

Project-Level Impacts

Communities



Communities

In this section:

- A. National Context
- B. Key Human Rights Implications for the O&G Sector
- C. Field Assessment Findings

A. National Context

Poverty, Social Services and Social Protection

Myanmar is primarily a rural agrarian society, with many engaged in subsistence farming. Most poor families are working in agriculture or as casual day labourers.²²³ Reliable, detailed data on socio-economic indicators is still lacking. The 2014 UN Human Development Index ranked Myanmar at 150 out of 187 countries surveyed, putting it in the “low human development category,” with a 65.2-year life expectancy and just 4.0 mean years of schooling. Nearby ASEAN member states Thailand ranked at 89, Viet Nam at 121, Cambodia 136, and Laos 139.²²⁴

The UNDP has reported that the national poverty rate is 26%, and poverty rates are twice as high in rural than in urban areas. However, more recent information based on the same UNDP data reported in May 2014 by the World Bank in Myanmar indicates a national poverty rate of 37.5%, using a higher number of minimum calories per day as a cut-off point for poverty, and a higher rate of urban poverty.²²⁵ Its re-interpretation of UNDP data indicates an alarming 77.9% poverty rate in Rakhine State. The landlocked Shan State, which the South East Asia Gas/Oil Pipeline passes through, had a 2010 poverty rate of 33%.²²⁶ Magwe Region in central Myanmar, a key area for onshore O&G operations, had a 2010 poverty rate of 27%.²²⁷ The high poverty levels feed into and also result from conflict in the ethnic states (see [Part 4.7](#) on Security). In 2010 the poverty rates in coastal areas where offshore natural gas will come on shore were 44% in Rakhine State, 33% in Tanintharyi Region, 16.3% in Mon State, and 32% in the Ayeyarwady Region, compared to a 26% national rate.²²⁸

Social service delivery is poor, partly due to the country’s decades-long isolation and ban on development aid imposed during the 1990s by the US, Canada, Australia, New Zealand Governments and the EU in response to human rights abuses. But it is also

²²³ ADB, “[Interim Country Partnership Strategy: Myanmar 2012 – 2014, Poverty Analysis \(Summary\)](#)” (2012).

²²⁴ [United Nations Development Programme](#)

²²⁵ Myanmar Times, “[Data tweaks change face of poverty](#)” (19 May 2014).

²²⁶ ADB, above, pg. 4.

²²⁷ ADB, above.

²²⁸ ADB, above.

because the previous military Government did not treat health, education, and welfare as priorities. Even in the current period, Government spending on social services as a percentage of GDP was 0.76% for health, 1.46% for education and less than 0.01% for social welfare in 2012-2013.²²⁹ The low public resource allocations to social spending has negative impacts for the provision of health, education, and welfare services, particularly in remote rural areas where O&G projects operate. The Government has recognised the need for a social protection system and will set up a National Committee for the Coordination of Social Protection, “with due attention given to alleviating poverty and addressing inequities, social exclusion, and emergencies”.²³⁰

Education

As the OECD noted in its Investment Policy Review, “the limited educational and health financing translates into a major obstacle to growth and development in the future.”²³¹ Primary school dropouts and low secondary school enrolment rates,²³² often due to poverty, are continuing challenges. Myanmar has a lower rate of expected schooling than in Cambodia and Laos. The Government’s Framework of Economic and Social Reforms (FESR) notes that at an 87% rate of primary school enrolment,²³³ Myanmar is also behind other ASEAN countries under Millennium Development Goal 2, “Achieve Universal Primary Education”.²³⁴ The OECD also notes that with the low levels of schooling, there is limited education beyond basic literacy, but also highlights that the Government is taking steps to improve the education system.²³⁵ Official literacy rates are over 90%; however, a survey found that one third of rural people in a small sample were functionally illiterate, which may be indicative of a widely observed problem.²³⁶ There is also a clear need for increased vocational training.

