

APPENDIX D-1

PROGRESS REPORT ON ACQUISITION OF HYDRO LAND

By: Energy Unit and Lands Department

REPORT

PROGRESS ON ACQUISITION OF THE LAND OCCUPIED BY THE SARA KATA HYDRO POWER PROJECT



Prepared by: **Technical Advisory Group (TAG)**
Ministry of Lands & Natural Resources
Port Vila
GOVERNMENT OF THE REPUBLIC OF VANUATU

Phone: (678) 25201
Fax: (678) 23586

Date: **18th July 2005**

TABLE OF CONTENT

	Page
1.0 BACKGROUND.....	3
2.0 COOPERATION WITH THE GOVERNMENT OF JAPAN ...	3
3.0 DESCRIPTION OF HYDRO OCCUPIED LAND	3
4.0 GOVERNMENT OF VANUATU'S INTENTION FOR THE COMPULSORY ACQUISITION OF THE LAND	4
4.1 Meeting with Land Owners	
4.2 Issue of Land Acquisition Notices	
4.3 Valuation of Land	
5.0 SUMMARY OF ACTIVITIES UNDERTAKEN.....	5
6.0 CONCLUSION.....	7

APPENDIXES

APPENDIX 1: List of Attendants at the Meeting.....	8
APPENDIX 2: Outline from Minutes of Meeting on Sarakata Hydro Land.....	10
APPENDIX 3: Notes by Valuation Unit, Lands Department And Survey Department.....	12
APPENDIX 4: Notices for Compulsory Acquisition.....	18
APPENDIX 5: Valuation Report.....	26
APPENDIX 6: Costs Associated with Land Negotiations.....	29

1.0 BACKGROUND

This report provides the information regarding the Government of Vanuatu's progress in resolving the land issues on the land on which the Sarakata Hydropower Project is occupying.

Sarakata Hydropower Facility which is a nationally owned asset has been in operation for over ten years. It began commercial operation after Stage One and Stage Two were completed in 1994 and providing 60 - 70% of electricity to Luganville Concession area. The initial intention is for the third turbine to be installed after some years in operation which will increase the power output capacity of the facility. From July to August of 2004 a Preparatory Study Team from the Government of Japan upon request from the Government of Vanuatu was dispatched to Vanuatu on a mission to assess all aspects of the project in preparation for the Third Stage. The team identified certain areas which are later the responsibility of the Government of Vanuatu through the Technical Advisory Group (TAG) to attend to. One of these areas included the resolving of land issues.

The Government of Vanuatu through TAG has been in consultation with relevant authorities including the State Law Office, Valuation Unit, Department of Lands, Survey Department, the Manager of PRV and Custom Land Owners in preparation for the complete acquisition of the hydro occupied land.

2.0 COOPERATION WITH THE GOVERNMENT OF JAPAN

The Sarakata Hydropower Project was the outcome of the Government of Vanuatu's progress in response to its policy in achieving a self-supporting economy, through the upgrading and expansion of the energy sector. Funding for the development of the first and second stages came from the Government of Japan following request from the Government of Vanuatu.

In response to the Government of Vanuatu's request for further assistance for the development of the third stage, a study team (JICA) from the Government of Japan was sent to the site to undertake necessary studies. Upon signing of the Minutes of Discussions, it became the responsibility of the Government of Vanuatu through the TAG that all preparatory works were to proceed within a five month period. However the Government of Vanuatu had experienced a period of political instability from September of 2004 which later resulted in the formation of a new government in January of 2005. The newly appointed Minister later approved TAG's working budget in early 2005, which means that only then allowing works to begin.

3.0 DESCRIPTION OF THE HYDRO PROJECT OCCUPIED LAND

The Sarakata Hydropower Project occupies a total of 19.1 ha of land. 5.2 ha of which is part of PRV leased land whilst the other 13.9 ha is still owned by Custom Land Owners. In preparation for the Third Stage, it is the intention of the Government of Vanuatu to legally acquire compulsory acquisition of the land. The land is located some 15 km from Luganville town. The land is described as undulation land and mostly covered with bush.

Refer to **APPENDIX 5** for description.

4.0 GOVERNMENT OF VANUATU'S INTENTION FOR COMPULSORY ACQUISITION OF THE LAND

4.1 Meetings with Land Owners

On February 15th and 16th of 2005, Officials from the Government of Vanuatu and responsible authorities held discussions with the Custom Land Owners of the 5.2 ha and Custom Land Claimants of the 13.9 ha land, to resolve the issues affecting the hydro occupied land. During the meeting Government informed the Custom Land Owners of its intention to declare the occupied land as public land and that the matter would be carried out in accordance to the Acquisition Act.

In the meeting the Government outlined the following proposal to PRV regarding the 5.2 ha leased to PRV;

- Survey Department will have to survey and draw up new lease plans
- The new PRV lease plan (referring to the 5.2 ha) will include the easement for the access road.
- Survey plan for the 5.2 ha to be owned by the Government must include the bridge
- Government is to prepare two new leases, one for PRV and the other for the Government of Vanuatu and that all cost involved will be the responsibility of the Government.
- Recommended that PRV surrender the current lease
- The Government will facilitate PRV's request for duty exemption on their imported agricultural materials.
- The Government would negotiate the amount of 2,422,500 Vatu as compensation value for the loss of income to PRV during the past 10 years.

The Government also made the following proposals to the Custom Owners on the PRV lease parcel (5.2 ha)

- Government would serve a 30 days notice before declaring the hydro land as public land.
- The Notice to be served either on the 16th or 17th February 2005.
- The Government will meet the cost of serving the notice in 3 languages [Bislama, English, French].
- The Government requested that the Customs Land Owners to propose offer for compensation.
- The Government is to compare the claims proposed by Custom Land Owners with that of the Government Valuers.
- While the 30 days notice is to be served to the public, the government will assist the Fanafo Lands Tribunal to serve a 21 days notice for the 13.9 ha part of the land.

The Custom Land Owners have expressed that the process involved in acquiring the land must be conducted in a proper manner. Refer to **APPENDIX 1** for the names of the attendants of these meetings.

4.2 Issue of Land Acquisition Notices

After the meeting in which the Land Owners were informed on the necessary works required, the Department of Lands proceeded with the issue of Land Acquisition Notices. Land Acquisition Forms were served to the Custom Land Owners of the parcel leased to PRV (title 12/2613/001) by the Acquiring Officers as stipulated by the Land Acquisition Act. Four Land Owners who were declared lessors to this land are Mr. James Tangis, Mr. Saniel Sul, Mr. Thomas Toaserkite and Mr. Tari Buluk. Out of the four Land Owners, three have signed, however, Mr. Tangis did not as he claimed that he would have to consult lawyers before doing so. The notices were also served through the local

newspaper and the National Radio broadcast in three languages, which are Bislama, English and French. Similar notices were exhibited at the Sanma Provincial Government Office. The Government took responsibility in meeting the cost of the notices being served.

Refer to **APPENDIX 4** for copy of the signed Land Acquisition Forms.

4.3 Valuation of Land

The Valuation Unit has proceeded to determine the value of the 5.2 ha which was leased to PRV. To arrive at a market value, valuation was done on the sales of similar land within the vicinity. The land is valued for a compensation value of One Million and Forty Thousand Vatu (1,040,000 Vatu). As research is still being conducted on the 13.9 ha the Valuation Unit is also awaiting survey plans to be finalized for the 13.9 ha before valuation can begin.

Refer to **APPENDIX 5** for details of valuation

5.0 SUMMARY OF ACTIVITIES UNDERTAKEN

Activity	Progress Made
Meeting with Land Owners	The first meeting was on 15 th February 2005. Second meeting was on 16 th of February 2005 Third meeting was on 18 th February 2005 Fourth meeting was on 9 th March 2005 Fifth meeting was on 22 nd April 2005 After these meetings, there have been some more meetings held by Director of Lands and Lands Department in Luganville.
Survey Works	The Survey Department in Luganville was instructed by the Acting Director of Survey on 7 th July 2005, to commence the required survey works on the land as a priority task. This survey will include: <ul style="list-style-type: none"> - The parcel of land inside PRV lease which is 5.2 ha - The parcel of land in the customary side which is 13.9 ha - The PRV lease showing the easement for the access road - The bridge crossing the river
Prepare two New Leases	Awaiting the completion of the survey works above
PRV to surrender current lease	Awaiting the completion of the survey works
PRV's request for Duty Exemption	The DG of Lands has met with the Department of Customs & Inland Revenue on this matter and Customs Department advised that PRV is already entitled to this exemption under Agricultural benefits.
Compensation of 2,422,500 Vatu to PRV as Loss of Income during the past 10 years	PRV has indicated that to them this is not as important as their request for duty exemption. However, Government is determined to compensate PRV.

<p>Government to serve 30 days Notice for acquiring the 5.2 ha Hydro land as public land</p>	<p>The Notice has been served on 9th March 2005. This Notice was made in three languages (Bislama, English & French) and was hand delivered to the Custom Owners, published in the Daily Post Newspaper, broadcasted in the National Radio and displayed at the Sanma Provincial Headquarter in Luganville.</p> <p>One of the declared Custom Owners (Family Tangis) has rejected this Notice for land acquisition on 31st March 2005.</p> <p>The Notice has ended on 7th April 2005.</p>
<p>Valuation of the 5.2 ha of Hydro occupied Land</p>	<p>Following the end of the 30 days Notice, Government then proceeded on to conduct a valuation of the land on 10th May 2005. The value of the 5.2 ha is 1,040,000 vatu.</p> <p>The Custom Owners have been served with this valuation giving them 30 days whether to accept or reject. The valuation Notice was served on the following dates:</p> <ul style="list-style-type: none"> - Saniel Sul on 25th of May 2005. The 30 days Notice has ended on 24th of June 2005 - James Tangis on 21st of June 2005. The 30 days Notice will end on 20th of July 2005. - Thomas Toaserkite on 23rd of June 2005. The 30 days Notice will end on 22nd of July 2005. - Tari Buluk on 23rd of June 2005. The 30 days Notice will end on 22nd of July 2005. <p>Thomas Toaserkite & Tari Buluk <u>have rejected</u> the valuation by Government. This means that the matter will now be forwarded to the Valuer General to determine the final valuation.</p> <p>The value to be given by the Valuer General is the final valuation by Government. However, if the Custom Owners still reject this value, they may have the option to go to the Supreme Court.</p>
<p>Land Tribunal 21 days Notice for the 13.9 ha of Hydro occupied Land</p>	<p>This 21 days Notice has been served on 16th June 2005. This Notice has ended on 7th of July 2005.</p> <p>This 21 days Notice is to allow all people who have an interest in the 13.9 ha to lodge their claims of right to the Village Land Tribunal.</p> <p>After the end of the 21 days Notice, the Village Land Tribunal will then decide on a date to hold its court. In preparing this report, no date has yet been set.</p> <p>The procedures to reach a final decision on who is the rightful Land Owner is as follows:</p> <ul style="list-style-type: none"> - The Village Land Tribunal hold its court. It may take more than one day. Depending on the complexity of the disputes, a decision will then be made several days after the court hearing.

