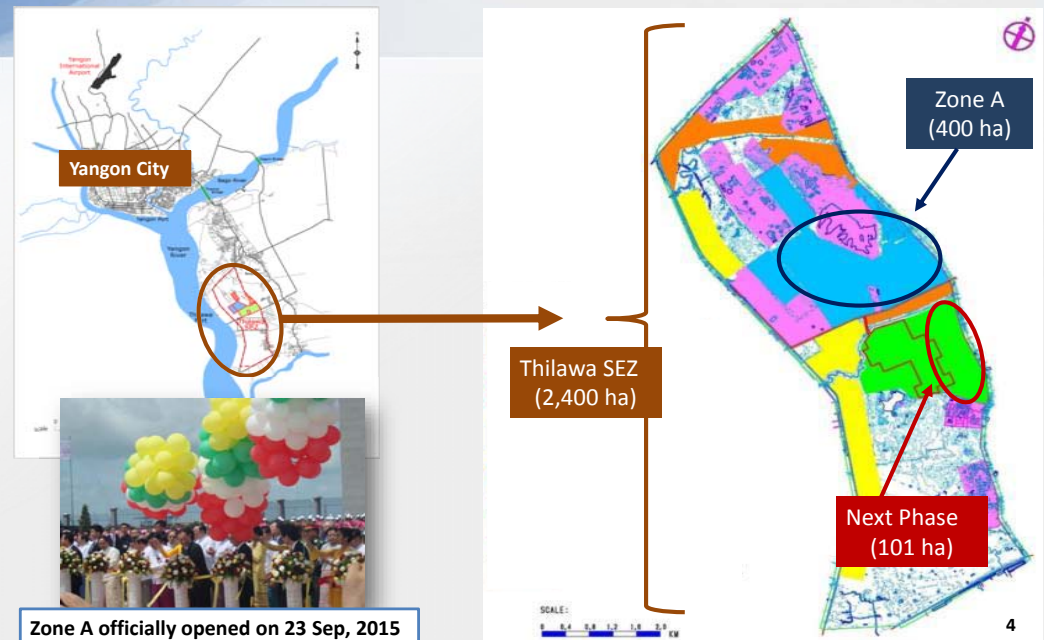
## Overview of Thilawa SEZ (1/2)



- Thilawa is about 1 hour's drive from Yangon City
- One of the national flagship projects to attract FDI
- Out of total 2,400 ha, 400 ha industrial area (Zone A) is now in operation
- Land acquisition for the next phase (101 ha) has just been completed and ground-breaking ceremony is scheduled on 24 February, 2017

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## Overview of Thilawa SEZ (2/2)



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## Some Background of Resettlement and Income Restoration in Thilawa

- Out of 2,400 ha, about 2,100 ha was acquired in 1997 for industrial zone development
- Land/structure/crop were compensated and each PAH living in the project area received a housing plot in 1997
- But the project did not materialize and some PAHs returned to the project area over time, although the land title was transferred to the government
- PAHs in Zone A was compensated in 1997, but given the above complicated conditions, assistance including a resettlement site and crop compensation was provided again in 2013
- The area targeted for next phase was not compensated in 1997, and thus land acquisition and resettlement are being implemented as per Myanmar laws and International practices

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## Resettlement Work Plan (RWP) for Thilawa SEZ

Since there is no law or guideline to prepare the Resettlement Plan in Myanmar yet, the RWP was prepared as per the international practices.

**Nov 2013:** RWP for Zone A (400 ha) was prepared.

**Nov 2013 - Feb 2014 :** Relocation of Zone A PAHs

**Feb 2016:** Framework of Resettlement Works was prepared to guide the preparation of the individual RWPs for the remaining 2,000 ha area