Health

An estimated 75% of the population of Myanmar does not have quality health care.²³⁷ The private sector provides most of the health care, especially for the poor, but such services are often inadequate or unaffordable. The public health facilities that do exist often do not have basic equipment and supplies or staff. Around 87% of health expenditures is incurred by consumers in out-of-pocket expenses, the highest in the region.²³⁸ The health assistant ratio to population is 1:21,822; there are 26,435 doctors nationwide.²³⁹

²²⁹ UNICEF, “[Snapshot of Social Sector Public Budget Allocations and Spending in Myanmar](#)”, p 10 (2013).

²³⁰ “[Framework for Economic and Social Reforms - Policy Priorities for 2012-15 towards the Long-Term Goals of the National Comprehensive Development Plan](#)” (FESR), (Jan 2013) (Final Draft – Submitted to the First Myanmar Development Cooperation Forum), Overview.

²³¹ OECD, “[OECD Investment Policy Reviews: Myanmar 2014](#)” (March 2014), pg. 42.

²³² For more inclusive growth and equitable opportunities, OECD, “[Multidimensional Review of Myanmar, Initial Observations](#)” (2013).

²³³ Please note that this is a much higher rate of primary school enrolment than that used in UNICEF’s [Situation Analysis of Children in Myanmar 2012](#).

²³⁴ FESR, as above.

²³⁵ OECD, “[OECD Investment Policy Reviews: Myanmar 2014](#)” (March 2014), pg. 42.

²³⁶ Harvard Kennedy School, Ash Center, “[Creating a Future: Using Natural Resources for New Federalism and Unity](#)” (July 2013).

²³⁷ World Bank, “[Power to People: World Bank Group to invest US\\$2 billion in Myanmar, to support reforms, reduce poverty, increase energy and health access](#)” (26 January 2014).

²³⁸ UNICEF, “[Situation Analysis of Children Myanmar 2012](#)”, (July 2012), p 47.

²³⁹ UNICEF, above, pp xiv – xvi

The Ministry of Health has formulated a National Health Plan (2011-2016) within a 20 year National Comprehensive Development Plan, to ensure *inter alia* that “quality health services are accessible equitably to all citizens”.²⁴⁰ The FESR states that the Government will double its commitment to improving health care and increasing public financing to meet the health MDGs as soon as possible.²⁴¹

Myanmar suffers from one of the highest tuberculosis rates in the world; a 2009 TB prevalence survey identified a rate of 434 cases per 100,000 people.²⁴² Myanmar accounts for most of the malaria-related deaths in the Mekong Region.²⁴³ About 70% of the population lives in malaria-endemic areas, with pockets of artemisinin-resistant malaria in the southeast. However UNDP reports that Myanmar reduced malaria morbidity rates by 50% since 2007 and the TB incidence rate has been in decline since 1997.²⁴⁴ The number of people living with HIV in Myanmar is 216,000 according to a 2012 estimate, with a high level of transmission through injecting drug users; sex workers and their clients; and men who have sex with men. All these groups have shown a “considerable decrease in prevalence in the last years”.²⁴⁵

Food

As of 2010, food poverty affected 5% of the population, with considerable regional variation, with the highest rate at 25% in Chin State. Rural areas account for 85% of food poverty in Myanmar.²⁴⁶

Infrastructure

Over 70% of the population has no access to electricity.²⁴⁷ The transport sector is considerably underdeveloped, including roads and railways, impeding economic activity and hampering the movement of goods and rural people to markets, schools, and clinics; road fatality rates are high.²⁴⁸ Only 20% of roads are paved to all-weather standard.²⁴⁹ A report by Mastercard, with support from Myanmar think tank MDRI-CESD, notes that formal banking penetration in urban areas is 10% and considerably less in rural areas because of reliance on cash and a lack of trust in the banking system.²⁵⁰

²⁴⁰ See Myanmar Ministry of Health, [Health in Myanmar](#) (accessed 25 July 2013).

²⁴¹ FESR, above, p 29.

²⁴² 3MDG, “[Myanmar’s Tuberculosis National Health Programme working with 3MDG and partners to scale up delivery of TB services](#)” (29 November 2013).

