
2nd Multi Stakeholder Advisory Group (MSAG)

Thilawa SEZ Phase 1

Park Royal Hotel, Yangon, 2nd Sep 2015, 2pm

Participants:

Members

- ✓ Ms. Vicky Bowman, Myanmar Centre for Responsible Business (MCRB) (Chair)
- ✓ Dr. Than Aung, Secretary, Thilawa SEZ Management Committee (TSEZMC)
- ✓ Hnin Wut Yee, MCRB, Research and Outreach Manager
- ✓ U Thurane Aung, MJTD, Vice President
- ✓ Daw Ei Ei Khaing, Community Relations Officer, MJTD
- ✓ Daw Ngu Wah Hlaing, MJTD, Assistant Officer
- ✓ U Myint Naing, TSDG
- ✓ U Aye Htay, TSDG
- ✓ U Aye Khaing Win, Project Affected People at Thilawa SEZ Phase 1 and 2
- ✓ U Sandawara, Mediator, Income Restoration Programme
- ✓ U Thein Zaw, Min Dhama Construction Co.Ltd
- ✓ Ms. Jessica Spanton, Earth Rights International (ERI)
- ✓ Bo Bo, Deputy Director, Earth Rights International (ERI)
- ✓ Daw Nang Khin Khin Tun, Programme Coordinator, Paung Ku
- ✓ Junko Kikuchi, Zaw La, HTAR AYE ZAN, Eh Doh, JICA Expert Team

Observers

- ✓ U Min Ta La Nyan, Ball Asia Pacific Co.
- ✓ Daw Ma Myat Sandi Zaw, Ball Asia Pacific Co
- ✓ Mr. Leon de Riedmatten/ Ms. Sophia Naing, Peace Nexus
- ✓ U Aye Thiha, E-Guard, Managing Director
- ✓ Daw Myat Mon Swe, E-Guard, Senior Consultant
- ✓ Mr. Sadamitsu Sakoguchi, ERM,
- ✓ Mr. Benjamin WHITE, ILO, Technical Officer
- ✓ Mrs Piyamal Pichaiwongse, ILO, Deputy Liaison Officer
- ✓ Mr. Moe Kyaw, ILO, Field Assistant, Consultant
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- ✓ Charlotte Bisley, Social Clarity, Managing Director

1. Introduction/minutes of the last meeting

The Chair noted that in the absence of any comments on the minutes of the last meeting (in English/Myanmar) they would be added to the MCRB website, together with the MSAG Terms of Reference. This meeting would be conducted with simultaneous translation.

2. Progress Report from the SEZ Management Committee

- Dr Than Aung, Secretary Thilawa SEZ Management Committee (TSEZMC) gave an overview of recent developments at the SEZ. He had held three rounds of meetings with local communities including farmers to resolve disputes and address issues of inward migration to the site. A consultation meeting would be held on/around the 11 Oct to discuss the Phase 2 resettlement plan. Issues under consideration based on input from Project Affected Persons (PAPs) including the size of plot at relocation site for each household (40 x 60ft, or other sizes). He noted that the Government is trying to find a suitable relocation place not far from the original homes, as PAPs had asked and

provide farmland to farmers, albeit farmland in Yangon area is in short supply and finding replacement land is his biggest challenge. Lessons would be learned from Phase 1 such as not using low-lying land which caused sewage and flooding problems.

- Ko Aye Htay (TSDG, Kyauk Tan) noted the problem of squatters moving into the area from elsewhere in the country, with support from companies. He requested consideration of additional plots for married children who married in 2014 after the April 2013 cutoff date, and children soon to be married.
- U Sandawara (Mediator) raised concerns that Phase 1 PAPs might raise complaints if PAPs of 2000ha receive a bigger plot than in Phase 1 (e.g. 40 x 60 ft).
- Daw Mya Mon Swe (E-Guard) raised the need to consider children's needs in particular for a school and playground near the relocation site.
- Bo Bo (ERI) asked how compensation would be calculated for the area which had not been included in the 1998 'compensation'.
- Dr Than Aung, said that compensation had been calculated in collaboration with the JICA Expert Team referring to the market price and the international standards. He encouraged communities to raise these issues in future, noting that residents building new homes for married family members risked being considered squatters as new homes were not allowed to be built after cut-off date. He noted the problem of 400 ha families receiving smaller replacement plots and hoped to address this in future with support from companies. Resettlement would take place in stages and this would be discussed at 11 October meeting.

3. Progress of Current Activities of Income Restoration Program (IRP)

- JICA Team's presentation noted that the IRP focusses not only on economic status but also social, infrastructure and environmental issues, including waste and sewage such as raising toilet heights, and is being planned and implemented in discussion with the community in participatory way. To date, payments to bank accounts under the IRP had been made in February (18 lakhs) and July (12 lakhs) with a third payment due in first week of October (5 lakhs). Support was available for 68 households and a further 13 who had moved away. The team had helped with bank account opening and obtaining National Registration Cards.
- Thein Zaw, Microfinance Specialist, mentioned that the programme back in March and included 60 households in the Phase 1 relocation site. Several meetings had been conducted to initiate the practice of saving money. 52 households had now saved over 10 lakhs. The objective of the Microfinance Program was for villagers to manage their own livelihoods. This would require time and training.
- U Sandawara noted different reactions to microfinance between PAPs in the relocation site and communities elsewhere. PAPs considered such support a 'right' but were not interested in attending training, only obtaining the finance. It was important that they developed a genuine savings habit and different attitudes.
- U Aye Khaing Win, (PAP representative) pointed out that although infrastructure improvement at relocation site and other activities were being done by IRP, it was insufficient. PAPs were facing problems such as sewage and unclean water from the wells. They had written to Dr Than Aung. JET had responded. ON waste, they wanted a longterm solution for the rubbish dump.
- Concerning microfinance, PAPs were interested and had started saving for three months already, but it is difficult to save even 100 kyat per day. Job opportunities were needed at the same time as microfinance training. People wanted to know when the Community Development Fund (CDF) would start and how much loans would be available. U Sandawara cautioned against transfer of the fund to the community until they had

demonstrated 'ownership' of the microfinance concept and a trained committee to manage the Fund who understood about planning.

