

Executive Summary

This sector-wide impact assessment (SWIA) on limestone, gold and tin mining in Myanmar analyses the impacts of mining of these commodities on the environment, local communities and workers. It covers sector-wide, cumulative and project-level impacts, looking at both the formal and informal parts of the sector. Recommendations are made to the Myanmar Government, businesses, civil society, ethnic armed organisations (EAOs) and other governments on how adverse impacts of the mining sector can be avoided and addressed, and how positive impacts can be maximised. By outlining key findings from the extensive fieldwork undertaken for the assessment and making concrete recommendations, the assessment seeks to contribute to building a platform for dialogue about how Myanmar's mining sector can be shaped to contribute to poverty reduction and development.

Myanmar's national territory contains extensive mineral wealth with proven reserves spanning industrial minerals and stones, heavy metals, jade and gemstones, and energy sources such as coal and uranium. Although minerals have long been exploited in Myanmar, much of the country's geology remains unknown. The sector is characterised by limited access to modern technology and financial investment, with most investment being by Myanmar companies, some in collaboration with cross-border investors, and much of it informal and unlicensed.

Overall, the SWIA research found few environmental, social and human rights protections in the mining sector and widespread poor practices. Even at larger established mines, very few good practice examples could be identified. Extensive adverse impacts on the environment and human rights were documented throughout the country and across different types of mining activities. This reality has led to the poor public perception of mining in Myanmar. It means that if the mining sector in Myanmar is to be developed to make a positive contribution to the country's development, significant steps will need to be taken by the Government, businesses and civil society, to address current adverse impacts and work towards the implementation of good practices. Five main challenges that need addressing are identified below.

The SWIA focuses on limestone, gold and tin in the exploration and exploitation phases of the mineral value chain. These commodities were selected because, whilst the majority of Myanmar's mining revenue continues to come from jade and gemstone extraction, other commodities are increasingly being developed. Furthermore, the environmental and human rights impacts of jade and gemstone mining have received significant attention, both nationally and internationally, whereas the impacts of other mineral commodities have not been subject to the same level of scrutiny.

For all three commodities, the SWIA considers impacts associated with the formal (including formally permitted large- and small-scale mines) as well as informal (including informal subsistence mining) parts of the sector, as well as the interaction between these. While there is no reliable data on the scale of the informal sector, MCRB field research and other sources indicate that the informal sector comprises a large component of the mining sector

for these three commodities. The role of the informal sector, as well as the potential for its increased formalisation, therefore comprise important discussion points in the SWIA and future dialogue and action on the Myanmar mining industry.

A SWIA goes beyond a particular project to assess the impacts of a sector at three levels: **project-level, cumulative and sector-wide**. This means that the mining SWIA addresses the impacts of mining operations and activities on workers and communities, as well as the impacts of the sector as a whole, on the enjoyment of human rights in Myanmar. The methodology draws on established environmental and social impact assessment (ESIA) methodologies, international human rights and labour standards, and key international frameworks such as the United Nations Guiding Principles on Business and Human Rights (UNGPs). The research conducted for the SWIA was both desk- and field-based, carried out over a 12 month period and including interviews with 1378 persons at 41 sites in eight areas, and two public consultations in Yangon. The field-based research included interviews with the full range of relevant stakeholders, including Government, businesses, employees and casual workers, local communities, civil society and others.

Five main challenges for achieving responsible mining in Myanmar

1. Policies, laws and regulations relevant to mining activities lack clarity and inhibit responsible investment

In the current process of regulatory reform, the legal landscape is changing rapidly, including for mining. This has created a number of associated uncertainties. New laws and regulations are not always consistent: there is a lack of alignment between different applicable laws, and sometimes even contradictions or conflicting requirements. For example, the fieldwork found inconsistencies between the Union-level requirements outlined in the 2012 Environmental Conservation Law and permissions issued at state/region-level regarding permissible distance of mining activities from water sources. There is also lack of consistency between the Mines Rules and the 2015 Environmental Impact Assessment (EIA) Procedure.