²⁴³ Artemisinin combination therapies are the most effective against the falciparum strain of malaria. The Irrawaddy, “[World Malaria Day: Changes in Disease Control Amid Burma’s Political Transition](#)” (25 April 2014).

²⁴⁴ UNDP, [About Myanmar](#) (accessed 25 July 2014).

²⁴⁵ UNAIDS, “[Global AIDS Response Progress Report Myanmar, reporting period 2010 – 2011](#)” (31 March 2012).

²⁴⁶ ADB, “[Interim Country Partnership Strategy: Myanmar 2012 – 2014, Poverty Analysis \(Summary\)](#)” (2012).

²⁴⁷ World Bank, “[Bringing more electricity for the people of Myanmar](#)” (24 September 2013).

²⁴⁸ ADB, “[Myanmar in Transition: Opportunities and Challenges](#)” (Aug 2012), pp 22 – 24.

²⁴⁹ ADB, above.

²⁵⁰ Mastercard and MDRI-CESD, “[Cash in Context: Uncovering Financial Services in Myanmar](#)”, Executive Summary and Introduction, (Feb. 2014).

Cultural and Religious Sites

As noted in the [Part 4.5](#) on Ethnic Minority Groups/Indigenous Peoples below, Myanmar is a very culturally diverse country. There is an extensive spread of spiritual and cultural sites throughout the country, with communities often attaching great importance to their local temples or shrines. There is likely to be local areas of cultural importance in areas where O&G are found, especially given the range of cultures and religions. These include the Mon State and Tanintharyi Region, home to the Mon, the Karen, and the Tavoyan ethnic groups, with a mixture of Buddhist, Christian and animist religions. Rakhine State comprises the Buddhist Rakhine and Bamar, and Muslim groups, including the Kaman and Rohingya.

Exploring for O&G in designated national cultural heritage sites is prohibited. Article 20(d) of The Protection of Preservation of Cultural Heritage Regions Law (1998), amended by Law No. 1/2009 states that “No person shall carry out any of the following in the cultural heritage region...(d) exploring for petroleum, natural gas, precious stones or minerals.”

Corporate Social Responsibility / Social Investment Programmes

While there is a growing awareness in Myanmar of the concept of corporate social responsibility (CSR), this is often limited to a concept of corporate philanthropy – i.e. making donations to charities or local communities. An approach to CSR based on the concept of business taking responsibility for its impacts on society and the environment is less well understood by Myanmar businesses and Government as is the concept of a “social license to operate” – i.e. a tolerance if not acceptance by local communities of business operations that goes beyond its legal and regulatory license to operate.

Local businesses and the Government are also not well informed about leading extractive companies’ approaches elsewhere to social investment in communities surrounding extractive projects and how these can address impacts and build relations with local communities in way that is effective for communities, the local government and the companies.

The model Production Sharing Contract (PSC) does not require a social investment programme per se but there is discussion within the MIC of strongly encouraging all investors to put aside a budget for CSR programmes of 1-3% of pre-tax profits, and to take decisions on spending this in cooperation with local communities and authorities. Although this amount is currently not compulsory, an actual contractual commitment of 2% was inserted in the renegotiated Letpadaung Copper Mine Project.

Currently the PSC simply requires the company signing the agreement with MOGE to “expedite the Corporate Social Responsibility in the Contract Area according to the code of conduct for each Contractor Party”²⁵¹ which leaves the approach up to the individual company. This provides for flexibility in designing a programme but assumes that companies have the appropriate experience in designing useful CSR/social investment programmes. Neither charitable donations nor transferring the CSR budget to a local or

²⁵¹ Clause 17.2 dd.

regional government with little capacity is likely to be effective in supporting a company's social licence to operate. It could become a driver for local conflict or corruption. Furthermore many companies' business integrity rules would not allow such payments.

