

Resettlement Due Diligence Report

January 2015

MYA: Power Transmission Improvement Project

South Okkalapa Substation and West University Substation

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In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

A. Project Background

1. The Republic of the Union of Myanmar, through the Ministry of Electric Power (MOEP), requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) to prepare the Power Transmission and Distribution Improvement Project (ADB TA-8342 MYA). In the proposed project, the MOEP is the executing agency (EA), while the Myanmar Electric Power Enterprise (MEPE) is the implementing agency (IA).

2. The proposed project involves the construction of a (a) new double circuit 230/66 kV overhead transmission line (TL) between Thida Substation (SS) and Thaketa SS; (b) single circuit 230 kV overhead TL between Thaketa SS and Kyaikasan SS, including the expansion of the 230 kV Thaketa SS and the expansion and upgrading of the Kyaikasan SS into a 230/66/11 kV, 2 x 150 MVA substation;¹ (c) construction of a new 230/66/11 kV, 2 x 150 MVA, South Okkalapa SS; and (d) construction of a new 230/33/11 kV, 2 x 150 MVA West University SS.

3. No resettlement plan (RP) has been prepared for the South Okkalapa SS and the West University SS. MEPE needs to acquire an empty plot of land of the Ministry of Defense where it plans to build the South Okkalapa SS. On the other hand, an access road needs to be constructed from the village road to the property of MEPE on which the West University SS will be built. The 15.24 m (50 ft.) wide and 445 m (1,460 ft.) long access road will cross paddy fields of 2 households and an empty plot of the Ministry of Transport (MOT). MEPE intends to carry out the acquisition of land for the location of the South Okkalapa SS and the access road for the West University SS through negotiated settlement, consistent with Safeguard Requirements 2, paragraph 25 of the 2009 ADB Safeguard Policy Statement (SPS) that says: “*Safeguard Requirements 2 does not apply to negotiated settlements, unless expropriation would result upon the failure of negotiations. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly. The borrower/client is encouraged to acquire land and other assets through a negotiated settlement wherever possible, based on meaningful consultation with affected persons, including those without legal title to assets...*”² Should negotiation fails with the affected landowners, MEPE will not resort to expropriation measures but will shift the alignment of the access road for the West University SS and will look for another location for the South Okkalapa SS.

B. Description of the South Okkalapa Substation

4. MEPE plans to construct a new 230/66/11 kV, 2 x 150 MVA substation on a 5.8 ha (14.3321 acre) empty land of the Ministry of Defense in South Okkalapa Township. MEPE through the government will negotiate with the Ministry of Defense for use of the 5.8 ha location of the South Okkalapa SS. Two 230 kV lines, one from the existing Hlaw Gar gas power plant and another from Thaketa gas power plant, will feed into the proposed South Okkalapa SS. Moreover, the SS is going to be connected to the national power grid. The transmission lines that will feed power to the South Okkalapa SS, in addition to the transmission line that will connect the South Okkalapa SS to the national power grid have yet to be constructed. Per ADB

¹ The Thaketa SS and Kyaikasan SS are not associated facilities relative to the project. They are presently in operation and they can continue to operate even without the project.

² A due diligence report has been prepared for the single circuit 230 kV overhead TL between Kyaikasan SS and Thaketa SS because the location of a steel lattice tower that will affect 1 private household could be shifted in the event that negotiated settlement with the household fails. For the Thida-Thaketa TL, however, an RP has been prepared because involuntary acquisition of structures during the stringing of monopoles and steel lattice towers cannot be avoided.

SPS (2009), if the viability and existence of these transmission lines depend exclusively on the South Okkalapa SS, they will be considered associated facilities and should follow the principles of the ADB SPS (2009).