Furthermore, current laws and regulations are unclear regarding the attribution of responsibilities for oversight of mining projects. For example, it is unclear which government authorities are responsible for monitoring and oversight of environmental, health and safety and labour conditions in mining operations. Such gaps and inconsistencies are problematic for government oversight bodies. They are also problematic for companies, which may be undertaking activities in a manner that is legal according to one set of rules or regulations but not another.

The field research also found that there is a lack of guidance from the Ministry of Natural Resources and Environmental Conservation (MoNREC) on what precisely is required of mine operators. In the absence of clear guidance it is difficult, if not impossible, for state/region-level and township-level administrators, as well as companies, to have certainty regarding the standards to be applied in mining operations. A number of – apparently unnecessary – township-level requirements applied to mining companies, particularly at the exploration stage, were identified during the field research that seemed

to have no basis in Union-level law or regulation. High-level officials in some subnational states and regions are blocking permitting without either the formal powers or a clear reason for doing so. In some cases this appears to be attributed to a fear of allowing any mining, given the experiences of the past, or taking responsibility for permitting.

While somewhat understandable in view of the extensive negative impacts of mining in Myanmar documented in this report, this creates uncertainty for operators. That includes foreign companies who previously avoided Myanmar and whom the sector needs to import best practices and raise standards in the sector. Mining companies need clarity and certainty regarding the legal and regulatory requirements to be able to implement operations in a manner that is environmentally and socially sound, and financially viable. The lack of clarity about government policy and approval procedures creates high levels of inconsistency between different states/regions and townships as well as administrative costs, and corruption risk. Permitting processes cannot be planned for by companies or effectively tracked by Union-level mine administrators.

Overall, legal and regulatory uncertainties deter responsible investment and sustainable mining practices, and this is clearly happening in Myanmar. In view of the fundamental weakness of the 2015 amended Mines Law, which then flow through to the Rules, a fundamental rethink is needed, starting from the adoption of a national Mineral Resources Policy. This should lead to the drafting of a new Mining Law that leaves behind the approach of the 1994 and 2015 versions, based on modern model laws which already exist. This is necessary if Myanmar wants to attract responsible mining investment and address past problems.

In the meantime, the Government needs to take urgent steps towards aligning the laws and regulations applicable to mining operations, and clearly communicate requirements to state/region- and township-level authorities, as well as mine operators, including prospective investors.

2. The capacity of government and business actors to monitor and address environmental, social and human rights impacts of mining is limited

Both the Government and companies were found to lack the technical capacity and human resources to effectively monitor and address the adverse impacts of mining projects and activities. This included:

- Capacity gaps in terms of technical knowledge of Government and company staff responsible for monitoring and addressing impacts;
- Under-staffing of these functions;
- Lack of necessary equipment to conduct effective monitoring; and
- Lack of effective management systems in place for recording, tracking and responding to information.

For example, none of the companies visited as part of the SWIA field research had a community relations function, systematic management systems for health and safety incident reporting, or environmental monitoring strategies and practices. At government level, capacity limitations in terms of monitoring mining operations and impacts were exacerbated by the lack of clarity around responsibilities for monitoring of specific aspects

(i.e. environmental, health and safety, labour standards). Absence of effective monitoring was found to be exacerbated in the informal parts of the mining sector, where such monitoring was essentially completely absent; as well as in those operations and mining areas in locations controlled by ethnic armed organisations. While EAOs were found to be extensively involved in mining operations and activities in terms of exercising control over production and associated financial arrangements, only very limited examples were identified where EAO involvement also encompassed setting environmental, social and human rights standards for mining activities and subsequent monitoring of their implementation and impacts.

The EIA process and the limited capacity of EIA providers was also identified as a critical issue. Both the EIA reports reviewed as part of the SWIA as well as the field research on the processes carried out to generate such reports found significant shortcomings by local EIA consultants. In particular, the coverage of 'social' aspects in EIAs, as opposed to 'environmental' aspects, was extremely weak, despite the inclusion of social impacts being a clear requirement in the 2015 EIA Procedure. The consultation and engagement processes carried out as part of EIAs to date evidenced several limitations, such as information being provided being too technical for participants to understand and/or consultations not being carried out in local language(s). If EIAs and associated management plans are to make a meaningful contribution to addressing the adverse impacts of mining activities, the current weakness of EIAs, particularly by local providers, must be addressed. Building the capacity of local EIA providers and government officials in charge of assessing EIAs and associated management plans is a priority area for development partner support.