If this approach becomes a more established or compulsory MIC requirement, transparent principles are needed about how the money should be spent, such as requiring agreement with the local community for sums spent locally, and these should be discussed first with business and civil society. There should also be guidelines on what the money may not be spent on (e.g. environmental and social protection required to comply with the ESMP) and whether it is cost-recoverable under the PSC. Above all, it is important that the strategic business link between social investment and the O&G project is maintained. Otherwise companies, particularly in a country with Myanmar's level of poverty, become drawn into playing the role of development agency or philanthropic social service providers, neither of which is their purpose. Rather the Government should fulfil its 'duty to protect' and provide health and education services on the basis of full collection of revenue from the entire tax base, including the O&G sector.

B. Key Human Rights Implications for the O&G Sector

Livelihood Impacts

- **High levels of vulnerability:** There is a high vulnerability of local rural populations to social and environmental impacts due to their overwhelming dependence on land-based subsistence agriculture or local fishing. The vulnerability will be even higher within at-risk groups within the community – women, minorities and the disabled (See [Part 4.5](#) and [Part 4.6](#) on Ethnic Minority Groups / Indigenous Peoples and Groups at Risk respectively).
- **Lack of clear processes:** There is a lack of clarity and transparency for local communities (and sometimes local authorities as well) about the process and legal requirements for consulting and compensating individuals and communities for impacts on their livelihoods, particularly where impacts may result from slower or longer-term changes brought about by project activities, such as through soil or groundwater contamination.
- **Limited types of compensation:** There does not appear to be any legal requirement and very limited practice of providing villagers with the option of land-based compensation and yet in many rural areas, there will be limited ability, expertise or opportunity to use cash compensation, given the lack of even the most basic banking facilities.
- **Lack of baseline data:** Given the pervasive lack of any kind of baseline data for much of the country and the lack of requirements or practice to date on documenting baseline conditions, communities (and companies) have a difficult time establishing claims and assessing attribution of impacts to project activities, which means that farmers and fisher-people often go uncompensated for longer-term impacts to livelihood.
- **Potential impacts on fishing:** The development and operation of offshore O&G projects has the potential to adversely impact fish habitats and resources, small-scale subsistence and artisanal fisheries exploiting these resources, and the fishing-based

livelihoods of communities within the project area. Although small-scale and artisanal fisheries can be affected by project operations (by boat traffic, seismic activities, exclusion zones, security restrictions), for various reasons (e.g. political marginalisation, insufficient ESIA, and due to the nature of the resource itself and variability of peoples' use) the assessment and management of project impacts on these populations is often inadequate.²⁵² Some fishing populations, like the indigenous Moken people – known as “Sea Gypsies” on the Tanintharyi coast, traditionally follow a nomadic, sea-based culture, and therefore may be more difficult to capture in assessments but are particularly vulnerable to impacts on fish stocks.

- **Micro-economic impacts:** On a broader scale, there is a clear risk of micro-economic impacts of O&G operations from the money that flows into operations areas. Staff who are better paid than local average, together with local procurement, can lead to local level increases in the cost of basic provisions, which can have a negative impact on the poorer and more marginalised members of society who may be less likely to derive economic benefits from O&G activities to offset the increased costs. This can be exacerbated by additional in-migration of Myanmar and migrant workers and their families into O&G areas looking for work, with a potential for social and environmental cumulative impacts that affect both the host population and the newcomers (See [Part 5](#) on Cumulative Impacts).

Local Employment & Local Content

- **Mismatch between expectations and skill levels:** There are high expectations of employment from local communities but most often a lack of skills and education matching job requirements. Apart from the relatively short peaks of demand for unskilled labour during certain periods of exploration and development (e.g. for seismic survey work and construction) there are often limited unskilled jobs on a longer-term basis. While there will usually be a surplus of unskilled labour which brings its own risks of exploiting temporary workers, it will be hard for companies to find skilled labour from among the national workforce, and even harder to find it among the local workforce.
- **High local competition:** Given the limited range of unskilled labour opportunities, particularly in the post-construction period, there is high local competition for unskilled labour opportunities that do and will exist, which can lead to tensions within the community and with the company and also to risks of corruption/bribery in connection with hiring.
- **Local procurement challenges:** The model Production Sharing Contract (PSC) contains general requirements on local procurement of goods and services.²⁵³ This provides another opportunity of developing local sharing of benefits from projects, but

²⁵² See further, IFC, “[Addressing Project Impacts on Fishing-Based Livelihoods: Baseline Assessment and Development of a Fisheries Livelihood Restoration Plan](#)” (2009), which provides further detail on the types of potential impacts to fishing-based livelihoods, tools to identify and make baseline assessments, support with the range of measures available to prevent and mitigate impacts through community investment programmes, and guidelines for development of fisheries livelihood restoration and development plans.

