

# LAND ACQUISITION ACTIVITIES

2009 - 2010

KYAUK PHYU, RAKHINE STATE



## Introduction

- Project Brief
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- Land Acquisition Team and Plan

## Phase 1: Onshore Gas Facilities and Jetty

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## Phase 2: Disposal Area and Alternate Road

- Performed Activities and Schedule
  - Acquisition Area and Compensatory Rate
  - Awarding Compensation
  - Signing Agreement Bond
- Summary

- The Shwe Project requires the establishment of offshore field facilities and the onshore natural gas transportation system for the supply of natural gas to the OGT.
- To accommodate the onshore operations in particular, the land acquisition has been made on the areas near Gone Chwein Village Tract, Kyauk Phyu Township in Ramree Island.

## Phase

1

### **Onshore gas facilities and jetty**

- Onshore Gas Terminal ("OGT") area and drainage channel
- 50 meter width of Right Of Way ("ROW") along the onshore pipeline route
- Temporary work /camp area for the landfall construction
- Supply base and jetty

## Phase

2

### **Disposal area and alternate road**

- The Northwest corner of OGT compound
- A new alternate road to Malakyun and Lake Kha Maw villages

**Objectives were set to alleviate the impact of the land acquisition and prevent damage to the local population's livelihood.**

- To minimize the impact of the activities associated with the pipeline and other onshore facilities.
- To minimize the land area required in accordance with natural gas industry practices (temporary & permanent acquisition area).
- To ensure that compensation is awarded directly and immediately to those individuals owning, leasing, cultivating or using the land in some other manner.
- To ensure that any local inhabitant who loses the right to their land finds the compensatory award at more than satisfactory and compensation is made justly and fairly.



## 1. Selection of land to be acquired

- Minimizing the impact of the activities associated with the offshore pipeline and its facilities shall be considered with utmost care and attention.
- Minimizing the land surface required for the onshore pipeline and its facilities shall be considered in accordance with generally accepted natural gas industry practices; and
- Avoiding the crossing of any cultural or religious site(s) to the maximum extent possible.

## 2. Compensation for the land occupiers (Land)

- Explanations to and discussions with the land occupiers shall be held prior to any acquisition.
- Recognition of the land occupiers shall be obtained even if there are no proven documented records.
- Reaching an agreement will be sought with all individuals involved relating to the land acquisition and crop compensation in view of mutual understanding and consensus.
- Compensation shall be awarded to the Land occupiers on an individual basis.
- For compensation of the land, the followings shall be taken into consideration: Type of land, location of land, income from sub-lease, if any; and any other reasonable consideration by Daewoo as the operator

## 3. Compensation for the land occupiers (Crop)

- The land occupiers shall be also paid crop compensation by taking into consideration of the following standards:
  - Type of crop cultivated
  - Yield potential
  - Prevailing local market value for such crop; and
  - Any other reasonable consideration by Daewoo as the operator;
- For evidencing the crop compensation, the calculation relating to the losses and/or damages of crops and plants for compensation will be recorded.
- The compensation shall be paid in local currency.
- The compensatory process will fully comply with the rules and regulations of the Union of Myanmar; and
- A comprehensive record shall be kept by Daewoo in its capacity as the operator of the Shwe Offshore Pipeline Joint Venture.

# Land Acquisition Team

- For conducting efficient and objective acquisition of land, Shwe Consortium organized Land Acquisition Team. (“LAQ team”)
- LAQ team was consisted of personnel from Daewoo including local staff, representatives from MOGE.
- Crucially officials from the Land Records Department (“LRD”) and villiage representatives also assisted in this process and ensured that the process was conducted objectively.



## Project area: OGT, ROW, drainage

- Total area: 91.9 acre (371,906.1m<sup>2</sup>)
- Total number of the affected household: 110
  - ROW : 65
  - OGT area : 33
  - Drainage area : 12
- Kinds of planted crops: 17

## Jetty area

- Total number of affected shops : 22



# Preliminary Meeting

- Preliminary meeting was held with local communities from 16 July 2009 to 21 July 2009.
- The overview of the land acquisition was explained in Myanmar language.
  - Necessity of the land acquisition
  - Objective and principle
  - The compensation procedure
- LAQ team obtained the people's consent after they had agreed to the compensation plan
  - Acceptance form was signed by the households who agreed



## Survey of the land

- In order to get the accurate results of measurement, the survey of the land was performed by FUKKEN, the land survey consultancy in Myanmar.
- FUKKEN surveyed the ROW and OGT area from 26 Nov. to 7 Dec. 2009.

