

SAFEGUARDING MYANMAR'S ENVIRONMENT



THE ASIAN DEVELOPMENT BANK (ADB) IS HELPING MYANMAR PUT IN PLACE A NATIONAL SAFEGUARDS SYSTEM TO BETTER BALANCE RAPID ECONOMIC GROWTH AND ENVIRONMENTAL SUSTAINABILITY.

Since emerging from decades of economic and political isolation, Myanmar's reconnection with the global community has seen its economy grow more than 6% every year. ADB forecasts that the country will achieve nearly 8% growth during both 2017 and 2018.

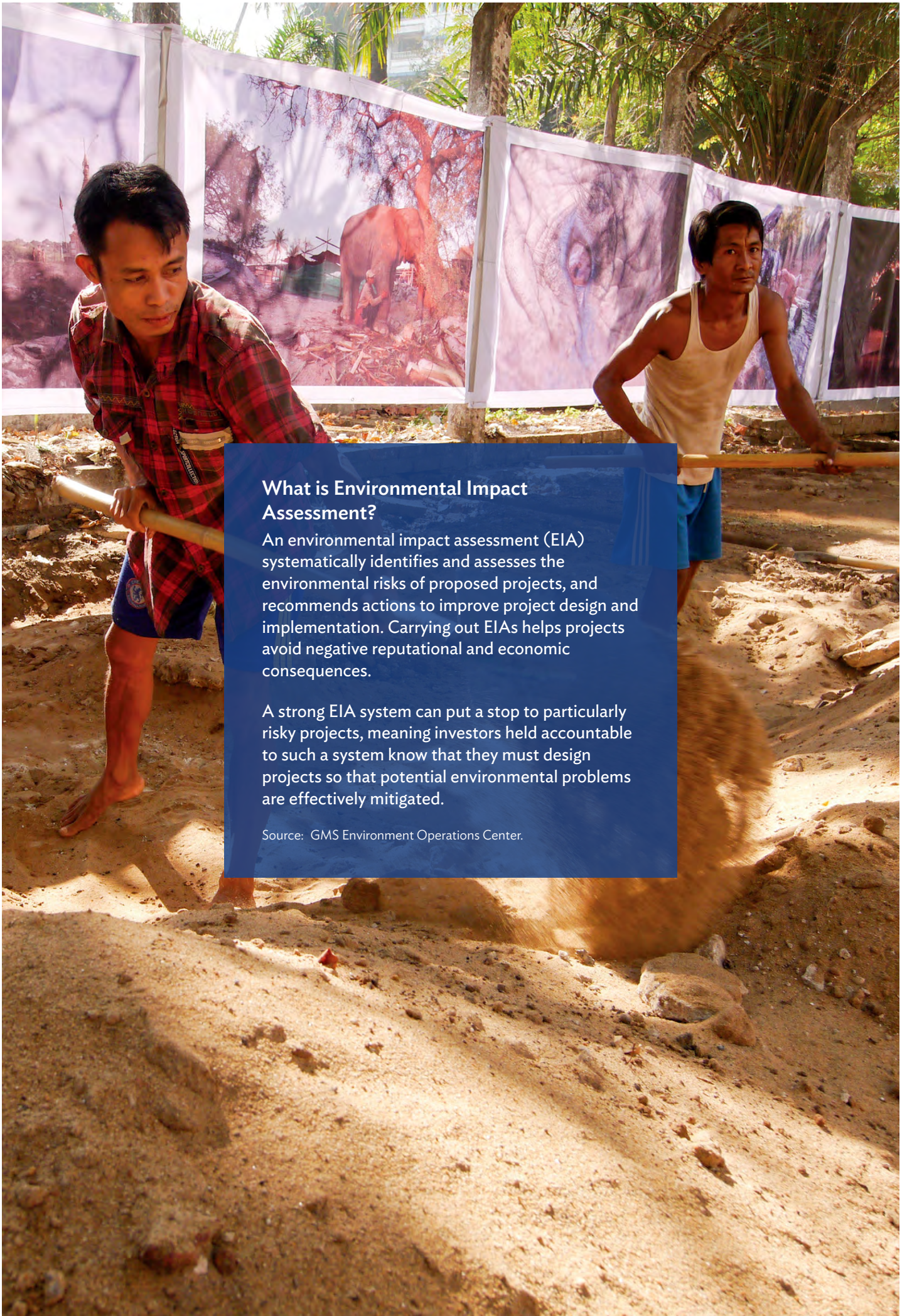
Myanmar's surging economy is largely based on the harnessing of its extensive natural resources. Foreign direct investment is playing a major role by funding large oil and gas, hydropower, agriculture, and mining projects.

