Evaluating the land acquisition procedure within the frame work off land che governance perspectives Special reference to DaduruOya water reservoir project

Independent Research Report Submitted as a Partial Fulfillment for the Requirement of the Final Examination of the M.Sc Estate Management and Valuation (Special) Degree

Full Name: Juwan Hettige Gamali SagarikaExamination No: REMV 83Registration No: REMV 3771/09Department: Department of Estate Management and ValuationUniversity: University of Sri JayewardenepuraDate of first submission ((evaluation)):089/03/2014Date of second submission (corrected final report)):19/07/2014

දේපල කළමනා	කරන හා	maio:301	56251
	19(355)		
ශී පයවර්ධික			ාගාඩ.
1	9 JUL	2014	
Department		11	B tr
University o	aluatio. Sri Jaye		pira
f	ugegoda		a most sub-courte

The work described in this dissertation was carried out under the supervision of Senior Lecture Mrs. Janaki Edirisinghe and any content on this has not been submitted in whole or in part to any university or any other institute for another degree /examination or any other purpose.

Signature of the student 19 July 2014

Full Name: Juwan Hettige Gamali SagarikaExamination NO: REMV 83

Hereby, I certify that Mrs Juwan Hettige Gamali Sagarika ,REMV 83 duly completed the research titled Evaluating the land acquisition procedure within the frame work of land governance perspectives, with special reference to DaduruOya water reservoir project under my supervision.

Also it is declared that, this final report has been completed according to the instructions and suggestions made by the board of examiners.

Signature of the supervisor

Signature of the 2nd examiner

Signature and the official stamp of the Head

Acknowledgements

This research is the result of direct and indirect contributions of many personal to whom I am very grateful throughout this work period. Without their encouragement and helps, I would not have reached this final stage

First of all I would like to express my sincere gratitude to my first supervisor Senior Lecturer Ms J.Edirisinghe. She has given me great opportunities for discussion, immeasurable guidance and suggestions at various stages of this research work, which are crucial for conducting my research. The encouragement and support that I received from her made me able to shape up final results in this research.

I am also very much grateful to professor R.G.Ariyawansa who is the coordinator of M.Sc in Real Estate Management & Valuation degree programmed for his critical comments and valuable suggestions during this research work and organizing progress reviews.

My sincere thanks also go to Senior Lecturer Ms N.C.Wickramarachchi for her insightful comments and hard question during progress reviews and shape up my research.

Besides my advisors, I would like to thank Mr S.Ginige Senior Lecturer in Department of Decision Science for guided given in formulating questionnaire and data analysis.

I am very much thankful to the Daduru Oya Project office for providing me necessary data for this research study and coordinating community leaders in resettlement sites.

My thank goes to all the colleagues and friends for memorable time and support during the study.

Last but not least, I am indebted to my daughter Tashni Vihansa, who has allowed me and waiting me in patience for the completion of my research. Special thanks for my parents, my sister and my husband for their prayers, love and moral support are very precious for me during my study.

i

Abstract

Sri Lanka government has initiated massive development projects in various sectors, enhancing mainly the economic sector and deliver transformative impact on the livelihood of people, after the 30 years of civil war. The only tool which facilitating lands for the massive infrastructure projects is compulsory acquisition. In this new millennium, concept of land governance has gained significant attention on the global development agenda.

It is necessary to ensure that there is good governance in land acquisition procedure since the compulsory acquisition creates conflict with private property right. The Land Governance Assessment Framework (LGAF) is a diagnostic tool which helps to evaluate the legal framework, policies, and practices regarding land governance and monitor improvement this was introduced by the World Bank, created based on good land governance perspectives.

This research expound whether the compulsory land acquisition process in Sri Lanka is within the good land governance perspectives. In this regard, it is tested compensation aspect, resettlement aspect and participatory approach among key stake holders of the Daduru Oya Water Reservoir Project. After considering mean value and wilcoxon signed rank test found that this project adhered the context of land governance though some dissatisfaction with some variable of above aspect among affected people.