And Individual RWP for each development is being prepared

**Aug 2016:** RWP for Zone B Area 2-1

**Jan 2017:** RWP for Zone B Area 2-2 East

**Under preparation:** RWPs for other areas



Framework of Resettlement Works



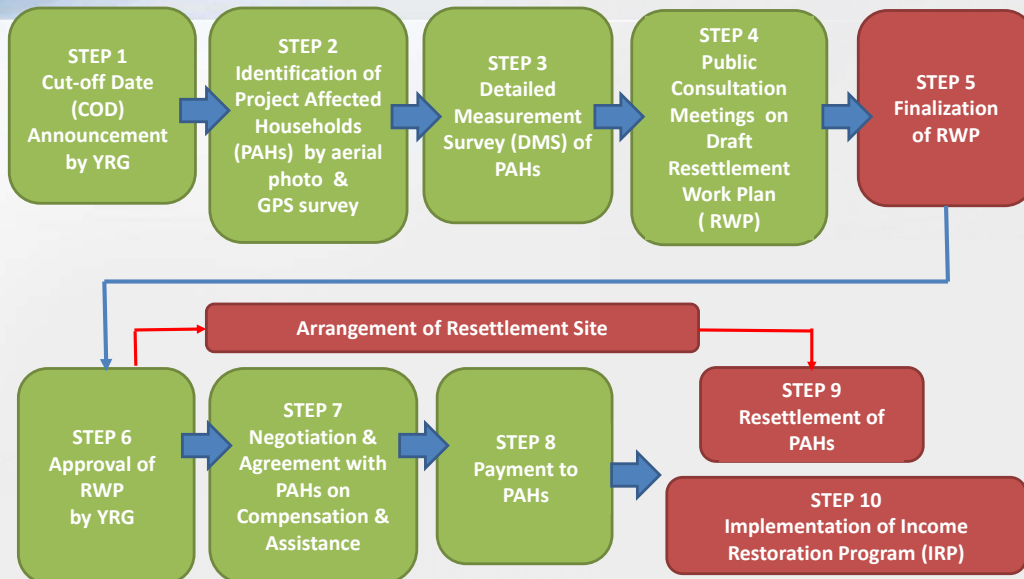
Q&A in Consultation meeting



Explanation in Consultation meeting

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## Major Steps for Resettlement Work based on International Practices for this Project



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## Special Features of Resettlement for Thilawa SEZ Development

- ❑ One of the international projects with a large scale of involuntary resettlement in Myanmar and thus attracted international attentions, e.g. from NGOs and CSOs
- ❑ Thilawa SEZ is a Public-Private Partnership project and thus more speed and greater flexibility are required for planning and implementation compared with normal government-sponsored projects
- ❑ Strong commitment of the Project Proponent and supporting organizations to comply with international standards for involuntary resettlement and to contribute to local development through Corporate Social Responsibility (CSR) activities.
- ❑ As for the area where land acquisition is not completed, there are land owners who purchased farmland for a business purpose, not a farming purpose, through the expectation of the higher land compensation rate.



News about construction schedule

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# Challenges and Solutions (1/2)

## Zone A (Partially applicable to next phase)

- 1. Unfamiliarity with transparent consultation/negotiation:** Open, transparent and two-way consultation and consensus-building through negotiation are something new in Myanmar
- 2. Resettlement Site:** PAHs without land title to be resettled; Flooding and water quality issues raised by Zone A PAHs
- 3. Transition from land-based livelihood to non land-based livelihood:** Transition to non land-based livelihood posed challenges to some PAHs after resettlement
- 4. Lack of Experience of Having/Using Large Amount of Money:** In some cases, compensation and assistance money were misused and not used for restoring/improving livelihood

# Challenges and Solutions (2/2)

## Next Phase

- 5. Complicated Land Ownership and Land Use Pattern:** Unofficial land transaction is fairly common in Myanmar, and some PAHs even sold land that they do not own
- 6. Difficulty in deciding the Land Market Value:** As in many other countries, records of land transaction are very limited. The gaps exist between the market rate decided by the Government and the amount PAHs requested
- 7. Adjustment between Cut-Off Date, Census and Resettlement:** Demographic conditions of some PAHs have changed since cut-off date

## 1. Unfamiliarity with Transparent Consultation/Negotiation (1)

Open, transparent and two-way consultation and consensus-building through negotiation are something new in Myanmar

### Zone A (Partially applicable to next phase)

- Extensive consultation meetings were organized in a transparent way (e.g. 1 week advance notice, not excluding non-PAH participation)
- Local leaders (e.g. current/former village administrator) also attend the meetings as observers
- Multi-stakeholder Advisory Group (MSAG) consisting of stakeholders including PAPs, government, developer, SEZ locators (tenants), CSOs, and local and international NGOs was established as a dialogue platform for building trust and addressing challenges. MSAG started from an informal meeting on 19 Feb 2015 and had 4 official meetings by March 2016. The evaluation report on MSAG was also prepared in July/August 2016.
- Since January 2017, consultation and dialogue between local communities (approx. 10 villages around the project area) and the developer have been held as Thilawa Community Coordination Meeting for information sharing and more direct discussions.



2<sup>nd</sup> MSAG Meeting

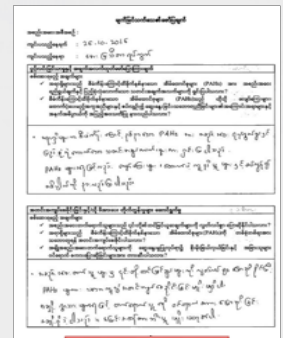
## 1. Unfamiliarity with Transparent Consultation/Negotiation (2)

### Next Phase

- Additional witnesses (two local NGOs) attend negotiation meetings and signing events, and submit reports evaluating transparency and fairness of the meetings.



