

A GREEN ECONOMY IN THE GOLDEN LAND

Ensuring Economic, Social and Environmental Prosperity in Myanmar



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Sustainably managing and accounting for the value of Myanmar's natural capital is fundamental for the future of its economy and people. By choosing a green economy approach, Myanmar can efficiently develop its economy, while sustaining natural capital, and providing abundant opportunities for its people.

MYANMAR A WEALTH OF NATURAL CAPITAL

Natural capital, including biodiversity, arable lands, forests, rivers and mineral resources, underpins all economic activity and human well-being in Myanmar. With three of the most pristine rivers in the region, one of the largest deltas in the world, 47 percent forest cover¹ and home to species such as the Indochinese tiger, Asian elephant and Irrawaddy dolphin, Myanmar has a wealth of natural capital.

Without well-managed natural capital, the food we eat, the water we drink and the protection we need against natural disasters are threatened. Shifting from a traditional economic growth path to a green economy approach will sustain and enhance the benefits that Myanmar's people derive from their natural capital. This will ensure food and water security, climate change mitigation and adaptation, and disaster risk reduction for generations to come.

WHAT IS A GREEN ECONOMY?

Green economy is an alternative approach to growth and development. The approach can generate economic growth while improving people's lives and enhancing and sustaining the value of natural capital and the services it provides. According to UNEP, "A green economy results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities."²

IN A GREEN ECONOMY APPROACH:

- Natural capital is maintained and restored;
- Renewable energy and low-carbon technologies replace fossil fuels;
- Resources and energy are used as efficiently as possible;
- Urban living is more sustainable;
- People use low-carbon forms of transport;
- Nature's resources and benefits are shared more fairly.

CHANGING TIMES IN MYANMAR

Myanmar is undergoing rapid transformation in its politics, civil society and economy. From a political perspective, the parliament and cabinet have been empowered to make changes and are now drafting, debating and passing new laws. Civil society organizations – both old and new – are growing in their ability to influence a variety of development issues. While the country is experiencing rapid economic growth, it is also facing pressing human development needs. About 26 percent of the population in Myanmar lives below the poverty line - twice as high in rural areas, where 70 percent of the population lives.³ Meeting these development needs and the increasing demands for food, energy and water will depend on how well Myanmar's natural capital is managed.

WHY PURSUE A GREEN ECONOMY IN MYANMAR?

One path – business as usual – leads to fast depletion of natural capital, short-term economic benefits at high social and environmental costs and dependence on non-renewable energy sources. The other path – the green economy approach – can lead to sustainably managing and using Myanmar's natural capital, and creating jobs and development benefits that are equitably shared among its people. **By applying a green economy approach, Myanmar can become a role model for how to account for the economic value of natural capital in policymaking and development planning.**

The rapid changes in the country, together with the great development needs and affluence of natural capital, put the country at a crossroads, with two very distinct and far-reaching paths to choose between.



NATURAL CAPITAL CAN BE DEFINED AS:

the planet's land, water and biodiversity that humanity depends on for sustenance and well-being. These natural assets provide valuable "ecosystem services" for people and wildlife – such as food and timber production, water purification or coastal protection. Natural capital is considered essential to the long-term sustainability of development as it provide crucial "functions" to the economy and mankind.⁴

A LONG-TERM VISION FOR MYANMAR

Myanmar's economy is built on its natural capital such as its land, timber and water. A green economy approach in Myanmar would support the long-term economic prospects and viability for the private sector as well as for the country itself by preventing the loss and degradation of natural capital. Finally, with the added pressure from climate change, natural capital can function as a buffer against natural disasters. This is especially critical for Myanmar, ranked as the country at highest risk of natural disasters in the Asia-Pacific region.

"Myanmar firmly believes the green economy contributes to eradicating poverty as well as to sustained economic growth, enhancing social inclusion, improving human welfare and creating opportunities for employment and decent work for all, while maintaining the healthy functioning of the Earth's Ecosystems."

- H.E. President U Thein Sein
(2013 Green Economy Green Growth Forum)



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WHAT WOULD A GREEN ECONOMY APPROACH IN MYANMAR LOOK LIKE?



ASSESSING MYANMAR'S NATURAL CAPITAL

planning and economic decision-making as well as in the prices of goods and services.