3. The environmental, social and human rights costs of mining are externalised on local communities

There is a cost to mitigating the inevitable adverse environmental and social impacts of mining. However, even in the formal parts of the limestone, gold and tin mining sector in Myanmar, these costs are not currently borne by mine operators but by local communities and the environment. Nonetheless, formal mining in Myanmar is not particularly profitable, particularly when commodity prices are low. Other costs are high, such as licence fees, taxes, dead rent, and administrative costs associated with the bureaucratic and unpredictable licensing process. This is further exacerbated by a multiplicity of informal payments and demands, including in EAO-controlled areas, such as unpredictable requirements to pay government security forces and one or more local EAO.

If the Myanmar Government intends further development of the mining sector, it should reconsider how the costs fall on the investor. A rebalancing is needed. This should ensure that mine operators bear the costs for conducting operations in a manner that is environmentally and socially sound and sustainable, and that this requirement is enforced, while at the same time providing a more attractive investment climate by adjusting and streamlining licensing fees, taxes, and other fees. Such an approach may also include recognising that some current mining operations are not commercially viable if they were to be better regulated for their environmental and social impacts. It will also raise questions regarding the viability of the subsistence mining sector, including its potential formalisation (discussed further below). Developing a Mineral Resources Policy that addresses these

factors and the wider sustainable development of the mining sector, including benefit sharing, could help rebalance these costs and benefits.

4. Governance of mining in conflict-affected areas is highly problematic

Mining operations and activities in areas controlled by EAOs, or with strong EAO presence, are poorly governed (see further, Part 5.6: Conflict and Security and Chapter 6). As noted above, operations in these areas are subject to a complex web of formal and informal payments, and corruption. Unsound environmental and human rights practices are common (e.g. use of mercury in subsistence gold mining without any safeguards). EAO governance of operations in these areas was primarily found to focus on production and fiscal arrangements, with little attention paid to environmental and social safeguards. This is despite there being an explicit acknowledgment in the Nationwide Ceasefire Agreement (NCA) that EAOs have responsibility for environmental and social protection in their respective areas.

One concern which has been raised by EAOs and others, but not yet resolved in the peace talks, is revenue sharing. Since most impacts associated with mining projects and activities are experienced locally, there is a strong case for more benefits to go to local people. International experience shows mixed results from regional revenue sharing in terms of delivering actual benefits to local people, particularly in contexts where government actors have limited capacity. While arrangements for revenue sharing need to be carefully considered as part of any future federal state, there are other opportunities for benefit sharing and creating shared value which do not require constitutional or legal change. These include community development agreements (CDAs), shared infrastructure, and local content and employment requirements. They may be more immediate measures of ensuring that workers and local communities can benefit from mining activities.

5. Extensive informality in the mining sector needs to be addressed

MCRB field research confirmed that much of Myanmar's mining sector operates informally. The informal sector includes subsistence mining activities as well as some larger mines operating in areas partially or entirely controlled by EAOs. Subsistence mining is a source of employment and livelihoods for many communities across Myanmar. However, subsistence mining is associated with a range of adverse impacts for workers, communities and the environment, as well as links to conflict and informal payments (see Part 5: Cumulative and Project-Level Impacts). The informality also has implications for the Myanmar economy, such as inability to raise revenues and create sound employment opportunities, and has broader governance impacts such as lack of oversight, corruption, and conflict.

To realise the development potential of the mining sector, efforts to progressively integrate subsistence mining into the overall economy and reduce harmful practices will be critical. While the 2015 amended Myanmar Mines Law acknowledges subsistence mining as a separate category, preliminary study of the 2018 Rules suggests that these are currently burdensome – e.g. a requirement for subsistence miners to undertake an Initial Environmental Examination (IEE) – and it will not be economically viable for subsistence

miners to formalise their activities. A separate set of Rules for subsistence mining is advisable.