	<ul style="list-style-type: none"> - Once the decision is made on who is the rightful Land Owner, 21 days is given for appeal if they do not agree with the Village Land Tribunal decision. If there is no appeal within the 21 days period, the procedure stops here. - But if there is an appeal, the matter is forwarded to the Area Land Tribunal. The Area Land Tribunal will then set a date to hold its court. - Once the Area Land Tribunal convenes its hearing and then a decision is made, 21 days is again given for appeal if the claimants are still not happy about their decision. If there is no appeal within the 21 days period, the procedure stops here. - But if there is an appeal again, the matter is forwarded to the Island Court who will set their date to hold its court hearing. - Once the Island Court makes a decision, this decision is final and cannot be challenged again. <p>The procedure to identify the rightful Land Owner may take up to 3 months or more.</p>
Government to lease the 5.2 ha and 13.9 ha	<p>Because of the lengthy nature of identifying the rightful Land Owner(s), the land laws provide for the Minister of Lands to sign a lease on their behalf and have their compensation fund paid into a Trust Account. This fund will be kept there until the rightful Land Owner(s) have been identified and then the fund will be paid to them. This process is also legally binding.</p> <p>The Government is now awaiting the survey plans that will be completed by the Survey Department. Upon having these plans, appropriate leases will be made for the Minister of Lands to sign on behalf of the Custom Owners.</p>

6.0 CONCLUSION

Land is one of the many tasks assigned to the Government of Vanuatu to undertake following the signing of the Minutes of Discussions on 11th August 2004. Although there have been delays in the preparation and the process is quite lengthy, the Government of Vanuatu has committed itself in ensuring that all preparatory works are progressed until completion. So far, already 848,512 vatu have been spent to enable the progress that have been made to this day. See **Appendix 6**.

Other tasks assigned which have been completed include Aquatic Life Survey, Installation of Water Monitoring Devices, Water Flow Measurements, Water Quality Tests and Vegetation Study.

The remaining tasks which the TAG is currently undertaking is the production of a survey plan to accommodate the alterations for the two news leases and the outcome of the Fanafo Lands Tribunal from which the Customary Owners of the 13.9 ha will be legally identified. Valuation of the 13.9 ha will proceed immediately after the survey plans are ready.

APPENDIX 1

LIST OF ATTENDANTS AT THE MEETING

ATTENDENTS OF THE MEETINGS HELD ON THE 14th AND 15th OF FEBRUARY 2005

MONDAY 14th FEBRUARY 2005

- Mr Jean TRANUT – First Political Advisor for the Ministry of Land and Natural Resources
- Mr. Stephen TAHI - Director General for the Ministry of Lands (former)
- Mr. David MOSES – Acting Director of Lands
- Mr. Erickson Sammy – Acting Director of Geology
- Mr. Ernest BANI – Head of Environment Unit
- Mr. Robinson TOKA – Officer- In- Charge, Lands Department in Santo
- Mr. Harry TETE– Luganville Municipal Physical Planner
- Mr. Benuel TABI - Urban Land Officer in Santo
- Mr. Leo MOLI – Head of Energy Unit

TUESDAY 15th FEBRUARY 2005

GOVERNMENT OFFICIALS

- Mr Jean TRANUT – First Political Advisor for the Ministry of Land and Natural Resources
- Mr. Stephen TAHI - Director General for the Ministry of Lands (former)
- Mr. David MOSES – Acting Director of Lands
- Mr. Robinson TOKA – Officer- In- Charge, Lands Department in Santo
- Mr. Mike BAKEO – Director of survey
- Mr. Benuel TABI - Urban Land Officer in Santo
- Mr. Leo MOLI – Head of Energy Unit

LAND OWNERS

- Mr. Thomas TOASEREKITE
- Mr. Ben TUNALA
- Mr. Erick TUNALA
- Mr. LUI
- Mr. JACOB
- Mr. Sanial SUL
- Mr. James TANGIS
- Mr. Joseph TANGIS
- Mr. Rovea TANGIS
- Mr. Norman TANGIS

APPENDIX 2

Outline from Meeting on Sarakata Hydro Land Adopted Minutes

(February 14th 2005)

- Project occupied 19.1 ha of land since 1994
- 5.2 ha leased to PRV company
- 13.9 ha in customary dispute
- Following JICA's visit to Vanuatu July-August 2004, one of the main issues needing urgent action is resolving land disputes over the project land in preparation for the third phase
- JICA Mission to Vanuatu gave the Vanuatu 5 months to resolve issue (Sept'04-Jan'05)
- Due to political instability, implementation of identified tasks agreed on the signed Minutes of Discussions could not proceed (5 months delay)
- Minister of Lands intended to declare project land as public land

- Following Government position outlined
 - Survey Department to survey and draw up new lease plans
 - New PRV Lease plan to include easement for the access road
 - Survey plan for the 5.2 ha to be owned by Government to include bridge
 - Government to prepare two new leases (1 for PRV & 1 for Government)
 - Government to meet all cost for the lease
 - PRV to surrender current lease
 - Government to facilitate PRV's request for exemption on agricultural materials
 - Government to negotiate on the 2,422,500 vatu compensation to PRV

- Proposals to Custom Land Owners on PRV land (5.2 ha)
 - Government to meet all costs of serving notices in 3 languages (Bislama, English & French) before declaration of land as public land on National Radio, Daily Post Newspaper and Sanma Provincial Headquarter
 - Government to request custom owners for propose offer for compensation
 - Valuation Unit to obtain value of the 5.2 ha for comparison with custom owners' compensation claim
 - Fanafo Land Tribunal to serve 21 days notice from (16th or 17th February)

(February 15th 2005)

Meeting of 15th February 2005, Government provided above information and intentions to the Land Owners present.

SANTO NEWS

Santo office hotline — Tel. 37908 Mobile. 44250 email. santo@vanuatudaily.com

Govt to compensate land owners for hydro project

By Esther Tinning
THE VANUATU GOVERNMENT is in the process of Compensating landowners for the Sarakata hydropower land before declaring it public land.

During a meeting convened with landowners Wednesday this week, Director General to the Ministry of Lands, Stephen Tahi told landowners that this is essential so that the third phase of the Sarakata hydro project funded by the Japanese government could be completed this year.

Tahi stated that one of the main requirements needed to be settled before the project could continue are issues relating to land to avoid land disputes, which is one of the major obstacles hindering developments in communities.

The Minister for Lands, Paul Telukluk who was also present at this meeting emphasized that it is the government's obligation to ensure that lands accommodating national assets be compensat-

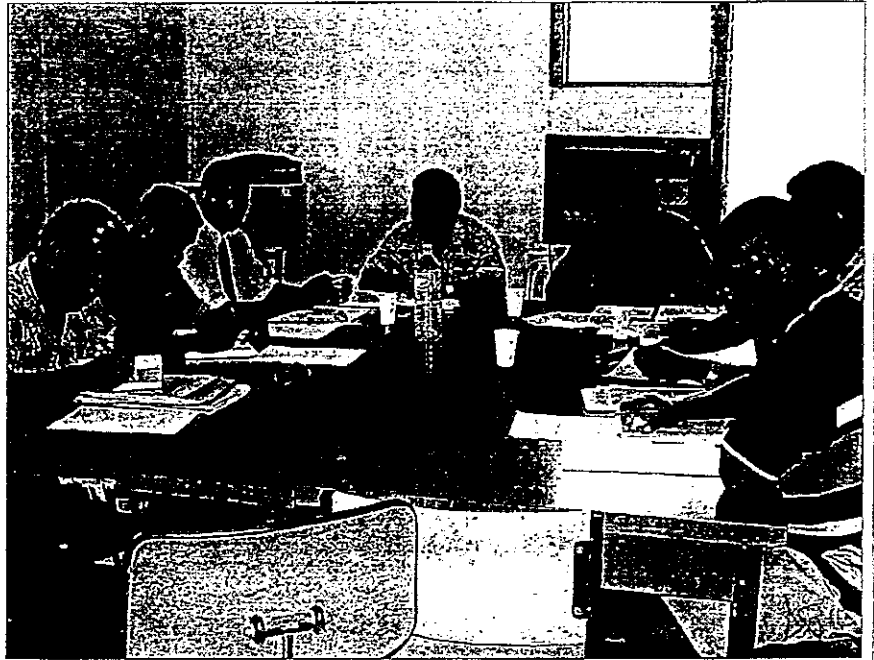
ed and declared public land, therefore any issues related with land must be sorted out.

Meanwhile, section 2 of the Land Acquisition Act No. 5 of 1992 authorizes the government through the Minister responsible to acquire the land that is of national interest.

Reports from the Ministry of lands and natural resources have indicated a net revenue of over Vt420 million since the project had been established in 1995 until last year 2004, 70% of which had been used for urban energy development (Including Isangel and Norsup) and 30% had been used for rural developments.

The Ministry of lands, Geology and natural resources has reminded the citizens of Vanuatu that the Sarakata Hydro Project is government owned and Managed by the Uneleo Company.

