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## **PRESS RELEASE**

## "INVESTORS NEED TO IDENTIFY THEIR IMPACTS ON MYANMAR'S BIODIVERSITY AND ECOSYSTEMS EARLY ON, TO AVOID COST AND CONFLICT LATER"

The Myanmar Centre for Responsible Business (MCRB) today published a briefing paper on Biodiversity, Human Rights and Business in Myanmar intended to help business, civil society and government understand how some types of investment in Myanmar can negatively impact biodiversity and thereby affect human rights, and in particular the right to livelihood.

Ensuring that investment does not have a negative impact on biodiversity is essential for Myanmar to meet its obligations as a party to the Convention on Biodiversity (CBD) which it ratified in 1994, and the commitments in Myanmar's National Biodiversity Strategy and Action Plan (NBSAP) 2015-2020 (see Section 3.10.1 of the Briefing Paper). The CBD will hold its 14<sup>th</sup> 'Conference of the Parties' (COP) in Sharm El Sheikh, Egypt from 17-29 November 2018 which the Myanmar Government is expected to attend.

The Briefing Paper presents the business case for addressing biodiversity and ecosystem services. It provides practical recommendations to companies to address biodiversity conservation in order to be – at a minimum - compliant with Myanmar environmental regulation including the 2018 Biodiversity and Conservation of Protected Areas Law and the 2015 EIA Procedure. It offers advice on how EIA can be used by companies to improve outcomes for biodiversity and related human rights. It also offers advice for companies that are willing to take extra steps. It signposts resources to help business, including sources of biodiversity data, a major weakness of EIAs in Myanmar.

Launching the paper and associated sectoral supplements on oil and gas, mining, tourism and agriculture, Vicky Bowman, MCRB Director said: 'Upfront screening to determine how a project could impact biodiversity is essential, so as to avoid, wherever possible, or reduce or mitigate negative impacts. It's also a legal requirement in Myanmar, as well as a moral obligation. Getting this wrong leads to additional cost, project delays, and conflict with other stakeholders. This Briefing Paper is intended to help companies protect biodiversity and human rights successfully. For example, it shows them where to find information about Myanmar's Protected Areas, and Key Biodiversity Areas, and provides advice on how to avoid negative impacts.

'The Briefing Paper makes clear the strong business case for getting this right. Businesses whose operations are likely to have the biggest impact on biodiversity are likely to be those that most rely on ecosystem services, such as water and productive soils. Failure to safeguard these ecosystems will hurt the business's bottom line. We see this in the tourism industry, for example in the environmental degradation in Inle Lake, and it is a risk in the Tanintharyi archipelago. Not only that: consumers and investors increasingly want businesses to prioritise environmental protection.

'Furthermore, biodiversity and ecosystems services are needed by others for their livelihoods. So a company that damages ecosystems is also probably failing to respect human rights. If they end up in conflict with local communities who also rely on the same ecosystem services, particularly water, they may find they lose their operating permit. The mining sector in Myanmar is particularly at risk of this".

Polling results from MCRB's biodiversity-focused training for Environmental Impact Assessment (EIA) consultants in March 2018 show that 68% of participants thought that biodiversity was not covered well in Myanmar EIAs. Vicky added: 'A thorough EIA is the best way to avoid poor project design and implementation. Consideration of biodiversity should start at the Screening and Scoping stage. To choose the best project design, the EIA Scoping Study should also look at 'alternatives'. This means considering, for example, should this dam, or this hotel even be built in this location or are the negative impacts too great? Or should the number of rooms be reduced, or the project be redesigned to be more environmentally friendly? Should this road be diverted to avoid a sensitive area? Should this mine use alternative processing technology? Unfortunately, there are very few publicly accessible EIAs in Myanmar, and few of those we have seen consider genuine 'alternatives'.

'MCRB is also told by EIA consultants that their clients tell them to leave out or play down any negative impacts: 43% of the consultants at a workshop we held in November 2017 said that was their biggest challenge. We have also seen EIAs where the 'biodiversity' section bears no relation to the actual project. Instead the company has 'padded' out the report with many pages listing Threatened Species found in Myanmar on the IUCN Red List, and then claims that none of these are found in the project location. We have even seen species mentioned in EIAs which don't exist in the wild, like the 'Burmese cat'".