Creating an inclusive green economy where gains and benefits are equitably shared among the population should be at the center of the green economy approach in Myanmar.

A green economy approach in Myanmar should be framed around the following principles:

1. **Sustainable** – creates sustainable economies that support a healthy planet.
2. **Efficient** – eliminates waste, closing the loop of resource-use cycles for maximum efficiency in consumption and production.
3. **Resilient** – contributes to economic, social and environmental resilience.
4. **Inclusive** – builds inclusive societies, governed by fair, participatory and transparent decision-making processes, for all generations, future and present.

In order to manage Myanmar's natural capital, we must assess and measure its value. The environmental and social costs of degraded natural capital must be well understood in order to incentivize integrated planning and sustainable management. The value of natural capital therefore must be properly reflected in

Energy in a Green Economy

Myanmar faces great challenges in its energy sector, as only 26% of the population has access to electricity.³ However, the need to increase access to electricity presents a real opportunity to create a diversified energy basket, including renewable sources. A more stable and expanded national grid is needed to attract industries and hydropower is viewed by many as an attractive option. However, hydropower projects should be planned with the aim of minimizing negative social and environmental impacts and mitigating any impacts that occur during both construction and operation.

As Myanmar's energy security is tied to two of the country's most extensive natural capital assets – forests and water – an approach that will enhance and sustain these assets is needed. Energy is a cornerstone of a green economy approach and it will take time to expand the national energy grid. The focus for Myanmar should therefore be on enabling investments in renewables and off-grid solutions to rapidly increase access to clean and affordable energy. This will depend on policies that a) promote the development of renewable energy feed-in tariffs (REFITs) that encourage off-grid energy generation and b) help establish energy access programmes to promote micro-hydro, bio-gas, solar and fuel-efficient stoves for biomass.



Forests in a Green Economy

Forests cover about half of Myanmar's land area. Timber exports have long been an important source of revenue, bringing in between US\$600 and 800 million annually. However the value of other forest services far exceeds timber values: non-timber forest products (US\$506 million), terrestrial forest watershed protection (US\$721 million), mangrove coastal protection (US\$707 million), forest carbon sequestration (US\$889 million), mangrove fishery nurseries (US\$1,130 million) and insect pollination for agriculture (US\$2,728 million) are some of the often undervalued forest services.⁵

Changing timber extraction fees to internalise all associated costs will help secure funds that can be reinvested in reforestation and forest management. In addition, given the multiple ecosystem services stemming from healthy forests, it is vital for the forest sector to adopt an integrated approach to connect forest management with major stakeholders including hydroelectric operators, water supply authorities, fishery managers, farmers and infrastructure developers. By involving these actors it will ensure that impact on and from the forest sector is well understood and addressed in management plans, policies and investments.



SUSTAINABLE FINANCING IN A GREEN ECONOMY

services has been adopted. Payments for ecosystem services and similar schemes offer farmers, landowners, or businesses payment in exchange for sustainable management of natural capital and the ecological functions it provides. Another financing possibility would be to channel part of the revenues from the extraction of non-renewable natural capital, such as gas exports, to finance projects that enhance the value of natural capital, for example protected areas or water management.

THE GREEN ECONOMY APPROACH IN MYANMAR CAN

- Build institutional capacity and promote policies that address key drivers of resource depleting activities, such as illegal wildlife trade and logging, rapid deforestation and land use changes from agricultural intensification and expansion;
- Promote planning approaches for large scale development projects and cities that take into account land use changes to allow for more environmentally responsible decisions;
- Influence decision-making in financial investments in high impact sectors such as oil and gas, mining, forests, agriculture and energy;
- Encourage responsible investments that are governed by social and environmental safeguards and apply best practices in order to minimize and mitigate negative impacts;
- Prioritize policies that support renewable energy generation and off-grid solutions as well as low-carbon transportation options;
- Encourage efficient use and integration of the value of natural capital in decision-making within sectors such as construction, infrastructure, agriculture, fisheries and mining;
- Support the efforts of sectors such as tourism and manufacturing to take into account and minimize their social and environmental impacts.