Right: Minister for Lands, Paul Telukluk and his officials in a meeting with the Sarakata hydro power area land owners



129

APPENDIX 3

NOTES BY VALUATION UNIT, LANDS DEPARTMENT AND SURVEY DEPARTMENT

Valuation Unit

- Valuation Unit to evaluate the land (both 5.2ha and 13.9ha) so that land owners offers (compensation) is not exaggerated
- The Valuation Unit are still Awaiting proper survey plans of the 13.9 ha to be submitted by the Survey Department

5.2 ha (10th May 2005)

- Portion of Class A Land (Agricultural Lease 04/2613/001) total area 1095 ha.
- Lease commenced 29th August 1986 for 50 years term. Commencing rent is 219,000 vatu per annum
- Lease sold to PRV for 2,400,00 vt which represents 0.2vt per square meter
- Claimants for compensation (custom owners) Mr. Tari Buluk, Mr. Tangis Sisi, Mr. Thomas Toaserekite and Mr Saniel Sul.
- Land lease to PRV which is an agricultural lease (timber plantation development).
- Acquisition will reduce the lease and the rental of the original lease will be altered to reflect the reduced area.
- No improvement on land identified thus no compensation with regards is payable to PRV according to Land Acquisition Act.
- Land to be acquired forms part of a large area leased for plantation purposes and is located approx. 15 km from Luganville.
- PRV land is undulating land mostly covered with bush and isolated and scattered coconut trees.
- Hydro occupied land (5.2 ha) is located on the western end of the larger parcel PRV land and is accessed by right-of-way across the main parcel which is on adjoining land. Land is unimproved apart from caretakers cottage at the eastern border.
- Refer to valuation basis for details on valuation
- Land valued for compensation purposes at 1,040,000 vatu.

Department of Lands

- Land acquisition forms served to custom owners by acquiring officers as stipulated in the Acquisition Act to Custom Land Owners of land leased to PRV (title 12/2613/001)
- Custom Owners declared lessors to this land are Mr. Tari Buluk, Mr. Tangis Sisi, Mr. Thomas Toaserekite and Mr Saniel Sul
- Three of the four signed the form except James Tangis. Reason being that the family to look through and discuss the forms with their lawyers before signing.

SERVICE TOPO
Sac Prive' 9024
Port Vila

REPUBLIQUE DE VANUATU
Pacific Sud



SURVEY DEPARTMENT
Private Mail Bag 9024
Port Vila

REPUBLIC OF VANUATU
South Pacific

MEMO

Your Ref.
V/Ref.

Received 12/7/05

Our Ref. ST/062/2005/PG.pg

Date: 7th July 2005

To: Albert Bue
Senior Surveyor, Santo Office.

From: Acting Director of Survey

RE: Instruction to Survey of Hydro Land in Santo.

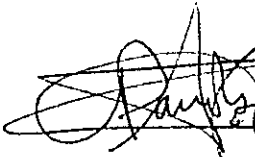
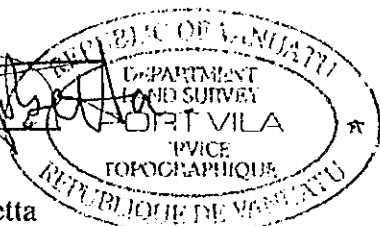
I am referring to the Principal Energy Officer's letter of request concerning the subject.
(Please find attached copy of letter for quick reference)

As per the letter of request, I am hereby instructing you to carry out the survey as requested. Could please adhere to this instruction and make the request your priority.

For your information, there is an existing plan 04/2613/002 with a total area of 13.9 ha. The parcel with 5.2 ha and the two easement are those that need survey.

Should you need assistance to carry out this survey, the Energy Unit is willing to assist.

Thank you for your understanding of this instruction.


The stamp is circular and contains the text: 'REPUBLIC OF VANUATU', 'DEPARTMENT OF LAND SURVEY', 'PORT VILA', 'VICE TOPOGRAPHIQUE', and 'REPUBLIQUE DE VANUATU'.

Paul Gambetta
Acting Director of Land Surveys

Cc: DG MOL
: Lease Section Vila
: Control Section
: Energy Unit ✓
: Director of Lands

GOVERNMENT OF THE
REPUBLIC OF VANUATU

ENERGY UNIT

Private Mail Bag 9067
Port Vila, Vanuatu
Telephone: (678) 25201
Facsimile: (678) 23586



GOVERNEMENT DE LA
REPUBLIQUE DU VANUATU

BUREAU DE L'ENERGIE

Sac Postal Privé 9067
Port Vila, Vanuatu
Téléphone: (678) 25201
Télécopie: (678) 23586

MEMORANDUM

Your Ref:
Votre Ref:

Our Ref: 200/05 - 304/8/m
Notre Ref:

Date: July 04, 2005

TO: Mr. Paul GAMBETHA
Acting Director
Survey Department

FROM: Principal Energy Officer

SUBJECT: Request for Survey of Hydro Land in Santo

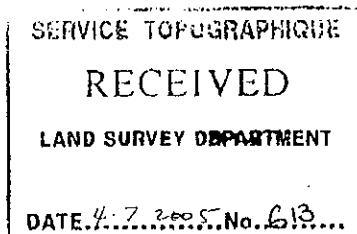
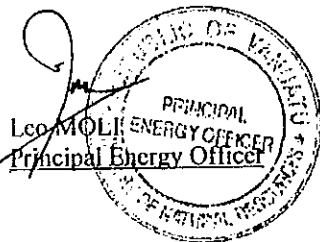
The Sarakata Hydropower project in Santo occupies about 19.1 ha of land, of which 5.2 ha is inside PRV lease and 13.9 ha is customary land. The Government of Japan now plans to fund the 3rd Phase Development of this project, however, their requirement is for the Government of Vanuatu to secure the land first.

Negotiation is continuing with the land owners to have the two parcels of land leased and then compulsory acquisition later. To proceed further with this lease preparation, the Government needs the survey plans of:

1. The parcel of land inside the PRV lease which is 5.2 ha.
2. The parcel of land in the customary side which is 13.9 ha.
3. The PRV lease showing the right-of-way into the project area.
4. The survey plan of the project area is to include the bridge crossing the river

I would highly appreciate you to instruct the survey Officer-in-Charge in Luganville to conduct this survey as soon as practicable. The whole project area was surveyed by Mr. James Ngwango in 1996 but only the 13.9 ha was made official. A copy of this is attached to assist your officer.

If there are any costs associated with this works, we are prepared to assist you with. Furthermore, we are prepared to allocate the Energy Unit Civil Engineer to assist your officer in Luganville for this survey.



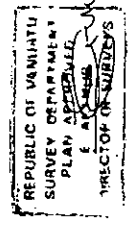
REPUBLIC OF VANUATU • REPUBLIQUE DE VANUATU

I. SANTO.....

Title Titre **04/2613 /002**

Name of Property
Nom de la Propriete

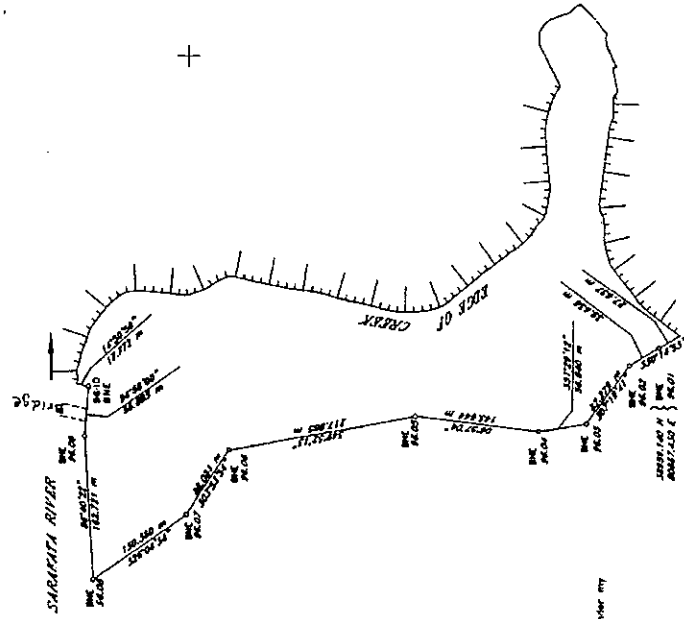
Area Superficie ...13..ha..80..a..10..ca



Date 04 DEC 1996

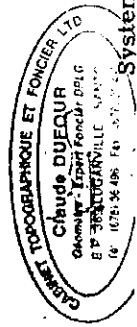
Scale 1:5000

Survey Department	Service Topographique
Surveyed by: ROMANOUJ Checked by: ROMANOUJ Drawn by: SCHOELLERS Designed by:	Checked by: ROMANOUJ Checked by: ROMANOUJ Checked by: DUDOUX Approved by: S.S. Approved by:
S.R. 8524	



Claude DUFOUR Ltd being a registered land surveyor hereby certify that the attached plan has been drawn as a result of a survey carried out by me or under my direction at Luganville DATE 1996 at Noon on 28th of November 1996

Claude DUFOUR
Registered Surveyor



CABINET TOPOGRAPHIQUE ET FONCIER LTD
DUFOUR Claude - Geometre-Expert Foncier DPLG
BP 369 LUGANVILLE SANTO - Tel : 36 496