In designing a vision, policy and rules for the subsistence sector in Myanmar, many stakeholders will need to be brought together, including government authorities at national- and state/region-level, EAOs, mining companies, and, most importantly workers/communities. Further legalising, and formalising, subsistence mining has the potential to enable better government oversight and taxation; and improve health, safety, security and environmental performance for subsistence miners. However, they need economic incentives to formalise. Introducing blanket restrictions on subsistence mining or making it too difficult economically or administratively for subsistence miners to integrate into the formal sector may push the sector into further illegality and harm those who are most vulnerable.

Overview of the SWIA report and main findings

This report starts with a **general overview of the mining sector in Myanmar (Part 2) and the legal and policy framework (Part 3)** that currently applies to the sector. Key legislative developments examined include the 2015 amendments to the Myanmar Mines Law and the Mines Rules of February 2018. The need for further mining-specific legislative developments in the areas of environmental protection (as a supplement to the EIA Procedure) and health and safety are also discussed. In the context of the rapidly changing domestic governance structures, the role of the recently constituted MoNREC as well as other relevant government agencies at the national- and state/region-levels are explained.

Sector-level impacts, such as on **revenues, employment, conflict etc.** are then reviewed (**Part 4**). This includes sector-level **economic impacts** such as those associated with taxation and revenues, production sharing arrangements, benefit sharing between the Union- and state/region-levels, employment and economic opportunities, and high level of informality of the mining sector. The SWIA highlights significant obstacles to mining contributing to economic development, linked to tax and revenue accounting, due to factors such as government capacity, conflict and illegal trading in commodities. It discusses the limitations associated with the use of production sharing contracts (PSCs) in the mining context, as opposed to the use of investment agreements and/or a greater reliance on the licensing process and general law. The economic potential of subsistence mining is hampered by the high level of informality. The problems caused by the lack of a modern mining cadaster are highlighted.

The complex topic of benefit sharing between the Union- and region/state-level is contextualised in this chapter. The SWIA field research found few examples of local communities benefiting from mining activities, whether opportunities for local employment and supply chain development (local content) or more formal benefit sharing arrangements such as those offered through CDAs. The needs of local workers and communities need to be addressed, in terms of employment, infrastructure and service delivery, rather than the ad hoc approach of unclear requirements for 'CSR spending' which was found in some areas. This spending often created further governance problems. Instead, Myanmar should actively encourage companies to 'create shared value' through local content and benefit sharing. This would be in line with global trends in the minerals industry.

Sector-level governance impacts identified include challenges associated with the licensing regime, governance of the mining State-owned Enterprises (SOEs) and military-owned enterprises, and transparency. Whilst there have been some improvements in recent legislation and regulation in this regard, MCRB research shows that there is still a lack of clarity in the permitting regime, and that the specific challenges faced by subsistence miners within the regime have not been fully addressed. Despite recent Myanmar Extractive Industries Transparency Initiative (MEITI) efforts, the role of SOEs in mining remains largely opaque, a challenge to be addressed in the current reform process, given the substantial role that these enterprises play in the mining industry and economy.

Gaps in legal enforcement and mine inspections are also discussed in this chapter. Of the many issues discussed in the SWIA, the absence of effective monitoring of environmental, social and human rights impacts of mining operations is one of the most significant shortcomings. Lack of effective monitoring is due to a range of factors, including:

- Lack of clarity in terms of responsibilities for the monitoring of specific issues (e.g. environmental and labour standards);
- Lack of coordination between the mining authorities and the environmental regulator;
- Limited government capacity and budget;
- Lack of knowledge on the part of companies with regard to new requirements (e.g. requirements for Environmental Management Plans and Mine Closure Plans); and
- Slow start-up of new government monitoring responsibilities (e.g. government committees charged with monitoring of Environmental Management Plans).

Addressing these challenges must be a first order priority for all involved stakeholders, including government, companies and civil society, if the adverse impacts of mining activities are to be avoided and effectively addressed. The chapter concludes with consideration of the specific governance challenges associated with mining activities in EAO-controlled areas.