The Briefing Paper, supported by The Leona M. and Harry B. Helmsley Charitable Trust, draws on MCRB's research for sector-wide impact assessments which examine human rights impacts of the oil and gas, mining, tourism and oil palm sectors. It was co-authored by Sally Johnson, an international expert on the biodiversity impacts of business, who consulted a variety of Myanmar-based government and expert stakeholders. Reflecting on her involvement in the Paper, Sally said: "The nexus between biodiversity and human rights is neither well understood nor reflected in public policy. Myanmar has the opportunity to draw upon the hard-learned lessons of other countries that have opened up to an influx of investment, and can take steps to ensure projects happen in a way that protects biodiversity and respects human rights".

## **Background**

- The Briefing Paper on Biodiversity, Human Rights and Business in Myanmar is part of a series on cross-cutting issues published by MCRB. Others include '<u>Discrimination by</u> <u>Business and in the Workplace in Myanmar'</u>, '<u>Indigenous People's Rights and Business in</u> <u>Myanmar'</u>, '<u>Land'</u>, and '<u>Children's Rights and Business'</u>. It consists of an Executive Summary, Recommendations to Business and five sections:
  - Section 1 explains the 'nexus' between business, biodiversity and human rights,
     and the business case for addressing biodiversity and ecosystem services
  - Section 2 provides an overview of biodiversity in Myanmar, with emphasis on the biodiversity resources that are likely to be affected by private sector activities and the major threats to them
  - Section 3 provides an overview of the policy and legal framework and institutional arrangements related to biodiversity and addresses compliance with biodiversity aspects of Myanmar's environmental laws and regulations, including Environmental Impact Assessment (EIA)
  - **Section 4** looks at how **Myanmar's EIA process** can be used by companies to improve outcomes for biodiversity and related human rights
  - Section 5 provides an overview of international standards, practice and tools and application of international good practice on biodiversity protection by business, including in EIAs
  - The Briefing Paper is supplemented by additional material on:
    - 1) The Nexus between Biodiversity, Ecosystem Services and Human Rights: Further Reading
    - 2) Biodiversity in Myanmar, including Protected Areas and Key Biodiversity Areas
    - 3) Local and international environmental organisations working on biodiversity conservation and ecosystems services in Myanmar
  - The paper is also accompanied by short briefing notes on biodiversity impacts of the
    oil and gas, mining, tourism and agriculture sectors. These sectoral briefing notes
    cover potential biodiversity/human rights impacts, and links to sources of more
    detailed guidance.
- Myanmar Centre for Responsible Business (MCRB) has also addressed impacts on biodiversity and environment in its <u>sector-wide impact assessments</u> (SWIAs) on Oil and Gas, Tourism, ICT, Mining and Oil Palm (draft, for publication in 2019). For more information see <u>www.mcrb.org.mm</u>
- 3. The **Leona M. and Harry B. Helmsley Charitable Trust** aspires to improve lives by supporting exceptional efforts in the U.S. and around the world in health and select place-based initiatives. Since beginning active grantmaking in 2008, Helmsley has committed more than \$2 billion for a wide range of charitable purposes. The Helmsley Charitable Trust has funded biodiversity conservation projects led by conservation organisations within Myanmar including: World Wide Fund for Nature (WWF), Wildlife Conservation Society (WCS) and Flora and Fauna International (FFI) all

already close collaborators with MCRB. In Myanmar, Helmlsey's grants provided support for strengthening biodiversity conservation in Northern Mountains Forest Complex and Tanintharyi region (FFI), conserving Myanmar's ecosystems and biodiversity, spearheading marine conservation in Myanmar (WWF and WCS) as well as supporting projects run by the New York Botanical Garden, Critical Ecosystem Partnership Fund, Smithsonian, Thabyay and Turtle Survival Alliance. For more information about Helmlsey, visit <a href="https://www.helmsleytrust.org">www.helmsleytrust.org</a>.

4. Sally Johnson has worked for Governments, multilateral financial institutions, NGOs and the private sector for 27 years. She has worked as an environmental specialist for the International Finance Corporation (IFC), in a corporate role in Rio Tinto, at the project level with BHP Billiton in West Africa, and for two leading environmental consulting practices. Sally has worked with a number of companies on their biodiversity strategies, project managed large project-specific and strategic Environmental and Social Assessments, provided specialist technical inputs, undertaken due diligence and delivered training. Her primary focus for more than a decade has been on mining and biodiversity. She was responsible for writing: ICMM's Good Practice Guidance on Mining and Biodiversity; the National Biodiversity Offset Roadmap for Liberia; co-authoring the Biodiversity Offset User Guide for the World Bank; "The Use of Offsets in Forest Smart Mining" for the World Bank and internal guidance and policy documents for several large mining companies. She is currently working on a project in Guinea and undertaking biodiversity due diligence for a number of projects globally.

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