

3rd Multi Stakeholder Advisory Group (MSAG)

Thilawa SEZ Phase 1

Park Royal Hotel, Yangon, 15th Dec 2015, 2pm

Participants:

Members

- ✓ Ms. Vicky Bowman, Myanmar Centre for Responsible Business (MCRB) (Chair of MSAG)
- ✓ Dr. Than Aung, Secretary, Thilawa SEZ Management Committee (TSEZMC)
- ✓ U Kyaw Than, Mediator, TSEZMC
- ✓ Mr Takashi Yanai, CEO of Myanmar Japan Thilawa Development Ltd.(MJTD)
- ✓ U Myint Zaw, Director, MJTD
- ✓ Daw Ei Ei Khaing, Community Relations Officer, MJTD
- ✓ U Mya Hlaing, TSDG
- ✓ U Aye Htay, Thilawa Social Development Group (TSDG)
- ✓ U Aye Khaing Win, Project Affected People at Thilawa SEZ Phase 1
- ✓ U Sandar Wara, Mediator, Income Restoration Programme
- ✓ Dr. Htain Win, Mediator, Income Restoration Programme
- ✓ Ms. Jessica Spanton, Earth Rights International (ERI)
- ✓ Bo Bo, Deputy Director, Earth Rights International (ERI)
- ✓ Lei Zhang, Deputy Director, Myanmar Centre for Responsible Business (MCRB)
- ✓ Daw Ngu Wah Hlaing, MJTD, Assistant Officer
- ✓ Ms.Junko Kikuchi, Ko Zaw La, Ma Htar Aye Zan, Ko Eh Doh, JICA Expert Team (JET)
(Secretariat of MSGA)

Observers

- ✓ U Min Ta La Nyan, Ball Asia Pacific Co.
- ✓ U Lang Khan Kaung, Human Resource Manager, Ball Asia Pacific Co.
- ✓ Ms. Piyamal Pichaiwongse, ILO, Deputy Liaison Officer
- ✓ Mr. Moe Kyaw, ILO, Field Assistant, Consultant
- ✓ Mr.Robert Mansell, Senior Advisor, International Senior Lawyers Project (ISLP)
- ✓ Ms.Jin Chien, Myanmar Program Consultant, International Senior Lawyers Project (ISLP)
- ✓ U Aye Thiha, E-Guard, Managing Director

1. Introduction

- The Chair explained the meeting agenda. The chair also announced that meeting record of

the last MSAG meeting (in English/Myanmar) could be accessed on the MCRB website, together with the MSAG Terms of Reference.

2. Interim Joint Problem Solving Mechanism

- The Chair introduced discussion of Interim Joint Problem-Solving Mechanism (JPSM). The basic concept was that the community should be involved in the process of discussing the solution of the problems. The three different institutions - MJTD, TSEZMC and JET - would work together with the community.
- ERI explained that this Interim Joint Problem-Solving Mechanism paper was the result of the working level meeting in October. It was intended to address current problems by improving cooperation between MJTD, TSEZMC and JET and the community. Additionally, ERI continued to work with the community to develop a community-driven design for a more permanent operational grievance mechanism, and had so far held thirteen workshops to develop this. 10 representatives from PAPs of Phase 1/ Zone A has been chosen to design this mechanism and 6-7 people regularly attend the meetings and share the concepts with others in the community. The aim was to help the community decide themselves how best to address the issues.
- It was agreed that as the JPSM paper had been written in English, some of the Burmese words need checking and re-translation.
- The Chair asked whether the community had identified their representative(s) to be focal points for the JPSM. Ko Aye Khaing Win, representative of Phase1/Zone A project affected persons, responded that he and Daw Myint Myint Thein would be the community representatives. The two of them would collect any complaints or requests from the PAPs and submit these to MJTD, TSEZMC and JET.
- Aye Khaing Win noted that the problem of water from the wells was being solved by renovation work and two more deep tube wells and storage tank will be constructed for the near future as long term solution. This was welcome.
- The Secretary of TSEZMC welcomed the JPSM and the wider cooperation between TSEZMC, MJTD and JICA Expert Team and the community.
- Daw Ei Ei Khaing, CRO of MJTD, noted that she was encouraged that the community satisfaction was increasing and that they would try hard to continue and improve cooperation.
- Ms. Piyamal, ILO, commented that shared perception was very important and that stakeholders should share information and be transparency to achieve this.
- The Chair noted that the JPSM should not replace the need for the community to address community issues themselves or through local authorities where appropriate.
- ERI's adviser Robert Mansell explained about the important success factors for community-based grievance mechanism such as cooperation, mutual respect and communication between company and communities. However each project he was familiar with had developed a different kind of problem solving or grievance mechanism.

3. Current situation of Thilawa SEZ

Update from Dr. Than Aung, Secretary of Thilawa SEZ Management Committee

- Secretary of TSEZMC stated that the relocated people at Phase 1/ Zone A were being supported by MJTD and JICA Expert Team. It is planned to develop Zone B at 262 ha by MJTD and at 434 ha by Myanmar side. Land compensation for the uncompensated area had been delayed because JICA had advised Myanmar government to apply international standards. In terms of relocation site for PAPs at Zone B, the government was seeking suitable sites and he would try his best to reflect the community's wishes in that.
- Leader of TSDG mentioned that there had been a discussion about compensation on 6th December 2015. The Township Administrative Officer had told the community that the rate would be 100 lakh per acre. TSEZMC explained that JICA's calculation of what international standards required was not been finished, and so discussion about compensation would come later.
- Dr Than Aung noted that he had encouraged District and Township level officials to avoid using language which put local communities under pressure. He encouraged communities to speak out in meetings, and restated his commitment to do his best for their welfare.
- The TSDG representatives underlined the need for fair treatment and their desire to stay in touch directly the TSEZ Management Committee.
- Mr Yanai CEO at MJTD, attending his first meeting, provided an update on the SEZ. 53 companies had signed contracts, 15 companies were under construction and 2 companies had already started operation. Another 5 companies would start construction work in 1-2 months. He referred to the Community Relations Fund (CRF) which is a contractual requirement between MJTD and locators (companies in SEZ) to pay approximately \$200 monthly to the CRF depending on the size of their plot. The Fund intended to implement programmes to support local communities, and was keen to understand what assistance those communities would like them to prioritise.
- The leader of TSDG asked if there is any support program for psychological damage because of resettlement, with the Chair noting that effective support was challenging but was more likely to be psychosocial than financial.
- A representative of Ball Company noted that Ball's factory is still under construction and expects to start operations in the last week of February 2016. They had employed 7 PAPs. In addition, around 90 employees have been taken on. Some were currently being trained in China.
- U Sandawara of Shwe Maw Won made a presentation about progress on the microfinance program for PAPs at Phase 1/ Zone A.
- There was a discussion about wages in the SEZ. Ms Piyamal explained the concept of the 3,600 Kyats minimum wage which was intended to be a floor. She advised that the tenant companies in the SEZ should not seek to pay a salary lower than the minimum wage, even if the TSEZMC had

not officially set a minimum wage for the Zone. She noted that the concept of internship and probation period are not mentioned in labour laws.

- Secretary of TSEZMC responded that he would pass Ms Piyamal's advice to Ministry of Labour. The Chair suggested that the ILO could send a letter to the Chair of the TSEZMC to explain more about international labor standards.

The meeting closed at 17:30

15 Dec.2015