



BASELINE ASSESSMENT REPORT PEACE AND CONFLICT

Strategic Environmental Assessment of the
Hydropower Sector in Myanmar

IN PARTNERSHIP WITH:



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ABBREVIATIONS

ACLED	Armed Conflict Location and Event Data Project
BGF	Border Guard Force
BHP	Bawgata Hydropower Project
BNI	Burma News International
CSO	Civil society organization
EAO	Ethnic armed organization
EITI	Extractive Industries Transparency Initiative
ENAC	Ethnic Nationalities Affairs Centre
ESIA	Environmental and Social Impact Assessment
IFES	International Foundation for Electoral Systems
KIO	Kachin Independence Organization
KNPP	Karen National Progress Party
KNU	Karen National Union
MATA	Myanmar Association for Transparency and Accountability
MEITI	Myanmar Extractive Industries Transparency Initiative
MIMU	Myanmar Information Management Unit
MNDAA	Myanmar National Democratic Alliance Army
NCA	Nationwide Ceasefire Agreement
NGO	National non-government organization
NLD	National League for Democracy
SEA	Strategic Environmental Assessment
SLORC	State Law and Order Restoration Council
SNLD	Shan Nationalities League for Democracy
TAF	The Asia Foundation
UCDP	Uppsala Conflict Data Program
UN	United Nations
UNFC	United Nationalities Federal Council
WLMS	World Language Mapping System

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EXECUTIVE SUMMARY

- This study presents a baseline assessment of the relationship between peace, conflict and hydropower development in Myanmar. The main issues addressed in this study concern armed disputes over governance and territory, human rights issues, and patterns of violence associated with territorial contestation.
- The study notes that Myanmar's potential hydropower resources are predominantly located in areas disproportionately occupied by ethnic minorities. Much of these areas are influenced by ethnic armed organizations, who since Myanmar's independence have been engaged in armed struggle against the state over questions of autonomy, territory and rights.
- Conflict in Myanmar takes various forms. This study focuses primarily on armed political conflict between the Myanmar army and ethnic armed organizations, which has increased since 2011 to levels not seen since the late 1980s. Current conflict levels pose significant challenges to Myanmar's continued political and economic development, including the hydropower sector.
- Current conflict dynamics in Kachin and northern Shan states directly threaten the viability of several proposed hydropower developments. Historical conflict also poses challenges for hydropower development, inducing complicating factors related to historical displacement of populations, landmine contamination, and threats to the sustainability of peace agreements. In the eyes of many surveyed for this assessment, hydropower according to the 'business as usual' model is a significant threat to peace.
- The predominant mode of hydropower development under former administrations - the so-called legacy model - has exacerbated ethnic minority grievances against the state and contributed to staunch public opposition to hydropower development. Case studies from Kachin, Shan, Kayah and Karen States present examples of past abuses and resulting community grievances.
- This paper presents sustainability objectives, impact assessment parameters, and indicators related to each of the theme's key issues. These will inform the later vulnerability and impact assessment publications of the Strategic Environmental Assessment (SEA).
- Links between hydropower and Myanmar's peace process are presented, including examples of how responsible hydropower development is supporting peace rather than inducing conflict in conflict-affected areas.
- Trend analyses are included, which are challenging for unpredictable political and conflict factors, but point to the continuation of armed contests over territory and human rights abuses, based on comparison between past political and conflict patterns and current trajectories.
- The study is based on literature review, key informant interviews, spatial analysis, and consultations with hydropower-affected communities, civil society organizations, conflict experts, and ethnic armed organizations in Myanmar and on the Thailand border. Data limitations are presented, which limit thematic and geospatial analysis. The study has been unable to review all relevant policies and plans of state and non-state stakeholders.

1. SCOPE OF THE PEACE AND CONFLICT COMPONENT OF THE SEA

1.1 Scope of the study

This study explores the effects that armed conflict has on hydropower development, and inversely, the impacts that armed conflict has on hydropower development. It is one of eight dimensions affecting hydropower development in Myanmar. More specifically, this component of the SEA seeks to understand the issues that give rise to and result from patterns of ethno-political conflict in Myanmar; to understand the processes that support political stability and sustainable peace; and to trace historical trends in these issues and project how they might change under different future hydropower development scenarios. The scenarios to be considered include:

- Armed conflict and/or political progress towards sustainable peace in the absence of hydropower;
- Armed conflict and/or political progress towards sustainable peace including hydropower development as described in the ‘Business as Usual’ scenario; and,
- Armed conflict and/or political progress towards sustainable peace including hydropower development, under a revised scenario which aims to minimize negative impacts and maximize sustainability;

1.2 Geographic/spatial extent of the study

The peace and conflict component of the SEA will focus primarily on geographies of potential hydropower development associated with historical or contemporary patterns of political armed conflict (Figure 3.4, 10). These include Kachin State (north, east, south), Shan State (north, east, south), Kayah State, Kayah State, and East Bago Region. Proposed hydropower developments in Chin and Rakhine States are also impacted by the issues addressed under this theme, though they have historically experienced relatively little armed conflict. Together, these administrative divisions approximately map to the upper Ayerwaddy, upper, middle and lower Thanlwin, Mekong, and Chindwin river basins.

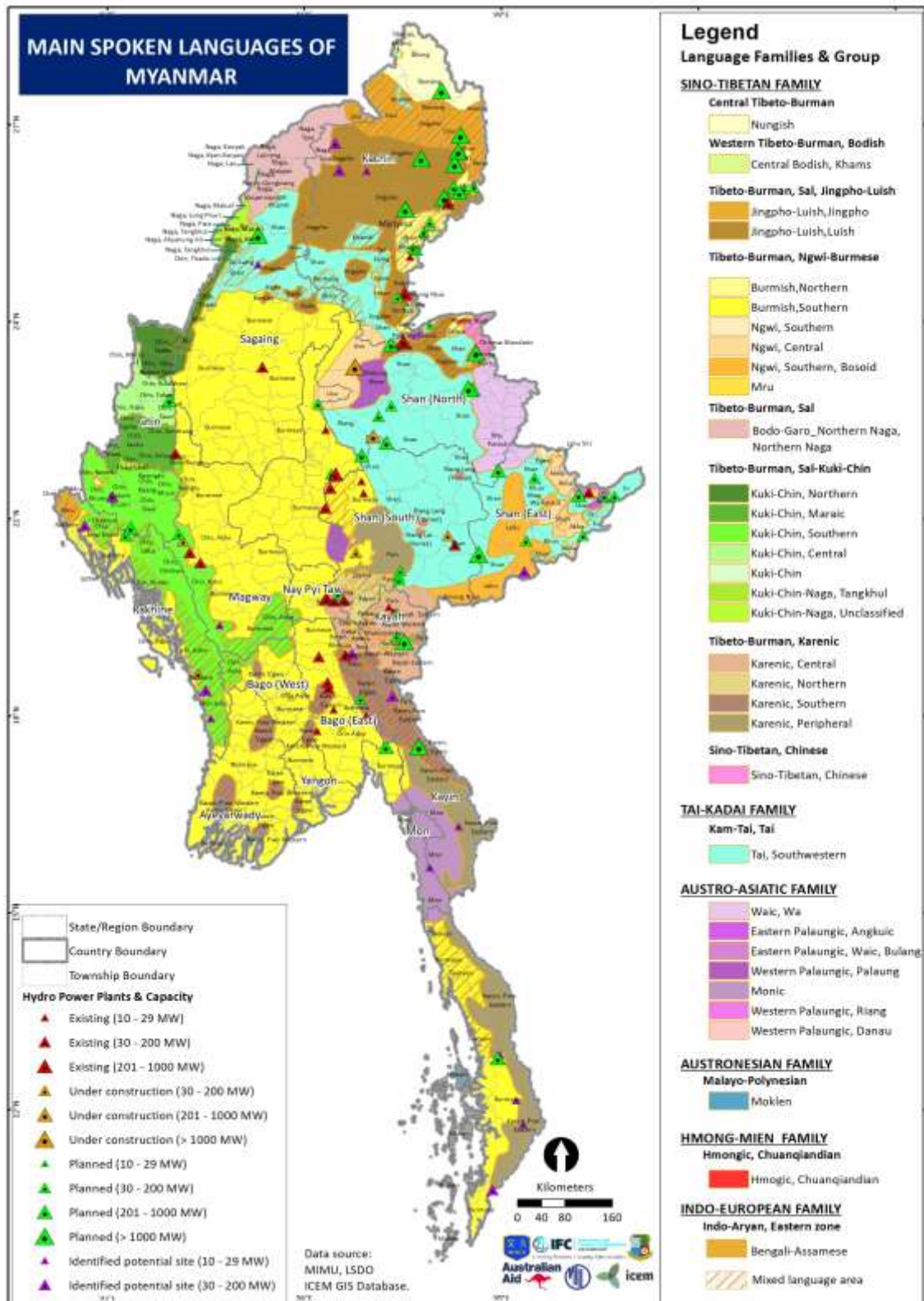
1.3 Defining peace and conflict

This study focuses primarily on armed ethno-political conflict, which concerns the stakeholders and issues associated with Myanmar’s civil war. Proposed hydropower developments are located to a large extent in areas concentrated with ethnic-minority¹ populated locations (Figure 1.1), and align with the political, social and military issues of the peace process. Some elements of ‘state-society conflict’ are also included in this study. This conflict typology has manifested historically in civilian protests, which have sometimes been associated with crackdowns. ‘Intercommunal conflict’, which is most commonly characterized by tensions and/or violence between communities of Buddhist and Islamic identity, will not be included in this study unless further evidence reveals connections with the associated actors, geographies and underlying issues relevant to hydropower development. Conflict for the purposes of this study is defined as serious disagreements between societal groups, which can become politicized and linked to ethnic identities. Violence occurs in the absence of peaceful means of arbitrating disagreements. For the purposes of this study, peace means more than the absence of violence via coercive means; but just social and political orders that generate peaceful social relations.

The following graphic depicts the majority ethno-linguistic group according to geography, overlaid with current and proposed hydropower development projects. Ethno-linguistic categories are used as a proxy measure Myanmar’s ethnic geography, in the absence of data (e.g. census data) that would depict ethnic geography based on how citizens self-identify.

¹ In Myanmar, ethnic minorities typically self-identify in English as “ethnic nationalities”. For the purposes of this study, “ethnic” typically refers to Myanmar’s ethnic minorities, many (but not all) of whom are explicitly or implicitly represented by armed (i.e. ethnic armed organizations) or unarmed (i.e. ethnic political parties or civil society organizations) political or social organizations. This is not to say that political or social organizations that do not explicitly identify as “ethnic” do not represent the interests of Myanmar’s ethnic minorities.

Figure 1.1: Ethno-linguistic groups and hydropower projects²



1.4 Issues associated with this theme

² Source: World Language Mapping System (WLMS); Myanmar Information Management Unit (MIMU).

Because stakeholders to Myanmar's peace and conflict processes (and their constituencies) characterize and assign importance to underlying issues of armed conflict differently, this study presents multiple perspectives, rather than seeking to articulate a singular or definitive 'conflict narrative'. The intent is cover the following issues:

- **Armed political disputes over governance and territory.** Seen from an ethnic minority perspective, armed conflict is linked to the inclusivity of national government structures and the degree to which state building and political peacebuilding processes incorporate ethno-political concerns. Seen from a central governing perspective, continuing armed conflict is linked to a need to extend and maintain governance and rule of law into the country's peripheries, which allows stabilization and economic and social development in conflict-affected areas.
- **Issues related to equality and human rights,** which includes the rights of all citizens, with particular attention to claims to ethnic minority claims to self-determination, social justice, and environmental justice. Human rights abuses have been experienced historically by much of the Myanmar population, but disproportionately so by ethnic minority and conflict-affected communities.
- **Patterns of violent conflict associated with territorial contestation,** including incidents of armed violence, protests, displacement, and natural resource disputes.

1.5 Temporal scope

The historical roots of Myanmar's conflicts pre-date the colonial period. In articulating issues associated with political and territorial contests and rights claims, this study traces developments from the post second world war period to the current day. The exploration of patterns of conflict and issues related to insecurity is more recent, from the late 1980s to the current day.

1.6 Linkages with other themes

Patterns of armed conflict and the insecurity it engenders has negative impacts on livelihoods and poverty in conflict affected areas of the country. Multiple themes - including land use, agriculture, forestry and mining, biodiversity and protected areas, fisheries and aquatic ecology - intersect with the peace and conflict theme because they concern rights-based claims to resources and practices within geographies of cultural importance to ethnic minorities. Agriculture, forestry, and mining also serve as drivers of armed conflict in geographies where these resources are contested, or provide income for conflict actors.

2. ASSESSMENT METHODOLOGY

The study methodology for the peace and conflict theme includes the following:

2.1 Literature review

A literature review was conducted of conflict assessments, official documentation including the 2008 constitution and Energy Master Plan, the Nationwide Ceasefire Agreement (NCA), and research reports on peace process topics, natural resources, and contested governance. The potential literature that could be surveyed for this study is vast, and has not been covered entirely. Limitations of the study are later described, as are some (but not all) additional and relevant sources and research/policy processes.

2.2 Key informant interviews

A series of interviews were conducted for this baseline. Interviews focussed on representatives of ethnic armed organizations and ethnic civil society organizations in particular, political parties, affected communities (in the case of the planned Bawgata and existing Shwe Gyin projects) and local and international non-government organizations more peripherally. These interviews (which sometimes took the form of more informal conversations, or focus groups) took place in the context of wider consultations in multiple locations, which included Chiang Mai (Thailand, multiple consultations), Mae Sot (Thailand), Kyauk Kyi, Mytikina, and Taunggyi. The geographical and stakeholder focus of these interviews were selected for specific relevance to the conflict theme, and also as these interviewees are less likely to be extensively canvassed during wider SEA consultations.