Systeme D.O.S

40000

89500

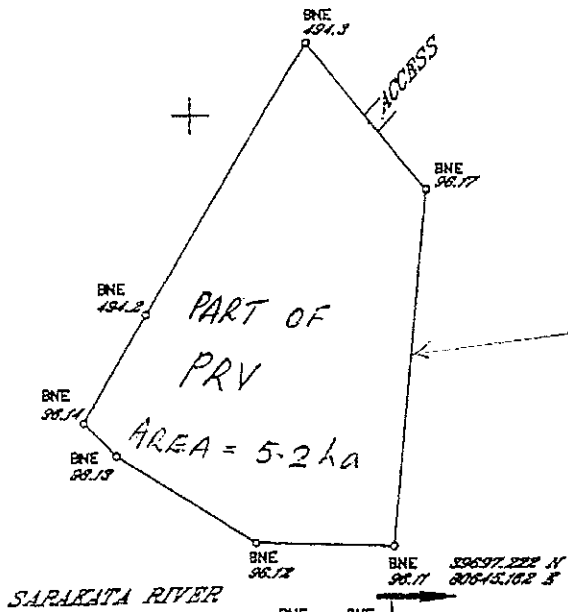
00018

40000

89500

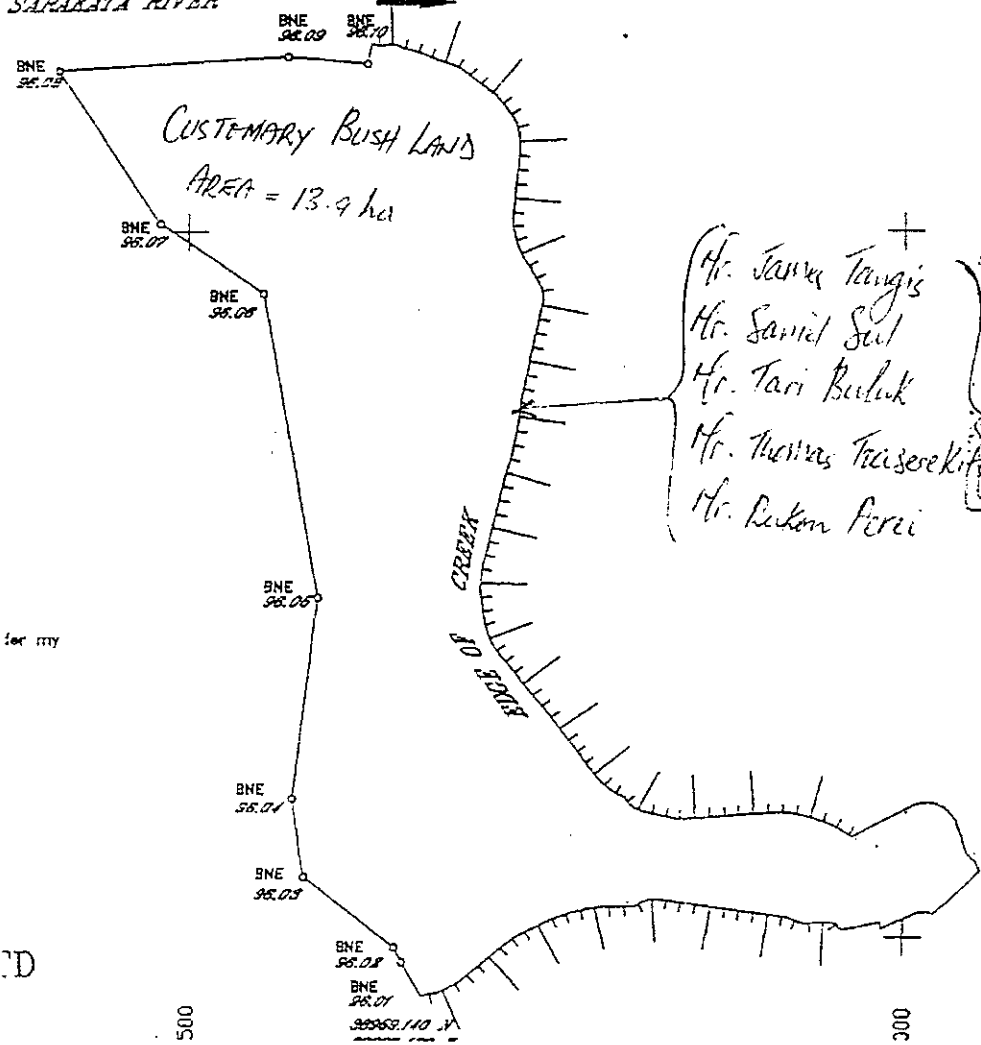
00018

39500



Mr. James Tangis
Mr. Samuel Sui
Mr. Tari Buluk
Mr. Thomas Teaserekite

Custom Owners



Mr. James Tangis
Mr. Samuel Sui
Mr. Tari Buluk
Mr. Thomas Teaserekite
Mr. Rukon Perai

RECEIVED
17 APR 1977
Custom Claimants
nsa

APPENDIX 4

NOTICES FOR COMPULSORY ACQUISITION

- ENGLISH VERSION
- BISELAMA VERSION
- FRENCH VERSION

REPUBLIC OF VANUATU

SCHEDULE 1

LAND ACQUISITION (FORMS) REGULATION NO 32 OF 1994

To: Custom Owners of and person(s) interested in , the land known as Hydro Land at Fanafo or easement over the land known as PRV Land at Santo.

TAKE NOTICE

- 1. That the Minister has decided that the Land known as part of Land Title 04/2613/001 (Part of PRV land)at Fanafo is likely to be acquire for Hydrology purposes.
2. That on and from the 9th of March 2005, the acquiring officer or an officer authorised by the Acquiring Officer shall enter on the land with such person(s) as may be necessary and shall carry out all necessary acts to ascertain whether that land is suitable for the Hydro for which it is required.

This notice is given to the custom owners or the representative of the custom owner(s) today the 9th day of March 2005.

Acquiring Officer [Signature] Signature - The Director of Lands
REPUBLIC OF VANUATU
DEPARTMENT OF LANDS
SERVICE DES TERRES
REPUBLIQUE DE VANUATU

Custom Owner(s) Representative

James Tangis
Saniel Sul SANIEL
Tari Buluk
Thomas Toaserekite
(Name and Signature)

Date: 9th of March 2005

I, acted as an interpreter in _____ language when the Acquiring Officer explained this notice dated _____ day of _____ 2005 to the custom owner (s) or representatives of the custom owner. I believe that the custom owner (s) or representative of the custom owner fully understood the effect and purpose of that Notice.

Interpreter _____

Name and Signature

Address _____

107

REPBALIK BLONG VANUATU

SKEDUL 1

LAND AKWISIEN (FOM) REGULEISEN NAMBA 32 BLONG 1994

PABLIK NOTIS

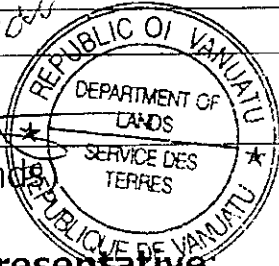
IGO LONG: Olgeta kastom ona mo ol man we oli gat interes long Graon we oli kolem Hydro Graon we I Stap insaed long PRV lis long Fanafo, long Santo. o oli gat raet blong go tru long graon we oli kolem PRV Lan we I stap long Santo.

NOTIS I GO LONG YUFALA:

1. Se Minista I disaed se graon we oli kolem part taetol 04/2613/001 (part blong PRV graon) we I stap long Fanafo long Santo bambae I save kam olsem wan ples blong yusum long saed blong Hydrology.
2. Se stat long 9th dei blong March, 2005 mo afta long dei ia I go , bambae Akwaering Ofisa o wan narafala Ofisa we akwaering Ofisa ia I givim raet long hem bambabe I go insaed long graon ia wetem ol man blong soesel wok wetem ol tul, material, trak mo animol we oli stret blong mekem wok ia mo bambae oli mekem evri samting blong faenemaot sipos graon ia I gud blong putum Hydro folem rikwaemen blong hem

Notis ia i go long Kastom ona o reresentativ blong Kastom ona ia tedei namba 9 dei long March 2005.

James Tangis _____
Saniel Sul SANIEL _____
Tari Buluk _____
Thomas Toaserekite Thomas _____



Akwaering Ofisa _____
(Signeja – Directa blong Lands)

(Olgeta Kastom ona/ Representative:

Nem mo Signeja

Deit 9 March 2005

Mi bin toktok olsem intepreta long _____
langwis taem Akwaering Ofisa I stap tokbaot wanem I stap insaed
long notis we deit blong hemi _____ dei blong _____
2005 long (olgeta) kastom ona o representative I luk save evri
samting we notis ia I talem mo wanem I save happen sipos oli
folem notis ia I talem mo wanem I save happen sipos oli folem
notis ia mo luksave from wanem Notis ia I kamaot.

Interpreta _____

Nem mo Signeja

Adress _____

109

REPUBLIQUE DE VANUATU.

ANNEXE 1

REGLEMENT NO32 DE 1994 SUR L' ACQUISITION DE TERRES (FORMULAIRE)

AVIS PUBLIC

AUX: Propriétaires coutumiers et personnes intéressées par la terre connue sous le nom du terrain Hydrologie située à Fanafo ou par la servitude sur la terre connue sous le nom de PRV située à Santo.

VOUS ETES AVISES

1. Que le Ministre a décidé que la terre connue sous le titre partie du 04/2613/001 (partie du PRV) située à Fanafo ou la servitude sur la terre connue sous le nom de PRV pourrait être requise Hydrologie.
2. Qu' à compter de 9 March 2005 le fonctionnaire acquereur ou un agent autorisé par celui-ci pourra entrer sur la terre accompagné des personnels, équipement, matériel, véhicules et animaux qui peuvent être nécessaires et doit prendre toutes les dispositions pour, s'assurer que cette terre convient à la demande pour laquelle elle est requise.

Le présent avis a été remis au propriétaire coutumier ou à la personne le représentant, le 9 March of 2005.

Le fonctionnaire acquereur


Signature **Directeur des Terres**

Le(s) Propriétaire (s) Coutumier(s)/
Représentant

James Tangis _____
Saniel Sul SANIEL
Tari Buluk _____
Thomas Toaserekie Thomas
(Nom , Signature)

Date: 9th March 2005

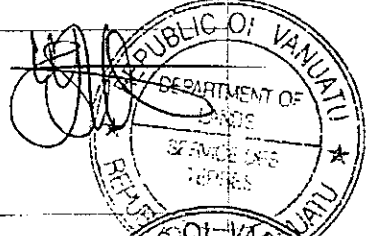

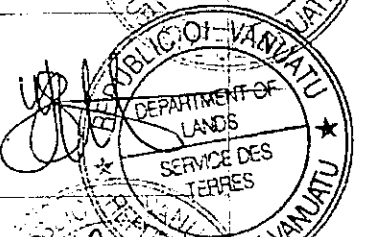
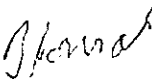
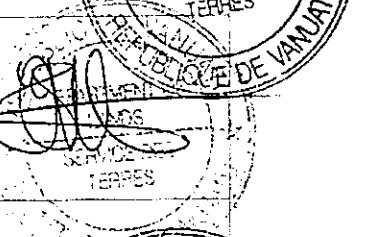
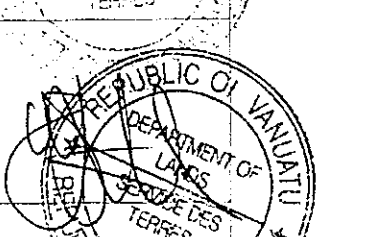
J'ai agit a titre, d'interpret en langue
_____ lorsque le fonctionnaire
acquereur a signifie le present avis date du
_____ 2005 au(x) proprietaire(s)
coutmier(s) ou a son /leur representant. J' estime que le(s)
proprietaire(s) coutumier(s) ou son /leur representant a/ont
parfaitrment compris l'application et les fins du present avis.