Lastly, this section analyses **sector-level environmental, social and human rights impacts**. This includes: the assessment and management of environmental, social and human rights impacts; community development and creating shared value; and occupational safety and health (OSH). Overall, field research observed that companies currently have limited or inadequate systems in place for the systematic management of environmental and social impacts. Whilst impact assessments are increasingly being conducted, they often fall short of expected standards, in particular with regard to community consultation and engagement. Subsequent implementation of mitigation measures is haphazard and not effectively documented, monitored and followed-up. Similarly, spending on community development by companies is ad hoc. Priorities are determined by community elites, rather than considering potential alignment with national and local development needs and priorities to ensure sustainability. There is an urgent need to ensure comprehensive and aligned OSH laws and regulations. Lastly, environmental issues associated with land and water, reduction of mercury use, and site rehabilitation and mine closure planning are discussed, noting the need for further action and initiatives to be taken to address these issues at the sector-level.

Following the discussion on sector-level impacts, **cumulative and project-level impacts (Part 5)** are addressed under seven subheadings: **(5.1) Community Engagement and Grievance Resolution; (5.2) Community Impacts and Development; (5.3) Land; (5.4) Labour; (5.5) Women and Children; (5.6) Conflict and Security; and (5.7) Environment and Ecosystem Services**. For each of these topics an overview of key issues, legislation and regulation is provided, followed by detailed discussion of the field research findings. Relevant international standards, guidance and initiatives for each topic conclude each chapter.

With regard to **community engagement and grievance resolution (5.1)**, field research found that companies currently lack systematic stakeholder consultation and engagement plans and practices. Consultation and engagement undertaken as part of EIA processes often contains significant flaws from a human rights perspective (e.g. information provided is too technical for people to understand, consultation is not conducted in the relevant local languages). Nor is it clear how community views are taken into consideration in project planning and impact management, including consideration of project alternatives. Consultation and engagement beyond EIAs was found to be ad hoc, occurring primarily between community elites and companies on bespoke issues, effectively excluding women and other potentially at risk stakeholders such as children, young people, the elderly, people with disabilities and ethnic minorities.

No companies visited had an operational-level grievance mechanism in place. Understanding of what grievance mechanisms are and the role they might play was very limited amongst both company and community stakeholders. This is unfortunate given that the field research demonstrated that there are significant grievances associated with current mining projects. These relate to environmental impacts (including flow-on socio-economic impacts on livelihoods, such as where crops and livestock are adversely impacted), impacts on water, and impacts associated with in-migration and migrant workers, and land. Grievances related to land were particularly frequent and severe.

The chapter on **community impacts and development (5.2)** addresses community health and safety, development and employment opportunities, essential services, and cultural heritage. Nearly all communities visited experienced adverse environmental impacts as a result of mining activities. These also had health consequences, for example, soil and water pollution, noise and smells, and fumes and dust from processing sites. A number of accidents (some involving children) were also reported, in particular road accidents or accidents associated with unannounced blasting. This again highlighted limited information sharing on the part of companies, as well as insufficient identification and mitigation of impacts. Public and community services were impacted in different ways. In some instances companies appeared to make positive contributions, for example, by building roads or installing electricity or water infrastructure. However, upon closer examination such actions had sometimes been undertaken as a result of the company overstressing the services in the first place, and were done without effective consultation of local communities. Coordination between companies and local government regarding the provision of particular services in specific locations was often haphazard. Stakeholders lacked clarity on who had responsibilities for providing or monitoring what. Few adverse

impacts on tangible cultural heritage were identified. Companies were generally found to be respectful of religious sites and supportive of local religious institutions.

Mining takes place in rural areas, where the majority of households rely on agriculture as their main source of income. Impacts on **land (5.3)** resulting from mining activities was found to be a critical issue. Despite initial reforms, the legal and policy framework on land remains fragmented, internally inconsistent and incomplete. In the context of mining activities this means people frequently have limited legal ownership or usage rights over the land on which they live, farm or mine and correspondingly weak bargaining positions when confronted with land transfer and transactions. Whilst the 2016 National Land Use Policy is an important step towards addressing uncertainties and lack of clarity relating to land governance and management, it is yet to be comprehensively implemented into law in a manner that protects citizens' land and property rights.