2.3 Spatial analysis

Geographical analysis is used to illustrate Myanmar's ethnic, political and conflict geography. GIS tools have been used to depict the electoral landscape, ethno-linguistic geography, historical and contemporary conflict patterns, land mine contamination, and geographies of government control and armed group influence. These spatial analyses are overlaid with existing and proposed hydropower developments to illustrate possible implications for the issues in this theme. In lieu of ethnicity data from the 2014 Myanmar Census, the geography of ethno-linguistic groups is used as a proxy. This data is from the World Language Mapping System (WLMS), and is mapped by the Myanmar Information Management Unit (MIMU). Historical conflict data estimating battlefield deaths is sourced from the Uppsala Conflict Data Program (UCDP). Data on conflict incidents (location and timing) is from aggregated media reporting compiled by Burma News International (BNI) and the Armed Conflict Location and Event Data (ACLED) Project. Spatial data related to the geographies influenced by non-state armed groups is sourced from The Asia Foundation (TAF).

2.4 Existing/pending studies and activities relevant to this theme

Relevant studies and activities that will inform the peace and conflict component of the SEA include:

The nationwide ceasefire (NCA) process. Armed conflict is most prevalent in geographies influenced by ethnic armed organizations who have not signed the NCA, including in areas located close to hydropower developments. The Tatmadaw has been conducting heavy offensives in Kachin and Shan States since 2011, while a range of ethnic armed organizations have fought offensive and defensive mostly guerrilla operations in these same areas. The regularity, geography, and intensity of armed conflict into the future is likely to be affected by which groups do or do not sign the NCA. This is not to imply that conflict is driven by non-signatories unwillingness to the NCA, only that conflict tends to be higher in areas not under the ceasefire.

National and subnational political dialog processes (the Panglong Conference and national dialogs) will likely impact this theme. Hydropower development is linked to negotiations in these political dialogs, which cover political, security, social, natural resource, and economic issues. The policy proposals put forward by stakeholders in these dialogs, and the outcomes they negotiate, will likely produce suggestions for hydropower risk mitigation and sustainable development pathways. Though

the longer term is far less certain, this dialog process may lead to constitutional and legislative changes that hydropower developments would be required to adhere to.

A range of civil society and political organizations, particularly those that focus on ethnic minority concerns, have for some years worked on policy and advocacy proposals relevant to this study. The resulting proposals and policies have increasing relevance as the peace process matures, insofar as they represent ethnic principles and policy positions that could help re-shape hydropower development pathways to better align with the country's peace process. The Burma Environmental Working Group, which is a coalition of ethnic environmental and social organisations, is planning to release policy guidance on questions of resource sharing in the second half of 2017. The Kachin Development Networking Group has released a range of publications over more than a decade related specifically to hydropower and questions of natural resource development in Kachin State more broadly. These are a small sample of a much broader range of research and policy proposals in development by geographically and ethnically focused organizations.

The Ethnic Nationalities Affairs Centre (ENAC), which is a research and policy institute aligned with ethnic armed organisations, made sectoral policy recommendations for building a federal democratic union. The chapter on natural resource policy in particular has relevance to hydropower, and may provide some basis for thematic policy positions of ethnic armed groups in the peace process. ENAC is also working on an energy policy, which like its other policies, is developed based on extensive consultative processes with ethnic armed organizations, civil society organizations, and ethnic communities.

In May 2017 the Union Peace Dialog Joint Committee, a joint decision-making body of the Myanmar peace process, agreed that states would be able to draft their own constitutions. Although the timeline for drafting state-based constitutions is unlikely to be near term, if they are drafted they could conceivably have impacts on hydropower development, including, for example only, the extent to which decision making and benefits are decentralized.

The Asia Foundation (TAF) is undertaking a research process in 2016 and 2017 that will provide more robust and granular data related to contested governance, conflict and associated incidents and indicators at a township level. Preliminary reporting is expected in August 2017.

The Norwegian government is supporting the Karen National Union (KNU), an ethnic armed organization, to conduct feasibility studies for the Bawgata Hydropower Project, in a manner that supports the KNU's role in the peace process and the aspirations of Karen communities. The Norwegian government is exploring whether similar models of ethnic decision-making and ownership, benefit sharing, and social/environmental responsibility are of interest to ethnic minority communities in other geographies slated for proposed hydropower developments.

2.5 Stakeholder consultations

Small scale consultations under the peace and conflict theme have taken place in Mytikina, Mae Sot (Thailand), and Chiang Mai (Thailand), Taunggyi, and Kyauk Kyi. These consultations were intended to reach stakeholders and canvass topics outside the scope of other SEA consultations. Consultations were not held with refugees who were forcibly displaced due to conflict from areas where hydropower projects have been proposed, but consultations in Mae Sot and Chiang Mai included discussions with civil society representatives who raised the concerns of these communities. Discussion topics included:

- The relationship between existing and proposed hydropower developments and issues related to ethno-political conflict (the civil war).
- The difference between localized and broader (e.g. political) implications of hydropower development in ethnic minority areas.
- Geographies of more/less conflict risk in relation to hydropower development.
- Trends in relation to hydropower development under the military government, transition government, and civilian government.

- Implications of hydropower development for the peace process, including how risks can be mitigated, and/or positive peacebuilding outcomes maximized.
What differences from the status quo would be required for local communities to support hydropower development (if possible).

2.6 Limitations and gaps in existing information and analysis

Analysis related to the peace and conflict theme is problematic because of different perspectives between stakeholders on which data/issues should be prioritized, and how data should be interpreted, when trying to understand the causes of conflict. Similarly, the goals and means of achieving sustainable peace accords are yet to be agreed between stakeholders. Though there are numerous analyses and proposals related to the issues in this theme, they must be interpreted with caution so as to not bias the perspectives of some stakeholders at the expense of others. Every effort has been made to present unbiased views of historical and current issues.

This study has had insufficient time to review the extensive breadth of government and non-government laws and policies related to the issues of this theme. Data on ethnic composition and geography in from the 2014 census was not available. The geography of ethno-linguistic groups have instead been used as a proxy measure. Official Environmental and Social Impact Assessment (ESIA) data could not be located for some projects mentioned in case studies. In these instances, research reports from civil society organizations were used to approximate data.

Conflict data preceding 2011 relies on *estimates of battlefield casualties*.³ Both historical and contemporary conflict data lacks verification mechanisms and might be subject to inaccuracies. Exact estimates of battlefield casualties have been omitted as their accuracy cannot be verified, either because alternative data sources are not available, or because they come from the conflict parties themselves, who may have incentives to under or over report their own and others' casualties.

The availability of data on *incidents of armed violence* and its impacts has increased since 2011. This data has weaknesses insofar as it does not disaggregate different conflict types (e.g. armed ethno-political conflict, intercommunal violence, or protests). Nor does it differentiate between different conflict intensities, so for example a brief exchange of gun fire or a day long military offensive involving multiple casualties would both be coded as one conflict incident.

Data for this study post 2011 combines both the aforementioned battlefield casualty estimates, as well as the number of media reported conflict incidents.⁴ A case could be made that the increasing number of reported conflict incidents, corrected for duplications, might reflect the increasing ability for journalists to report on conflict following the lifting of internal censorship in 2012. A counter argument could be made, however, that border based and exile media (who operated outside of the country and could not be censored) accurately reported on the number of conflict incidents anyway, negating any change in the frequency that conflict incidents were reported due to increasing media access.

Rather than being seen as a reliable estimate of actual casualties or conflict incidents, both sources of data are useful as means of determining general trends in conflict intensity and geography. This usage is robust, insofar as both data sources arrive at the same trends using alternative and independent primary sources⁵ and methodologies.

In relation to equality and human rights issues identified under this theme, there is a lack of data sources on human rights violations that can be disaggregated sub nationally to discern geographical patterns relevant to hydropower development. National analyses of the human rights situation are referred to, as well as thematic or geography specific reporting. For the vulnerability and project impact assessments introduced later, which are the subject of the next report in the SEA process,

³ Source: Uppsala Conflict Data Program (UCDP).

⁴ Source: Burma News International (BNI). Mmpeacemonitor.org

⁵ BNI relies solely on online media reporting of conflict, while UDCP estimates battlefield deaths based on combining reporting of news agencies, journals, research reports, and documents of international and multinational organizations and NGOs. This includes documents of the warring parties (governments and opposition organizations) when such sources are available.

population displacement data is used as a proxy measure for historical human rights abuses, while rates of landmine contamination and casualties is employed as one criteria in determining projects' potential conflict implications.

Although consultations and literature review have revealed consistent and widespread opposition to hydropower development, particularly in ethnic minority areas, the study did not benefit from a data source that could reliably quantify this opposition or disaggregate it in relation to particular geographies or projects.

3. ISSUES RELATED TO THE PEACE AND CONFLICT THEME

3.1 Ethnic and democracy dimensions of conflict and state building

Conflict in Myanmar since the Second World War has been influenced by repeated failures to produce stable governance arrangements that incorporate the interests of a broad coalition of ethno-political stakeholders. Historical and contemporary stakeholders and state building processes have disagreed on the centralization or decentralization of power, and the degree to which territorial, governance and rights claims of various ethno-political and majoritarian stakeholders should be incorporated. Proposed hydropower developments intersect with these historical challenges as they concern who has the right to govern decision-making, and benefit from development in various subnational geographies.

Seen through a historical lens, the democratization process concerns which political stakeholders can legitimately administer government-controlled areas of the country. Compared to ethnic insurgencies, the ‘democracy movement’ has been mostly non-violent.

The civil war has been fought over ethnic minorities’ territorial and rights-based claims to territory and autonomy within the Union of Myanmar. Conversely from a state-centric perspective, armed conflict results from a challenge to ensure security, stable governance, economic development, and a viable social contract throughout the country. Contested governance is geographically relevant to proposed hydropower developments, insofar as contested geographies largely correlate with areas slated for hydropower development.

The thematic substance of contested governance is diverse, including the right to self-determination, cultural and religious freedoms, access to and benefits from resources, and the legitimacy to tax citizens and provide services. The size of contested territory, degree of desired autonomy, levels of popular support for illegal and legal political movements, and intensity of conflict differs widely according to geography and associated ethnic armed organizations. Ethnic political parties also pursue political goals stemming from contested governance.

3.2 Historical overview of state building processes

This brief review helps situate the current contests over governance, territory and rights, and their implications for hydropower:

The early democratic period and ethno-political unity: Ethnic unity traces its post-independence origins to the 1947 Panglong Agreement, in which Chin, Kachin, and Shan leaders agreed to join the ‘Union of Burma’ with guarantees to ethnic equality, limited autonomy from central rule, and the right of secession. Several non-Burman ethnic groups (Karen, Karenni, Mon, Arakan, Wa and Kokang) had similar goals for autonomy, but did not participate at Panglong. The 1948 constitution fell short of Karen, Pa-O, Mon, Chin, and Arakan aspirations, which soon fostered armed movements in relation to these grievances. Kachin and Shan insurgencies gained momentum in the 1960s, around the same time that the non-violent Federalist Movement was engaged in talks with the Union Government on the idea of a Bamar State with equal powers to ethnic states.

Military centralization of power: In March 1962, the military seized power amidst fears that ethnic autonomy claims were risking disintegration of the Union. Democratically elected leaders were disposed, centralising power in the hands of the newly created Union Revolutionary Council. Moves to establish Arakan and Mon States were abolished, as were the governments in Kachin, Shan, Kayah, Chin and Karen States. The military government adopted nationalist, populist policies that maintained Buddhism as the state religion, forbade education in ethnic minority languages, and silenced ethnic minority historical narratives. New ethnic armed movements were established in the years following 1962, while the ranks of existing ethnic armed organizations grew considerably. The 1974 constitution further centralized power, making clear that the seven newly created ethnic states had no political or administrative autonomy.

Non-state sub-national governance: Beginning in the 1950s, some ethnic armed organizations developed their own administrative structures and policies, and began to provide services to populations in the areas under their control. The services provided and geographic scope has varied significantly over time depending upon the organization. The Kachin Independence Organization (KIO), which administers schools and hospitals among other services, generates revenue from one hydropower dam in its territory.

1988 uprisings and the 1990 elections: In 1988 nationwide popular uprisings were brutally suppressed by security forces, precipitating another military coup that gave birth to the State Law and Order Restoration Council (SLORC). The SLORC presided over the 1990 elections, in which 80% of seats were won by the National League for Democracy (NLD), but the results were annulled by the SLORC and many democracy leaders and student protestors were imprisoned, went into exile, or joined insurgency movements.

Ceasefire agreements from 1988 to 2008: When the SLORC took power, large parts of the country's north and east were under non-state control. Between 1989 and 1995 16 agreements were reached with ethnic armed organizations that granted them autonomy in designated areas. A further 17 agreements were reached with splinter groups through to 2008, which did not provide for autonomous territory. The geography of autonomous regions from these ceasefires has shifted significantly to the present day, though most of the signatory organizations (or their contemporary counterparts) still maintain partial or exclusive influence in these geographies.