Participation of witness in consultation meetings



Witness's report

## 2. Resettlement Site (Zone A)

### PAHs without land title to be resettled

- PAHs who were already compensated and received a land plot in 1997 also received a land plot in the resettlement area in 2013.
- Additionally, necessary actions are being taken to grant land title of the land plot in the resettlement site to these PAHs.

### Flooding and water quality issues raised by Zone A PAHs

- Ground level was increased by earth filling as per PAHs' requests to avoid flooding in rainy season.
- Improved water supply system with Submersible Pump, Iron Removal Plant, Elevated Water Tank and Distribution Pipeline was installed.
- Water meter is installed to each house and training for using/ maintaining the system is provided.
- Same system will be installed for PAHs of the next phase.

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## 2. Resettlement Site (Next phase)

- PAHs desired to move as soon as possible to promote the development of the SEZ, while necessary infrastructure at the resettlement site will be ready in April 2017

### - Many PAHs want to hire contractor jointly for house construction

- Special arrangement for temporary relocation was made so that PAHs can move to temporary residence (e.g. relative's house) until the resettlement site is ready.
- Discussion is underway about hiring contractor, construction cost and specification of houses with the support of TSMC to ensure quality standards are maintained.
- Discussion is underway about expanding capacity of local school to accommodate more students in the neighbourhood.
- Joint meetings with relocated PAHs and host community to promote harmonization with host community.

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## 3. Transition from land-based livelihood to non land-based livelihood

After relocation, some Zone A PAHs had difficulties in changing jobs from land-based livelihood which provides them with food, income and safety-net

- Zone A**
- Social welfare support financing was provided in three trenches to each PAH as additional transition support.
  - Later on, 3 acres of land behind the resettlement site is opened up to PAHs as a common land which can be used as home garden.

**Next Phase**

- A bigger housing plot (40' x 50') is provided, improvement from 25' x 50' in Zone A, so that PAHs can have home garden at their own plot.

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## Assistance to find alternative livelihood

Gaps exist between prevailing education and skill levels of local people and ones expected by potential employers in SEZ. This creates challenge for local people to take advantage of economic opportunities created by SEZ

### Zone A

TSMC (and some investors) provides support to fill the gaps

- Assistance for CV preparation for applying a job in SEZ
- Support in job matching, connecting employers (developer + locators in SEZ) and job seekers (local people)
- Vocational training to fill the skills/capacity gaps which is open to interested PAPs and local communities
- As a total, 29 PAPs are currently working at companies in Thilawa SEZ, and 19 PAPs used to work.

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## 4. Lack of Experience of Having/Using Large Amount of Money (1)

There is a risk that compensation and assistance money is misused and not used for restoring/improving livelihood

### Zone A

- Money management & household account management training was provided.
- Compensation and assistance money was mostly provided in 2 to 4 instalments to avoid misuse. House compensation was provided in 3 instalments as per the progress of construction.
- Microfinance program led by local monk
- Some PAHs borrowed money from a loan shark. Government also intervened to lower the interest to legal level to support PAH's smooth transition.

## 4. Lack of Experience of Having/Using Large Amount of Money (2)

There is a risk that compensation and assistance money is misused and not used for restoring/improving livelihood

### Next Phase

Since the compensation and assistance amount is larger due to land compensation, more mitigatory actions are being taken to avoid misuse.

- Mandatory household account management training for all PAHs
- When PAP signs an agreement, s/he is requested to sign on behalf of all family members and that s/he will use the money in consultation with other members
- Compensation and assistance money is provided through bank transfer to reduce the risk of misuse and/or theft and to earn interests
- A briefing session about the benefits of bank account is being arranged (by local bank staffs) to mitigate PAHs' mistrust and unfamiliarity of private bank

## 5. Complicated Land Ownership and Land Use Pattern (1)

Unofficial land transaction is fairly common in Myanmar, and some PAHs even sold land that they do not own

### Next Phase

- Several meetings were convened to identify the original (as registered in the government cadastre map) and *de facto* landowner who bought land from the original owner
- De facto landowners receive the same land compensation as the original landowner as long as their land-ownership status is confirmed at the meeting by written evidence (record of transaction, tax receipt etc.)
- If land ownership is in dispute, land compensation is deposited in the bank account until the dispute is resolved as per Land Acquisition Act 1894