Resettlement was found to be poorly conducted. People had often been given very short notice and were moved to unsuitable sites, e.g. land not suitable for similar or better habitation and crop cultivation or too far from essential services. Ad hoc compensation rates did not cover actual costs. The field research also found strong evidence of forced evictions in several instances. Numerous livelihood impacts associated with land were also found. For example, damage to land, crops and water sources essential for agricultural activities were reported at many of the sites visited, in some cases even resulting in people moving and/or becoming daily mine workers as a result of losing their land for livelihood-sustaining agricultural activities. Informal subsistence miners, often internal migrants, were found to be particularly at risk with regard to land-related impacts as they usually had no formal ownership or usage rights over the land on which they lived and mined.

At most sites visited, the **labour (5.4)** conditions of workers were not in line with international labour standards and the local labour laws. In both the formal and informal parts of the mining sector, significant issues were found regarding health and safety. For example, many companies had no, or substandard, health and safety procedures and practices in place, and no formal incident reporting systems or tracking of health and safety incidents and data. Personal protective equipment (PPE) was not provided or used, or was not suitable for the health and safety risks posed. Furthermore, health and safety training and government monitoring and oversight of health and safety standards in mines were found to be very poor. Frequently, employees at formal mine sites did not hold copies of their work contracts. Working terms and conditions in the informal sector were usually based on an oral agreement between the workers and subcontracted mine owners. Trade union representation was found at only one of the sites visited, with no alternative forms of worker representation or grievance mechanisms observed at the vast majority of sites. In terms of discrimination and harassment, it was observed that women were significantly under-represented in the formal mining sector workforce (which is not uncommon in the mining industry globally but nevertheless indicates systemic discrimination) and usually worked in job types that were remunerated at a lower rate. Child labour was observed in most informal mining areas, and was reported to have occurred at some of the formal mine sites as well.

Women and children (5.5) were found to experience specific adverse impacts related to mining activities, as well as bearing a disproportionate burden of adverse impacts in some

cases. As flagged above, the field research found that women and men engaged in different types of mining activities, experiencing a difference in pay. Overall, women were more predominantly engaged in mine processing and ancillary roles that receive lower pay than work in ore extraction, which is predominantly carried out by men. Women were also over-represented in the informal sector and/or working as daily workers, rather than working in formal employment in mines. In addition to the insecurity associated with working in these parts of the industry, the field research observed that the types of work women were engaged in experienced higher exposure to mercury and other processing chemicals. At one site panning and mercury use was described as 'a woman's job', and mercury processing usually occurred inside homes. As noted above, child labour was a critical issue in subsistence mining, with children sometimes as young as six or seven years old involved. In addition, children were found particularly at risk where accidents on and near mine sites were concerned (e.g. a child reportedly drowned while swimming in the ponds created by topsoil removal). Education was adversely impacted by mining activities in different ways, for example, physical access to education being limited as a result of mining-related resettlement, or disturbances caused by noise and dust during school hours. In subsistence mining areas it was also reported that some parents deprioritised school attendance to have their children work with them in mining, as they perceived that there were no alternative future opportunities for their children.

Community insecurity near mine sites was one aspect examined under the topic of **conflict and security (5.6)**. According to MCRB field research, more than half of the sites visited were either entirely or partially controlled by EAOs and/or had substantial military presence in the form of military-affiliated companies. This created fear amongst local communities and reinforced a culture of company-armed group alliances where villagers were hesitant to voice dissent for fear of reprisal. MCRB field research also included visits to several areas plagued by high levels of drug abuse (most prevalent in subsistence gold mining areas), which community members reported to be linked to elevated levels of insecurity and crime. Subsistence mining areas also faced specific issues relating to security and conflict. For example, subsistence miners were found to be subjected to unofficial taxes, charged by both government and EAO representatives, and raids confiscating their tools. Instances of conflict between subsistence miners and formal operations were also reported, often relating to the arrangements made between subsistence miners and formal miners regarding their production sharing arrangement in return for 'permission' for the subsistence miners to extract on the larger concession. Limited planning and professionalisation of the security function within formal and larger companies was consistently observed, both relating to the engagement of private security guards, as well as arrangements between companies and public security forces for security provision at mine sites.