Figure 1: Layout of the Proposed South Okkalapa Substation



C. Description of the West University Substation

5. MEPE plans to construct a new 230/33/11 kV, 2 x 150 MVA substation on its 22.7 ha (56.01 acre) property in Pauk Tan Village in the proximity of the Hlaing Thar Yar Special Economic Zone. The property has been demarcated with a fence. However, MEPE needs to acquire 0.68 ha (1.68 acre) of paddy land to build a 15.24 m (50 ft.) wide and 445 m (1,460 ft.) long access road that will connect the location of the proposed SS to the village road. Of the 6,781.8 m² (73,000 ft²) needed for the access road, 3,019.35 m² (32,500 ft²) belongs to MOT, while the rest (3,762.57 m² or 40,500 ft²) belongs to 2 persons, U Tint Lwin and U Kyaw Yin Lay. MEPE engineer U Paw Oo informed the ADB social safeguards consultants that U Tint Lwin owns about 5 to 6 acres of paddy land, while U Kyaw Yin Lay owns 9 to 10 acres of paddy land. No person and institution other than U Tint Lwin, U Kyaw Yin Lay and MOT will lose land for the proposed site of the access road.

6. A 2.4 km transmission line is to be constructed in future to connect the proposed West University SS with existing lines from the Ywama gas power plant and from the Hlaingtayar SS. Also, a new transmission line is planned to connect the West University SS with the 500 kV power line. Similarly to the case of the South Okkalapa SS, based on ADB SPS (2009), if the viability and existence of these transmission lines depend exclusively on the West University SS, they will be considered associated facilities and should follow the principles of the ADB SPS (2009). (See Figure 2 overleaf).

Figure 2: Layout of the Proposed West University Substation



D. Negotiated settlement

7. MEPE will endeavor to reach an agreement through negotiation with the Ministry of Defense for the proposed location of the South Okkalapa SS, and with the Ministry of Transport and Messrs. Tint Lwin and Kyaw Yin Lay for the access road to the proposed location of the West University SS. In the event that negotiation with landowners for the acquisition of needed plots for the South Okkalapa SS and West University SS fails, MEPE will not resort to expropriation measures but will look for another place for the access road leading to the site of the proposed West University SS and will look for another location for the South Okkalapa SS.

8. The following procedures will be followed in negotiated settlement:

- a. During the negotiation for compensation with the landowner, a third party (i.e., neutral organization or person) engaged by MEPE will record in writing the proceedings of the negotiation. The third party will record, among others, the amounts of compensation proposed by both MEPE and the landowner; the amounts agreed, if there is agreement; and the differing amounts, if there is no agreement. The minutes of the negotiation will be signed by the MEPE representative, the landowner, and the third party. If no agreement is reached during this meeting, the minutes of negotiation will indicate the date when MEPE representative will return for a final attempt at reaching a negotiated settlement with the landowner.
- b. The third party will record the proceedings of the second attempt at negotiated settlement. As in the first attempt at negotiation, the 3 parties will sign the proceedings. If no agreement is reached during the second attempt at negotiated settlement, MEPE will inform the landowner that it will look for another location for, and/or access road to, its substation.
- c. If negotiated settlement is reached, a memorandum of agreement (MOA) will be signed by the MEPE representative, the landowner, and the third party that spells out the amounts of compensation agreed, the date compensation will be paid, and the

date and procedures for handing over the land to be acquired. The minutes of the negotiation will be attached to the MOA. The landowner will keep a copy of the signed MOA.

- d. Civil works for the West University Substation and South Okkalapa Substation may only begin after negotiated settlement has been concluded satisfactorily (i.e., owners of the affected assets are paid their compensation in full as per agreement with MEPE) and after the sites and access roads of the West University Substation and South Okkalapa Substation are free from encumbrances (i.e., physical and legal obstacles).

E. Social Safeguards for Associated Facilities

9. In the construction of the associated facilities, MEPE will endeavor to carry out land acquisition and resettlement through negotiated settlement as stipulated in this DDR. However, if during the feasibility and planning stage for the associated facilities, it is anticipated that negotiated settlement will not yield a result then a resettlement plan (RP) will be prepared, following the principles and example of the RP prepared for the Thida – Thaketa transmission line. The preparation and implementation of the RP will be guided by the objective of helping ensure that persons, households, and public and private entities affected by the loss of assets and sources of incomes are not worse off because of the construction of said associated facilities. Among others, this objective is achieved by mitigating losses through the provision of compensation and other forms of assistance that will allow the affected the opportunity to improve or at least restore their standards of living to their pre-project levels.