The national convention and the 2008 constitution: The SLORC called a national convention process in 1993 to draft a new constitution. The process was suspended in 1996 when it was boycotted by the NLD based on claims that it was undemocratic. The convention began again in 2004 without the NLD. Demands from ethnic political parties and joint proposals from 13 ethnic armed organizations with ceasefire agreements for devolved authority to future state assemblies were rejected. In 2008 the new constitution was adopted. The 2008 constitution maintained highly centralized decision-making and fell well short of ethnic minority demands. The inability of ethnic minority communities and the ethnic political stakeholders that represent them to influence central decisions is relevant to disputes over hydropower developments in ethnic minority areas. Whether via the peace process or through parliament, ethnic opposition to proposed hydropower developments and grievances over legacy issues of existing projects have yet to find a voice in the political process.

Patterns of natural resource exploitation: exploitation of natural resources in ethnic minority populated areas intersects with contested claims to governance, territory and rights, and has acted as a driver of conflict in the absence of transparency, regulation, and mutually agreeable settlement of these claims.

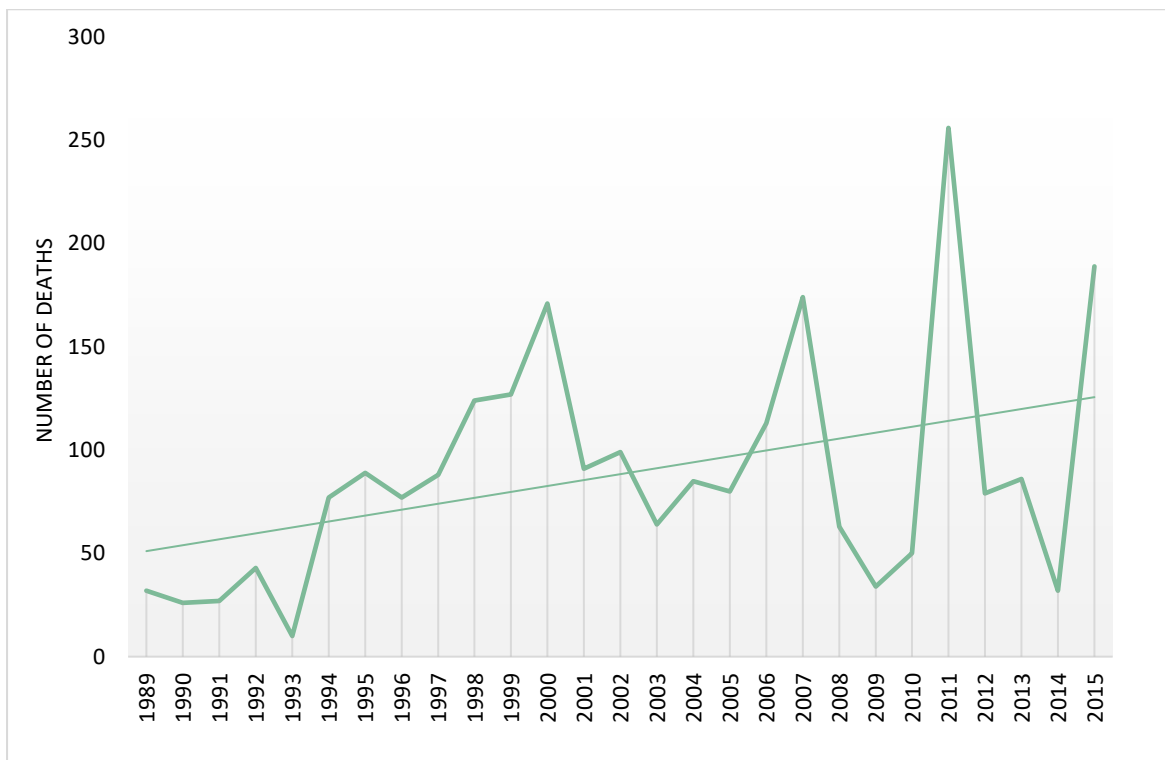
Economic exploitation of ceasefire territories: the ceasefires signed between 1989 and 1995 led to a significant reduction in conflict intensity in the country's north and east. This enabled a vast expansion in the exploitation of natural resources, facilitated by increased government concession granting, investment and modernization of capital intensive sectors, and modernization and stabilization of trade corridors. This period also witnessed significant militarization of Kachin State by Myanmar's armed forces. The exploitation of Kachin State's jade since the 1994 ceasefire agreement between the Kachin Independence Organization (KIO) and the Myanmar Army has been especially lucrative, although forestry, gold, and agriculture have also figured prominently, while pipelines have been laid from Rakhine State through northern Shan State that supply oil and gas into China's Yunnan Province. Several concessions for proposed hydropower developments, including the Myitsone dam⁶, would likely not have been possible without these ceasefires. The irresponsible model of development these ceasefires engendered remains a grievance for ethnic communities, and there are widespread concerns that the same patterns of irresponsible development - including in relation to hydropower - will undermine the current peace process.

⁶ The Myitsone dam is a hydropower project at the confluence of the Mali and N'Mai rivers in Kachin State. The controversial development was strongly opposed by both ethnic and majority public, civil society, and political movements, and was suspended by the Thein Sein administration in 2011. The elected National League for Democracy (NLD) government commissioned a review of the project after taking office in 2015, but as of May 2017 had not released findings related to the project's future.

Ethnic minority concerns regarding natural resources: ethnic minority populations have a range of grievances regarding natural resource practices. Insecurity and weak rule of law in ceasefire and conflict affected areas has engendered relatively destructive forms of natural resource exploitation in legal sectors, characterized by land-grabbing/forced displacement of communities, militarization and harassment of civilians by security forces, and environmental degradation. Ethnic communities feel aggrieved at destruction or usurpation of resources and cultural heritage that they claim historical rights to, with very little opportunity to influence or participate in decision-making, or share in benefits. These grievances are borne out in legacy issues related to hydropower development.

Historical patterns of violence: post-independence state-society conflict (in the form of unarmed protests and crackdowns) has been a nationwide phenomenon, centered on urban areas, and focused in several short-lived periods (e.g. 1962, 1974, 1988, 2007). In contrast, ethno-political (civil war) violence has been characterized by sustained, armed low to high intensity conflict⁷, primarily in the country’s border areas, particularly the north, east, and south east. Figure 3.1 estimates battlefield casualties from 1989-2015, and confirms other data sources that suggest that Myanmar is experiences more armed conflict that at any time since the late 1980s. Figure 3.2 illustrates the shifting geographical patterns of armed conflict in this period.

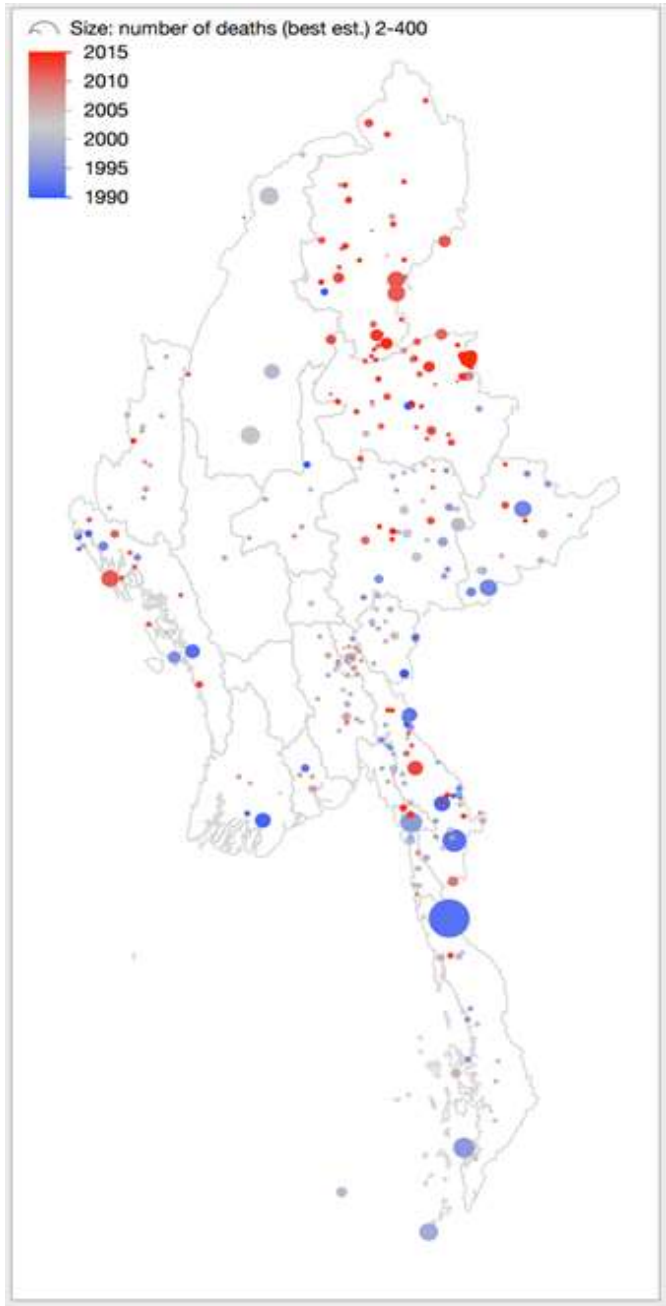
Figure 3.1: Estimated casualties from conflict incidents 1989 - 2015⁸



⁷ Definitions for conflict intensity from the Heidelberg Institute for International Conflict Research Conflict Barometer Program are used.

⁸ Source: Uppsala Conflict Data Program. Exact casualty figures omitted due to impossibility of verifying estimates.

Figure 3.2: 1990-2015 Estimated Armed Violence Deaths by geography⁹



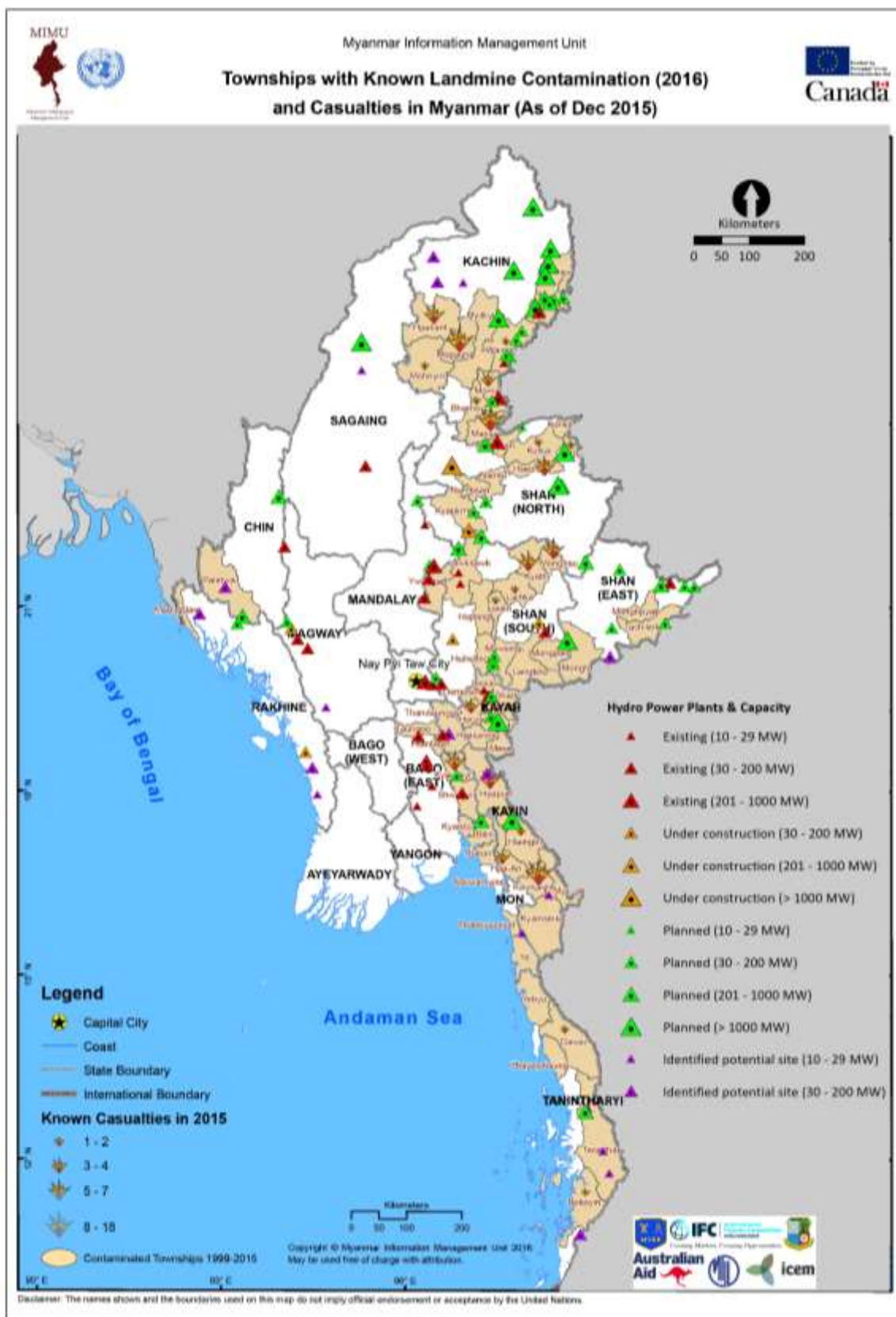
The shifting geography of armed conflict in Myanmar's recent history, from primarily south-east in 1989-2011, to primarily north-east since 2011, underscores that historical as well as more recent conflict trends should be considered in assessing the sustainability of proposed hydropower developments. Areas of the country (i.e. the south east) that are currently under the Nationwide Ceasefire Agreement (NCA) are currently peaceful, but history suggests that peace may not be assured in the absence of comprehensive political settlements. The relevance of the current peace process, including the NCA and further negotiations of the current peace process, is described in section 4.