²⁵³ Onshore (Model) PSC, March 2014, Section 17(n): “unavoidably give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals approved by MOGE, provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;”

companies will initially have challenges in finding local companies that meet their quality, safety and other requirements, sometimes even around the most basic needs, such as food supplies. There is and will be predictable mismatches between local community perception of “local” procurement (meaning local from the community) and the company / legal definition (meaning from Myanmar rather than foreign services).

Education

- **Lack of educated workers:** Given the low levels of educational spending and achievements, the scarcity of educated, skilled staff is likely to continue for the foreseeable future as it will take years for current educational reforms²⁵⁴ to deliver results in terms of improved education outcomes. The Government has adopted the Employment and Skills Development Law, which provides for skills training and a fund which employers pay in to, but it will take some time for the system to be set up and workers to graduate from any programmes (assuming there are programmes relevant to the sector). (See [Part 4.4](#) on Labour.)

Health

- **Healthcare is a key wish:** The widespread lack of health care throughout the country means companies will face expectations that they provide some form of health care services, at least for their workers (see also [Part 4.4](#) on Labour). Communities may request health services too.
- **Health Risks:** Employee or contractor actions can have significant health impacts on the community in relation to the transmission of sexually transmitted infections (STIs), including HIV/AIDS, as well as vehicular fatalities and injuries, exacerbating the already high rate of road fatalities. Company related activities therefore have the potential to impose additional health burdens and costs on local communities who have neither the facilities nor the funds to address their health situation. This can and has been complicated by the diversity of contractors and sub-contractors often working on a project and a lack of clarity about which party if any is responsible for more obvious impacts such as accidents or fatalities, much less for longer term health implications such as increasing the disease burden in an area.
- **Malaria:** Building and construction activity which invariably alters habitats has the potential for both short- and long-term disease consequences, and can have pronounced impacts on vector-borne diseases including malaria which can affect workers and the local community in Myanmar’s malaria prone areas.

Infrastructure and Public Services

- **Mismatch between infrastructure demand and resources:** Currently there is no specific mechanism for revenue sharing between the Union Government and the State/Region governments of O&G revenue that would provide additional funding for additional infrastructure or social services. It also does not match the inflow of companies and attendant demands on infrastructure and services, which can cause frustration in local communities and among companies. Moreover, local governments

²⁵⁴ The Government, donors and international organisations in the Education Sector Working Group are working on a [Comprehensive Education Sector Review](#).

often do not have sufficient resources to repair local infrastructure, including roads and bridges, which may be damaged by heavy construction vehicles from operations. Compensation for damage caused by companies using local infrastructure is appropriate.

- **Expectations of company-provided infrastructure:** Where there is simply a lack of infrastructure or services, communities will often expect that O&G companies will provide public services and infrastructure to the communities surrounding their facilities. Myanmar communities generally seem to prefer company provided services to Government provided services. This can create a longer-term situation of dependency by both the Government and communities on O&G companies for infrastructure and services, with the Government relying on the companies to provide these and communities failing to demand infrastructure and services and accountability from the Government. Where there is a demand for local infrastructure, this can be combined with local government planning and funds in order to develop better quality infrastructure that serves both the project and the population.