Result may vary when changing the location and socio economic condition of affected people. Thus, it is necessary to be carry out the comparative analysis of two fields where adopt same compensation, resettlement and participatory approach in land acquisition, before making any conclusion in the country context.

Table of content

Acknowledgement	i
Abstract	ii
Table of content	iii
List of Tables	vi
List of Figures	vii
List of Maps	ix
Abbreviations	x
Contents	Page
CHAPTER ONE-Introduction	
1.1. Background of the study	01
1.2. Statement of the problem	04
1.3. Significance of the study	05
1.4. Objectives of study	06
1.4.1. General Objective	06
1.4.2. Specific Objectives	06
1.5. Methodology	06
1.6. Limitation of the study	10
1.7. Organization of the Chapters.	10
CHAPTER 02-Literature Review	12
2.1. Introduction	
2.2. Theories and concepts	
2.2.1. Land	
2.2.2. Land administration	13
2.2.3. Land development	14
2.3. General techniques of land acquisition.	15
2.3.1. Direct Methods	16
2.2.2. Indirect Methods	18
2.4. Land Administration System delivery tools in theory	20
2.4.1. Market Acquisition System	20 21
2.4.2. Human right based acquisition system	21
2.5. Resettlement Policy and Land Acquisition	22
2.5.1. Resettlement policy in Sri Lanka	26
2.6. Land governance 2.6.1. Public Participation in Land Acquisition	28
2.6.2. Access to information in Land Acquisition	31
2.7. Importance of good land governance for compulsory land acquisition	32
2.8. Good governance dimensions, criteria's and indicators under Land	34
Governance Assessment frame work	51
2.9. Land Acquisition practice mechanism and way of compensation during	36
land acquisition in Sri Lanka	2.5
2.9.1.Land acquisition procedure as per Land Acquisition	
Act no 09 of 1950	37
2.9.2. Computing compensation	38

2.10.1 ne experience land governancein global perspectives	42
CHAPTER 03-Research Design	44
3.1. Introduction	44 44
3.2. Conceptualization of the research	44
3.2.1. Payment of compensation to affected parties	44
3.2.2. Relocation of affected people	46
3.2.3. Participatory approach among stakeholders	40
3.3. Research methodology	47
3.4. Population and Sampling	47
3.5.1. Population	48
3.5.2. Sampling	49
3.5. Designing research questionnaire and interviews	50
3.6. Data analysis and assessment	50
CHAPTER 04-Background of the Research area	
4.1. Introduction	52
4.2. Case study area	52
4.2.1. Socio economic and land use pattern in Kurunegala district	52
4.2.2. DaduruOya river basin	53
4.3. DaduruOya water reservoir project area	54
4.3.1.Project details	56
4.3.2. Socio Economics condition of the Reservoir area	57
4.3.4. Occupation and income level	58
4.3.5. Availability of public communities	59
4.3.6. Public perception about Daduruoya reservoir development	
project before implementing	59
4.4. Resettlement site	59
CHAPTER 05-Data Analysis	
5.1. Introduction	62
5.2. General overview of affected people	62
5.3. Review the land acquisition practices mechanisms and way of compensation	
during land acquisition, for capital project	65
5.3.1. Amount of compensation	66
5.3.2. Date of receiving compensation	67
5.3.3. Appeal procedure	67
5.3.4. Allowed time between payment and taking possession	68
5.3.5. Nature of receiving compensation	69
5.3.6. Overall assessment of compensation aspect	70
5.4. To evaluate perception of affected peoples on physical, social	
and economic aspect	73
5.4.1. Economic aspect of resettlement	73
5.4.2. Social aspect	79
5.4.3. Improvement of physical environment of the resettlement site	80
5.4.4. Overall assessment of resettlement aspect	83
5.5. Analyze whether there is participatory approach in acquisition procedure	84

10

5.5.1. Disseminating reliable information timely 5.5.2. Involvement of stakeholders and opportunity to project benefit.	86 89
5.5.3. Overall assessment of participatory approach	91
5.6.To check the relationship among compensation, resettlement and participatory approach.	92