Furthermore, proposed hydropower developments in 'peaceful' areas are still insecure, as there is no guarantee that ceasefires will be maintained, and historical legacies of conflict still present risks.

Figure 3.3 overlays density of landmine contamination with sites of proposed hydropower projects. Figure 3.4 overlays human displacement with proposed hydropower development. As of July 2014, the numbers of internally displaced people totaled more than 600,000 people, approximately 400,000 of which were in the south east, approximately 100,000 in the north east (since 2011) and approximately 140,000 in Rakhine State (since 2012). Hydropower development is not directly linked to this displacement in the vast majority of cases, though as described in section 4, there are numerous direct and indirect links between hydropower and armed conflict-related challenges.

⁹ Source: Uppsala Conflict Data Program.

Figure 3.3: 2015 landmine contamination and hydropower projects¹⁰



¹⁰ Source: Myanmar Information Management Unit; Landmine Cluster and Munition Monitor.

3.3 Implications for hydropower:

Existing hydropower projects and concessions for proposed projects were granted by an unelected military regime, with little or no input from affected communities or the political stakeholders that represent their interests. Concessions in some but not all instances were granted to companies with close ties to the military, in arrangements that offer little benefits to local populations, while imposing significant environmental and social burdens. This “legacy model” of hydropower fuels wider ethnic minority grievances regarding social and environmental injustices, or limited opportunities for decision-making and benefit in geographies of hydropower development. The legacy model - which has at times required military clearance operations and forced relocations - is associated with an increased risk of armed conflict, displacement and abuse of populations, and land mine contamination.

It’s important to note that the “legacy model” is not only historical, but is embodied in some current hydropower projects. These projects, the agreements for which were largely made with little transparency despite significant potential impacts on local populations, shape the prevailing anti-hydropower view of ethnic populations by and large. As one interviewee stated during the Karen consultations for this study, “there is little benefit in having one small good project, when down the road we have a very bad, very large one”.

Several areas of the country slated for hydropower development have been sites of substantial population displacement due to armed conflict. Some of this displacement is historical, such as in the south east and southern Shan State in the 1990s and 2000s, while some is more recent, such as in Kachin and northern Shan since 2011 (Figure 3.4). Population displacement poses significant challenges for hydropower development, because not all people with claims to territory and livelihoods potentially affected by hydropower still live there, but may wish to return when peaceful conditions allow. For the most part, these people do not have legal title over the lands that they were forced to leave, and cannot be easily be consulted regarding proposed hydropower developments in the areas they still claim as home. This study has found no evidence of efforts to consult with refugees or internally displaced people that formerly resided in areas under hydropower development.

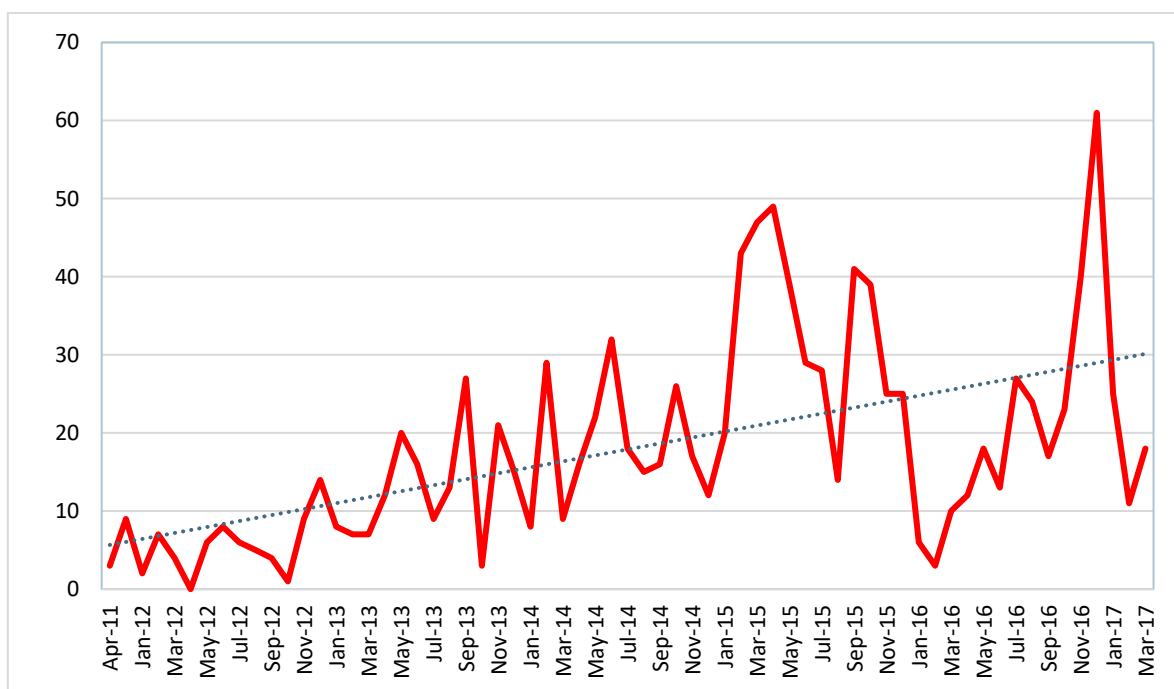
The spatial analysis of the present study confirms the geographical linkages between proposed hydropower developments and issues related to ethnicity (Figure 1.1) and armed ethno-political conflict incidence (Figure 4.2). Spatial analysis and consultations underscore the reality that hydropower projects are proposed in contested areas, whether under ceasefires or not, with relatively insecure conditions, and legacies of conflict, including landmine contamination, which proposes a material threat to hydropower development processes. Landmine contamination is introduced later in this study as an indicator of potential risk for developing specific projects. Further studies are needed that provide a more granular analysis of the intersections between alternative possible forms of hydropower development, and intersections with not only with conflict risks, but potential peacebuilding strategies as part of or in parallel to Myanmar’s peace process.

4. CURRENT STATUS OF ISSUES

4.1 Armed Conflict

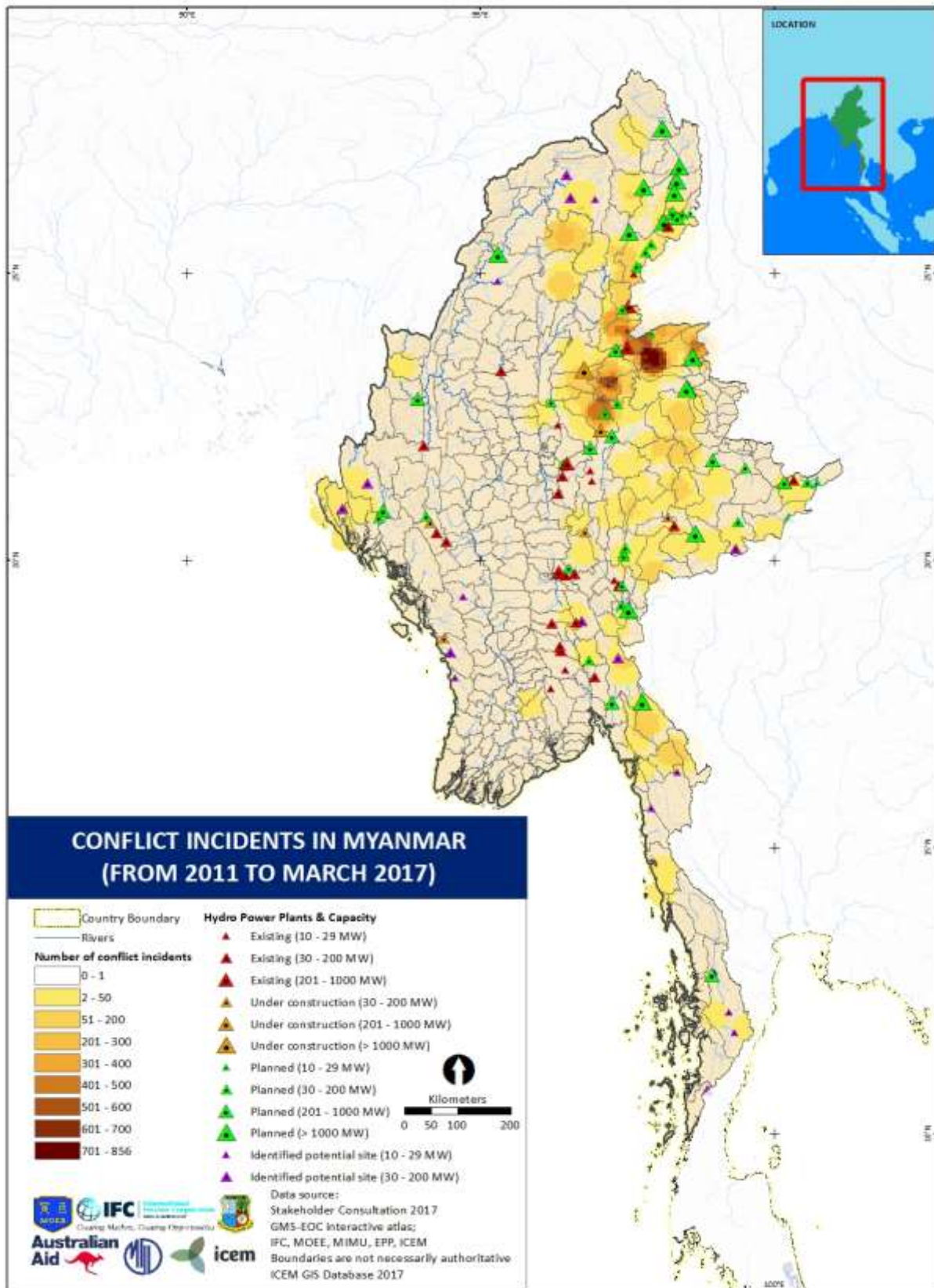
Armed conflict has however escalated since 2011, and threatens the country’s political, social and economic progress: The breakdown of the 17-year ceasefire agreement between the Myanmar army and the Kachin Independence Organization (KIO) in 2011 began a period of renewed violence that has escalated to levels not seen since the late 1990s (Figure 4.1). The reasons for the resumption of violence are complex, but include the KIO’s refusal to integrate into the Myanmar Army as a Border Guard Force (BGF), and the Myanmar Army’s desire to secure lucrative natural resources and transport corridors to neighbouring countries. Several KIO allies have become involved in the conflict since 2011, widening the geographic scope and impact of the conflict. The intensity of the conflict has been very heavy at times, including regular use of airborne assets, artillery bombardment, and displacement of approximately 100,000 people in Kachin and Shan States, the majority of which do not have access to international humanitarian assistance. The Myanmar army has taken significant territory formerly held by the KIO during this period, but has been confronted by several allies of the ‘Northern Alliance’ which remain influential over large areas in southern Kachin and northern Shan States. The scale of violence has damaged trust between protagonists, lead some ethnic armed organizations to question the credibility of the peace process, while other stakeholders view NCA non-signatories reluctance to sign as belligerent, and a missed opportunity to pursue their goals from within the political fold. Contrary to some perceptions that Myanmar is a post-conflict country, the data sources in this indicate that armed conflict is at its highest level over the last year than at any time since the late 1980s. Figure 4.2 reveals the concentration of more recent conflict in Kachin and northern Shan States, with notable instances of violence also in the south east and in Rakhine State (mostly intercommunal rather than ethno-political conflict).

Figure 4.1: Media reported conflict incidents per month from 2011-2017¹¹



¹¹ Source: Burma News International. www.mmpeacemonitor.org. Data is not disaggregated between ethno-political conflict, and intercommunal conflict.

Figure 4.2: 2011-2016 geography of media reported conflict incidents and hydropower projects¹²



¹² Source: Burma News International. www.mmpeacemonitor.org. Data is not disaggregated between ethno-political conflict, and intercommunal conflict.

Natural resource exploitation is linked to armed violence, including hydropower development.

Continued armed conflict in the country's north undermines the rule of law and allows for natural resource exploitation that has damaging social and environmental impacts. Military stakeholders on both sides of the conflict in Kachin State benefit from extraction of the state's rich jade resources, which provides a means of maintaining insurgency, and provides incentives for ongoing militarization and conflict within these geographies. Forestry and other natural resources play similar but less influential roles. Hydropower projects, particularly mega-dams whose concessions were granted under the former military government, have been flashpoints of public resistance in conflict-affected and ethnic minority areas. Media reporting has made clear associations between armed conflict and the Hat Gyi and Mong Ton projects, while spatial analysis of conflict patterns from 2011-2016 suggests conflict in close proximity to a range of additional projects (Figure 4.2). The viability of ceasefire agreement in the south east is also threatened by increased natural resource exploitation, which is also associated with adverse social and environmental impacts, increased army presence, and public opposition, including in relation to hydropower projects.

This pattern risks repeating the mistakes of the 1994 Kachin ceasefire, where destructive development activities took place without any significant political achievements for the Kachin, undermining public confidence in their leaders and contributing to the ceasefire's eventual breakdown. Ethnic civil society organizations in several if not all states, as well as border-based groups, have called for a moratorium on hydropower development until a comprehensive peace accord is reached, largely because of concerns that these developments will undermine the peace process.

