

Myanmar Centre for
Responsible Business

Promoting responsible business in Burma

Vicky Bowman, Director,
Myanmar Centre for Responsible Business
Britain–Burma Society, 31 March 2015

Myanmar Centre for Responsible Business



www.myanmar-responsiblebusiness.org

15 Shan Yeiktha Street,
Sanchaung, Yangon
Tel/Fax: 01 510069

Founders:



THE DANISH
INSTITUTE FOR
HUMAN RIGHTS

Objective: To provide an effective and legitimate platform for the creation of knowledge, capacity and dialogue concerning responsible business in Myanmar, based on local needs and international standards, that results in more responsible business practices.

Current core funders:

- UK Department for International Development
- DANIDA (Danish development aid)
- Norway
- Switzerland
- Netherlands
- Ireland

What is a ‘responsible business’?

“တာဝန်ယူမှုရှိသော စီးပွားရေးလုပ်ငန်းဆိုတာ ဘာလဲ”?

- ▶ MCRB defines ‘responsible business’ as ‘business activities that work for the long-term interests of Myanmar and all its people’.
- ▶ MCRB ၏အဓိပ္ပါယ်ဖွင့်ဆိုချက် “မြန်မာပြည်သူပြည်သားများ၏ ရေရှည်အကျိုးစီးပွားများ အတွက် ဆောင်ရွက်သောစီးပွားရေးလုပ်ငန်းများ”
- ▶ However there is no single international definition of a ‘responsible business’ or responsible company.
- ▶ ဒါပေမဲ့ “တာဝန်ယူမှုရှိသော စီးပွားရေးလုပ်ငန်း” (သို့) ကုမ္ပဏီဆိုသည်ကို သီးသန့်အဓိပ္ပါယ် ဖွင့်ဆိုထားခြင်းမရှိ



Does 'responsible business' = CSR?

That depends on your definition of CSR...

The EU definition of CSR.....

- ▶ Corporate Social Responsibility is “the responsibility of enterprises for their impacts on society”.
- ▶ စီးပွားရေးလုပ်ငန်းကြီးများ၏ လူမှုရေးတာဝန် (CSR)
“လူမှုအသိုင်းအဝိုင်းအပေါ် စီးပွားရေးလုပ်ငန်းများ၏ သက်ရောက်မှုများအတွက် တာဝန်ယူမှု”

(2011 EU policy on CSR with reference to UN Guiding Principles on Business and Human Rights, စီးပွားရေးနှင့် လူ့အခွင့်အရေးဆိုင်ရာ ကုလသမဂ္ဂ မူဘောင်စည်းမျဉ်းများ ကို ကိုးကား၍ EU ၏ CSR မူဝါဒ)

Some companies don't use the 'CSR' word. They prefer to talk about 'creating shared value' or about how a company gets its 'social licence to operate' by being a responsible business

What does a 'responsible business' do?

- ▶ Respects human rights လူ့အခွင့်အရေးများကိုလေးစား
- ▶ Obeys the law ဥပဒေကိုလေးစားလိုက်နာ
- ▶ Doesn't pay bribes or tea money လာဘ်ပေးလာဘ်ယူ (သို့) လက်ဖက်ရည်ဖိုးပေးတာမျိုးမလုပ်
- ▶ Pays its taxes အခွန်ဆောင်
- ▶ Respects its employees ၎င်း၏အလုပ်သမားများကိုလေးစား
- ▶ Respects the environment သဘာဝပတ်ဝန်းကျင်ကိုလေးစား
- ▶ Treats other businesses responsibly အခြားစီးပွားရေးများကို တာဝန်ယူမှု၊ တာဝန်သိမှုဖြင့်ဆက်ဆံ
- ▶ Treats its customers responsibly ၎င်း၏ Customer (ဈေးဝယ်သူ ဖောက်သည်)များကို တာဝန်ယူမှု၊ တာဝန်သိမှုဖြင့်ဆက်ဆံ
- ▶ Transparent ပွင့်လင်းမြင်သာမှု
- ▶ Responds to and engages with stakeholders သက်ဆိုင်သူများနှင့် ချိတ်ဆက်ဆောင်ရွက်

What are the international standards for responsible business?

