

Myanmar In-Country Implementation Working Group: 2018 Activity Report

In-Country VPI members in Myanmar as of 31.12.2018

- **Corporate:** Chevron, Shell Myanmar Energy (Pte) Ltd, Total, Woodside Energy, PanAust
- **Government (Embassies):** Australia, Canada, Netherlands, Norway, Switzerland, United Kingdom, USA
- **Civil Society:** Human Rights Watch, International Alert, Pact, Search for Common Ground, CDA Collaborative Learning Project
- **Observers:** IFC; ICRC; Institute for Human Rights and Business (IHRB) through Myanmar Centre for Responsible Business (MCRB), of which it was a co-founder.

Myanmar was selected in 2016 as one of the three pilot countries (with Nigeria and Ghana) for the roll-out and implementation of the VPSHR at local level by establishing an In-Country Implementation Working Group. MCRB and International Alert, with the agreement of the other VPI members with in-country presence, and financial support from PeaceNexus, commissioned a scoping study in February-March 2018 by Asia Conflict and Security (ACAS) Consulting Ltd to look at the added value of the VPSHR in Myanmar, and potential activities for an in-country Working Group.

The Scoping Study involved desk research and in-country consultations with key stakeholders, as well as a reflection workshop in February with VPI members and others that reviewed preliminary findings. The final report¹ finds value in an in-country WG undertaking three areas of activity:

1. Share lessons learnt and good practice;
2. Support Myanmar and regional (predominantly Asian) companies to use the VPSHR in their operations; and
3. Help define shared responses by companies to local level challenges on VPSHR-related issues.

Based on the report's recommendations, a Steering Committee for in-country implementation was established on 18 May 2018 at a meeting attended by 16 VPI members and observers including government, company and NGO representatives². This Committee is composed of in-country VPI members, and co-chaired by the UK Embassy and TOTAL, with a Secretariat provided by MCRB until end 2019. The Steering Committee agreed to begin a programme of VPSHR awareness raising in 2018/2019 with interested non-VPI members, and specifically Myanmar and regional companies operating in relevant sectors with significant onshore footprints. The SC will establish governance processes, and inter alia to consider how to expand Steering Committee membership to a wider Working Group of interested parties, bearing in mind the potential for dilution/reputation risks.

¹ www.myanmar-responsiblebusiness.org/dialogues/voluntary-principles/steering-committee.html

² <https://www.myanmar-responsiblebusiness.org/dialogues/voluntary-principles/steering-committee.html>

Funding

MCRB's core programme which covers business/human rights is co-funded by several VPSHR governments, namely the UK, Netherlands, Norway, and Switzerland, as well IrishAid. Initial events have been organised by MCRB using core funding, with companies sponsoring additional costs (meeting room, translation etc. Sponsors to date have been TOTAL for meetings in 2017/2018 and Woodside for the workshops in November 2018. A funding request has been made to the Secretariat for some support to International Alert for working with civil society organisations in 2019 in five states and regions, with some minor additional funding requested for the Secretariat tasks including translation of further materials/toolkit, and for a possible workshop on VPSHR and IFC Performance Standard 4. In H2 2019, the group will consider if a Secretariat separate to MCRB is required, and if so, how it should be established and funded.

Translation of VPSHR materials into Burmese

The Voluntary Principles and VPSHR Factsheet, and information about the Myanmar Working Group, were translated into Burmese by MCRB and are available online³.

Awareness Raising Activities in 2018

Two half-day awareness-raising workshops with a similar agenda in which MCRB and companies explained the VPSHR and how they could be useful for Myanmar were held in Naypyitaw (NPT) on 27 November and Yangon on 29 November. These were introduced by the co-chairs from TOTAL (NPT) and UK Embassy (YGN). Presentations and a short summary of discussion are available on MCRB's website⁴.

- Total presented on company perspective on roles of government, civil society and other responsibilities of security providers;
- Woodside discussed companies' responsibilities, including contractual terms, security management plan, training and awareness raising;
- Chevron covered the topics what VPs mean for offshore O&G operations and discussion on grievance mechanism to deal with complaints; and
- Shell Myanmar Energy (Pte) Ltd concluded by discussing practical experience and lessons learnt in VPs implementation in other countries;
- PanAust (for 29 Nov workshop) explained the mining sector in Myanmar and how the VPs implementation can be useful.