Contested governance: Security and governance in a significant minority of Myanmar's territory is shared, contested, or beyond the reach of the Myanmar government. Ethnic armed organizations (EAOs) are influential in much of the country. The nature of their influence varies widely according to the size and location of groups, their political and economic goals, the presence and extent of their administrative structures and services provided to local populations, and whether they have entered into sustained agreements with the Myanmar army. Though this study does not explore the extent and divergence of their influence, it is relevant that many of the areas slated for hydropower development are in areas that are influenced by EAOs.¹³

4.2 Human Rights Situation

The human rights situation improved under the previous administration, but significant violations are continuing, particularly in relation to conflict. The human rights situation improved under the previous government, with relaxations in media censorship, freedom of assembly, release of political prisoners, and by allowing political exiles to return to the country. Human rights abuses related to conflict - including both violence associated with the civil war and violence and repression of Islamic people - remained very high however. The NLD-led government has largely been unable to build upon these improvements so far during its term, and human rights abuses associated with conflict have remained, if not increased since the new government took power in March 2016.

International NGOs have documented numerous abuses against civilians in 2016 during intense armed conflict in Kachin and northern Shan States in 2016, including arbitrary arrests, torture, extrajudicial killings, sexual violence, destruction of property, and indiscriminate shelling of civilian areas. Rakhine State also experienced its worst crisis since mass killings and displacement in 2012 - including allegations of arson, murder, torture, and rape by state security forces - leading to the initiation of the Rakhine State Advisory Commission, chaired by former United Nations Secretary General Kofi Annan. Displaced people - particularly in Rakhine, suffer from restricted movement and access to livelihoods or basic services. Humanitarian access to displaced persons in Rakhine, Kachin and Shan States remains restricted in many cases, while rights monitoring and independent media access is prevented.

¹³ The Asia Foundation's 2015 report *Ethnic Armed Conflict and Territorial Administration in Myanmar* distinguishes between those groups with hostile claims to territory (i.e. in active conflict with the Myanmar army), with tolerated claims (i.e. operating under ceasefires, which may include constitutionally-demarcated territory), and with accommodated claims (i.e. those groups that have (re)formed as BGFs or PMFs under direct or indirect Myanmar army control.

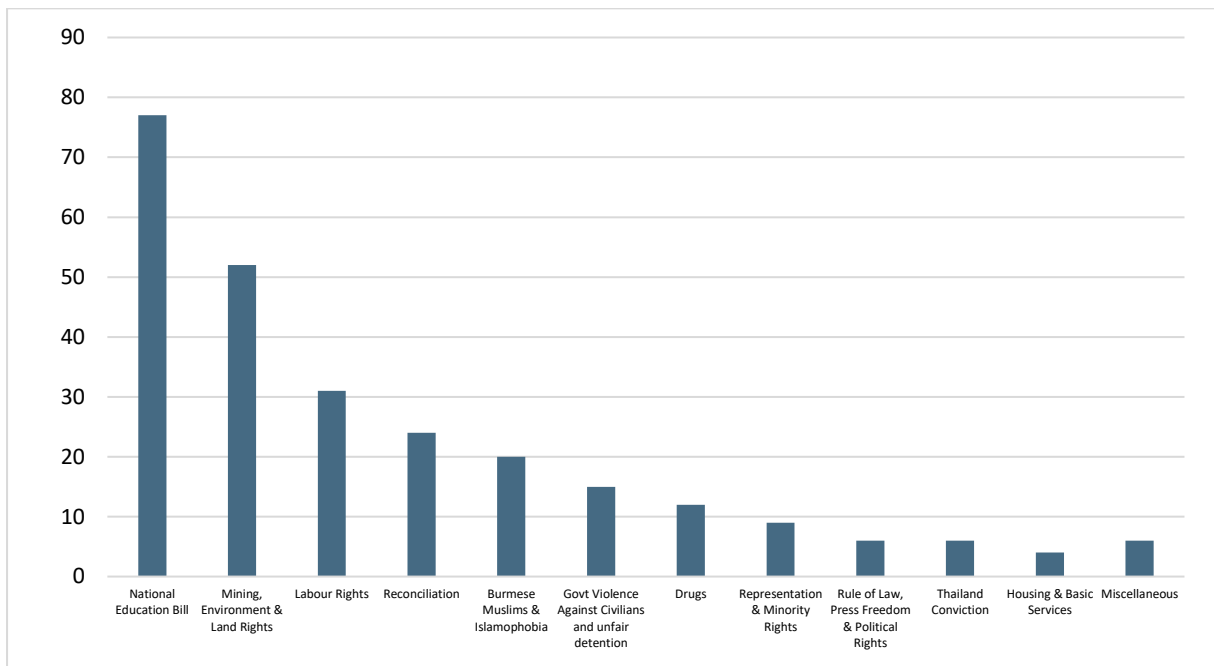
Dozens of journalists and activists have been imprisoned in 2015 and 2016 for criticising the army, the State Counsellor, the President (mostly under 66(D) of the Telecommunications Act), or associating with ethnic armed organizations (17(1) of the Unlawful Association Act). Parliament put forward a new Peaceful Assembly and Peaceful Procession Law in May 2016, yet the regulations still allow for crackdowns on peaceful protests, blanket prohibitions on certain speech, and criminal penalties for any violation of its restrictions. Arrests and prosecutions for participation in peaceful assemblies have continued under the new administration.

Justice for women and girls in Burma remains elusive, particularly with regard to violence related to armed conflict. Sexual violence by the military, and to some extent ethnic armed groups, has been frequent, and the renewed violent clashes in Kachin and Northern Shan States has exacerbated the problem.

Since the new administration took office, there have been only limited attempts by foreign governments to press for genuine legal and policy reforms. In May, the United States government relaxed a range of sanctions to ease US business investments and financial transactions. The UN Human Rights Council in March once again adopted its resolution on Burma and extended the special rapporteur's mandate, requesting that she identify benchmarks for reform. However, the EU decided not to introduce a resolution at the UN General Assembly in November, underscoring the international community's softening approach. China continued efforts to strengthen its geopolitical engagement with the Burmese government and advance the large-scale development projects that offer access to the country's natural resources and strategic regional borders, often to the detriment of local populations.

State-society conflict and hydropower protests: Figure 4.3 illustrates 2015-2016 protests, which speak both to remaining rights claims, as well as improvements in freedom of expression. Mining, environment, land rights was the second largest category of protests in 2015-16, with more than 50 separate events. Though this data is not disaggregated to measure hydropower specific protests, a brief review of media reporting reveals protests in relation to the Myitson, Mong Ton, Upper Yeywa, Shwe Gyin, Hay Gyi, Thaukyekat, Shweli (3), Upper Kyaing Taung, Ywar Thit, Kunlong, and Naungpha since 2015. In March 2017, multiple protests were held calling for a moratorium on all hydropower development on the Salween River until such time as a comprehensive peace agreement is reached.

Figure 4.3: 2015-2016 recorded protests by topic¹⁴



4.3 State Transformation: Democratization and the Peace Process

Democratization and the peace process could enable hydropower development that supports rather than undermines peace: Collectively, the new government and peace process constitute a new phase in Myanmar’s state building history. These twin political movements provide opportunities for a new approach to hydropower development that supports rather than undermines the progress that the country is making to address long standing contests over governance, territory and rights. Consultations associated with this theme reveal a high degree of public opposition to hydropower, however, and suggest that there is little trust that the government and developers will promote new forms of hydropower that can rebuild rather than undermine relationships between opposing groups.

In 2015 Myanmar conducted free and fair elections and a peaceful transition to a civilian government. The National League for Democracy (NLD) won majorities in both the upper and lower houses of parliament. 25% of seats in national and state and region legislatures remain appointed by the military. The military-backed Union Solidarity and Development Party (USDP) won the second largest number of seats, while ethnic political parties secured a significant number of seats in Shan and Rakhine States, securing a majority in the latter’s state legislature. The election of the democratic opposition to government alongside military appointee represents a significant broadening of Myanmar’s ruling political coalition, though ethnic political parties have been dissatisfied with the level of influence they have been afforded in the new government, when for example they were overlooked for Chief Minister positions in ethnic states.

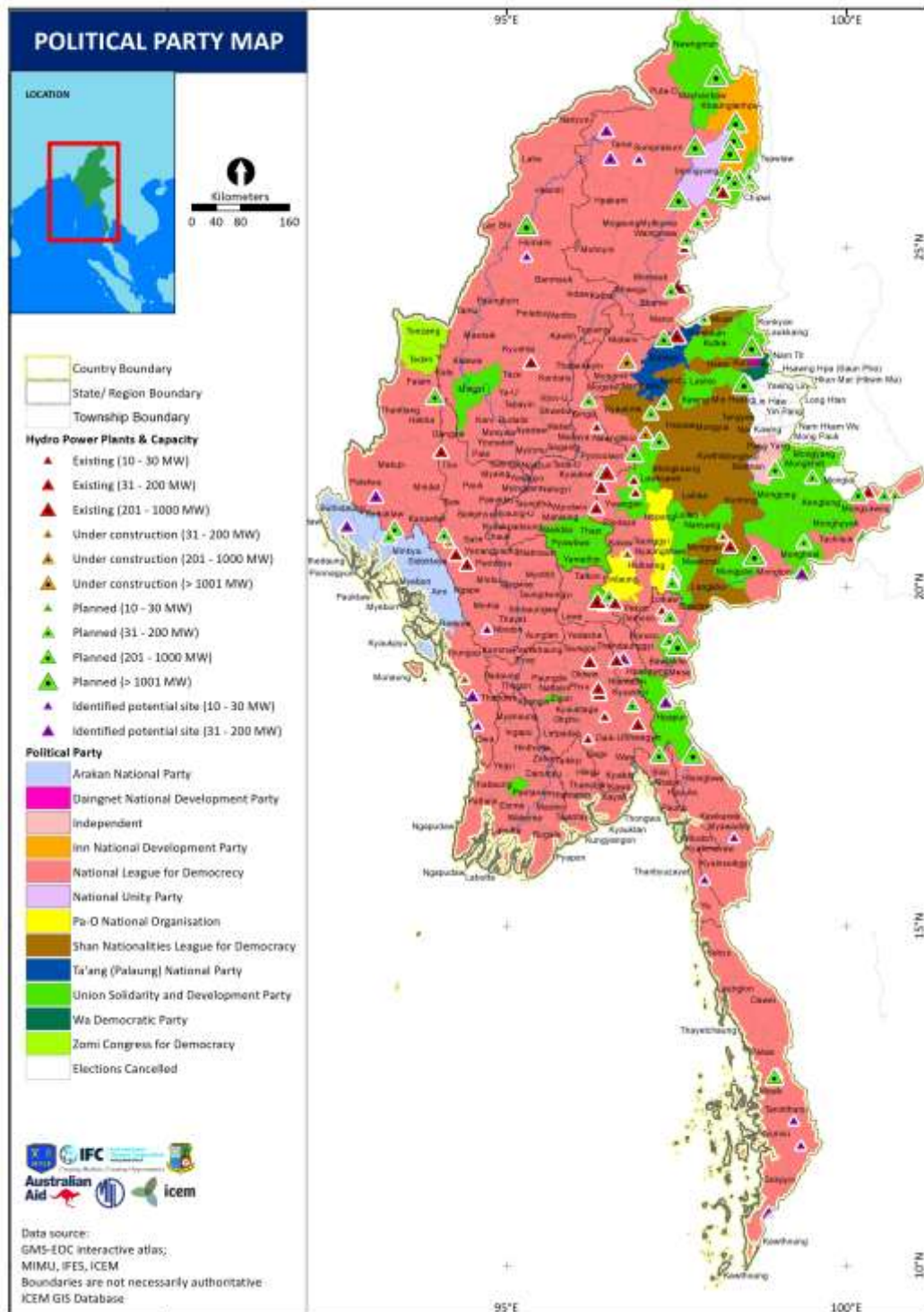
Ethnic minority political representation appears to be on the rise however. In the April 2017 bi-election, the Shan Nationalities League for Democracy (SNLD), took 4 vacant seats in the Shan State legislature to become the majority party. Ethnic parties also made gains in the lower house of the national parliament. The role of ethnic political parties is relevant to hydropower development, insofar as they have on multiple occasions since 2015, particularly in Shan State, joined with their constituents in opposing hydropower projects.

Most political stakeholders represented in parliament, including the NLD and ethnic political parties, desire amendments to the 2008 constitution, or constitutional re-drafting. The Myanmar military has not signalled a willingness for these changes however, and is guaranteed 25% of seats. Proposals to

¹⁴ Source: Armed Conflict Location and Event Data (ACLED) Project.

amend the constitution via the parliament are therefore likely to fall short of the 75% parliamentary majority required. Amendments to the constitution may have implications for hydropower development, for example by modifying the degree to which decision making is decentralized to state governments.

Figure 4.4: Elected representation in Pyithu Hluttaw and hydropower projects¹⁵



¹⁵ Source: International Foundation for Electoral Systems (IFES), Myanmar; Myanmar Information Management Unit (MIMU); results of April 2017 bi-election added.

Figure 4.4 depicts political party representation in the Pyithu Hluttaw overlaid with proposed hydropower developments. The military-linked Union Solidarity and Democracy Party (USDP) was elected as the representative in a significant proportion of townships with proposed hydropower development projects, especially when compared to their relatively limited electoral representation nationwide (in which the National League for Democracy (NLD) was a decisive victor), or in state electoral results (in which ethnic political parties performed relatively well, most notably in Shan and Rakhine States). Various ethnic political parties are also over-represented in their election to the Pyithu Hluttaw in townships slated for hydropower development, relative to their electoral performance overall.