နိုင်ငံတကာ စံနှုန်းတွေက ဘာတွေလဲ။



The UN Global Compact....



- Launched in 1999 by UN Secretary General
- Initiative for businesses that are committed to aligning their operations and strategies with 10 principles in the areas of [human rights](#), [labour](#), [environment](#) and [anti-corruption](#)
- 12500 business participants in over 135 countries
- In Myanmar there are currently 213 members
- Professor Aung Tun Thet is the chair of the UN Global Compact Local Network in Myanmar
- Companies who sign up to the UN Global Compact should send in an annual 'Communication on Progress' detailing how they are applying the 10 principles. This is published on the UNGC website

Some of MCRB's current activities

- ▶ **Capacity building** on responsible business, international standards, stakeholder engagement and business and human rights (UN Guiding Principles) for local business, government, civil society groups, media
- ▶ **Advice** on business/human rights/responsible business for foreign investors
- ▶ **Engaging on policy and regulation** e.g. Environmental and Social Impact Assessment (ESIA), revised Investment Law
- ▶ **Sector-Wide Impact Assessments (SWIA)** on oil and gas (published Sept 2014), and **tourism** (published Feb 2015), **ICT** (due June/July 2015) and **agriculture**
- ▶ July 2014 Report on **Transparency In Myanmar Enterprises (TiME/Pwint Thit Sa)** – next report due in July 2015
- ▶ Partnership with **Myanmar Business Coalition on Aid** to establish CSR offices beyond Yangon

Sector-Wide Impact Assessments



Sector-Wide Impact Assessment (SWIA)

- Project-Level Impacts
- Cumulative Impacts
- Sector-Wide Impacts

- Field research in 6 locations on actual impacts
- Desk-based research on laws, policies
- Stakeholder interviews (business, government, civil society, others)

Annex A
Additional Information on SWIA Methodology

A. SWIA Phases

The SWIA process follows well-established impact assessment steps. For each step of the process specific tools or approaches have been developed, which are described below.¹⁰¹

Box 37: SWIA Phases

I. Screening

Objective: Select economic sectors for a SWIA based on several criteria:

- a. the importance of the sector to the Myanmar economy
- b. the complexity and scale of human rights risks involved in the sector
- c. the diversity of potential impacts looking across the sectors
- d. human development potential
- e. geographical area

Tasks:

- a. Informal consultations were held inside and outside Myanmar to develop and verify the selection of sectors.

Key Outputs / Tools

- a. Selection of 4 sectors for SWIA: Oil & Gas, Tourism, ICT and Agriculture

II. Scoping the Tourism sector in Myanmar

Objective: Develop foundational knowledge base to target field research for validation and deepening of data collection.

Tasks:

- Commission expert background papers on: the Tourism sector; the legal framework; land and labour issues
- Stakeholder mapping
- Informal consultations were held inside and outside Myanmar to understand the key issues and areas relevant for the Tourism SWIA

Key Outputs / Tools

- Scoping papers
- SWIA work plan

¹⁰¹ This table has been gratefully adapted from the presentation used in [Quinn's HRIA of the tourism sector in Kenya](#).