Meanwhile, overseas development assistance is leveraging socioeconomic opportunities through ambitious investments in transport and telecommunications.

The scale and pace of economic development hold great promise for poverty reduction, but also bring sustainability challenges that need to be addressed. These include finding ways to minimize the potential negative impacts that large-scale investments can have on ecosystems and local communities.

The Government of Myanmar, with support from ADB and other development partners, has been putting in place the regulatory architecture for a national environmental impact assessment (EIA) system since 2012. Myanmar has made impressive progress in 5 years, but much remains to be done, particularly in building technical and institutional capacity.

This brief provides an overview of Myanmar's emerging EIA system and how ADB's technical assistance is contributing.



What is Environmental Impact Assessment?

An environmental impact assessment (EIA) systematically identifies and assesses the environmental risks of proposed projects, and recommends actions to improve project design and implementation. Carrying out EIAs helps projects avoid negative reputational and economic consequences.

A strong EIA system can put a stop to particularly risky projects, meaning investors held accountable to such a system know that they must design projects so that potential environmental problems are effectively mitigated.

Source: GMS Environment Operations Center.

“Myanmar’s EIA process will effectively help prevent the potentially adverse environmental and social impacts of development projects and contribute to the nation and its people’s achievement of sustainable development.”

Daw Thet Thet Zin, former deputy minister,
Ministry of Environmental Conservation and Forestry.





ASIAN DEVELOPMENT BANK'S SAFEGUARD SUPPORT TO MYANMAR

Environmental and social safeguards are a cornerstone of ADB's support for inclusive economic growth and environmentally sustainable development in Myanmar. A specific objective of ADB's *Safeguard Policy Statement* (2009) is to support member countries to strengthen their own safeguards systems and to develop capacity to manage environmental and social risks.

ADB's safeguards support to Myanmar began in 2012 through the Greater Mekong Subregion (GMS) Core Environment Program (CEP) — a regional technical assistance program supporting the six GMS countries to strengthen their environmental management. Since then, three other technical assistance projects have provided complementary capacity building.

The support has centered on the Environmental Conservation Department of the Ministry of Natural Resources and Environmental Conservation (MONREC) — the government agency responsible for developing and implementing Myanmar's EIA system. Together, ADB and MONREC have developed EIA laws, regulations, processes, and technical capacity.

The key elements of Myanmar's EIA system are summarized in the succeeding section.

Environmental Conservation Rules

The Environmental Conservation Rules provide the environmental policy and implementation framework for Myanmar's Environmental Conservation Law (2012). The rules clarify MONREC's mandate to specify the type of projects that must conduct EIA and to approve or not approve projects, as well as to determine liability penalties from environmental damage.

ADB provided some review support for the rules prior to their finalization. The rules were made public in 2012 and were officially adopted in mid-2014.

Environmental Impact Assessment Procedure

The EIA Procedure is the regulation to enact the Environmental Conservation Law. The procedure specifies the type and scope of environmental assessments required for all investment projects that could cause environmental and social harm.

MYANMAR'S ENVIRONMENTAL IMPACT SYSTEM IN BRIEF

- The Ministry of Natural Resources and Environmental Conservation (MONREC) is the agency responsible for environmental impact assessment (EIA).
- Depending on the project type and size, and as specified in the EIA Procedure, proposed projects may be legally required to undergo an EIA or Initial Environmental Examination (IEE).
- At its discretion, MONREC can also require existing projects to undergo EIA or IEE.
- MONREC creates the Terms of Reference for the EIA, but it is the responsibility of the project proponents to commission the EIA, which is conducted by MONREC-certified consulting firms.
- EIA reports must include an assessment of the environmental risks and the identification of appropriate mitigation and monitoring measures.
- EIA reports must also have an environmental management plan to specify how these measures will be actioned.
- Following a review of the EIA report, if deemed satisfactory, MONREC will approve the project by issuing an Environmental Compliance Certificate.
- Approved projects must then submit EIA compliance reports to MONREC every 6 months and the ministry can conduct onsite inspections in case there are concerns or complaints.
- For projects failing to meet their EIA compliance requirements, MONREC will provide support to help the project become compliant.
- MONREC has the mandate to apply financial penalties or halt projects for projects that repeatedly fail EIA compliance.

Source: GMS Environment Operations Center.