CHAPTER 06-Conclusions and recommendations

6.1. Introduction	94
6.2. To Analyze perception of affected people on compensation aspect	
for land acquisition	94
6.3. To evaluate perception of affected peoples on physical, social and	95
economic aspect	
6.4. Analyze whether there is participatory approach in acquisition procedure	98
6.5. To check the relationship among compensation, resettlement and	100
Participatory approach	
6.6. Concluding remarks	101
6.7. Recommendations	101
6.8. Further research area	102
References	103
Annexure	108

List of Tables

Table	Page
Table 2.1 LGAF indicators for the assessment of land acquisition	36
Table 3:1. Variables use to measure pay compensation	45
Table 3.2 Variable use to measure successfulness of resettlement	46
Table 3.3 Variable use to measure Participatory approach	47
Table 3.4 Selection of sampling	48
Table 4.1 Nature of housing structure	53
Table 4.2 Education level of study area	58
Table 4.3 Occupation categories of the area	58
Table 4.4 Resettlement activities up to 31/12/2013	60
Table 4.5 Extend of land allocate for resettlement	60
Table 5.1 Wilcoxon Signed Rank Test for Compensation	71
Table 5.2 Social and physical infrastructure to the resettlement site	81
Table 5.3 General linear model for resettlement site and resettlement aspect	82
Table 5.4 Wilcoxon Signed Rank Test for Resettlement	83
Table 5.5 Having idea about Land Acquisition Act	85
Table 5.6 Wilcoxon Signed Rank Test for participatory approach	91
Table 5.7 Correlation analysis between the scores of the compensation,	92
resettlement and participatory approach	
Table 6.1 Summary of the resettlement aspect	98

List of figures

Figure	Page
Figure 2.1 Global land administration perspectives	14
Figure 4.1. Population increases in Kurunagala district	52
Figure 4.2 Land coverage of Kurunegala district	53
Figure 4.3 DaduruOya Reservior Area	57
Figure 4.4 Public perception of project before implement	59
Figure 4.5 Resettlement sites	61
Figure 5.1 Gender of the respondent	62
Figure 5.2 Education level of the respondent	63
Figure 5.3 Nature of occupation	63
Figure 5.4 Marriage states of the respondent	64
Figure 5.5 Perception regarding project implementation	64
Figure 5.6 Period of living acquired property	65
Figure 5.7 Amount of compensation	66
Figure 5.8 Date of receiving compensation	67
Figure 5.9 Appeal procedure	68
Figure 5.10 Allowed time between payment and taking possession	69
Figure 5.11 Nature of receiving compensation	69
Figure 5.12 Time gap between hearing about relocation and beginning	73
resettlement	
Figure 5.13 Problem faced just relocated in resettlement site	73
Figure 5.14 Assistant to livelihood opportunities	74
Figure 5.15 Assistant to credit facility	75
Figure 5.16 Capacity to develop community to itself	76
Figure 5.17 providing agricultural site	77
Figure 5.18 Subsistence support	78
Figure 5.19 Social states, community relationship and counseling	79
service	19
Figure 5.20 Housing structure before and after resettlement	80
Figure 5.21 Perception of basic facility	81
Figure 5.22 Mean value variation among resettlement site	82

Figure 5.23 Media which the respondent receive information	84
on first time of land acquisition	
Figure 5.24 Public perceptions about participation of affected	85
people in decision making	
Figure 5.25 Frequency of public meeting relating to land acquisition	86
Figure 5.26 Information about land acquisition procedure, compensation and	87
appeal procedure	
Figure 5.27 Information about payment schedule	88
Figure 5.28 Information relating to resettlement	88
Figure 5.29 Way of conducting meeting & location	89
Figure 5.30 Ability to influence decision of the meeting	90
Figure 5.31 Accomplishing decision made meetings within	90
reasonable time period	
Figure 5.32 Opportunity to project benefit	91