The peace process offers potential to address ethno-political claims to governance and rights, and has multiple implications for hydropower development: Beginning in 2011, the previous government embarked on the nation's most comprehensive ever effort to reach peace agreements with ethnic armed organizations. Various bilateral ceasefire agreements negotiated by the Thein Sein government contain references to natural resource develop. Most notably for the purposes of this study is the agreement between the Myanmar government and the Karenni National Progress Party (KNPP), whose bilateral ceasefire agreement with the government includes measures for transparency around large projects, specifically naming the Ywathit hydropower project.¹⁶

The Nationwide Ceasefire Agreement (NCA): The 2011-12 bilateral ceasefire agreements were arguably superseded by the NCA process, which began in 2013 and was signed in 2015, initiating what was supposed to be an all-inclusive political dialog process to address the underlying causes of the civil war (the Panglong Conferences). The Myanmar government, army, and eight ethnic armed organizations, mostly from Myanmar's south east, signed the NCA in October 2015. Signatory ethnic armed organizations represent less than half of those active in the country however, and a smaller proportion in terms of troop strength. The NCA describes ceasefire modalities, mechanisms for monitoring and addressing non-compliance, and modalities for an all-inclusive political dialog process. The substance of the NCA largely concerns military issues, though relevant to this study are in principle agreements to:

- *Establish a union based on the principles of democracy and federalism in accordance with the outcomes of political dialogue and in the spirit of Panglong, that fully guarantees democratic rights, national equality and the right to self-determination on the basis of liberty, equality and justice while upholding the principles of non-disintegration of the union, non-disintegration of national solidarity and perpetuation of national sovereignty.*
- *Guarantee equal rights to all citizens who live within the Republic of the Union of Myanmar; no citizen shall be discriminated against on the basis of ethnicity, religion, culture, or gender.*

The NCA also contains provisions - termed "interim arrangements" - that recognize existing administrative authority and service provision of ethnic armed organizations in their territories of influence. To the extent that the hydropower sector will be included in the Myanmar Extractive Industries Transparency Initiative (EITI), the following NCA provision is meaningful, insofar as: *"Planning of projects that may have a major impact on civilians living in ceasefire areas shall be undertaken in consultation with local communities in accordance with the Extractive Industries Transparency Initiative (EITI) Standard procedures and coordinated with relevant the Ethnic Armed Organizations for implementation."*

The NCA has implications for hydropower insofar as it aims to limit the level of violence in conflict-affected communities, which is a necessary pre-requisite for sustainable hydropower development. Signing the NCA also removes signatory Ethnic Armed Organizations from the list of unlawful associations, allowing them to become legitimate development partners in the areas they control or influence. This has been the case with the Karen National Union (KNU), whose Thoolei company was awarded a Memorandum of Understanding by the previous government after signing the NCA, allowing it to conduct feasibility studies for the Bawgata Hydropower Project. There is widespread

¹⁶ [http://www.ecdfburma.org/attachments/article/160/Analysis%20paper%20\(Eng...\).pdf](http://www.ecdfburma.org/attachments/article/160/Analysis%20paper%20(Eng...).pdf)

scepticism from ethnic communities and civil society organizations that enabling ethnic armed organizations to engage in legitimate development projects may undermine the peace process, however, insofar as business opportunities may serve as a “buy off” of armed group leaders in lieu of the political goals they have long fought for. This concern is justified, given numerous historical examples where ethnic leaders have foregone their armed political struggles when offered business opportunities by the Myanmar Army.

Non-signatories to the NCA will be closely watching these dynamics, noting the extent to which provisions of the NCA such as interim arrangements are implemented in practice, and whether signatories are to achieve political goals for devolution of power and resource sharing in subsequent phases of the peace process.

Non-signatories to the NCA have been represented in negotiations since 2015 by the United Nationalities Federal Council (UNFC), which has proposed nine points to the government in order to reach an agreement. Of relevance to this study, one point concerns the need for all development projects in EAO areas to comply with the Extractive Industries Transparency Initiative (EITI), in cooperation with the public and EAOs. Some members of the UNFC - including the influential Kachin Independence Organization - formally left the organization in July 2017, however, reflecting wider challenges in the NCA process.

After the agreement’s signing in 2015, the process has essentially remained deadlocked due to an inability to find mutually-agreeable compromises that would satisfy the concerns of the government, army and non-signatories. While the bilateral ceasefires and NCA have certainly contributed to a reduction and conflict and better living conditions in the south east, the agreement cannot be considered stable, particularly if signatories are unable to achieve further political goals from the ongoing national political dialogue. Thus, the vulnerability analysis and project impact assessments introduced later in this chapter consider both historical as well as contemporary violence as a source of risk.

Figure 4.5: Ethnic Armed Organizations, hydropower, and peace process status¹⁷

Ethnic Armed Organization	Influence in areas of hydro development	Bilateral ceasefire agreement	NCA signatory	Active conflict with Myanmar Army
Arakan Army				X
All Burma Students Democratic Front		X	X	
Arakan Liberation Party		X	X	
Arakan National Council				
Chin National Front		X	X	
Democratic Karen Benevolent Army	X	X	X	
Kachin Independence Organization	X	X ¹⁸		X
Karen National Union	X	X	X	
Karen Peace Council		X	X	
Karenni National Progress Party	X	X		
Lahu Democratic Union				
Pa’O National Liberation Organization	X	X	X	
Restoration Council of Shan State	X	X	X	
Myanmar National Democratic Alliance Army	X	X ¹⁹		X

¹⁷ The table is not an exhaustive list of all ethnic armed organizations (EAOs) in Myanmar. Influence in geographies related to potential hydropower development is based on spatial analysis only and may be disputed by EAOs or the Myanmar government/army. Sources: Myanmar Peace Monitor; The Asia Foundation.

¹⁸ 1994 ceasefire broken in 2011.

Ethnic Armed Organization	Influence in areas of hydro development	Bilateral ceasefire agreement	NCA signatory	Active conflict with Myanmar Army
National Democratic Alliance Army	X	X		
National Socialist Council of Nagaland		X		
New Mon State Party		X		
Shan State Progress Party	X	X		X
Ta'ang National Liberation Army	X			X
United Wa State Army	X	X		
Wa National Organization				

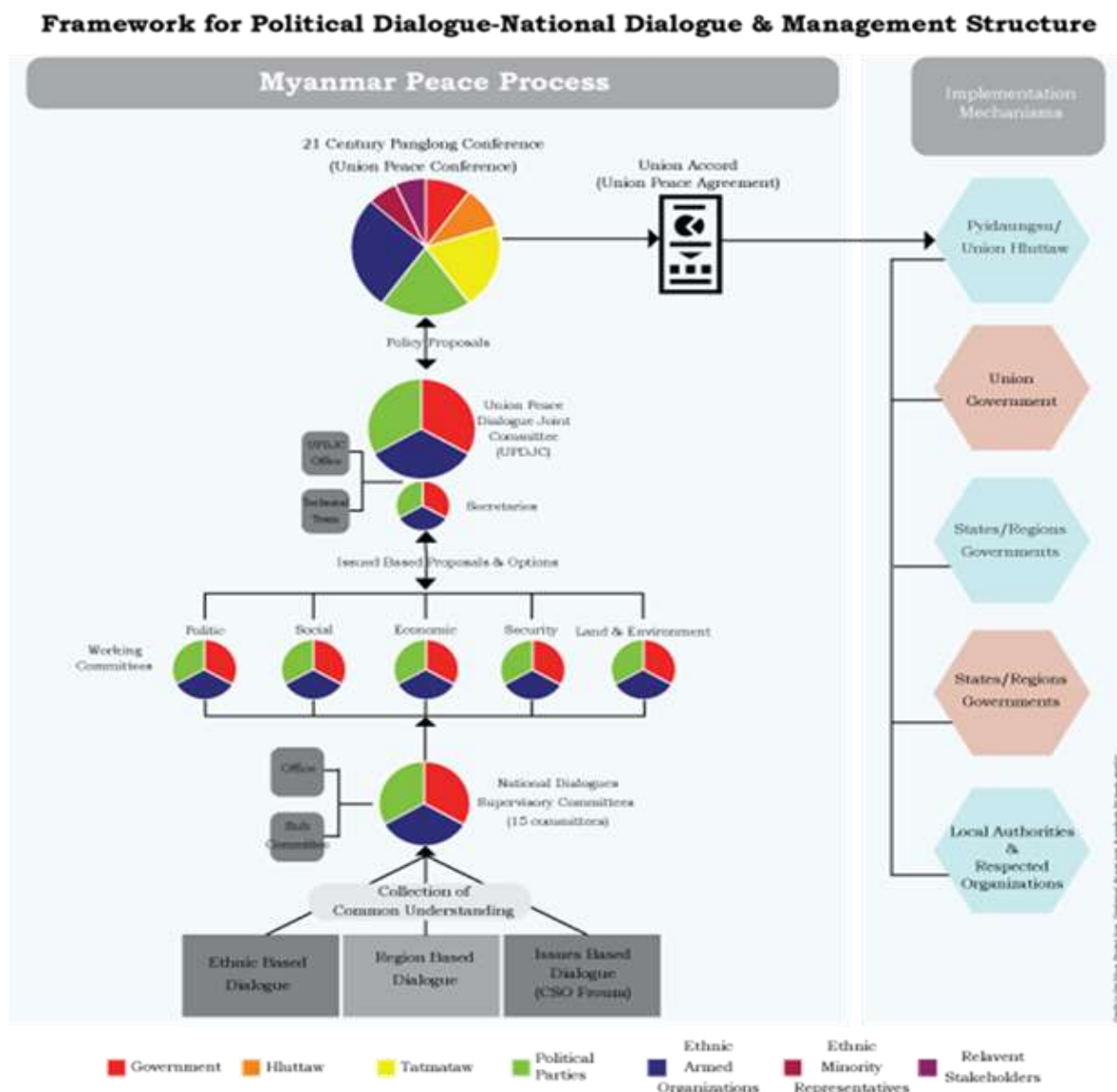
The political dialog process (Panglong Conferences): The establishment of modalities for political dialog in Myanmar recognizes a long-term demand of ethno-political stakeholders. Drafting committees including representatives from the government, army, ethnic armed organizations and political party alliances have established a “Framework for Political Dialog”, which describes the stakeholders, thematic topics, and decision-making procedures that will be employed during the political dialogs at national and subnational levels (Figure 4.6). Several of the themes in the political dialogs (land/environment, political, and economic) could have implications for hydropower development, which if agreements are reached, could lead to constitutional change and the eventual adoption of new national laws. Though the policy prescriptions from various stakeholders regarding these themes are largely not fully developed or public, and changes from the status quo are not assured, possible changes could include devolution of decision-making regarding hydropower development, alternative benefit sharing arrangements between central and state governments, and/or strengthened recognition of indigenous and environmental rights.

In the context of ongoing armed conflict and negotiations aimed at resolving decades-long governance questions, sustainable hydropower might require more than recognising legacy issues, which persist in many geographies slated for further development. Via the peace processes, it might be considered whether an expanded conception of benefit sharing might be adapted to towards a “federal model”, which may better suit the demands of developing hydropower in a contested state.

Three Union level peace conferences had been held as of June 2017. The first “Union Peace Conference” was held in January 2016 under the former government. Under the NLD-government, these conferences were renamed the “21st Century Panglong Conferences” the first of which took place in August 2016. The latest Panglong Conference took place in May 2017. Compared to the NCA, the Panglong Conferences are intended to negotiate substantive agreement on political, social, economic, security, and natural resource issues. The inaugural peace conferences have been largely symbolic, as they have not meaningfully included non-signatories to the NCA, and have not produced substantive outcomes.

¹⁹ 1989 ceasefire broken in 2009.

Figure 4.6: Framework for Political Dialog (unofficial)



4.4 Stakeholders related to the peace and conflict theme

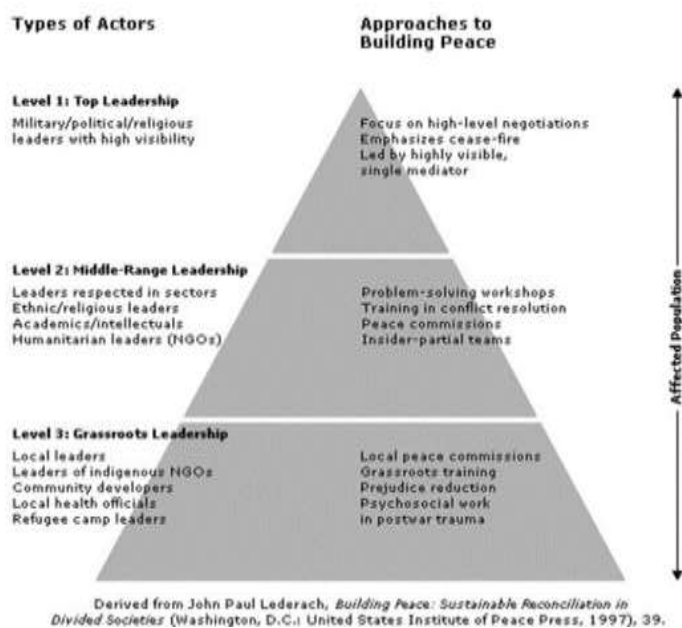
The stakeholders relevant to the peace and conflict theme can be described in three levels:

‘Top leadership’ describes the Myanmar government and army, ethnic armed organizations, and political parties. The National League for Democracy (NLD)-led government, Myanmar army, the military-backed Union Solidarity and Development Party, and several ethnic political parties (particularly in ethnic states), are represented in the country’s national and state legislatures. These stakeholders, as well as up to 21 ethnic armed organizations, are able to participate in the political dialog process of Myanmar’s peace process (the Panglong conferences)²⁰, and set laws and policies with implications for peace, conflict and intersections with hydropower development.