This can include a full EIA or, for projects deemed less risky, an Initial Environmental Examination. The EIA Procedure is recognized as representing good regional safeguard practice and is comparable to EIA regulations adopted by other GMS countries.

They are also largely equivalent with ADB's safeguard requirements as well as those of other multilateral development banks.

An ADB consultant team supported the Environmental Conservation Department to develop the EIA Procedure and it was officially adopted in December 2015.

Environmental Impact Assessment General Technical Guidelines

These guidelines provide a framework for EIA reporting as well as other guidance for practitioners and third parties to follow the EIA Procedure. They include details on key elements of EIA reports such as project scoping, risk assessments, mitigation measures, and monitoring and enforcement.

ADB is leading the development of the EIA Guidelines and a third draft is underway. Although not yet officially launched, the Environmental Conservation Department and project teams have been using the guidelines since mid-2014.

Sector Specific Environmental Impact Assessment Technical Guidelines

EIA Technical Guidelines are being produced by ADB and other organizations to help ensure good EIA practice is tailored for investment projects in key sectors. For example, technical guidelines for the oil and gas industry will specify EIA requirements for drilling discharges and seismic disturbances.

ADB and WWF are currently working on mining guidelines, the Government of Norway is supporting oil and gas guidelines, and the International Finance Corporation is producing hydropower guidelines. The Mekong Center for Responsible Business recently commenced support for tourism guidelines.

Environmental Quality Emission Guidelines

These guidelines provide a basis for controlling and regulating air, noise, and water quality as well as industry effluent and emission discharges. They determine acceptable emission limits for different types of projects and activities, and play an important role in preventing air and water pollution as well as other forms of environmental degradation.

As for the EIA Procedure, an ADB consultant team provided lead support and the Emission Guidelines were also officially adopted in December 2015.



National Environmental Quality Standards

When completed, these standards will incorporate and supersede the Environmental Quality Emissions Guidelines and will become a regulatory requirement. They will be more comprehensive than the guidelines, as in addition to emissions, they will include ambient standards, which specify the limits of pollutants found in the environment (air, soil, water).

ADB is currently leading the development of the quality standards.

Capacity Building and Awareness Raising

Civil society, government, and private sector stakeholders have regularly been brought together to provide input to, and gain a shared understanding of, the emerging EIA system and its specific elements.

Under the GMS Core Environment Program, there have been more than 15 EIA national multistakeholder consultations, awareness-raising events, and training programs involving a total of more than 1,000 stakeholders. During 2016–2017, the Environmental Safeguard Institutional Strengthening project trained more than 300 stakeholders on EIA report writing, approval processes, and compliance monitoring.

CHALLENGES AND NEXT STEPS

With the regulatory architecture in place, Myanmar has made impressive progress developing its national EIA system. Hundreds of projects have conducted EIA or an Initial Environmental Examination and the reports are in various stages of review.

However, despite some human resource investment and training, the institutional and technical capacity of MONREC and other ministries to apply safeguard requirements remains far below what is needed.