L' interprete _____

Nom & Signature

Adresse _____

RECEIPT OF NOTICE

Date Served	Time Served	Signature of Custom Owners	Signature of Lessee	Authorised Officer
9/03/05	10.00am	SARNIEL		
9/03/05	10.00am	 numb of Tari Buluh.		
9/03/05	10.00am			
9/03/05	10.00am	James Targio has no receipt of the notice but did not sign.		

APPENDIX 5

VALUATION REPORT

BUREAU DES EVALUATIONS

Sac Privé 024
PORT VILA

REPUBLIQUE DE VANUATU
MINISTERE DES TERRES
PACIFIQUE SUD



VALUATION OFFICE

Private Mail Bag 024
PORT VILA

REPUBLIC OF VANUATU
MINISTRY OF LANDS
SOUTH PACIFIC

Fax: (678) 25973 Tel: (678) 23249

VALUATION REPORT

Date : 10th of May 2005

Purpose of Valuation To provide a valuation of land required by Energy Unit Ministry of Lands for the purpose of the operation of the Sarakata Hydro Power Station

Instructions: The valuation is provided in accordance with instructions dated May 9th 2005 from Mr. Leo Moli Principal Energy Officer to make a valuation of the property described below. The valuation is to be made in compliance with the provisions of the Land Acquisition Act for the purpose of the extension of the operation of the Sarakata Hydro Power Station

Date of Valuation: The valuation is made as at 9.03.05 the date of the Notice to Acquire

Land Area: The land to be acquired is 5.2 ha

Land Particulars: Portion of Class A (Agricultural Lease 04/2613.001) total area 1095ha The lease commenced 29th August 1986 and is for a term of 50 years. The commencing rent was two hundred and nineteen thousand Vatu per annum. The lease was sold to Plantations Reunies de Vanuatu for 2.400.000 vt which represents 2 vt per m²

Owner:

The Claimants for compensation are the Custom Land Owners Mr. Tari Buluk, Mr. Tangis Sisi, Mr. Thomas Toaserkite, and Saniel Sul. The land is leased to Plantations Reunies de Vanuatu. The lease is agricultural for timber plantation development. The acquisition will reduce the area of the lease but the rental of the original lease will be altered to reflect the reduced area. The company has not improved the land during the lease and we do not consider that any compensation is payable to Plantations Reunies de Vanuatu under the provisions of the Land Acquisition Act.

Land Description:

The land to be acquired forms part of a large area leased for plantation purposes. The property is located approximately 15 Kilometers from Luganville on an all weather gravel road. The property is generally undulating land mostly covered with bush apart from isolated small areas of coconut trees. The area to be acquired is located on the western boundary of the land and has access by right of way across the main parcel which leads on through to the Power Station which is on adjoining land. The land being acquired is unimproved apart from a caretakers cottage on the eastern boundary

Services:

The land subject to acquisition has all weather access and power

Valuation Basis:

The valuation is based primarily on sales of similar land in the general vicinity to arrive at the market value of the land. Details of the sales are set out below
The valuation also has had regard to all the other heads of claim Set out in Sec 111 (9) of the Land Acquisition Act. As the land is currently leased it is not considered that any of the other heads of claim apply and it is assumed that rent has been paid to current date and no allowance has been made for this item. Similarly it is assumed that the access right of way existed before acquisition and no amount has been included in this valuation for the use of that land. The only other item which it is

considered affects the compensation is the fact that the acquired land will be on a commercial lease . An allowance has been made above the market value as agricultural land to reflect this potential for commercial or industrial use. The sales indicate a land value in the range of 5 to 11 vatu per m2 for large agricultural areas. The subject land is a small parcel and has commercial and industrial use potential. A rate of 20 vatu per m2 has been adopted

Land Sales:

Sale 1

Ref 04.2611/001 Area 275ha 48a 24ca Sale Price 15.125.000 vt
Date sale 20/10/2004

Adjoins the main subject Leasehold land and is similar in quality but a smaller area. The sale has good access and has power available. The sale is vacant land and shows a rate per m2 of 5 Vatu

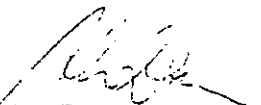
Sale 2.

Ref 04/2641/014 Area 103ha 39a 50ca Sale Price 11.000.000
Vt Date of sale 15/04/2002

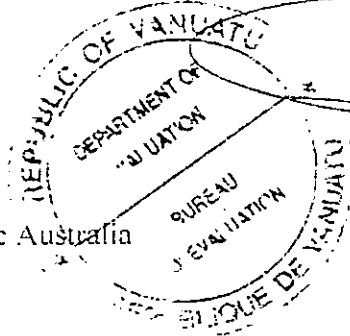
Elevated land with sea views closer to Luganville and with a major coconut plantation. The sale shows a rate of 11 vatu per m2


Valuation:

The land is valued for compensation purposes at One Million And forty thousand vatu. (1.040.000 vatu)


J.A. D'Arcy
FAPI

-- Certified Practicing Valuer Vic Australia




Dominique William
Trainee Valuer
Valuation Unit

APPENDIX 6

Cost Associated With Hydro Land Negotiations

Date	Supplier	Expense Details	Amount
9/2/2005	Vanair Ltd	Air tickets Vil/Son/Vil	80,700
9/2/2005	New Look	Accommodation	60,910
9/2/2005	Hotel Santo	Accommodation	93,600
9/2/2005	Solar Project	Telephone/Transport/Incidentals	176,250
9/2/2005		Night Allowance	51,900
10/3/2005	W/Car Rental	Vehicle hire	22,850
10/3/2005	Hotel Santo	Accommodation	49,842
16/3/2005	Daily Post	Public Notices on Hydro Land acquisition	74,250
17/3/2005	Radio Vanu	Public Notice on Hydro Land acquisition	29,050
29/3/2005		Night Allowance/Telephone/Transport/Incidentals	49,900
30/3/2005	Vanair Ltd	Air tickets Vil/Son/Vil	26,900
30/3/2005	New Look	Accommodation	19,740
3/5/2005	Vanair Ltd	Air tickets Vil/Son/Vil	26,900
3/5/2005		Night allowance	3,400
11/5/2005	Vanair Ltd	Air tickets Vil/Son/Vil	53,800
11/5/2005	New Look	Accommodation	2,820
11/5/2005	N.Jimmy	Transport hire	24,000
11/5/2005		Night Allowance	1,700
		Total	848,512

SUMMARY

Air Tickets	188,300
Accommodation	226,912
Transport Hire	46,850
Subsistance Allowance	57,000
Public Notices	103,300
Telephone/Incidentals	<u>226,150</u>
	848,512

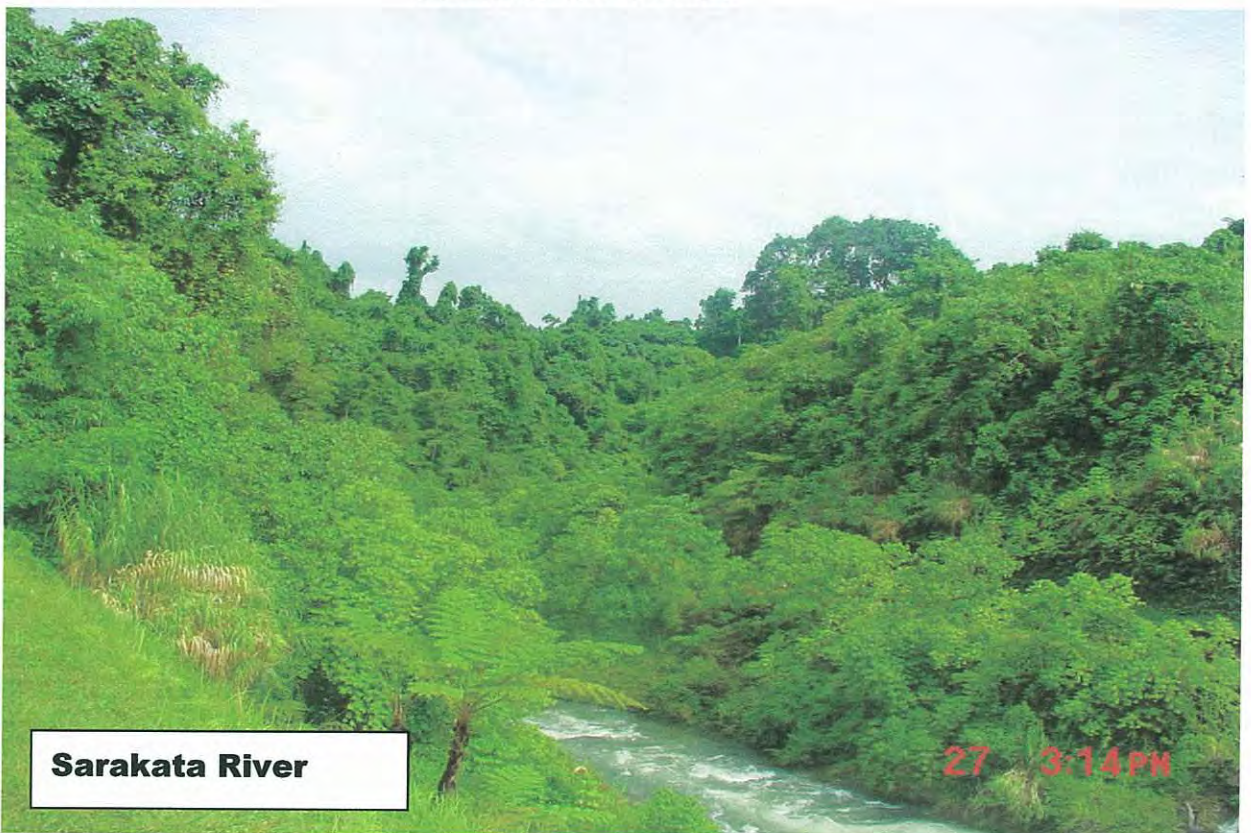
APPENDIX D-2

SECOND PROGRESS REPORT ON ACQUISITION OF HYDRO LAND

By: Energy Unit and Lands Department

SECOND REPORT

PROGRESS ON ACQUISITION OF THE LAND OCCUPIED BY THE SARAKATA HYDRO POWER PROJECT



Prepared by: Technical Advisory Group (TAG)
Ministry of Lands & Natural Resources
Port Vila
GOVERNMENT OF THE REPUBLIC OF VANUATU