Cultural Diversity

- **Cultural sensitivity:** Myanmar has a diversity of cultures, sometimes several overlapping within a small area. Understanding and respecting local cultures and social norms, particularly in more remote areas where communities are not used to interacting with even other Myanmar citizens, much less foreigners, is essential. Good practice elsewhere for companies with workers in remote sites is to arrange site induction training that involves local community leaders and provides a briefing on local culture, and to develop and enforce a code of conduct for their employees that requires respect for local culture and communities.
- **Specialist expertise:** Given the widespread cultural sites, some of which may not be obvious to outsiders and therefore missed in assessments, expert local assessment is needed, together with engagement around any potential impacts or use of cultural sites.

Corporate Social Responsibility / Social Investment Programmes

- **Involving communities in programme plans:** With increasing transparency and communities starting to experience participatory development methods, they and village authorities increasingly expect to be involved in discussions about the development of social investment programmes. There is increasing good practice guidance about developing social investment programmes that is built on respect and engagement that may be useful for Myanmar, given the paucity of social investment programmes.
- **Potential disclosure of social expenditures under MEITI:** The revised EITI Standard requires disclosure of social expenditures by companies where companies are legally or contractually required to make social contributions. Once the EITI is implemented in Myanmar, this might require disclosure of the funds spent on company CSR programmes/social investments under the PSC.²⁵⁵

²⁵⁵ Model Onshore PSC, clause 17.2 dd.

C. Field Assessment Findings

Livelihoods

Human Rights Implicated: Right to an adequate standard of living; right to work; right to the highest attainable standard of physical and mental health.

Field Assessment Findings

- **Inability of communities to obtain compensation for impacts to livelihoods caused by road and site construction** (e.g. changes to hydrology resulting in monsoon flooding to crop areas which had not occurred previously). While land disturbance is common in O&G operations, in the context of Myanmar, farmers often had no access to compensation through complaints procedures, grievance mechanisms or other processes. Where complaints were lodged, in some cases local authorities or companies failed to respond or explain why complaints would not be addressed. Farmers found it particularly difficult to obtain compensation for longer-term impacts to livelihoods resulting from environmental changes.
 - One company had put in place a system of local contacts within the community to provide a focal point to raise these kinds of issues.
 - Another company expressed interest in piloting a project on informing the communities about the grievance mechanisms and also encouraging communities to communicate with companies to inform them and raise complaints.
- Some cases of fishermen having to **travel further off-shore to find fish stocks were reported, allegedly due to the impact of explosives used during construction** on fish populations. Prior consultation was rarely conducted with fishermen to notify them or mitigate the impact to livelihoods dependent on fishing. When reported to some companies and local authorities, communities were asked to provide statistical evidence of reduced fish populations, which they would not have.
- **Post-construction site rehabilitation and restrictions limiting farmer's activities.** Land disturbances from construction were often improperly restored, with poorer soil (rocky and less fertile) than the original soil, requiring local farmers to either switch crops (which might be less nutritious or profitable) or to take great effort and time to sift out stones. Activities in restored areas restricted for safety reasons (prohibition on burning crop stubble to improve the soil) but with no compensation, for example to pay for fertiliser. Cases of access to fields restricted by new infrastructure.
- **Inconsistent practice on allowing communities to replant on top of buried pipelines.** It is unusual to allow planting along pipeline routes, but in these cases where communities were unable to continue planting, there was no consultation to identify options that would prevent this loss of land. There was also no alternative land provided to continue planting. Where compensation was provided it was without negotiation (see *Land Issues Impact Summary*).
- In some areas, farmers had difficulty in securing compensation or changes in operations to address **destruction or impairment of agricultural fields** by waste runoff and water use from operations.
- **Very little local** (i.e. from local villages) **procurement** of produce or local services

was observed, reducing opportunities for positive economic impact.

- Reflecting this, some companies made an effort to source unskilled labour for construction and security from local communities.

