

## **Decades of war and unsustainable extraction**

have left Burma's waterways, lands, and forests cut down, dug up, flooded, and polluted. The resource-rich ethnic states are living under the scourge of an environmental disaster that threatens the very foundation of their—and the country's—future. Hundreds of thousands remain homeless due to ongoing armed conflict, and fundamental calls for self-determination have gone unheeded in a lack of political dialogue.

## **Centralised government has constitutional powers to own, control, and manage natural resources**

, preventing affected peoples from having a say in their own development. While the army and central government collect huge revenues, local populations do not benefit.

## **The answer?**

# **resource federalism**

a roadmap for decentralised governance of Burma's natural heritage



## **A time-sensitive, sequenced chain of actions**

will not only strengthen opportunities for lasting peace, but also pave the way for sustainable economic development.

# NATURAL RESOURCES CENTRALLY CONTROLLED

leaving affected peoples no rights to sanction or approve projects



## forests

Burma has one of highest deforestation rates in the world, yet regional ministers have no formal powers to curtail it. Logging permits are reserved for state-owned and crony companies, and land concessions are granted in conservation zones.



## land

Land grabbing is rife across the country, but no laws address restitution. Customary land tenure is not recognised, and land not currently cultivated can be seized under the Union-level Vacant, Fallow and Virgin Lands Management (VFV) Law.



## water

The central government is planning 50 large hydropower dams (expanding from 3,000 to 45,000 MW) that will flood farmlands and displace communities in ethnic states, largely to export electricity. Yet local and state governments do not have powers to decide about projects larger than 30 MW.



## coal

The national energy plan aims to increase electricity produced from coal by 28% in 15 years, despite damaging health and climate impacts. Only the central government can approve or deny large-scale mines.



## jade

Top military generals and the central government raked in an estimated US\$31 billion in revenues from jade in 2014 alone. The majority of mines are in areas under *Tatmadaw* control; licensing, sales, and regulations are controlled by the Union.

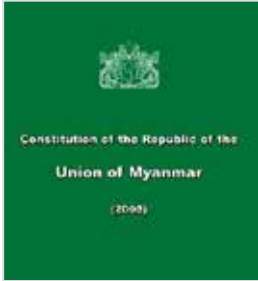


## oil&gas

Burma exports 80% of its non-renewable oil and gas. Billions of dollars in revenues are managed without transparency or oversight. Arakan State remains the second poorest despite being the source of the lucrative Shwe gas.

# STRUCTURES CENTRALISE POWER

limiting who can make decisions and who benefits



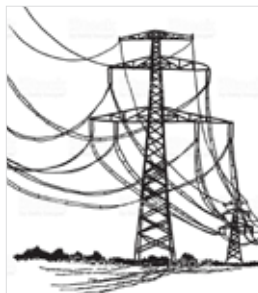
**The constitution** contradicts ethnic demands for self-determination; enshrines Union-level ownership and control of all natural resources and all major resource revenues; limits state and regional legislatures ability to enact laws to an extremely narrow list of matters; and does not allow for the election of regional level ministers.



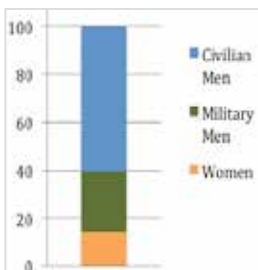
**The military** retains 25% of the national legislature and 25% of state and regional parliaments; it controls the Home and Border Affairs ministries, owns powerful businesses, and holds de facto veto power on constitutional amendment. All branches remain outside civilian control and as such abuses continue with impunity.



**The investment paradigm** gives the Myanmar Investment Commission sweeping discretion to approve investment projects with limited parliamentary oversight. There is no framework for state and regional participation in investment decisions. The 2016 Investment Law allows 50-year land leases by foreign entities, with longer leases possible in “remote regions.”