Phone: (678) 25201
Fax: (678) 23586

Date: 08th November 2005

TABLE OF CONTENT

	Page
1.0 BACKGROUND.....	3
2.0 COOPERATION WITH THE GOVERNMENT OF JAPAN ...	3
3.0 DESCRIPTION OF HYDRO OCCUPIED LAND	3
4.0 GOVERNMENT OF VANUATU TO LEASE 19.1 HECTARES OF SAKAKATA HYDROPOWER OCCUPIED LAND.....	4
5.0 REASONS WHY GOVERNMENT WILL NOW LEASE THE 19.1 HECTARES OF LAND AND NOT COMPULSORY ACQUISITION AS INITIALLY PLANNED.....	4
6.0 SUMMARY OF ACTIVITIES UNDERTAKEN.....	5
7.0 CONCLUSION.....	8

APPENDIXES

APPENDIX I: Plan of Land Occupied by the Hydropower Project.....	9
APPENDIX II: Land Claimants of 13.9 ha.....	10
APPENDIX III: Land Owners of 5.2 ha.....	11

1.0 BACKGROUND

This second report provides the latest information regarding the Government of Vanuatu's progress in resolving the land issues on the land on which the Sarakata Hydropower Project is occupying.

Sarakata Hydropower Facility which is a nationally owned asset has been in operation for over ten years. It began commercial operation after Stage One and Stage Two were completed in 1994 and providing 60 - 70% of electricity to Luganville Concession area. The initial intention is for the third turbine to be installed after some years in operation which will increase the power output capacity of the facility. From July to August of 2004 a Preparatory Study Team from the Government of Japan upon request from the Government of Vanuatu was dispatched to Vanuatu on a mission to assess all aspects of the project in preparation for the Third Stage. The team identified certain areas which are later the responsibility of the Government of Vanuatu through the Technical Advisory Group (TAG) to attend to. One of these areas included the resolving of land issues.

The Government of Vanuatu through TAG has been in consultation with relevant authorities including the State Law Office, Valuation Unit, Land Tribunal Office, Department of Lands, Survey Department, the Manager of PRV and Custom Land Owners in preparation for legally securing the hydro occupied land.

2.0 COOPERATION WITH THE GOVERNMENT OF JAPAN

The Sarakata Hydropower Project was the outcome of the Government of Vanuatu's progress in response to its policy in achieving a self-supporting economy, through the upgrading and expansion of the energy sector. Funding for the development of the first and second stages came from the Government of Japan following request from the Government of Vanuatu.

In response to the Government of Vanuatu's request for further assistance for the development of the third stage, a study team (JICA) from the Government of Japan was sent to the site to undertake necessary studies. Upon signing of the Minutes of Discussions, it became the responsibility of the Government of Vanuatu through the TAG that all preparatory works were to proceed within a five month period. However the Government of Vanuatu had experienced a period of political instability from September of 2004 which later resulted in the formation of a new government in January of 2005. The newly appointed Minister later approved the TAG's working budget in early 2005, which means that only then allowing works to begin.

3.0 DESCRIPTION OF THE HYDRO PROJECT OCCUPIED LAND

The Sarakata Hydropower Project occupies a total of 19.1 ha of land. 5.2 ha of which is part of PRV existing leased land whilst the other 13.9 ha is still owned by Custom Land Owners. The land is located some 15 km from Luganville town. The land is described as undulation land and mostly covered with bush.

In preparation for the Third Stage, it is the intention of the Government of Vanuatu to legally acquire compulsory acquisition of the land. This means that Government will compensate the Custom Land Owners and declared the land to become State Land. However, after numerous negotiations with the Custom Land Owners, it is finally agreed that Government will have to pay compensation to the Custom Land Owners and to have a lease on the land for a period of 75 years.

4.0 GOVERNMENT OF VANUATU TO LEASE 19.1 HECTARES OF SARAKATA HYDROPOWER OCCUPIED LAND

The delay to have a proper lease on the Sarakata Hydropower occupied land was due mainly to the ownership disputes between the Custom Land Owners. The dispute is not with the Government of Vanuatu on compensation issues but mainly between these Land Owners on customary ownership.

Government does not wish to entangle itself with the Land Owners' disputes. Therefore, the dispute was left to the Land Owners to solve by themselves through the Land Tribunal process. Government comes in only to facilitate where required but is not directly involve.

Because of the lengthy Land Tribunal process to come to a final solution of identifying the true Custom Land Owners, it is necessary that the Government sign a lease on behalf of the Custom Land Owners while the Land Tribunal continues with its processes. This lease will have the same legal effect as other leases except that Government is managing the lease on behalf of the Custom Land Owners for the period of time until the true Land owner is identified. The Custom Owners do not loose their rights when the Government signs on their behalf. Once the Land Tribunal has finally completed its process and the true Land Owners have been identified, Government will then rectify the lease with the true Custom Land Owners and detail negotiations will take place on compensation value, lease rent rate and other lease conditions.

5.0 REASONS OF WHY GOVERNMENT WILL NOW LEASE THE 19.1 HECTARES OF LAND AND NOT COMPULSORY ACQUISITION AS INITIALLY PLANNED

1. There are two parcels of land that is currently occupied by the Sarakata Hydropower Project (See APPENDIX I). One parcel of 5.2 ha is inside PRV current Agricultural Leased title 04/2613/001 and another parcel of 13.9 ha is still in customary hands. The 13.9 ha is under a registered ownership dispute. Therefore, the Minister of Lands has the management powers under the Land Reforms Act to sign a lease on their behalf.
2. There are four (4) Custom Land Owners which PRV has signed the lease with them. These Custom Land Owners are James Tangis, Sanial Sul, Thomas Toaserekite and Tari Buluk. These four (4) Custom Land Owners of the total PRV leased land have been identified in 1986. However, their individual land boundaries have not been clearly identified within this PRV lease. In that respect, these land owners have unregistered boundary disputes within themselves. Because the 5.2 ha is inside this PRV existing lease and is regarded as an un-registered boundary dispute, the Minister of Lands has no power to sign a lease on their behalf.

However, on 17th May 2005, Mr. Joseph Tangis, James Tangis' brother officially lodged a request to the Chairman of the Village Land Tribunal to convene a meeting to identify their individual boundaries and to identify that the 5.2 ha is placed inside whose boundary. This request means that now the 5.2 ha parcel of land has become a registered dispute land. Because it is now a registered dispute, this has enabled the Minister of Lands to exercise his powers under the Land Reform Act to sign a lease on their behalf while the Land Tribunal proceeds with its process of boundary identification.

3. The 5.2 ha is part of the current PRV Agricultural Lease title 04/2613/001. The Sarakata Hydropower project is not an Agriculture scheme but a Special Scheme. Therefore, there has to be a new special lease issued with different conditions. Once the individual boundaries of the four (4) Custom Land Owners have been clearly identified, the Government will negotiate directly with the person that owns the parcel of the 5.2 ha.
4. Compulsory acquisition of land does not give the Custom Land Owners long term benefits and their benefits are limited. The Government does not want to deprive the Land Owners' of their benefits on their God given lands. As such, leasing the land is a much better option to take.
5. The Custom Land Owners do not want to sell their land. In other words, they opposed the idea of Government compulsory acquiring their land and declaring it a public land.

6.0 SUMMARY OF ACTIVITIES UNDERTAKEN

Below is the summary of the activities undertaken by the Government following its decision to lease the land:

Activity	Progress Made
Official registration of boundary dispute of the 5.2 ha	On 17 th May 2005, Mr. Joseph Tangis has officially registered the land boundary dispute of the 5.2 ha. As of the date of this report, there is no date given yet for the Village Land Tribunal to hold its meeting.
Land Tribunal 21 days Notice for the 13.9 ha of the Hydro occupied land	21 days Notice has been served on 16 th June 2005. This Notice ended on 7 th July 2005
Public Notice of the names of Village Land Tribunal Judges to preside over the meeting on the 13.9 ha	This Public Notice was put out sometimes in August 2005. This was done to allow any person that does not agree with any of the Judges must register his disagreement by 1 st September 2005. This Public Notice also gives the date for the Village Land Tribunal to convene its meeting. The date given by this Notice was 5 th September 2005.
Duration of the Village Land Tribunal Meeting	This meeting commenced on 5 th September 2005 and continued on until 8 th September 2005