Hydropower operators, developers and financiers seeking sustainable hydropower development in conflict-affected areas.

²⁰ Ethnic armed organizations recognize the legitimacy of 21 organizations to participate in Myanmar’s peace process. Myanmar’s government and army does not necessarily recognize all organizations. As of April 2017 only 8 have signed the Nationwide Ceasefire Agreement (NCA), and are therefore able to participate in the political dialog process as voting members.

Figure 4.7: Types of Actors



“Middle range leadership” in this theme includes civil society organizations (CSOs) and national non-government organizations (NGOs) with national or sub-national focuses, and diverse interests. Some of these organizations participate in the peace process at the union or state levels, though they do not have decision-making powers and their inputs are not binding. Others do not participate in the peace process, but pursue environmental and social causes through national alliances and processes such as the Myanmar Association for Transparency and Accountability (MATA) or the Myanmar Extractive Industries Transparency Initiative (MEITI), or in relation to specific hydropower development projects or river

basins. For the purposes of this theme, grassroots leadership refers to communities potentially affected by proposed hydropower development projects.

4.5 Relevant policies and plans

Policies and plans related to peace and conflict: relevant plans and policies include those of the Myanmar government, as well as other stakeholders to the peace process such as the army, ethnic armed organizations, and political parties. The peace and conflict implications of hydropower development are largely absent from official policy.

2008 Constitution: Myanmar’s constitution guarantees the rights of all citizens regardless of ethnicity, though these rights are not always upheld, particularly in conflict-affected areas, where ethnic minorities suffer disproportionately from rights abuses. The 2008 Constitution is not seen as legitimate by ethnic leaders, who desire a federal constitution that would devolve power and resource decisions to states. In relation to hydropower, the 2008 Constitution fulfils to an extent ethnic/state-based desires for autonomy by allowing state governments to develop their own hydropower resources less than 30MW. This autonomy is limited however, as the Union Government provides oversight of any projects that are protected to the national grid, limiting the option of states to sell electricity, for example.

Government of Myanmar: The NLD government has vowed to make peace and reconciliation its top priority. Although policy details have been scarce, the government has indicated that it will include all recognized ethnic armed groups under the Nationwide Ceasefire Agreement (NCA), and is leading the implementation of the political dialog process (the Panglong Conferences). The government wishes to amend the 2008 constitution and has repeatedly endorsed calls for a democratic federal union, though it is not clear the extent to which the government favours decentralization of power via existing state structures, versus further devolution and autonomy consistent with ethnic minority aspirations, including in relation to natural resources and infrastructure development.

In its election manifesto the NLD noted that “The construction of the large dams required for the production of hydropower causes major environmental harm. For this reason, we will generate electricity from existing hydropower projects, and repair and maintain the existing dams to enable greater efficiency.”²¹ These rejuvenations are ongoing, though the Energy Master Plan of the new

²¹ NLD 2015 Election Manifesto. http://www.burmalibrary.org/docs21/NLD_2015_Election_Manifesto-en.pdf

government does propose that much of the country's future electrification will come from new hydropower resources.

In 2015 an Ethnic Rights Protection Law came into effect, under the auspices of the Ministry for Ethnic Affairs. Like the rights protections in the constitution however, the existence of a law to protect rights rarely correlates with improvements in the human rights situation, due to weak state authority in areas where abuses take place, and a lack of access to independent justice in cases of alleged violations.

Myanmar military: The military agreed in principles under the NCA to “Establish a union based on the principles of democracy and federalism in accordance with the outcomes of political dialogue and in the spirit of Panglong that fully guarantees democratic rights, national equality and the right to self-determination”. For much of the peace process the military maintained a six requirements “1) maintain a keen desire to reach eternal peace; 2) to keep promises agreed to in peace deals; 3) to avoid capitalizing on the peace agreement; 4) to avoid placing a heavy burden on local people; 5) to strictly abide by existing laws; and 6) to ‘march towards a democratic country’ in accordance with the 2008 Constitution.” The final point is a reference to the military's desire to maintain the current constitution. While not official policy per se, the army maintains a role in providing security in relation to existing and proposed hydropower projects, including land clearance operations and establishment of bases to provide security for projects in conflict-affected areas.

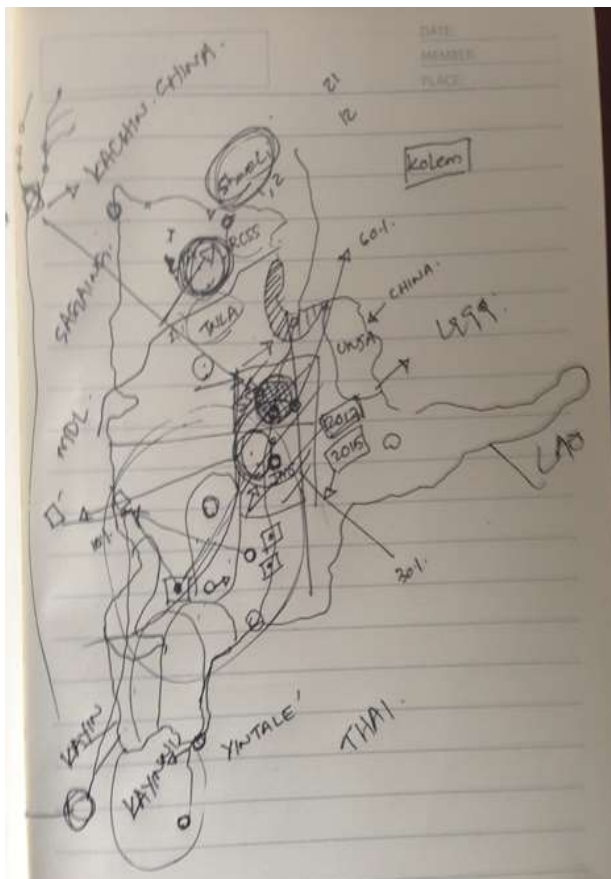
Ethnic armed organizations and political parties: Ethnic minority stakeholders share goals related to increased autonomy and rights recognition, though positions vary between these stakeholders on the geographical scope, dimensions, and degree of desired autonomy. Ethnic armed organizations and political parties seek to amend or re-draft the 2008 constitution. During the current peace process, alliances of ethnic armed groups (the United Nationalities Federal Council) and ethnic political parties (the United Nationalities Alliance) have drafted an alternative federal constitution, though this was not publicly available at time of writing. Alternative constitutional proposals have been informed in part by consultations and policy proposals produced by the Ethnic Nationalities Affairs Center (ENAC), an ethnic-armed organization-aligned research and policy institute. While these policies do not necessarily reflect the positions of all ethnic minority stakeholders, a range of policies and constitutional analyses of ENAC are relevant to the issues of this theme, particularly in relation to natural resources.

4.6 Consultation findings

These findings are the result of six consultations. Further details are elaborated in the case studies.

Legacy issues: Findings from consultations with ethnic armed organizations, affected communities and civil society organizations in Chiang Mai, Mytikina, East Bago, Taunggyi, and Mae Sot confirmed relationships between hydropower and conflict that were evident from literature review. These largely concern legacy issues associated with previous and planned hydropower developments, including but not limited to a lack of consultation and compensation, forced displacement of populations, loss of livelihoods, forced labour, militarization of planned hydropower projects and associated abuses of local populations, landmine contamination including death or disability caused to local villagers and livestock, lack of local benefits (especially electrification), and environmental damage. Consultations with communities affected by the Shwe Gyin hydropower dam spoke of environmental damage that had been caused by the project, including poisoning of the rivers, and mercury poisoning from illegal goldmining that has begun since access to the river was opened up. Community members who were displaced by this project are still pressing for adequate compensation for their lost livelihoods.

Figure 4.8: Map of Conflict Impacts of Hydropower in Shan State



Consultations in Shan State presented examples of villagers being isolated by the Myo Gyi hydropower project, and having to construct their own roads and bridges in order to access other villages and markets. Landgrabbing was alleged in the Pa-O self-administered zone in order to build sub-stations and transmission lines. The relationship between the Kunlong dam and the Myanmar’s Army’s conflict with the Myanmar National Democratic Alliance Army (MNDAA) was highlighted. Until being cleared from the area by the Myanmar Army in 2009, the MNDAA had occupied the area now slated for hydropower development. Since 2015 the MNDAA has sought to reoccupy this area, causing intense conflict. The potential environmental and social damage of the proposed Mong Ton dam was regularly mentioned in Shan State, with consistent concerns raised regarding the number of people historically displaced from that area, and their inability to claim lands and livelihoods that may be submerged, should they choose to return to their native areas.

Kachin consultations revealed concerns about the impacts of migrant labour, which were

perceived as depriving indigenous communities of employment, while bringing unwanted social disturbances related to alcohol and drug consumption, prostitution, and gambling. In multiple cases, there was a relationship between hydropower development and other destructive natural resource extraction activities, including opportunistic gold mining that polluted local waterways, and logging of areas under hydropower concessions that caused adverse environmental impacts. In various consultations, the clash of a central state legalized view of hydropower development clashed with the customary practices of affected local communities, insofar as affected populations who’d owned and exercised traditional land use rights over generations in affected areas, has no recourse to Myanmar government law when hydropower developments deprived them of their land and livelihoods. In Kachin State, the safety risks of hydropower development were highlighted, citing the examples of the Ching Hkrang and Washawng dams, both of which were destroyed in 2006 following heavy rains, causing extensive flooding. Interviewees from Kayah and Shan States relayed concerns that proposed hydropower developments in these states would displace entire ethnic groups (in the Yawthit dam) and submerge important historic and cultural assets (in the case of the Mong Ton and Yawthit dams).

Figure 4.9: Flooding of the Washawng dam in Kachin State, May 2006²²

Opportunities for sustainable hydropower development. The consultations also revealed positive potential in hydropower development. This includes examples of resource sharing between the Myanmar government and ethnic armed organizations, which in the Kachin case, continues in the midst of armed conflict. In Karen consultations, the opportunity for resource sharing between the Karen National Union (KNU) and the government in relation to the Bawgata hydropower project



provided an example of how hydropower development can support the peace process. While many civil society organizations in particular have called for a moratorium on hydropower until there is a comprehensive peace agreement - more than a temporary ceasefire - some interviewees recognized the utility of alternative development pathways, such as smaller scale hydropower developments.

Addressing questions of ownership and decision-making. For the ethnic communities surveyed, the questions of hydropower development extended beyond what is “responsible” towards what addresses fundamental grievances about rights and autonomy over the use and/or preservation of indigenous territory and cultural values. In some cases hydropower development was seen as more agreeable if regional communities and authorities were able to establish community or ethnically-owned companies under the law, or otherwise if local communities and their representatives were able to negotiate terms with state and central government that would allow them a decision-making role and ownership/revenues from hydropower developments.

4.7 Further Case Studies of Hydropower and Conflict

These case studies are not exhaustive of all geographies or issues as concerns relationships between hydropower and conflict, but serve to illustrate legacy issues and complexities of achieving sustainable hydropower development in conjunction with the peace process.

4.7.1 Kachin State

Various hydropower projects in Kachin State illustrate factors associated with causing conflict, according to language used in the field of peacebuilding. A **root cause** of conflict for Kachin communities, and ethnic populations in general, concerns the lack of self-determination in how indigenous resources are utilised, and grievances at how resources in ancestral homelands are usurped, while imposing heavy local burdens. This dynamic is evident in the history of the Ching Hkrang hydropower project, for example, whereby every family along a stretch of the Irrawaddy River had to provide one family member for damn construction in 1993. Local communities did not receive electricity from the completed project, including the downstream Ching Hkrang village, which was inundated when the dam collapsed under heavy rain in 2006, killing five people.

Conflict drivers are factors that exacerbate underlying tensions to hasten the onset of armed conflict, or escalate it once it has broken out. A conflict driver is evident in the well-known Myitsone hydropower example, which is a partially constructed (and currently suspended) dam at the confluence of the Mali and N’Mai rivers, the source of the Irrawaddy River. According to civil society estimates, the Myitsone project would have had a reservoir larger than Singapore, displaced

²² Source: Kachin Development Networking Group

approximately 10,000 people, and had a range of significant environmental impacts.²³ Perhaps most importantly for Kachin people, the project also threatened to destroy an area of deep cultural significance for Kachin people. “According to oral tradition, the Kachin people migrated down from the mountains along the Mali and N’mai rivers. Many Kachin consider the triangle area between the two rivers as the heartland of the Kachin. Kachin take pride in this area as the birthplace of the Irrawaddy.”²⁴ In May 2011, the KIO sent a letter to the Chinese government to withdraw its investment from Myitsone, warning that local resentment against this project could spark a civil war. In June 2011 the 17 year ceasefire between the KIO and the Myanmar army broke. Construction of the dam at Myitsone didn’t in itself cause the resumption of armed conflict in Kachin State, but it did exacerbate underlying tensions. The dam was also opposed by Myanmar’s wider civil society.

A **conflict trigger** is an event that sparks the onset of violence. The KIO ceasefire was broken on 9 June 2011 when the Myanmar Army attacked a KIO military post near the Taping No. 1 and 2 hydropower dam projects. The KIO refused the Myanmar Army’s demands to withdraw from the area. State-run media at the time portrayed the conflict as a need to protect hydropower resources from the KIO.