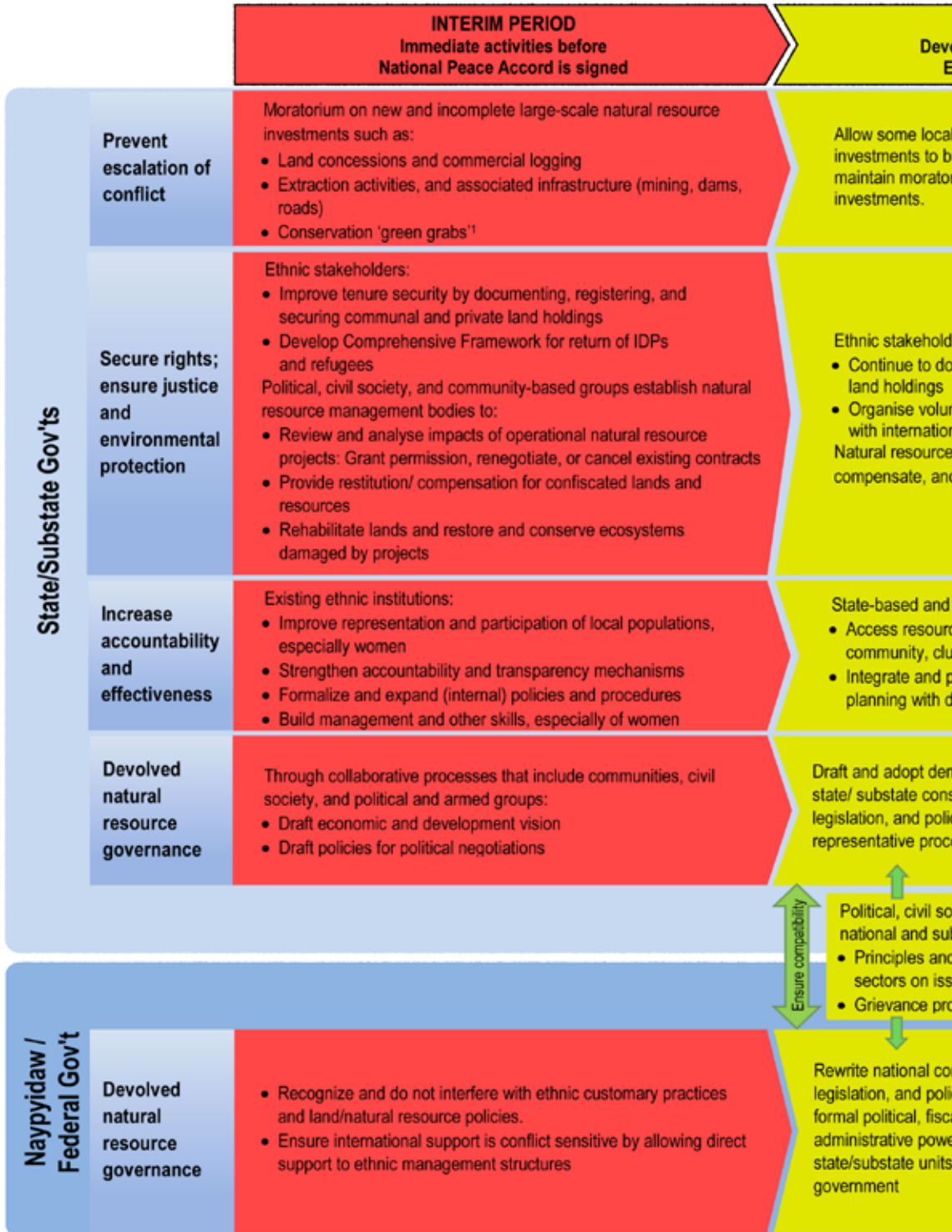
**Energy policy** is driven by international agencies, banks, and companies. It prioritises a central grid and energy export for central government revenues over community-managed rural electrification, and industrial expansion over the realities of an agriculture-based economy. Destructive hydropower projects are mainly in ethnic states, although they use only 10% of total national electricity. Up to 65% of energy output may be lost in transmission to urban centers.



**Male dominance** resulted in a parliament that had 14.5% women members in 2016 and 29 of 13,602 village tract administrators in 2015. Rural-based women are not formally represented in development decisions, leaving gender-specific impacts of natural resource projects unaddressed.

