

## **Recommendations from Burma Civil Society on the World Bank Group's Draft Interim Strategy Note on Burma/Myanmar**

The World Bank Group's draft Interim Strategy Note and re-engagement process with Burma come at a time of fragile reforms in the country. The peace processes are still in their very early stages and require comprehensive strategy moving forward. Neither reforms nor peace processes are as far-reaching as the ISN summary suggests and have not resulted in concrete improvement in the lives of Burma's citizens. The World Bank Group must disclose the assessments it has recently conducted in the process of developing the ISN.

### **Overall Recommendations**

#### *Engagement with Non-State Actors and State- and Region-level Governments*

- Develop a comprehensive strategy on consultations including all relevant non-state groups both inside and outside the country in the process and disclose. Consultations must include civil society (both registered and unregistered) in urban centers as well as affected communities, women and other marginalized groups.
- Disclose the full text of the draft Interim Strategy Note for input from civil society and all relevant actors. The World Bank Group must also include sharing the final ISN before it is presented to the Board on October 30.
- Provide a clear plan for further consultations on all activities conducted by the World Bank Group, including timeline, location, consultation materials, and guide questions in Burmese, English and other relevant ethnic languages at least 60 days before the consultation.
- Engage with all relevant actors in the planning and carrying out all projects, including affected communities and State- and Region-level governments.

### **PILLAR I: Transforming Institutions**

#### *Strengthening the Private Sector and Public Financial Management*

- Establish clear regulations for companies concerning financial transparency, anti-corruption as well as standards on business and human rights relating to social responsibility, environment, gender and labor, so as not to strengthen and further entrench cronies and former military leaders who now control most of the private capital in the country.
- Ensure that financial transparency and accountability regulations extend to prior revenues (especially foreign exchange) in the case of state-owned enterprises such as MOGE.
- Refrain from loaning or extend cooperation to private companies unless they comply with these regulations.

- Work towards developing a culture of public consultation in public financial management institutions.

#### *Small and Medium Enterprises (SMEs) and informal economy*

- Increase focus and commitment in providing resources and building capacity for SMEs such as providing access to credit and technical assistance. Support should target the strengthening of and/or the establishment of locally owned SMEs in all ethnic and vulnerable communities.
- Conduct assessments on the informal sector as this is where the majority of small-scale business activities take place. Without doing so will render any economic analysis incomplete and could potentially have harmful effects on those who rely on informal transactions.
- Conduct assessments on the informal sector, as this is where the majority of small-scale business activities take place. The assessment must include options for extending credit access used in the microfinance sector that are appropriate to the local needs and repayment capacity of the poor, and not limited the Grameen Bank Model. Without doing so will render any economic analysis incomplete and could potentially have harmful effects on those who rely on informal transactions.

#### *Labor Rights*

- Ensure that contracts for World Bank Group projects incorporate compliance with IFC and ILO core labor standards.

#### *Support Diverse Think Tanks and Academic Institutions*

- Encourage the growth or strengthening of a wide range of independent academic and technical institutions that generate, catalyze and implement change.

#### *Forming an Effective Development Plan*

- Support groups and measures that develop capacity for public engagement in the formulation of a national development plan, related policies, legislation, and implementation mechanisms.
- Ensure that the Government formulates/reviews the national development plan, relevant legislation and policies with meaningful public participation.

#### *Public Administration Reform*

- Focus on streamlining bureaucracy and adopting clear standards such as key performance indicators in the administrative culture.
- Educate and empower the public on what they should expect in terms of process and customer service.
- Establish meaningful, user-friendly and responsive complaints mechanism.

### *Security Sector Reform*

- Focus on streamlining and professionalizing the security sector to realistically meet national needs. This includes drastic reductions in wasteful public expenditure.
- Address the on-going and institutionalized impunity that perpetuates human rights abuses, including economic crimes.

### *Access to Rural Credit*

- Establish comprehensive rural finance systems to sustain farmers, especially smallholders. This includes access to mid- and long-term credit, land tenure and abolition of arbitrary taxation and local monopolies in the supply of inputs. Microfinance, while good for high frequency traders, stall holders, etc, is not really a solution to the biggest credit problem in Burma, which is the wide-scale indebtedness of the country's cultivators. Farmers need proper rural credit - the sort that only needs to be repaid after harvest - not standard microfinance loans that require weekly repayments.
- Ensure that measures must contribute to increased capacity for farmers to diversify, including extension into processing and marketing agriculture products.

### *Rule of Law*

- Actively support the establishment of an independent judiciary and institutions that are necessary for the rule of law.
- Encourage public education on the rule of law.
- Ensure that the legislative process is transparent, clear, and open to public debate.
- These steps are essential for all people to protect their civil, political, economic and social rights, in order to not perpetuate inequity, as well as insecurity over property rights and contracts.