Public & Community Services

Human Rights Implicated: Right to an adequate standard of living; right to the highest attainable standard of physical and mental health; right to education; right to freedom of movement; right to liberty and security of the person

Field Assessment Findings

- Damage caused to **local roads** from increased traffic due to one or more projects, reducing access for the local communities.
 - In some cases, construction or improvement of local roads for operations were made available to local communities. Some cases were observed of rapid responses to community complaints about increased dust from construction trucks, for example by paving dirt roads or removing blockages.
- Some company construction of infrastructure was of **poor quality, designed for the construction period but not a longer term contribution to the community**. One case of bridge collapsing shortly after building, another case of pipes providing community drinking water rusting a short period of time after installation and different quality piping used for water delivery to the community as compared to housing for workers.
 - Some cases were observed of new or improved bridges and access roads built for the construction phase directly benefitting nearby local communities.
- Access to **electricity** was a key demand from villagers. This had often been promised by the Government but not delivered on. In one case, electricity promised to villagers was diverted to a Government-run cement plant. In others, the Government promised generators that were not delivered.
 - A minority of communities have benefited from increased electricity provision due to the nearby presence of an O&G project. One operator provided subsidised solar panels to select villages. One company delivered a generator to each community, but the community was required to fund diesel usage.
- A number of cases were reported of **commitments being made by companies** to local communities for roads to be built or electricity infrastructure improved that were reportedly **never fulfilled**, leading to community resentment and distrust of promises of local benefits to their economies.
- With some exceptions, most companies **did not adequately consult with communities** to understand their priorities and needs before embarking on their social investments, relying on discussions with local authorities (see [Part 4.1](#) on **Stakeholder Engagement and Grievance Mechanisms Project-Level**).

Community Health & Safety

Human Rights Implicated: Right to the highest attainable standard of physical and mental health.

Field Assessment Findings

- A few operators **provided health services and health awareness training to selected villages**, for example 24-hour ambulance services and regular access to doctors.
- Assessments indicated some **awareness and fear of the linkage between O&G operations and potential health impacts**, with concerns about the lack of information, including about potential accidents and a lack of focal points to turn to in such cases. Some fears could have been addressed through appropriate explanation. Such explanations might have been provided when operations first started but if so, there was a clear need to continue to provide information on a more regular basis.
- Numerous communities complained that there seemed to be **no comprehensive emergency plans – or at least no plans communicated widely** – about what to do in case of an accident at the nearby O&G operations.
- Given the lack of systematic community consultation by many O&G companies, assessment teams found **very few cases of communities that had been educated and trained on health and safety** when living in close proximity to a major O&G drilling area or pipeline.
- Some companies reported plans to undertake **community health and safety awareness raising** along pipeline areas, but this is only tentative and being considered well after operations have already commenced.
- There was inconsistency amongst companies as to whether **oil spill responses** were the responsibility of the operator or the local authority.

Education

Human Rights Implicated: Right to education

Field Assessment Findings

- Cases were observed of **schools being built in host communities** as part of community development projects without always consulting **local communities**.
- In some cases, the Government was not able to provide **a sufficient number of teachers for these schools**. There is a nationwide shortage of primary school teachers and problems of retention in remote areas. As a result the buildings were not used or under-utilised.
- **Community skills building programmes** were not observed with one exception.
- Several companies are **providing scholarships** for secondary or higher education, others are supporting early childhood and vocational training programmes.

Cultural Heritage

Human Rights Implicated: Right of everyone to take part in cultural life; right to freedom of religion

Field Assessment Findings

- There were a handful of issues raised of impacts on **culture and cultural sites**.
- One MOGE authority **asked the community to move a cemetery** near a pipeline which the community refused to do. To date the cemetery has not been moved.
- **A pond filled with soil/earth during pipeline construction** had cultural significance as it was used by Bo Yan Naing and comrades from the Burma Independence Army who camped near it and used its water.
- Relevant communities referred to the **decline of the traditional profession of Twin-zar-yoe** (owner of hand dug oil wells, i.e. artisanal oil workers) following nationalisation of the oilfields. These professions dated back at least several centuries and were linked to the Myanmar Kings. Twin-zar-yoe were leading figures in Yenanchaung and their wealth meant they could contribute significantly to cultural ceremonies and community development.