Resource sharing agreements between conflict parties. Despite the resumption of conflict between the KIO and the Myanmar Army, the KIO still supplies electricity to Waingmaw, Bhamo and Mytikina from its Mali creek (2MW) and Dabak (10MW) hydropower dams under agreements with the Government.

4.7.2 Karen State

Examples from Karen State demonstrate the potential for hydropower projects to reinforce ethnic grievances and trigger armed conflict, as well as the opportunity for more federalising approaches unique to the Myanmar context that support the peace process.

Military confrontations have occurred close to the proposed Hatgyi hydropower project several times in 2014, 2015, and 2016. Clashes have typically involved offensives by the Myanmar Army (or Border Guard Forces under its control) and the Democratic Karen Benevolent Army, which signed the Nationwide Ceasefire Agreement in 2015.²⁵ In 2015 and 2016, thousands were forced to leave their homes due to these conflicts. Local residents, civil society organizations, and multiple ethnic armed organizations (EAOs) report that these offensives are designed to clear EAOs and local residents for road access and eventual construction of the hydropower dam. The Myanmar partner in this project has close ties to senior members of the Myanmar army. Few consultations have taken place and environmental and social impact assessments, if conducted, have not been made public. Local residents fear - consistent with the legacy model of hydropower development in Myanmar - that the construction of a large dam in this area will have huge social and environmental consequences for local populations in the spiritual heartland of Karen people, while providing little local benefit.

Hydropower strategies to support peace. The Bawgata Hydropower Project (BHP) is linked to the national peace process. Following the Karen National Union’s (KNU) signing of the nationwide ceasefire agreement (NCA), the KNU was awarded a memorandum of understanding for feasibility studies on the Bawgata River. For the KNU, the BHP has trustbuilding and political as well as economic goals. ‘Horizontally’, the BHP is an opportunity to build trust and cooperation between the KNU and the Myanmar government, alongside negotiations of the peace process, which will include negotiations on power and resource sharing towards a possible federal state solution and new constitution. The BHP is for the KNU a means of practicing federalism and exploring the governance reforms and resource sharing prescriptions required to forge wider ranging political agreements with the government.

²³ Kachin Development Networking Group, “Damming the Irrawaddy,” 2007.

²⁴ Kachin Development Networking Group, “Damming the Irrawaddy,” 2007.

²⁵ The clashes since the signing of the ceasefire have not, to the knowledge of the author, been officially reported as NCA violations. This may be because the 2016 fighting involved a Border Guard Force (which often operate under Myanmar Army instructions, but are not signatories to the NCA) and/or because the other combatant was a splinter group of the Democratic Karen Benevolent Army.

There are also conflict risks associated with the BHP. Some Karen stakeholders fear that development projects like the BHP can provide a means whereby territories previously held by the KNU could be militarized by the Myanmar army, which has historically been associated with highly adverse impacts for local populations, not to mention the perceived risk that the river resource (with or without any dam that is built), could be taken by force.

Civil society organizations in particular are also skeptical of development projects in ceasefire areas, which some see as an effort of the Myanmar authorities to 'buy peace' in lieu of addressing long term political grievances. Indeed, there is a history of elite buy off of ethnic leaders instead of providing political compromises. For these and other reasons, civil society organizations have called for a moratorium on major development projects in ceasefire areas (including hydropower) until a comprehensive peace agreement is reached. They reject the assertion that Myanmar is a "post-conflict" country, as evidenced by Myanmar's history in which numerous ceasefire agreements have broken down in the absence of comprehensive peace accords that address the multitude of remaining political, social, economic, and natural resource questions.

The KNU has concluded that the peace benefits outweigh the conflict risks, which includes the guarantees that come from strong international assistance and oversight of this process. Projects like the BHP encourage discussion and negotiation, both between and within peace process stakeholders, which in themselves are an important means of building trust and finding answers to long standing conflict questions.

Local conflict risks are related but distinct to the national process. The challenge in implementing the NCA, particularly provisions related to interim arrangements (which would legitimize and potentially resource the existing governance arrangements of the KNU) can create local tensions. One prominent issue stems from the lack of strong local governance structures that mitigate incentives for potentially irresponsible natural resources activities in areas in proximity to the BHP. Such activities are increasing since the signing of the NCA, which creates grievances for local communities that could undermine confidence in the BHP and the broader social contract between Karen leaders and citizens.

Especially for civil society organizations, it is difficult to separate concerns about possible militarization associated with the BHP from the experience of other hydropower projects, most notably the Hatgyi project, which has been a source of significant armed conflict, environmental concerns, and displacement of local populations.

For the KNU, further feasibility studies of the BHP would go hand in hand with efforts to improve local governance and ensure that all development activities, not just the BHP, are implemented responsibly and with transparency. Implementation that exceeds international performance standards can be a source of trust building, a driver to improve local governance, and a demonstration model a national audience that responsible hydropower development is possible in the Myanmar context. The KNU is developing a benefit sharing policy consistent with hydropower development in a contested state context seeking federal solutions. Project information is available at bawgataproject.com, including perspectives of potentially affected communities.

5. SUSTAINABILITY OBJECTIVES AND IMPACT ASSESSMENT PARAMETERS FOR PEACE AND CONFLICT

The key issues of this theme, and the indicators used to measure their status, are used to determine the vulnerability of particular sub-basins to conflict in the business as usual case. Project impact indicators focus in on the potential conflict impacts of particular projects. These assessments will be the subject of the next report in the SEA, and are based on available data that can be disaggregated sub-nationally. The key issues of this theme as they relate to hydropower include:

- **Armed political disputes over governance and territory.** The degree to which hydropower developments exacerbate armed disputes over governance and territory, especially as concerns the peace process between the state and ethnic armed organizations.
- **Issues related to equality and human rights.** The extent to which hydropower developments recognize and account for historical human rights abuses, and guard against future violations.
- **Patterns of conflict associated with territorial contestation.** The extent to which hydropower developments risk generating local conflict in the form of armed violence, public opposition, land disputes, and/or landmine contamination.

Figure 5.1: Peace and Conflict Theme of the SEA

Sustainability objective 1	Hydropower developments do not exacerbate territorial and governance disputes between the state and ethnic armed organizations, and where possible, contribute to better relationships or agreements.
Indicators	<ol style="list-style-type: none"> 1. The presence of ethnic armed organizations (or other armed non-state actors) in areas relevant to hydropower development. 2. The type of political relationships between the state and non-state actors in areas slated for hydropower development (no presence or accommodated relationship, tolerated relationship - i.e. ceasefire - or active conflict)
Sustainability objective 2	Hydropower developments recognize and account for the impacts of historical human rights abuses in relevant geographies, and ensure that human rights standards are upheld in relation to new projects.
Indicators	<ol style="list-style-type: none"> 1. The level of historical displacement in sub-basins.
Sustainability objective 3	Hydropower development does not produce local conflict
Indicators	<ol style="list-style-type: none"> 1. Historical conflict levels in sub-basins and project areas 2. Contemporary conflict levels in sub-basins and project areas 3. Land mine contamination levels in sub-basins and project areas

6. TREND ANALYSIS AND DRIVERS OF CHANGE

6.1 Past trends and current situation

Previous sections described the history and current status of issues related to peace and conflict, and how they intersect with hydropower. Since independence, Myanmar’s leaders have sought to maintain stability by centralizing political power in a manner that has excluded some political constituencies from governance, and denied the rights of ethnic minorities. Conflict between the Myanmar army and ethnic armed organizations over many decades has had a devastating impact, particularly on ethnic minority populations. Over the last decade, the country has slowly democratized and respect for human rights has improved, though this has not been experienced evenly throughout the country and serious rights violations continue, particularly in areas of the country affected by conflict. The last five years, in contrast to the country’s impressive reforms, have been some of the most violent in its history, which has implications for the country’s political progress and economic development. Relevant implications for areas of the country slated for hydropower development have been illustrated.

The legacy model of hydropower development has generated high levels of public resistance. The risks of armed conflict associated with some existing and proposed hydropower has implications for their viability, and fuels calls for suspensions or moratoriums. Historical and prevailing models of hydropower development are not only a source of localized resistance and grievance, but risk the country’s broader political progress, particularly the peace process. These risks are most pronounced in geographies of concern to ethnic minorities, which often overlap with areas under influence by ethnic armed organizations, where armed violent incidents are currently (or have historically been) high. In the absence of comprehensive peace agreements to address long standing governance, rights, and territorial disputes, hydropower developments in ceasefire areas are not immune from risk, and can contribute to ceasefire breakdown and renewed conflict.

6.2 Future trends without hydropower development

Though conflict trends (and the various political, social and economic forces that influence them) are rarely linear or easily predictable, tentative projections can be made based upon patterns in Myanmar’s history, and how these compare to the current status of this theme’s core issues. Thus, these predictions might be considered ‘scenarios’ rather than definitive predictions. This analysis does not quantify the likelihood that the scenarios presented will come to pass, but contends that these are the most likely outcomes based on historical trends and contemporary dynamics.

Figure 6.1: Conflict trends

Issue	Prediction	Trend rationale
Armed political disputes over governance and territory	The status quo will persist. State and non-state actors will fail to reach and implement nationwide agreements that yield a sustainable end to the civil war. Territorial contestation	<p>Exclusionary state transformation processes continue despite democratic advances. Dividends from the peace process are geographically limited, and fragile. The civilian government inaugurated in 2016 vowed to make peace and reconciliation its top priorities. It has since however demonstrated weakness in managing the peace process, an inability to curb the use of violence by the Myanmar Army, and unwillingness to allow ethnic political constituencies to have meaningful influence in the new democratic makeup or the peace process. The new government has not lived up to expectations that it could mediate differences between ethnic armed organizations and the Myanmar army. While Myanmar’s democratic gains are laudable, they have done little to address ethnic divisions in the country.</p> <p>Fundamental differences over questions of autonomy will limit sustainable political agreements. The peace process initiated under the Thein Sein government – which includes the Nationwide Ceasefire Agreement (NCA) and Panglong political dialog processes - is the most comprehensive the country has ever seen. It does however present some of the same dilemmas that have prevented previous state transformation</p>

Issue	Prediction	Trend rationale
	<p>will continue in significant portions of the country.</p>	<p>processes from overcoming the country’s political disputes. Like the national convention process, the current peace process excludes influential political stakeholders. Those with the greatest objections to the status quo - including those with greater desires for autonomy, or those who are still in conflict with the Myanmar Army - are not included in the process. For the army, non-signatory demands for autonomy and internationalization of the peace process, for example, are firmly at odds with concerns regarding non-disintegration of the union and sovereignty respectively. These positions have proven extremely difficult to reconcile. Without inclusive participation, the agreements that have been or will be reached between conflict parties will be geographically limited, and the few signatory ethnic armed organizations will have limited negotiating leverage, restricting the extent of state transformation from the status quo, and incentivising ceasefire breakdown and ongoing insurgency.</p> <p>Environmentally and social destructive natural resource exploitation in conflict-affected areas drives further conflict. Given the challenges of achieving mutually agreeable political compromises, the Myanmar army may continue military coercion and “divide and rule” pacification strategies. Targeted military offensives aimed to debilitate dissenting groups will likely continue, while economic inducements may be offered in order to splinter adversaries, or dissuade them from political goals. These have historically contributed to environmentally and socially damaging natural resource activities, ongoing conflict, and weak rule of law.</p> <p>These conditions would maintain risks to the development of hydropower resources, insofar as economic or military substitutes for genuine political solutions have long proven unstable in Myanmar, and thus the risk of conflict relapse in some geographies relevant to hydropower development will remain high.</p>
<p>Issues related to equality and human rights</p>	<p>Slight improvement on the status quo. The human rights situation will gradually improve, but only in geographies not affected by armed conflict.</p>	<p>Transparency and democratization drives human rights improvements. The re-engagement of the international community, combined with increased media freedoms and legislative initiatives under the former and current government, can be expected to improve human rights protections for many of Myanmar’s people. While relevant laws are often not implemented in practice due to weak access to justice and weak judiciary procedures, efforts to improve the human rights situation are evident in the passage of new laws and some degree of responsiveness on behalf of the government to international pressure. New policies related to hydropower development - including but not limited to regulations on environmental and social impact assessment, combined with increased international scrutiny of hydropower development processes - should ensure that human rights abuses associated with the legacy model of hydropower development do not continue into the future.</p> <p>Human rights abuses continue in conflict-affected areas. Insecurity, weak state control, and the use of violence in contested areas, or geographies where there is civil unrest, continues to be associated with egregious human rights abuses committed by the state, and ethnic armed organizations to a lesser extent. As long as armed conflict and instability persists in these areas, related human rights abuses should be expected to continue.</p>
<p>Patterns of conflict associated with territorial</p>	<p>Status quo persists - low to medium intensity conflict in</p>	<p>Failures in meaningful state transformation processes will drive the maintenance of low to medium intensity conflict. Depending upon the measure, Myanmar is currently described as a “medium intensity” or “limited war” conflict context. Conflict trends in Myanmar have historically been linked to the inability to forge a grand political bargain between the</p>

Issue	Prediction	Trend rationale
contestation	Myanmar's peripheries	country's ethno-political stakeholders. The current peace process unfortunately shows few signs of improving upon the failed political peacebuilding processes of the past, and unless comprehensive peace accords are reached, Myanmar will likely continue to experience low to medium intensity conflict in its peripheries. While some groups may acquiesce to disarmament demands or economic concessions, in these cases the prospect of splinter groups will emerge, which will continue armed insurgencies against the state. Continued violence will threaten the viability of hydropower development in actively contested areas.



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