<p>Decision of the Village Land Tribunal Judges on the Custom Land Owner of the 13.9 ha</p>	<p>After the four (4) days meeting to identify the Land Owner of the 13.9 ha, the Village Land Tribunal took its decision on 4th October 2005.</p> <p>The Village Land Tribunal identified that Mr. Ben Sive Tosu, Daniel Loi and Thomas Toaserekite are the Land Owners of the 13.9 ha.</p> <p>Mr. Daniel Loi does not agree with the decision therefore lodge an appeal to the Area Land Tribunal.</p> <p>As of the date of this report, there is no date given yet for the Area Land Tribunal to hold its meeting.</p>
<p>Compensation of 2,422,500 Vatu to PRV as loss of income during the past 11 years</p>	<p>On 21st September 2005, the Minister of Lands has given his approval for the Government to compensate PRV.</p> <p>PRV has already been informed of this decision and they have indicated that they accepted the value given as 2,422,500 Vatu.</p>
<p>Instruction to complete lease process for both 5.2 ha and 13.9 ha by November 2005</p>	<p>On 18th October 2005, the Director General of the Ministry of Lands issued an instruction to Director of Lands, Director of Lands Record, Acting Director of Lands Survey & Principal Valuation Officer to immediately collaborate and cooperate in processing a lease for the Minister to sign on behalf of the Land Owners.</p>
<p>Lease processing - Notice to hold first meeting in processing the necessary works for the lease</p>	<p>On 19th October 2005, the Director of Lands sent out a letter to hold the first meeting for the following agencies:</p> <ul style="list-style-type: none"> Lands Survey Department State Law Office Finance Department Valuation Office Department of Economic & Sector Planning Energy Unit
<p>Lease processing - First meeting on lease processing</p>	<p>The relevant agencies held their meeting on 24th October 2005 and agreed on the following:</p> <ul style="list-style-type: none"> - Because there is dispute on both parcels of land occupied by the hydropower project, the Minister of Lands is to sign a lease on behalf of the Custom Land Owners. - The Lands Survey Section in Luganville must fix their broken down computer as soon as possible in order to complete the survey plan. - Lands Survey Section in Luganville is to send the survey plan of the occupied land to Vila by week 24 – 28th October 2005. - Valuation office is to use the survey plan to assess value of the 13.9 ha. - Heads of Lands Department, Valuation Office, Lands Tribunal Office and Energy Unit are to travel to Luganville on 28th October 2005, to hold meetings with all Custom Land Owners
<p>Lease processing - Second meeting on lease processing</p>	<p>The second meeting of the lease processing group was held on 26th October 2005 and informed of the following:</p>

	<ul style="list-style-type: none"> - Lands Survey Section in Luganville has received a new computer on Monday 24th October. - The new computer was installed on Tuesday 25th October 2005. - Trip for Heads of relevant Agencies to Luganville was postponed to afternoon of Monday 31st October due to the Port Vila Municipal election. - Lands Officer-in-Charge in Luganville is to arrange meetings with all Custom Land Owners & Claimants on Tuesday 1st November 2005 at 9:00 am for the 5.2 ha and at 2:00 pm for the 13.9 ha.
Lease processing – Meeting with Custom Land Owners of 5.2 ha	<p>On Tuesday 1st November 2005 at 9:00 am, meeting was held with all the Custom Land Owners of the 5.2 ha. All the Land Owners present have unanimously agreed that the Minister of Lands can sign a lease on their behalf while they are continuing with the Land Tribunal process to identify their individual land boundaries.</p> <p>The conditions that they want to see included in the lease document have been noted down in a document and signed. These conditions are normal land lease practices that will be included in the lease document.</p>
Lease processing – meeting with Custom Land Claimants of 13.9 ha	<p>This meeting was not being able to be held due to the fact that some of the claimants have not received the Notice to meet on 1st November 2005 at 2:00 pm. Therefore the meeting was postponed to 2nd of November 2005 at 9:00 am.</p> <p>On 2nd of November 2005 all land claimants of the 13.9 ha attended the meeting and all have unanimously agreed for the Minister of Lands to a lease on their behalf while they are continuing with the Land Tribunal process to identify the true Custom Land Owners.</p> <p>The conditions that they want to see included in the lease document have been noted down in a document and signed. These conditions are normal land lease practices that will be included in the lease document.</p>
Survey Works	<p>The Survey Department in Luganville was instructed by the Acting Director of Survey on 7th July 2005, to commence the required survey works on the land as a priority task. This survey will include:</p> <ul style="list-style-type: none"> - The parcel of land inside PRV lease which is 5.2 ha - The parcel of land in the customary side which is 13.9 ha - The PRV lease showing the easement for the access road - The bridge crossing the river <p>The survey works have been fully completed on 8th October 2005 and sent to Vila on the same date.</p>
Lease processing – Preparation of new Land Lease for the Hydropower Project	<p>As of the date of this report, the Department of Lands is preparing the lease document for the Sarakata Hydropower Project land. The land lease title now given to the total land area occupied by the project is 04/2613/002.</p>

Leasing processing – Signing of the lease for the Sarakata Hydropower Project occupied land	The Minister of Lands will sign the lease for the 19.1 ha of land occupied by the Sarakata Hydropower Project on 11 th November 2005. This lease will also be stamped and registered on the same date and thus becomes a legal document.
Lease processing – Preparation of new Land Lease for PRV	The new PRV lease is currently being in the process for signing. This lease should be signed by PRV sometimes in December 2005.

7.0 CONCLUSION

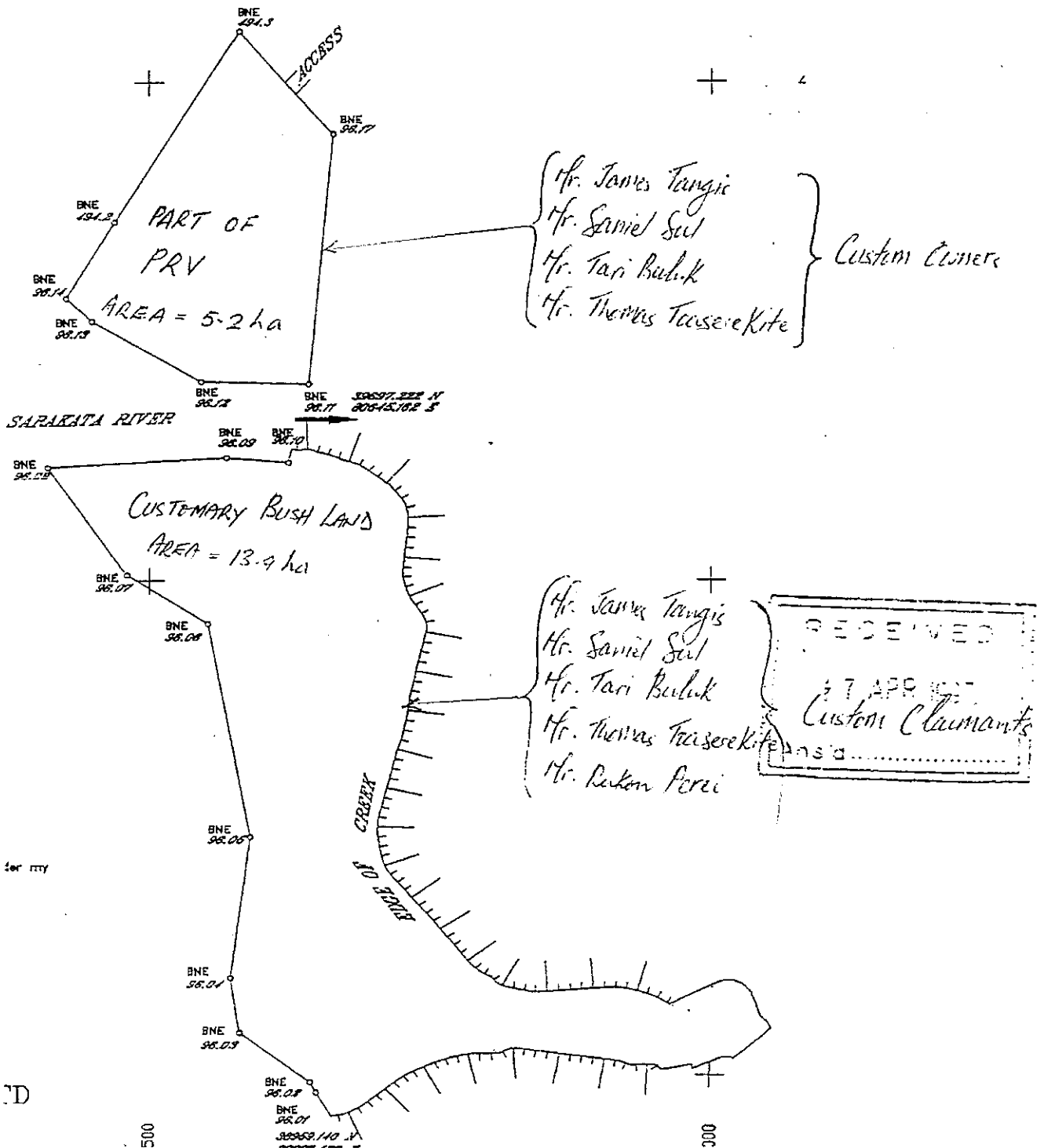
As mentioned in the first progress report of 18th July 2005, issues relating to land can take quite some time to solve. This is because in Vanuatu, land is regarded as part of life. Even if a family does not have a regular income, they can still live and enjoy life on the piece of land they own. Land holds the identity of a family and their customary inheritance is associated with their land.

The Government of Vanuatu has done its very best to solve the land occupied by the Hydropower Project in a satisfactory manner whereby all parties concern are happy. Even though it has taken quite long, fruitful achievements has been made which saw the disputing Land Owners finally gave their consent for the Minister to sign the lease on their behalf. The disputing Land Owners too gave the Government on 2nd November 2005, their assurance that they will also assist to make certain that there is security to the Hydropower Project. In fact they have requested that their assurance for security be noted down in the lease conditions.

The Government through the Technical Advisory Group is happy with the achievements made so far and is confident that the Sarakata Hydropower Project will continue to operate smoothly without any fear of land disturbance.

APPENDIX I

The Two Parcels of Land occupied by the Sarakata Hydropower Project



APPENDIX II

Claimants of the 13.9 ha Land



Custom Land Claimants of the 13.9 ha together with the Land Tribunal Acting Coordinator (in the blue shirt), signing the agreement for the Minister of Lands to sign the lease on their behalf while they are continuing with the Land Tribunal process to identify the true Land Owners. The document they are signing also includes their proposed conditions that they want to see included in the lease document.

APPENDIX III

Land Owners of the 5.2 ha Land



Custom Land Owners of the 5.2 ha together with the Land Tribunal Acting Coordinator (in the blue shirt), signing the agreement for the Minister of Lands to sign the lease on their behalf while they are continuing with the Land Tribunal process to identify their individual land boundaries. The document they are signing also includes their proposed conditions that they want to see included in the lease document.