## **PILLAR II: Building Confidence**

### *Safety and Security of IDPs and Refugees*

- Make paramount the safety and security of IDPs and refugees in any activities implemented under this pillar.
- Prevent forced and/or involuntary repatriation as it clearly undermines universal human rights standards and will put IDPs and refugees in jeopardy.
- Ensure that risk assessments consider the security situation of the entire state/region and not limited to a certain village/township.
- Establish a broad, all-inclusive consultation strategy that includes all registered and unregistered organizations, border groups, ethnic armed groups, IDPs and refugees, experts and academics and any other relevant actors.
- Enforce international best practices and the World Bank Group's safeguard, transparency, accountability and other applicable policies.

### *Natural Resource Management*

- Refrain from engaging in natural resource management unless the World Bank Group develops its strategy on forestry, land and agriculture, energy and extractive industries. This strategy must be developed through broad consultations with all relevant actors.
- Ensure that natural resource management be structured as a part of the peace building process, and that Peace Funds support a political settlement between the Government and non-state armed groups and not exacerbate resource-based conflict.
- Ensure there is a clear articulation of the role, independence, transparency and accountability of the Myanmar Peace Center in order to avoid conflicts of interest.
- Current peace negotiators appointed by the Government lack peace building expertise or capacity. Worse still, some are businessmen who have direct conflicts of interest with the affected communities. This damages confidence-building efforts.

### *Social Impact Assessments*

- Ensure that social impact assessments are conducted according to the World Bank Group's safeguard policy, which incorporate human rights risk assessments.
- Ensure appropriate mechanisms are in place to promote information sharing and monitoring among civil society, ethnic groups and the Government.
- Adopt gender-sensitive and culturally appropriate approaches to addressing local needs among IDPs, refugees, minority groups and other vulnerable populations.

### *Community-Driven Development*

- Develop a Community-Driven Development strategy that outlines plans to provide relief and emergency assistance, civil society engagement, capacity building and strengthening, in consultation with civil society and minority groups.
- Ensure free, prior and informed consent in the development of a CDD program document. This will include a sustainability plan for turning CDD projects into a program that will strengthen the transparency and accountability of decentralised institutions.
- Carefully assess the definition of “the Model Village” and other terminology used by the Government. In the past, “the Model Village” (San Pya Ywa) as used by the Government has led to negative social, environmental impacts (poor access to basic social services, infrastructure, etc.).

## **PILLAR III: Preparing the Road Ahead**

As the World Bank Group begins to undertake a series of diagnostic work and technical assistance, it must seriously consider the prevailing situation on the ground as a result of

development projects in extractive industries, including mining, and the energy sector, including the building of hydroelectric dams. This situation includes:

- Lack of input from local communities regarding development projects in their areas, resulting in serious human rights violations including land confiscation, displacement, forced labor, limited access to humanitarian services; and negative impacts on health and livelihoods including loss of access to clean water, to agricultural and livestock grazing land.
- Greater risk of human rights violations when development projects occur in militarized areas.
- Lack of legislative protection for workers, including the curtailment of trade unions and lack of legal protection for workers' rights.
- Environmental laws and regulations lacking compliance with international standards.

#### *Recommendations: Energy Sector and Resource Extraction*

- Enforce international best practices on contract and revenue transparency including World Bank Group's transparency policies and the IMF's Code of Good Practice on Fiscal Transparency at all branches of the Government, including the military and state-owned enterprises such as MOGE. This would require the Government and state enterprises to publish revenues and subject them to parliamentary and public oversight, as well as independent auditing.
- Establish benchmarks for transparency that are agreed to by all parties before entering into deals with the Government.
- Promote transparency in the Government's procurement process, publicizing the call for and award of contracts between companies and Government.
- Refrain from engaging in the energy sector until there is a comprehensive assessment of the sector and national energy strategy established. This strategy should address the need to develop an effective institutional coordination mechanism that deals with energy policy. Currently there are five to six institutions that overlap, undermine, compete with each other, and complicate Burma's energy policy.
- Undertake an assessment of the human rights, social and environmental impacts of investment in conflict areas.

#### *Land Issues and the Agricultural Sector*

- Undertake an assessment that examines the problems under the current laws and policies, in particular, the recent agricultural land and forestry laws and the system of local land committees, which do not address issues of land tenure and confiscation. Particular attention must be paid to ensure that land issues are dealt with transparently, access to justice is available for contested land issues and that a well-developed policy is in place for this sector. The assessment must also cover the credit needs of farmers and protection for small-scale farmers.

- Refrain from engaging in land and agricultural sector until a comprehensive assessment and a land and agriculture strategy has been developed in full consultation with local communities, civil society and all relevant actors.

#### *2014 Census*

- Ensure that there is full participation of all relevant domestic actors as well as international observers the design of the 2014 census model, in line with best practices especially for conflict states, including in the development of methodologies, demographics and implementation.
- Take into consideration several historical and current complexities, including the right to self- and collective-identification, the lack of recognition of people of mixed ethnicity, and concerns over the inclusion of IDPs, refugees, migrants and other people in the diaspora.