List of map

Мар	Page
Map no 4.1. Location map of Daduruoya Basin	54
Map no 4.2. Administrative limit of reservoir area	55

Abbreviations

PEA	Project Executive Agencies
CEA	Central Environment Authority
NIRP	National Involuntary Resettlement Plan
GDP	Gross Domestic Product
FAO	Food and Agriculture Organization of the United Nations
LGAF	Land Governance Assessments Framework
EIA	Environment Impact Assessment
MW	Mega Watt
LB	Left Bank
RB	Right Bank
ADB	Asian Development Bank
NIRP	National Involuntary Resettlement Policy
NEA	National Environmental Act
LARC	Land Acquisition and Resettlement Committee
AP	Affected Person
WCD	World Commission on Dam
LEI	Land Equity International
GLEFC	Great Lakes Environmental Financial Centers

х

Evaluating the land acquisition procedure within the frame work of land governance perspectives

CHAPTER ONE

Introduction

1.1. Background of the study

Compulsory acquisition is the power of government to acquire private rights in land without the willing consent of its owner or occupant in order to benefit society. It is a power possessed in one form or another by governments of all modern nations. Hence different instruments of land acquisitions are performed by different countries; those are shape by legal, social and economics settings.

Above mention mass development initiatives funded by international donors like Asian Development Bank(ADB), World Bank, UN Habitat and our own public investments. According to the central bank report Sri Lanka, 2012 Public investment on economic and social infrastructure development amounted to Rs. 388 billion (5.1 per cent of GDP) in 2012. Cost of acquiring land for infrastructure project is a considerable thing in any development activity.

A study conducted assess land acquisition, compensation and resettlement in developing countries by Oluwamoteni point out that most of the developmental projects are delayed or even terminated in the operation phase because of the conflict caused by expropriation of land with low market value (Oluwamotemi, 2010). The communities sometimes create serious interference to the project when unfair land acquisitions for progressive development. Therefore, public land acquisition has not been successful in developing countries and successful land acquisitions demands very well performed plan processes (Ogunlana *et al.*, 2001). Land acquisition approaches that are most prominent illustrate that access to information for land owners about the land acquisition is not provided. This enhances the conflict and ultimately obstructs progress for infrastructure development. The non-transparency and non-public participation at any level such as information collection, consultation

Evaluating the land acquisition procedure within the frame work of land governance perspectives

and in decision making processes is the other problem for peaceful land acquisition for any infrastructure development (Ogunlana, *et al.*, 2001).

These demanded features are major component of concept of land governance under land acquisition. Therefore there is need of good governance to provide a balance between the need of the government to acquire land for infrastructure development for public purpose and also the need to protect the right of people whose land is to be acquired. There is no conflict or reduced conflict if the acquisition policies are clear enough to define the specific purpose for which the government acquires land and if there are transparent, effective, efficient and fair procedure for acquiring land with the public participation (FAO, 2008).

Land governance is one of the central requirements for economic development (Silayo, 2009). Land governance is the totality of a nation's guiding policies, implementation and enforcement of best practices to achieve the highest, rational and best use of land resources for the benefit and enjoyment of its citizen. It is the next level of advancement in internationally accepted land administration and development practices. It is built around the general framework of human rights (Udom, 2010). It is concerned with roles, practices and structures through which decisions are made about access to land and its use (Augustinus, 2009)

To achieve land sector governance World Bank introduce Land Governance Assessment Framework (LGAF). This was found to be a useful diagnostic tool. Therefore, this research is aimed at evaluating the process of land acquisition for capital project implementation. Good land governance is a broad term; however in this dissertation it is considered policies and procedures of land acquisition, Participation of key stake holders in land acquisition process, resettlement of affected people is managed improving economic, social and physical rehabilitation.

As a case study it is selected Daduruoya water reservoir project which is still a work in progress. The proposed Deduru Oya Reservoir is located in Kurunegala District. It will serve the area in the dry and intermediate zones of Kurunegala and Puttalam Districts, where the people are frequently suffering from water scarcity.