Main issues of concern

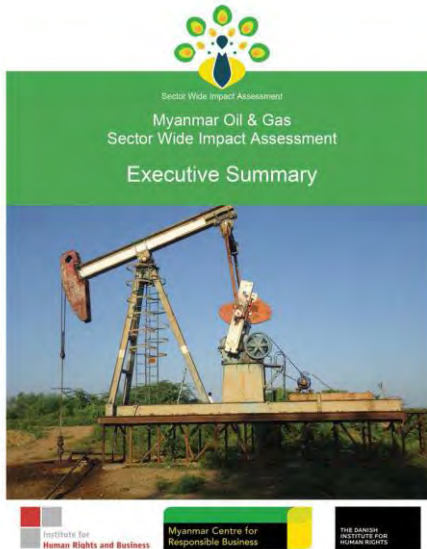
- Land
- Labour
- Community and stakeholder engagement
- Transparency
- Ethnic minority and post-conflict areas

Oil & Gas: 4 headline messages...

1. **Engagement with stakeholders** by business has historically been almost completely absent
2. Myanmar's extractive industries are inevitably associated with **conflict**
3. **Land** is possibly the most complex challenge any business investing in Myanmar will face
4. During the transition, Government and businesses need to take steps to fill the existing **gaps in Myanmar's legislative framework** for the protection of the environment and human rights.

...accompanied by more detailed findings and associated recommendations to government, companies, civil society, donors, investors.....

Multi-Stakeholder Workshop on Community Engagement in the Extractive Industries



- ▶ The objectives of the 27/28 January 2015 workshop were to:
 - share experiences of community engagement in the extractive industries in Myanmar and elsewhere;
 - identify the interests in community investments and complaint resolution of different stakeholders for the extractive industries, including government, communities and companies; and
 - facilitate the creation of opportunities for co-operation and future dialogue on issues relating to community investment and wider engagement.
- ▶ Discussed international best practice in strategic community investment and engagement, including how to handle grievances.
- ▶ Attended by over 120 representatives from government departments, oil, gas and mining companies, civil society organisations from across Myanmar as well as international NGOs and donor organisations.

The tensions of tourism

Increased marketing of Myanmar, including access to new destinations

Infrastructure development for tourism, particularly hotel zones

Development of tourism in ethnic minority and post-conflict areas

Tourists' well-intentioned desire to 'help'

Lack of respect for social and environmental carrying capacity, environmental degradation and lack of respect for Myanmar culture
Lack of respect for land rights
Reduced scope for community involvement in tourism

Addressing fears that only outsiders and crony investors will benefit

Ensuring visitor security

Discouraging orphanage tourism and harmful voluntourism

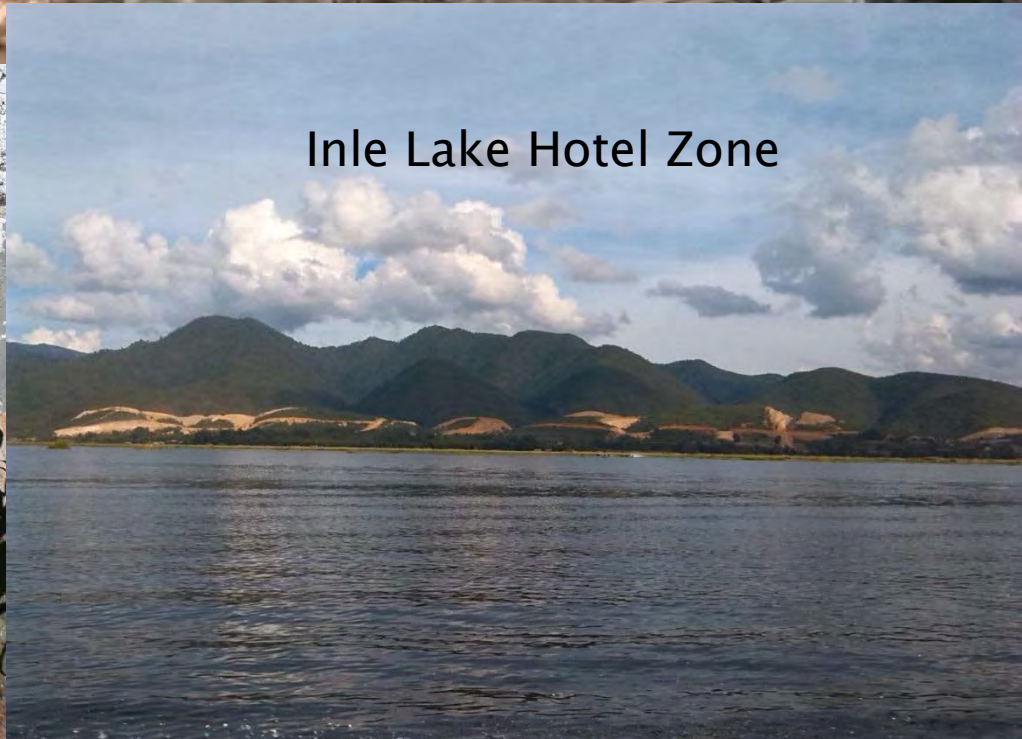
From MCRB's Tourism sector-wide impact assessment. Feb 2015