Regarding **environment and ecosystem services (5.7)** inappropriate water and waste management, land degradation and lack of site rehabilitation and mine closure policies were critical issues identified through the field research. At numerous sites chemical waste and industrial effluents were discharged into waterways untreated, causing damage to rivers and groundwater systems and aquatic life. Both permitted and informal mining activities were also found to be operating in and near waterways, basins and rivers, some clearly in breach of the legally stipulated distance requirements. Subsistence mining activities were also found occurring directly in creeks and waterways. Waste management, including of

tailings, was an issue at most sites, including accidents resulting from the malfunction of tailings storage facilities. Soil erosion and pollution was widespread causing adverse impacts on farmland with flow-on effects on livestock and people's livelihoods. Topsoil management practices were essentially non-existent, with most companies stripping and not saving topsoil and undertaking no activities to rehabilitate land. While some efforts were reported on behalf of local government agencies to compel companies to implement better practices, companies were of the view that site rehabilitation did not fall within their ambit of responsibility. None of the sites visited had adequate rehabilitation plans in place for mine closure, despite this being a new legal requirement.

A final chapter (**Part 6**) discusses **legacy and current conflicts and state-building** in Myanmar, with an emphasis on natural resources as a driver of conflicts. This section looks at armed group involvement in mineral extraction. It focusses on Kachin State, the Wa and Pa-O Self-Administered Areas in Shan State and the conflict dynamics and EAO involvement in the minerals sector in Southeast Myanmar, namely Kayah, Kayin, Mon and Tanintharyi states and region. MCRB field research carried out in 2016 visited all of these conflict-affected regions, with the exception of Mon State and the Wa Self-Administered Region. This **region-specific governance and conflict analysis** aims to contextualise the specific field findings relating to conflict and insecurity by situating these within a wider historical and political perspective.

The report concludes with **Recommendations to Government, businesses, EAOs, civil society and other international actors (Part 7)**. These are summarised on the next page.

Recommendations to the Government of Myanmar

1. Adopt a National Mineral Resources Policy; use it as the basis for new mining legislation, and for ensuring Myanmar's mineral resources benefit local people and do not drive continued conflict
2. Simplify and align mining, investment, environmental and safety permitting, and the legislation which underpins it
3. Address gaps and inconsistencies in environmental and social safeguards for mining
4. Improve enforcement of laws and permit obligations
5. Strengthen processes for judicial and non-judicial remedy
6. Enhance public participation and transparency
7. Take steps towards formalising subsistence mining and reducing harmful practices

Recommendations to Companies in the Mining Sector

1. Commit to applying international standards of responsible business conduct
2. Implement human rights due diligence
3. Identify and mitigate adverse impacts
4. Implement heightened due diligence in conflict-affected areas
5. Establish an operational-level grievance mechanism for each mine
6. Engage with stakeholders, particularly workers and communities
7. Develop local content, supply chains and community capacity
8. Support the formalisation of informal and subsistence mining
9. Take collective action to improve responsible mining practices

Recommendations to Ethnic Armed Organisations

1. Develop EAO approaches to mining policy and permitting
2. Improve governance of, and standards at, EAO-permitted mining operations
3. Protect the rights of communities affected by mining

Recommendations to Civil Society Organisations

1. Support local communities impacted by mining so that negative impacts are prevented or mitigated, and they obtain remedy
2. Advocate for relevant legal and policy reforms
3. Participate in multi-stakeholder initiatives and make use of the data and dialogue opportunities they offer

Recommendations to Other Governments

1. Provide technical assistance to strengthen environmental and social safeguards in mining
2. Provide technical assistance to formalise subsistence mining
3. Support EAOs to address impacts of unsustainable mining in conflict-affected areas
4. Encourage foreign investors to invest responsibly in Myanmar