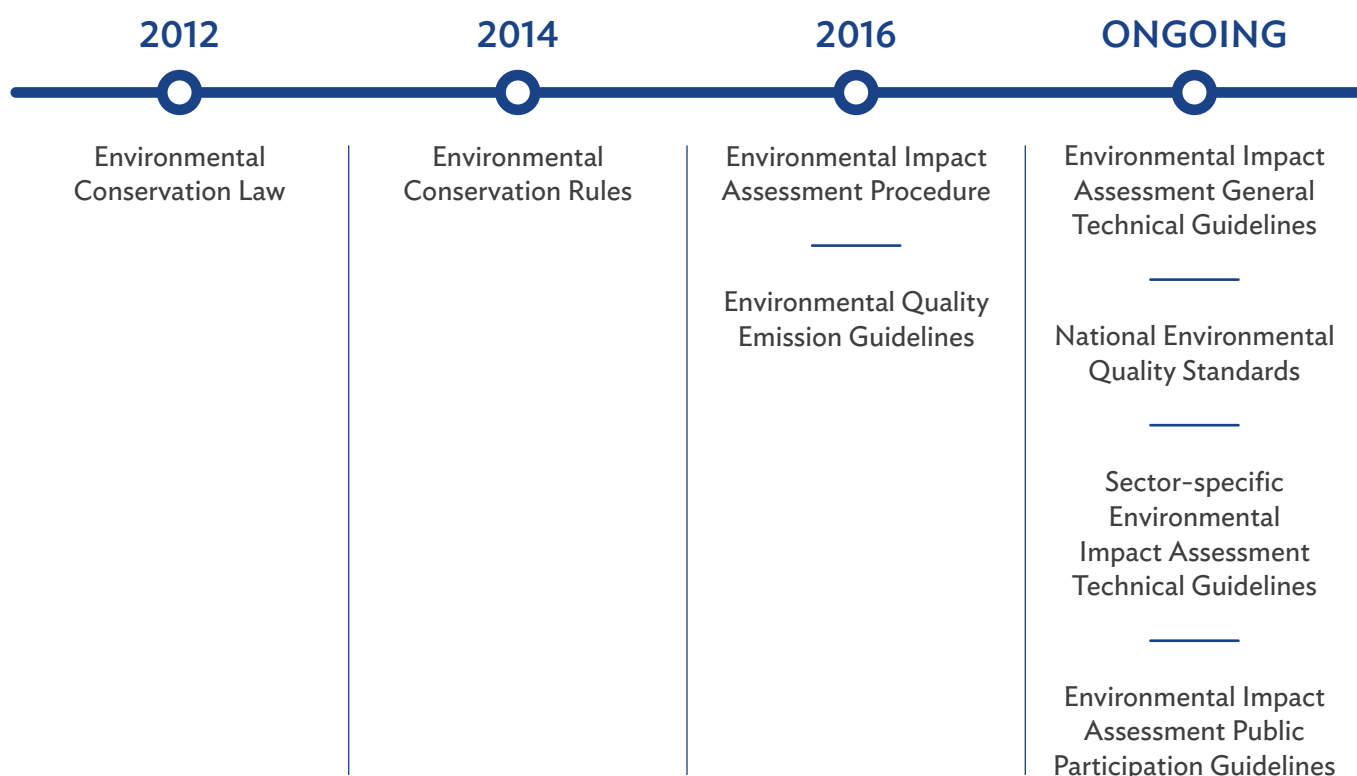
There is a considerable backlog of EIA reviews and approvals to be conducted.

To ensure the potential of the EIA system is realized, ADB will continue to support MONREC, with a focus on capacity building. This is reflected in ADB's Myanmar Country Partnership Strategy (2017–2021) under which ongoing safeguards capacity support is a priority area.

ASIAN DEVELOPMENT BANK SAFEGUARDS SUPPORT TO MYANMAR

Greater Mekong Subregion Core Environment Program	2012–2017	CEP provided technical and legal expertise to finalize the Environmental Conservation Rules and develop the Environmental Impact Assessment (EIA) Procedure, the Environmental Quality Emissions Guidelines, and the EIA Technical Guidelines. Extensive stakeholder awareness raising and training were also carried out.
Environmental Safeguard Institutional Strengthening	2014–2018	This project’s focus is on developing systems for EIA administration and technical oversight, and on building national and state capacity to (i) review EIA reports, (ii) determine project approval, and (iii) monitor compliance with EIA requirements.
Capacity Development for Project Implementation	2016–2018	This project provided technical and legal expertise to develop Social Impact Assessment Guidelines, and build the institutional capacity of agencies to implement and monitor the application of social safeguards.
Strengthening and Use of Country Safeguards	2013–2017	This project supported the Ministry of Public Works and the Ministry of Energy and Electricity to strengthen their safeguards application. A gap analysis was performed and EIA guidelines were produced.
ADB Operations in Myanmar		ADB is recruiting environmental and social safeguard experts in Myanmar to assist ADB project preparation teams as well as government and other stakeholders. The Myanmar Country Partnership Strategy (2017–2021) emphasizes ongoing safeguards capacity support.

MYANMAR’S SAFEGUARDS SYSTEM TIMELINE





About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration. Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

About the Core Environment Program

The Core Environment Program (CEP) supports the Greater Mekong Subregion (GMS) in delivering environmentally friendly economic growth. Anchored on the ADB-supported GMS Economic Cooperation Program, CEP promotes regional cooperation to improve development planning, safeguards, biodiversity conservation, and resilience to climate change — all of which are underpinned by building capacity. CEP is overseen by the environment ministries of the six GMS countries and implemented by the ADB-administered Environment Operations Center. Cofinancing is provided by ADB, the Global Environment Facility, the Government of Sweden, and the Nordic Development Fund. Past cofinancing support was provided by the Government of Finland and the Government of the Netherlands.



GREATER MEKONG
SUBREGION
CORE ENVIRONMENT
PROGRAM

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