### Total area of land to be acquired

(acre)

No.	Land Type	Permanent ROW	Temporary ROW	OGT	Drainage	Total
1	Paddy	17.9	17.13	30.57	2	67.6
2	Garden	9.25	14.45	0.2	0.4	24.3

## Survey of the crops

- The survey of the actual market price of crops was performed in local markets of Gone Chwein, Malakyun and Kyauk Phyu villages.
- LAQ team established the rates of crops based on the price which the team surveyed.
- The established rates were accredited by the local authorities.



## Calculation for loss of crops and lands

### Crop: $A = R \times Y \times Q \times F \times N$

**A** = Total compensated (kyats)

**R** = Compensatory rates

**Y** = Potential Yield

- The company adopted maximum rate (R) and maximum yield (Y) from each villages and established their own compensatory rate.

**Q** = Crop loss

- Size of land (rice) and/or number of plants (coconut trees) which will be lost as a result of the project activities

**F** = Maturity of plant

- medium productivity : F=0.40
- maximum productivity : F=1.00

**N** = Compensation period

- 5 years for Permanent Area
- 3 years for Temporary Area

### Land: $A = F4 \times F1 \times F2 \times F3$

**A** = Shwe project compensatory (kyats)

**F4** = Compensatory rates

- Paddy
- Garden Land

**F1** = Land-type ( R : Rice / G : Garden crops)

- R3,G3 ordinary class : 0.50
- R2,G2 medium class : 0.75
- R1,G1 highest class : 1.00

**F2** = Location

- Close to town or village : 1.00
- Medium distance : 0.75
- Remote location : 0.50

**F3** = Type of lease

- Unproved lease agreement : 0.70
- Formal recorded agreement : 1.00

\* Only two weight factors were used in the maturity of plant (F)

\* Weight factor "1.0" was applied for F1, F2, F3.  
Another weight factor "0.9" was added for temporary land occupation.



# Establishing the Compensatory Rates

## Buildings

- 16 buildings were affected by the land acquisition.
  - 3 houses
  - 7 huts
  - 1 factory
  - 1 shop
  - 4 wells
- The wooden buildings (2 houses, 7 huts) and the wells were moved bodily to a new site.
- The other buildings were compensated according to the PAE (Plinth Area Estimated) rates based on existing condition of building and wells.
- The households who lived in the occupied land were offered new lands.



# Announcing the Compensatory Rate

- The meeting was held with the affected households for announcing the compensatory rate from 28 to 29 January, 2010.
  - The sample calculation of compensatory amount was explained in order to clarify the standard of compensatory payment.
  - Villagers were satisfied with the disclosed rate.
- In order to prevent reckless expenditure, the recommendation for the advisable consumption was made.
  - Necessity of the effective management of financial gain
  - Warning the risk of gambling, drinking etc



# Acquisition of Jetty Area

- 22 shops were located in the jetty area.
- The meeting was held with the local authorities and the shop owners to discuss the issues regarding the acquisition of the jetty area.
  - finding the places which have new business opportunities.
- The shop owners were awarded the ownership of the new places.
- The compensatory rate of moving cost as established based on the amount which discussed in the meeting.
- Notice for moving was issued by 25 Dec, 2009.
- Jetty yard acquisition finished at the end of December 2009.





# Awarding Compensation

- Two options for payment methods were provided to the beneficiaries.
  - In-Cash Payment : the payment completed at one time
  - Payment through the Bank account
- All the compensation was awarded directly to the relevant people who were on the compensatory list.
- Guidance of the compensation payment procedure, which includes the explanation of the payment procedure and the recommendation for the advisable consumption, was handed out.
- Awarding compensation was finished on 12 March 2010.



# Signing Agreement Bonds



- Agreement bonds were signed by respective people at the time of awarding compensation.
- Signatory person
  - Compensatory person (Transferer)
  - Representative of land acquisition (Daewoo)
  - Chairman of Village Peace and Development Council (Witness)
  - Representative of Myanmar Oil and Gas Enterprise (Witness)
- The registration of agreement bonds was completed on 5 May 2010.