Finally, a green economy approach in Myanmar has an opportunity to measure economic development beyond gross domestic product (GDP), and lead in alternative measures, such as GDP++, that also incorporate the economic value of natural capital and consider the social wellbeing of a nation's population. Such measures of growth would demonstrate whether Myanmar is growing its economy and reducing poverty without rapidly depleting its wealth of natural capital.

New forms of sustainable financing that include the value of natural capital are a crucial element of a green economy approach. A wide range of sustainable financing options already exist and lessons can be drawn from several countries such as Vietnam, where a policy on payments for forest environmental

Land in a Green Economy

Agriculture is the engine of Myanmar's rural economy and the principle livelihood for a majority of the population. Although industrialisation is a primary policy goal of the Myanmar government, small-holder agriculture is equally important as it supports broad based economic growth, food security and poverty reduction. Currently, over half the country's arable land is not used, making foreign direct investment (FDI) in the agricultural sector an attractive opportunity for ecological-deficit neighbours. Social and environmental project evaluation criteria should therefore be at the frontline of any investments.

Land tenure registration programmes, especially targeting marginalised groups, could be the catalyst to help reduce rural poverty. There is a much higher incentive for landowners to sustainably manage their land when tenure is secure. A sustainable landscape approach to planning should identify areas suitable for agriculture while maintaining areas of high biodiversity and valuable ecosystem services. Planning approaches should bring together farmers, water resource managers and forest owners to maintain watershed productivity, soil protection and fertility, as well as pollination services.



HOW WILL WWF SUPPORT A GREEN ECONOMY APPROACH IN MYANMAR?



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WWF will work with government, civil society and private sector actors to help Myanmar develop a green economy approach by:

- Conducting natural capital assessments;
- Supporting the development of a national green economy plan;
- Supporting the integration of green economy principles into key policies and sectors;
- Mobilizing green investments that influence related policy frameworks and legislation;
- Promoting integrated spatial planning and management to influence land and water use decisions;
- Encouraging public sector partners and the government of Myanmar to jointly implement development strategies framed by green economy principles.

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Myanmar in numbers

31.8 MILLION

hectares of forest
in 2010⁶

7.3 BILLION

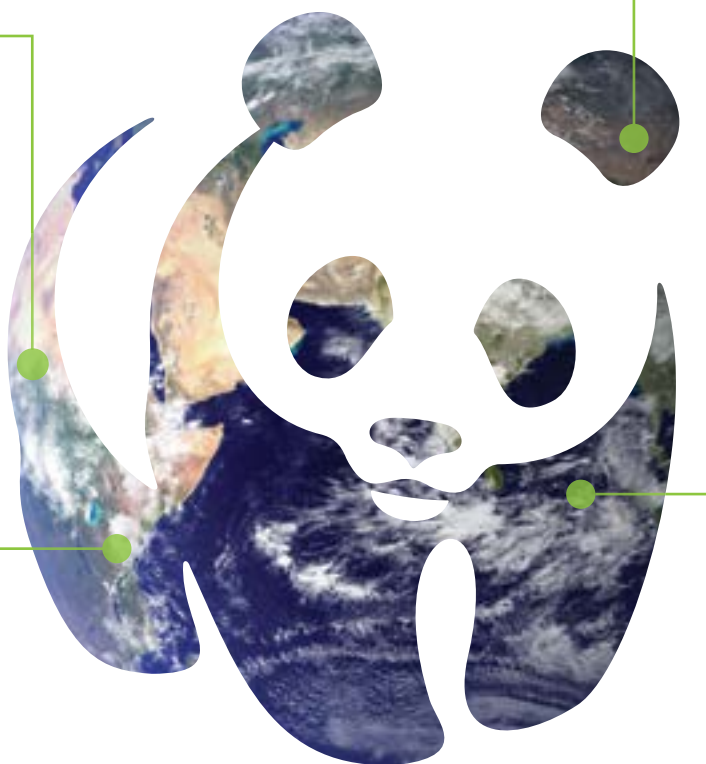
value of Myanmar's forest
ecosystem services
in US\$⁵

196,717

Myanmar's micro- and
small hydropower
potential in megawatts⁶

70%

of Myanmar's working
population employed in
agriculture⁶



Why we are here

To stop the degradation of the planet's natural environment and
to build a future in which humans live in harmony with nature.

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