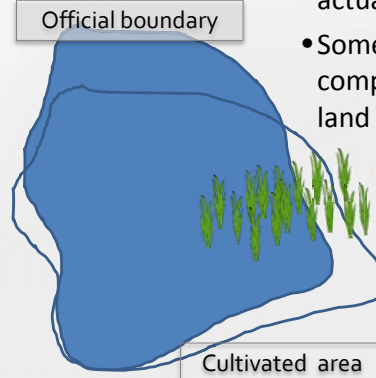


Record of unofficial Land transaction

## 5. Complicated Land Ownership and Land Use Pattern (2)

Different entitlements are to be provided to PAHs depending on land ownership; However,

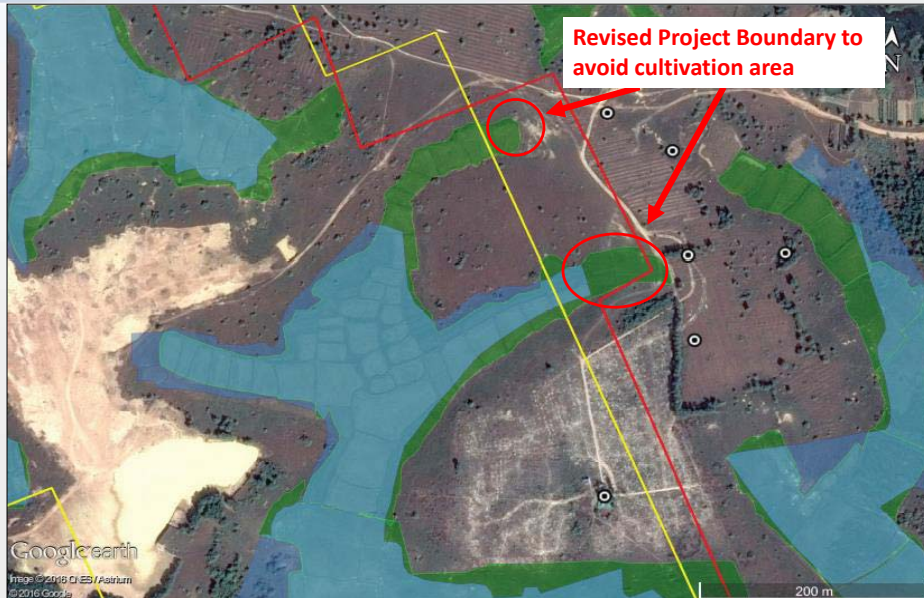
### Next Phase



- Registered area of farmland does not always match with actual cultivation area
- Some landowners complain that land users receive compensation for crops/trees they grow on someone's land (without prior agreement, in some cases)

Paddy/Crop measurement with GPS and discussion with landowners/users so that assistance can be provided based on the real situation and based on mutual consent between land owners and users

## Using Different Types of Data to Establish Project Boundary to Minimize Negative Impacts



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## 6. Difficulty in deciding the Fair Land Market Value

Existing or latest land transaction record is very limited since local people paid little attention to the official procedure. Besides, legally land transaction was not allowed after the announcement of Thilawa SEZ development.

### Next Phase

- In 2014, 273 samples of farmland transaction data between 2010-2014 were collected from the existing official records and interviews around the project site.
- After considering (1) PAHs' voices during past consultation meetings when preparing the RWP and (2) inflation after the above-mentioned survey, the possible range of land compensation was preliminarily decided by the government and stakeholders.
- Government had series of consultation meetings with land owners and reached the agreement with majority of local land owners.

The gap between government official rate and PAH's requested amount was filled by additional assistance after series of consultation meetings with PAHs and stakeholders.

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## 7. Adjustment between Cut-Off Date, Census and Resettlement

Demographic conditions of some PAHs have changed since cut-off date, for example:

### Next Phase

- Some PAPs were not "elderly" at the time of cut-off date, but become "elderly" at the time of resettlement
- Some PAHs have become women-headed as male household head passed away after cut-off date
- Young children now go to school



Invitation Letter for funeral submitted from a widow as an evidence

Demographic information, particularly ones related to vulnerability status was updated to provide assistance based on the conditions at the time of resettlement considering these entitlements are additional social assistance.

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## Examples of Retrofitting Entitlements

- Some PAH stopped cultivation in anticipation of construction work  
➔ **One-year extra compensation added to rice compensation**
- Some PAHs desire to construct new houses jointly  
➔ **House compensation for such PAHs is pooled in a bank account and may be used jointly**
- Pregnant PAP identified at the time of negotiation  
➔ **Pregnancy added to the category of vulnerability**
- Original land users continued cultivation after they sold out the land  
➔ **Apportionment of compensation decided based on mutual agreement between original and current landowner**



TSMC continues to support PAH regularly

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