# Notice Letter Distribution



- In accordance with the clause 7 of the agreement bond relating to transfer and the relinquishment of the right to use the land and /or the crops, the notice letter was given on 16 March 2010 to vacate the PLOT following five days.
- Notice letter was written in English and Myanmar language.
- Every affected household received the notice letter and copies of the letter.

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**Date: March 16, 2010**

**Subject: Notice**

By referencing your declaration under Clause 7 of the Agreement Bond relating to Transfer and Relinquishment of the Right to Use the Land and/or the Crops between you and Daewoo International Corporation, the Operator of the Shwe Offshore Pipeline Joint Venture Partners, on behalf of Myanma Oil and Gas Enterprise, you are hereby given this Notice to vacate the PLOT not later than March 21, 2010.

**U Myint Shwe**  
**Representative of the Myanma Oil and Gas Enterprise**  
**Executive Engineer (B)**  
**Myanma Oil and Gas Enterprise**  
**Ministry of Energy**

**Copy to:-**

- 1. Village Peace and Development Council, \_\_\_\_\_ Village**
- 2. Township Peace and Development Council, Kyauk Phyu Township**
- 3. District Peace and Development Council, Kyauk Phyu District**

## Complaint

- Two land occupiers requested to remeasure the area of their paddy field.
- The survey was conducted with the land owners, village representatives and other villagers.
- The result was same as that of previous survey and land occupiers were satisfied with the clarification.

## Satisfaction research

- Interviews were given to the beneficiaries
  - whether they were satisfied with the compensation.
- The interview was recorded on the video clips.



# Summary

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# Phase 2 – Acquisition of Disposal Area and Alternate Road

## Disposal area

- Total acquired area: 55.18 acre
  - paddy field: 22.98 acre
  - garden: 3.16 acre
  - mangrove: 0.05 acre
  - upland field: 0.97 acre
  - virgin land: 28.02 acre
- Total number of the affected household: 24
- Kinds of planted crops: 19

## Alternate road to villages near OGT

- Total acquired area: about 1 acre
  - paddy field: 0.94 acre
  - virgin Land: 0.06 acre
- Total number of the affected household: 6





# Establishing the Compensatory Rates

- The compensatory rate establishment for Phase 2 was just as rigorous as Phase 1.

## Total area of land to be acquired

(acre)

No.	Land Type	Soil Disposal Area	Alternate Road	Total
1	Paddy	22.98	0.94	23.92
2	Garden/Field/Mangrove	4.18	-	4.18

## Calculation for loss of crops and lands

### Crop: $A = R \times Y \times Q \times F \times N$

**A** = Total compensated (kyats)

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- The company adopted maximum rate (R) and maximum yield (Y) from each villages and established their own compensatory rate.

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- R1,G1 highest class : 1.00

**F2** = Location

- Close to town or village: 1.00
- Medium distance : 0.75
- Remote location : 0.50

**F3** = Type of lease

- Unproved lease agreement : 0.70
- Formal recorded agreement : 1.00

# Awarding Compensation

- The compensation award ceremony was held at Township Peace and Development Council's office meeting hall on 5 October 2010 for the alternate road and on 18 October 2010 for the disposal area respectively.
- Compensation for the beneficiaries were conferred with cheque through Myanmar Economic Bank in Kyauk Phyu.
- All compensation was awarded directly to the hand of the relevant person who were on the compensatory list.
- Villagers were satisfied with the compensatory amount.



# Signing Agreement Bonds

- Agreement bonds were signed by the respective persons at the time of awarding compensation.
- Signatory person
  - Compensatory person (Transferer)
  - Representative of land acquisition (Company)
  - Chairman of Village Peace and Development Council (Witness)
  - Representative of MOGE (Witness)
- Registration of the agreement bonds was completed on 12 November 2010.



# Summary

No	Task Name	Duration (Weeks)	2010						
			May	June	July	Aug	Sep	Oct	Nov
1	Demarcation and preliminary ground checking survey	5							
2	Acquiring signatures in preliminary acceptance certificate	1							
3	Disclosing of principle and Procedure of Land Acquisition	1							
4	Detail Survey	2							
5	Defining the compensatory rates and negotiating with Landholders	2							
6	Detail calculation of final compensation and evidential map drawing	2							
7	Obtaining all the necessary approvals	16							
8	Announcing the applicable rates and final compensatory amount	2							
9	Awarding compensation and signing agreement bond	2							
10	Seeking approval certificate from local authority for commencing the construction works	1							





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