- Daw Ei Ei Khaing (MJTD) explained MJTD's efforts to share information about job vacancies with Phase 1 and Phase 2 PAPs but noted that few PAPs applied, and encouraged them to step forward and demonstrate willingness to work. Dowa would need guards, Showa knitting factory and Lu Thai needed 100 workers. Daw Ei Ei Khaing also highlighted MJTD's school donations including stationery and scholarships of 100,000 kyats at the beginning of school year, for outstanding students above 5th grade with an additional 30,000-50,000 kyat per month until the end of year, based on certain conditions. It was noted that Showa garment factory would send 13 women between 18 and 35 years old to train in Vietnam for 3 months.
- U Thurane Aung, Vice President of MJTD, mentioned that 46 companies are planning to invest in Thilawa SEZ, of which 36 had signed leases and 12 had started construction. By the end of the year 3-4 were expected to be operational. Previous vocational training had not been focussed on actual needs in the factories; now that MJTD knows the factories which are investing, training can be more targetted to needs. Piyamal (ILO) encouraged a focus on basic literacy and numeracy skills, other skills development and job matching. U Mintala Nyan (Ball) noted that up to 8 PAPs had been employed in the construction phase. Operational phase jobs would mostly be high skill. Ball was sharing its experience with other Thilawa investors.
- The Chair suggested that the Community Relations Fund, to which investor companies contribute, could be discussed in a future MSAG meeting.

4. Finalization of Term of Reference of MSAG

- At the '1. Background', the part with underline was added as below.
'The mandate for this MSAG has been assigned by the Chair of the Thilawa SEZ Management Committee (TSEZMC) to whom Chairperson of the Group will report after each meeting.'
- In section 6 on 'Term of Membership', the suggestion was made to extend the period of membership from 6 months to '12 months', and agree members by consensus.

5. Presentation on Community-Designed Grievance Mechanism

- The Chair noted that the discussion on grievance mechanisms was timely as the Chair of the SEZ Management Committee had issued Notice 4/2015 of 7 August on responsible business¹ which noted the expectation that companies would:

(5) Ensure effective grievance mechanisms: *Those affected adversely by a company's activities need access to effective remedies. This includes establishing grievance mechanism(s) that are accessible (including in the local language) to individuals, workers, consumers, and communities and the company's participation in and cooperation with the grievance mechanism. Companies can refer to Guiding Principles 29 and 31 of the UN Guiding Principles for Business and Human Rights for further information. Grievance mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-- compatible, and a source of continuous learning. They should be designed in collaboration with potential users of the grievance mechanism.*

- Bo Bo (ERI), explained that community representatives had designed a community driven grievance mechanism to address difficulties they faced and would face due to the SEZ. The process was intended to be a temporary/interim one that could develop into a longer-term solution.

¹ http://www.myanmarthilawa.com/sites/default/files/responsible_business.pdf

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- U Aye Khaing Win gave examples of urgent grievances which currently needed to be addressed (and in some cases were mentioned in the JICA expert team presentation). These included non-payment of daily wages by unscrupulous contractors, solid waste management, sewage, and the continued absence of land title documents despite claims on the SEZ website that these had been provided. Referring to MJTD's provision of job vacancy information, the PAPs regularly received this late, and believed that they instead should get the information earlier than others. Furthermore the cost of transportation was also a burden for PAPs which discouraged them from taking up jobs in the Zone.
 - U Aye Khaing Win also encouraged community relations personnel in MJTD to treat community members with respect, and act independently from the SEZ Management Committee and the Government. He noted the trust problems that communities had relating to current or former government officials because of the legacy of the military regime.
 - Dr.Than Aung noted that the Labour department is present in the One Stop Service Center (OSSC) which can act on labour and wages disputes. He encouraged MJTD to improve communication direct to PAPs concerning job vacancies.
 - The Chair noted that the various organisations such as the SEZ MC/OSSC, MJTD and investor companies, as well as the local authorities were responsible and accountable for different issues but that this needed to be clarified.
 - U Thurane Aung and Daw Ei Ei Khaing (MJTD) noted that MJTD was accountable for environment problems inside the SEZ and could monitor discharge channel, waste treatment. However MJTD could not address labour disputes with subcontractors of investor companies. MJTD would improve communication with investors and communities. On transport-to-work costs, he noted that they had been ready to arrange the transportation of the workers from relocation site since last year and would be happy to arrange it if people really need it. He encouraged the community to cc: MJTD on any complaint letters sent to Dr Than Aung so that MJTD could understand the issues outstanding and needs for assistance. .
 - Piyamal Pichaiwongse (ILO) noted that Workplace Coordination Committees could be a form of grievance mechanism for labour disputes in established workforces, and that the ILO was ready to assist in raising awareness of labour law and appropriate forms of dispute resolution.
 - In conclusion, the Chair proposed to conduct a working level meeting in Thilawa (scheduled for 5 October) to discuss in more detail the community's grievance mechanism proposals, and respective accountabilities, with community representatives, ERI, CRO of MJTD and TSEZMC, JICA Expert Team and others. In this coming discussion, positive and constructive discussion is expected in terms of how to assist people's issues and move forward.

6. Next Meeting

- 3rd MSAG Meeting will be held in December.

The meeting closed at 17:30

3 September 2015