Discussion included electronic polling of participants on the most serious security issues for the oil and gas, and mining sectors, and relevance of the VPSHR to Myanmar. In both workshops, "**Interaction with boats, including refugees**" was identified by participants as the biggest security issue for oil and gas companies in Myanmar (about 60% of participants selected this).

³ www.myanmar-responsiblebusiness.org/dialogues/voluntary-principles/

⁴ www.myanmar-responsiblebusiness.org/dialogues/voluntary-principles/vps-hr-workshops.html

Over half participants in both Yangon and Naypyidaw found the VPs relevant for **any large investment in Myanmar that has security risks** to manage (reflecting the fact telecoms, and to a lesser extent hydropower, have as significant security exposure in Myanmar as extractives). An additional third considered them relevant specifically for **all oil/ gas and mining companies**. In terms of priorities for in-country VPSHR action, there was strong interest in follow up work on **Inclusion of VPSHR-related requirements in licences and contracts issued by government** and **Curriculum and training of public security on VPSHR**.

The Naypyidaw workshop was attended predominantly by around 40 government officials from the Ministry of Natural Resources and Environmental Conservation (Mining, Gems and Pearls Enterprises, DGSE, Department of Mines and ECD), MOGE, MPE, General Administration Department (Home Ministry of Home Affairs), DICA, as well as U Nyunt Swe, Business and Human Rights lead of the Myanmar National Human Rights Commission, and some Members of Parliament working on natural resources issues. The Yangon workshop was open to all stakeholders, but attended primarily by business, including around 45 participants of local and foreign oil and gas, and mining companies, security providers (mostly with an international management), NGOs and Embassies. Clashes with EITI events reduced participation by the main civil society organisations working on extractives.

Next steps and opportunities for 2019

The Steering Committee of the VPSHR will meet again on 31 January 2019 and reflect on next steps for the in-country working group. This meeting will coincide with a visit from Fund for Peace to share experience from Ghana and Peru. International Alert will organise a workshop on 29 January for FFP to share experience with local civil society organisations on VPSHR implementation in other countries. A discussion is also planned during FFP's visit on how the VPs have been used in other countries to manage security issues around **artisanal and small scale mining (ASM)**, and opportunities for Myanmar.

Other potential Working Group activity in 2019 includes:

- Steering Group members will integrate information about VPSHR in their 1:1 and group engagement with government, Parliament, companies and civil society organisations, wherever relevant
- Direct outreach to Myanmar and Myanmar-based companies in oil and gas, mining and security, via their associations (including Myanmar Oil and Gas Producers and Operators Club) or individual to major players, to ensure that they are fully aware of the VPSHR and have relevant materials to allow them to take the initiative forward as a practical operational standard.
- Awareness raising for CSOs in five states/regions, and also involving SC members and local businesses, led by International Alert (subject to funding)
- The possibility of an updated discussion with UNHCR/ICRC/IOM, and government (Navy, Myanmar Oil and Gas Enterprise) on offshore security issues, bearing in mind that few companies plan seismic campaigns in 2019
- Collaboration with IFC on awareness-raising of Performance Standard 4/VPSHR (subject to funding)
- Attempting to deepen contact with public security authorities, including through potentially building on the EU's MyPol training programme for the police, as well as drawing on curricula from other VPSHR in-country implementation groups, if this and experts to deliver it, are available.
- Discussing the potential for referencing VPSHR language/principles in contracts, licenses, EIA etc

Challenges for VPSHR implementation in Myanmar

Activities so far have shown that the main challenges for the in-country Working Group will be:

- The mismatch between the fact that **mining** having greatest relevance for the VPSHR in Myanmar, and interest from stakeholders, but there is only one mining company VPSHR member in Myanmar, to share experience, PanAust, which is still at early exploration phase
- The significant security challenges in the mining sector relating to ongoing armed conflict and lawlessness, particularly in jade and gold mining
- The political sensitivity of contacts with the Myanmar military and police, as well as the institutional challenge for companies, Embassies and NGOs to engage with them
- Generating interest from Myanmar and Asian companies in discussion of the VPSHR, particularly if there is no visible Myanmar government engagement
- Initiative overload for the Myanmar government and Myanmar CSOs
- Lack of VPI Embassy resources and expertise to engage in in-country discussions.
- Scheduling of experts (primarily from companies) to be available for training/workshops

Prepared by Myanmar Centre for Responsible Business, Myanmar VPSHR Secretariat, and approved by the Steering Committee of the in-Country Working Group 31 January 2019

FINAL APPROVED BY STEERING COMMITTEE