Social Investment

Human Rights Implicated: Right to remedy; right to self-determination

Field Assessment Findings

- When asked by the assessment teams **what kinds of issues communities would like the opportunity to discuss** with O&G project developers, the following were typical:
 - infrastructure requests especially roads and electricity
 - reconstructing and restoring areas after construction
 - knowledge and training on more effective agriculture practice
 - support relating to education
 - training and jobs for unemployed youth and women
 - capacity development for better and longer-term job opportunities, especially for women and youth groups.
- **Social investment decisions**, for example for community and public services, were **commonly made through unilateral decision without first consulting communities** as to what they truly needed. Some companies provided school or health buildings without local consultation or a community needs assessment. (see the *Community Issues Project-Level Impact Summary* for further findings)
- Where there was engagement, communities and village authorities also reported a **desire for increased transparency in community development funds**, including past and future spending.

Myanmar Good Practice Example:

- One company reported good cooperation with regional and local authorities, who shared with it a list of Government plans regarding community development in order to avoid duplication of efforts and maximise positive outcomes. Another company developed village committees that provide a framework for community decision-making on priorities for social investment. One Myanmar company is preparing to conduct a community baseline assessment to support their social investment programme.

Box 17: Relevant International Standards and Guidance on Working with Communities, and Linked Initiatives in Myanmar

Relevant International Standards:

- IFC:
 - [PS 1 – Assessment and Management of Environmental and Social Risks and Impacts](#)
 - [PS 4 – Community Health, Safety and Security](#)
 - [PS 5 – Land Acquisition and Involuntary Resettlement](#)
- [UN Guiding Principles on Business and Human Rights](#)

Relevant Guidance:

- European Commission, [“Oil & Gas Sector Guide on Implementing the UN Guiding Principles on Business & Human Rights”](#), particularly part 3.III.
- EI Sourcebook, [“Good Practice Note on Community Development Agreements”](#)
- IIED, [“Shared Value, Shared Responsibility”](#) on opportunities in the extractive sector’s complex supply chains
- IFC, [“Addressing Project Impacts on Fishing-Based Livelihoods: Baseline Assessment and Development of a Fisheries Livelihood Restoration Plan”](#)
- IFC, [“Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets”](#)
- IPIECA, [“Local content strategy: a guidance document for the oil and gas industry”](#)

Myanmar Initiatives on Working with Communities Linked to the O&G Sector:

Community Development

- World Bank, [“National Community Driven Development Project in Myanmar”](#)
- ADB, [“Skills Development for Inclusive Growth”](#)
- ADB, [“Pro-Poor Community Infrastructure and Basic Services”](#)
- [Livelihoods and Food Security Trust \(LIFT\) Fund](#), “Village books” project to enable communities to map and track sustainable development in the Delta and central dry zone of Myanmar
- UN HABITAT, [Coastal Communities Livelihoods Assistance Programme \(CLAP\)](#)
- [Norwegian supported survey](#) of fish resources, marine biodiversity and oceanography in Myanmar waters

Skills, Entrepreneurship

- UNIDO, [Pro-poor and inclusive micro, small and medium enterprises \(MSME\) development project in Myanmar](#)
- ADB, Programme supporting [technical and vocational education and training and other post-primary education subsectors in Myanmar](#), in cooperation with the Myanmar Ministry of Science and Technology (MOST) and Ministry of Industry (MOI)
- GIZ, [Strengthening the Technical Education and Vocational Training System](#)
- Project Hub Yangon (PHY), Indiana University, USAID, [Programme delivering](#)

[entrepreneurship training programs to the students and faculty of the Yangon Institute of Economics](#)

- [Building Markets' Sustainable Marketplace Initiative in Myanmar](#) (SMI-Myanmar), supporting opportunities for local small and medium-sized enterprises (SMEs) to grow their businesses and create jobs
- ILO, [Entrepreneurship Development and SME support in Myanmar project](#)
- Pact Global Microfinance Fund (PGMF), Life, [Myanmar Access to Rural Credit \(MARC\) project](#)
- GRET, [Microfinance and nutrition project](#)
- The [Myanmar Engineering Society](#) is running a number of programs for engineers, including young engineers.