# THE ROADMAP

sequencing is critical to building a lasting peace



<sup>1</sup> Green grabs: the designation and management of large areas of land by international agencies and/or the central government that can result in displacement

<sup>3</sup> Agreed ceilings on natural resources may be required to meet national commitments (for example climate change obligations and the UDHR).



or livelihood loss by local populations; <sup>2</sup> Cluster: landscape or watershed

# PEOPLE ARE CALLING FOR CHANGE

Interim period: immediate steps can be taken before a peace accord is signed



## greater local powers

As large extractive projects continue to wreak havoc on the environment and livelihoods, people across the country are calling for greater local powers in managing natural resources. Ethnic political parties and armed groups have joined in calling for ownership, management and control to be enshrined in a federal constitution.

Elected representatives from states and regions who cannot get basic information about projects in their constituencies are also raising their voices. Whether confronting polluting mines or devastating dams, people are gathering to build a development based on their own vision and needs rather than those of the central government and investors.

## a moratorium

First, all parties must implement an immediate moratorium on all new and incomplete large-scale natural resource projects. Operational projects should be reviewed.

## non-interference

At the same time, the central government should not interfere with communities practicing customary land tenure systems or with existing ethnic land and natural resource administrative structures.

## a development vision

Meanwhile, ethnic stakeholders should strengthen existing tenure systems and protection mechanisms as they develop an economic development vision, policies, and plans around the use and management of natural resources that can be incorporated into negotiations for a national peace accord.

stop  
review  
plan

to protect rights and tenure, preserve resources, and prevent escalation of conflict

# TO DEVOLVE GOVERNANCE

Transition period: transfer functions and powers to autonomous units of government

## constitutional guarantees

Devolving constitutional powers to state and substate governments to control and manage resources and revenues will bring political, administrative, and fiscal powers down to the lowest possible levels of government.

## minimum standards

Once a national peace accord has been signed, political, civil society and community-based groups need to develop minimum standards for national and subnational natural resource management, including human rights and environmental protection.

## new legal frameworks and institutions

This will enable new federal, state, and substate constitutions, legislation, and policies to be drafted and adopted. Representative and accountable institutions can then be developed to manage natural resources and revenues at state and substate levels. These can build upon existing systems, such as:

**Customary and community management practices** that generate public participation in the creation and enforcement of regulations, which are adaptive and constantly evolving; establish rules of use, demarcate conservation areas, and protect watersheds; regulate harvest and hunting to preserve resources; and generate income for public services.



**Policies and administration** adopted and implemented by ethnic de-facto governments that recognise existing customary and community practices. These grant rights and issue land and forestry titles for individual and community resources in accordance with customary management; promote conflict sensitive approaches by addressing rights of displaced persons; and specifically address women's land rights.



devolve;  
develop  
structures

increasing representation, accountability, and effectiveness

# A LASTING SOLUTION

Implementation of devolved federal governance



## resume locally-managed investment

Once federal, state, and substate institutions and departments are able to manage land and natural resources in accordance with federal, state and substate constitutions, legislation, and economic development policies, devolved management of natural resources begins and large scale investments can resume.

## accountable and representative resource governance

All levels of government, civil society, and independent parties will monitor management, investment, and enforcement of safeguards under new federal structures, and facilitate public participation in natural resource management.

Devolved decision-making is not just good for the ethnic states. It offers stronger accountability and representation in all areas and at all levels of government. This provides opportunity for local input and control, benefits to local populations, and environmental sustainability.

## build lasting peace

Devolved management can reduce the potential for creating social tensions and conflicts over resource use, and play a key role in building a lasting peace. Devolved federal governance of natural resources will therefore not only contribute to resolving nearly 70 years of civil war, but can also create effective systems to manage natural resources for today and tomorrow.

securing a lasting peace and natural wealth for today and tomorrow

resource  
federalism

# BEWVG

Burma Environmental Working Group

full report and recommendations at: [www.bewg.org](http://www.bewg.org)

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