APPENDIX E

REPORT ON AQUATIC LIFE ASSESSMENT OF SARAKATA RIVER

By: Fisheries Department

**AQUATIC LIFE ASSESSMENT OF THE SARAKATA HYDRO
ELECTRIC POWER PLANT- A JICA FUNDED PROJECT**



Produced

By

Robert A. Jimmy,

Department of Fisheries

VMB 9045, Port Vila

(Corresponding email: robj@scientist.com)

BACKGROUND

The following study was carried out by the Department of Fisheries during the months of February (dry season) and July (wet season) as part of the TAG Members proposed activities on the assessment of the proposed 3rd phase of the JICA funded Sarakata Hydro Power Project. Fisheries Department was assigned the task of carrying out a base line assessment of the aquatic life in the area as part of the overall assessment on the potential impacts of the proposed activity on the existing environment. The Department of Fisheries was not part of the initial assessment prior to the establishment of the Sarakata hydropower project, nor aware that an assessment work has been carried out previously. The terms of reference (TOR) for this work was provided by Japan International Cooperation Agency (JICA) through the Vanuatu Energy Unit.

TERMS OF REFERENCE (TOR)

Monitoring Study on Environmental and Social Considerations to be implemented by the
Government of Vanuatu

Prepared by Nobuyuki Nakazawa
JICA Preparatory Study Team
August 23, 2004

The following TOR provides the objectives, scope of work, and contents for the environmental and social consideration study on the Project for the Sarakata River Hydroelectric Power Development (3rd stage).

1. Objectives

The Objectives of the study were (1) to understand the actual situation of the natural and social environment around Sarakata Hydroelectric power generation facility; (2) Assess measures for mitigating the project's prospective adverse impacts; and (3) Monitor the adverse impacts on the natural and social environment around the site during the construction and operation stages.

2. Scoping of Environmental Factors to be affected

2.1 Natural Environment

1). Construction stage

The following impact may occur during the third stage construction: (1) flow volume may increase at the section between the weir and the power facility due to the shutoff of the water intake from the Sarakata River; 2) water quality may deteriorate due to the earthwork and the increase in flow volume at the section between the weir and power facility. These potential adverse impacts may affect aquatic life and the vegetations in the Sarakata River. Environmental monitoring, including river flow, water quality, aquatic life and vegetation will be needed during the construction stage.

2) Operation stage

After the completion of the third stage construction, flow volume may decrease at the section between the weir and the power facility. To mitigate the above, a detailed design which reflects environment consideration, water quality, and flow monitoring will be needed during the operation stage.

2.2 Social Environment

The Sarakata Hydropower project was constructed on two parcels of land which are owned by the custom owners. One part of the land, 5.2ha is leased by the custom owners to Plantation Reunions du Vanuatu (PRV). The other part of the land, 13.9ha, is still in dispute. The countermeasures against this dispute should be clarified and monitored through the construction and the operation stages.

(a). Construction stage

It will be important to pay attention to the conflict between the proponent and the local communities in labor hiring during the 3rd stage construction because the labor wage would be a significant income to the local communities. Water quality deterioration due to the increased turbidity downstream of the site may affect the fishing ground of the Fanafo village people. Since freshwater fish and crustaceans are an important food source for the rural people, countermeasures and monitoring will be needed.

b). Operation Stage

The above land lease dispute problem should be monitored and resolved.

3. Contents of the Study

3.1. Baseline Study

3.1.1. Natural Environment

(2) Aquatic Life Study

-Period: February 2005 to July 2005

- Frequency: once during rainy season and once during dry season, total two (2) times

* Select the best season for species

-Parameters: nekton, crustaceans and others

* Select the target species which are important for rural people as food

-Location: Total two (2) points:

(1) Section between the weir and the power generation facility,

(2) Downstream from the power generation facility only for water quality.

-Methods: trapping, identification and interview with village people

SAMPLING METHOD

Fish assessment was carried out using 2 and half inch gill nets measuring 3m in width and 15m in length. Hand held nets were used to trap crustaceans. Underwater visual assessment was carried on site out by snorkeling on both fish and crustacean where possible. Three sampling points were selected between the dam and the Power house to provide a balanced representation of the study site. The following Points were:

1. Dam [S 15°25.236', E, 167°06.699']
2. Waterfall [S 15°25.297', E 167°06.741']
3. Powerhouse [S 15°25.538', E 167°06.894']

RESULTS

The findings in February sampling [Table 1] showed two groups of fish families were found on site, Kuhlidae [edible] and Gobiidae [non edible], and one of crustacean, Palaemonidae. Below the Dam area more than 95% of the fish species found were non-edible gobies while the local edible freshwater prawn made up 75% of the species sampled. At the Waterfall, up to 89% of the fish sampled were different species of gobies while 11% comprised of edible jungle perch species. There were no crustaceans observed at the Waterfall area. At the Power House, 90% of the species sampled were jungle perch fish and 10% of gobies. More than 90% of the crustacean sampled at the Power House was the edible freshwater prawn [*Macrobrachium lar*].

Assessment in July 2005 found no edible fish (e.g. jungle perch) species at the assessment sites. Below the Dam area more than 50% of the fish species were non-edible gobies while the freshwater prawn *Macrobrachium lepidactyloides* made up 65% of the species sampled. At the Waterfall, all the fish sampled were different species of gobies. The freshwater prawn *M. gracilirostre* comprised 83% in abundance of the species sampled at the Waterfall area. No sampling could be carried out at the Power House as the Generator was switched on at the time.

Table 1 Summary result of the species sampled at the Sarakata Hydro Power Plant Site during the rainy season [February 2005].

Site	Fish	Scientific Name	% abundance	Food source	Crustaceans Freshwater Prawn	% abundance	Food source
Dam	Miniature gobies	<i>Sicyopterus Sp.</i>	95	Non-edible	<i>Macrobrachium lar</i>	75	Edible
	1 Miniature gobies	<i>Sicyopterus Sp.</i>	5	Non-edible	<i>Macrobrachium latimanus</i>	25	Edible
Waterfall	Miniature gobies	<i>Sicyopterus Sp.</i>	28	Non edible			
	2	<i>Sicyopterus Sp.</i>	33	Non edible			
		<i>Sicyopterus Sp.</i>	17	Non edible			
		<i>Sicyopterus Sp.</i>	11	Non edible			
		Jungle perch		11	edible		
Power house	Jungle perch	<i>Kuhlia rupestris</i>	90	Edible	<i>Macrobrachium lar</i>	33	Edible
	3 Miniature gobies	<i>Sicyopterus Sp.</i>	10	Non edible		67	Edible

Table 2 Summary result of the species sampled at the Sarakata Hydro Power Plant Site during the rainy season [July 2005].

Site	Fish (common name)	Fish (scientific name)	Food/non food	% abundance	Crustacean(freshwater prawn)	food/nonfood	% abundance	Mollusc	No./m ²
Dam	Miniature gobies	<i>Sicyopterus Sp.</i>	non edible	57	<i>Macrobrachium latimanus</i>	edible	9		
1	Miniature gobies	<i>Sicyopterus Sp.</i>	non edible	41	<i>M. lepidactyloides</i>	edible	65		
	long finned eel	<i>Anguilla megastoma</i>	non edible	1	<i>M. lar</i>	?	9		
					<i>M.Sp</i>		17		
Waterfall	Miniature gobies	<i>Sicyopterus Sp.</i>	non-edible	10	<i>M. lepidactyloides</i>	edible	17	necrits	12
2		<i>Sicyopterus Sp.</i>	non-edible	15	<i>M. gracilirostre</i>	edible	83		
		<i>Sicyopterus Sp.</i>	non-edible	10					
		<i>Sicyopterus Sp.</i>	non-edible	65					
Power house									
3									

DISCUSSION

It was obvious that there was no interaction in migratory fish species such as jungle perch neither below and above the Waterfall nor below and above the dam. Gobies were observed to be the dominating species below the Dam and Waterfall sites. Gobies are bottom dwelling fishes with flattened head and have fused pelvic fins to form a sucker that the fish use to sit on rocks while feeding. Having this unique characteristic, it enables the fish to adapt to zones of fast flowing currents such as below the Dam and Waterfall sites. Despite a rapid water flow, freshwater prawn still manage to find a suitable habitat along the river banks in this upper section of the river.

There was seasonal effect on the presence and abundance of migratory fish species. Jungle perch which were abundant in hot season sampling (February) were not found during cooler season sampling (July). It was possible that such migratory species have moved further down stream close to entrance to the sea where water temperature is slightly warmer and thus move back upstream during warmer season. Other migratory fish above the dam area would not be able to undergo such transition.

Erosion of the river embankment was observed at various sections of the river and the waterfall attributed by dam construction. Plate 1 (a) to (d) illustrated various erosion problems observed below the waterfall area. This was contributed by large volume of water occasionally released downstream from the dam. In addition, just below the waterfall area is a small island being formed (Plate 1 e & f) which only developed after the dam was constructed. Plate 1(g) showed a cracking of the waterfall, possibly attributed by a large water velocity and water pressure from the dam.

The sampling sites selected were within the Hydro Power Plant restricted area, thus restricting public access to fishing and other recreational activities. As a result there were no interviews carried out with the village people. Those living on site were workers of the Power Plant.

CONCLUDING REMARKS

It is with no doubt that the hydro power plant has an impact on the aquatic life in the area. Seasonal migrations of aquatic fauna particularly migratory fish has been affected to certain extent. However with the waterfall, it is already a natural barrier of migratory species as well as other species such as crustaceans. Erosion of the river embankments, cracking of the waterfall structure and changes in the vegetative structure of the area, such as formation of island below waterfall area were all part of the impacts arising since dams were constructed. Overall, such impacts were not significant; the findings of the study conclude the current development activity pose low risk to the existing environment.

PLATE 1

a).



b).



Erosion of the river banks

c)



d)



e)



f)



Formation of island as a result of dam construction

g).



Cracking of waterfall bank as a result of high water velocity accumulated from dam construction