Kyaiktiyo



Inle Lake Hotel Zone



Hotel zone in 'Mandalay' (Tada Oo)

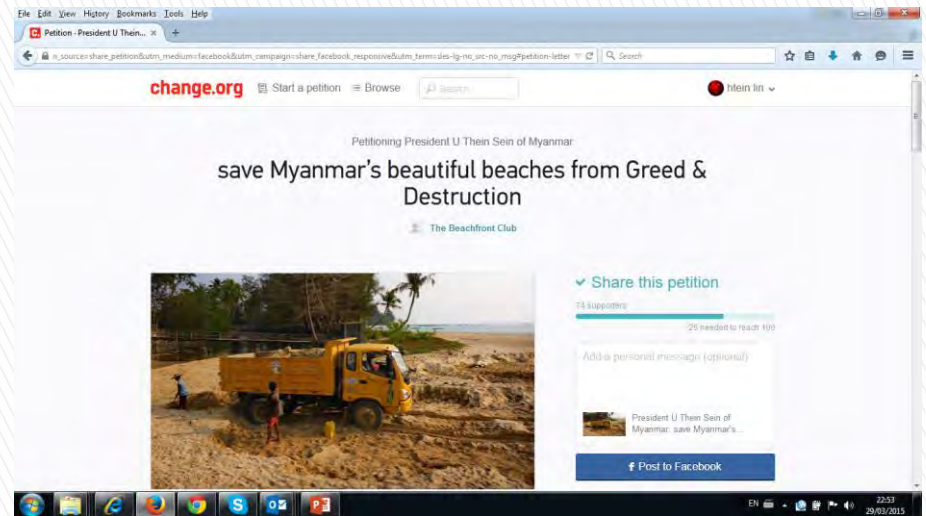


- originally planned to encompass 2,218 hectares on the Ayeyarwady River 14 km north of Mandalay international airport (and about 30 km distant from Mandalay city), 6 villages involved
- intended to include 100 foreign owned hotels and 192 locally owned hotels, although more recent reports mention that only 808 hectares will be developed with the same number of hotels, totalling 10,000 rooms.
- described in the Tourism Master Plan as *'aiming to develop infrastructure and services needed to meet the high demand for international standard accommodation, shopping and residential housing in Mandalay. The project will contribute to local socio-economic development by improving public infrastructure and creating jobs for local residents.'*
 - Being developed by 'Myanmar Tourism Development Public Co Ltd'

Sand mining in Ngapali, 2015



Please sign the petition on
change.org



Transparency In Myanmar Enterprises (TiME/ပွင့်ဆံ့)



PWINT THIT SA PROJECT
Transparency in Myanmar Enterprises

- ▶ 60 large Myanmar companies chosen based on 2012/3 top taxpayers lists as a proxy for size
- ▶ Websites reviewed for content on:
 1. Organisational transparency
 2. Anti-corruption programmes
 3. Human Rights and HSE, including grievance mechanisms (instead of Part 3 in Transparency International's TRAC report which focused on country by country tax reporting as)
- ▶ MCRB is repeating the report in 2015, engaging with the companies

Ranking	Company Name	Anti-corruption Score/%	Organizational Transparency Score/%	Human Rights, Health, Safety and Environment Score/%	Total Score
1	KBZ (Kambawza)	3.08/92.31%	2.22/66.67%	1.33/40%	6.63
2	Parami	2.69/80.77%	2.22/66.67%	1.67/50%	6.58
3	Max Myanmar	3.33/100%	0.97/29.17%	1.5/45%	5.8
4	Shwe Taung	2.69/80.77%	1.39/41.67%	1.5/45%	5.58
5	Myanmar Petroleum	1.67/50%	1.67/50%	1.67/50%	5.01
6	SMART	2.82/84.62%	0.83/25%	1.33/40%	4.98
7	City Mart	1.67/50%	2.08/62.50%	1/30%	4.75
8	Dagon	1.03/30.77%	1.67/50%	1.17/35%	3.87
9	Serge Pun and Associates Group	0.84/25.39%	1.74/52.58%	0.66/19.70%	3.24
10	MK	0/0%	1.67/50%	0.02/5%	1.69
11	KMA	0/0%	1.67/50%	0/0%	1.67
12	KMD	0.26/7.69%	1.11/33.33%	0/0%	1.37
13	Myanmar Gold Star (MGS) Group	0/0%	1.11/33.33%	0/0%	1.11
14	ACE Group of companies	0/0%	0.83/25%	0/0%	0.83
15	Ambo	0/0%	0.83/25%	0/0%	0.83

You are here Home » News and Media Centre »

Comments on the latest draft of the Myanmar Investment Law

March 30, 2015

MCRB has submitted comments on the latest draft of the Myanmar Investment Law.

The deadline for the current consultation process (see <http://dica.gov.mm.x-aas.net/>) is 31 March.

MCRB's comments are focused on ensuring that a new Investment Law will underpins responsible investment, transparency and the protection of human rights, in line with the Myanmar government's 'duty to protect', as contained in the 2011 UN Guiding Principles on Business and Human Rights.

They reflect MCRB's observations of Myanmar's regulatory processes to date, and feedback we have received from businesses, human rights advocates and civil society organisations.



MCRBs comments on the latest draft of the Myanmar Investment Law

Document PDF, 0 downloads, Mar 30, 2015



Recommend

You and one other recommend this.



Myanmar Investment Law



You are here Home » Sector-Wide Impact Assessments (SWIA) »

Myanmar Oil & Gas Sector-Wide Impact Assessment (SWIA)

September 04, 2014

The Oil & Gas Sector-Wide Impact Assessment (SWIA), developed by the Myanmar Centre for Responsible Business (MCRB) in partnership with its co-founders, the [Institute of Human Rights and Business](#) and the [Danish Institute of Human Rights](#), is intended to support responsible business practices in this growing sector of Myanmar's economy.

The Myanmar Oil & Gas SWIA puts detailed information on potential impacts of the sector into the public domain for uptake and use by a wide range of audiences. It assesses not only localised impacts on individuals and groups that may arise from projects in the sector, but also cumulative impacts and the sector's potential impacts on Myanmar society as a whole.

This is important because:

Myanmar is currently facing a rapid increase in investment in its oil and gas (O&G) sector with the award of 16 onshore and 20 offshore blocks in the space of 12 months in 2013-2014. Even though the country is emerging from decades of ethnic conflict, authoritarian rule and economic isolation, it is still regarded as a high-risk country with poor governance. An



The SWIA, developed by MCRB, is intended to support responsible business practices in this growing sector of Myanmar's economy.

Download the Myanmar O&G SWIA:

Full Report (234 pages/20.9mb)

Cover

Execu

Part 1



Thank you!



www.mcrb.org.mm

myanmar.responsible.business

