

The Shifting Political Economy of Natural Resource Governance in Myanmar's Tanintharyi Region Following the February 2021 Military Coup

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Figure 1. Village impacted by natural resource extraction in Myeik District, Tanintharyi Region

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Acronyms

CF	Community Forest
CRPH	Committee Representing the Pyitaungsu Hluttaw
ERO	Ethnic Resistance Organisation (previously known as EAO)
IDPs	Internally Displaced Persons
KEC	Kawthoolei Economic Committee
KFD	Kawthoolei Forest Department
KMD	Kawthoolei Mining Department
KNDO	Karen National Defense Organisation
KNLA	Karen National Liberation Army
KNU-MTD	Karen National Union Mergui-Tavoy District (also known as KNU Brigade 4)
KNU C	Central Karen National Union
LDF	Local Defence Forces (independent)
MEHCL	Myanmar Economic Holdings Company Limited
NMSP	New Mon State Party
NUG	National Unity Government
PDF	Peoples' Defence Force (under NUG command structure)
SAC	State Administration Council
TNC	Tanintharyi Nationalities Congress

Executive Summary

Myanmar is home to substantial resource wealth, including expansive tracts of old growth forest, enormous jade and gemstone deposits, gold, coal, tin, rare earths, amber, oil, and natural gas. Natural resources and their governance have far-reaching implications for Myanmar's economy and politics, from the shaping of long-standing conflicts to the livelihoods of over 45 million people.

The 2021 military coup has had seismic impacts across Myanmar's social, economic and political landscape, upturning progress of the previous administration and (re)igniting conflict across the country between the military, ethnic resistance organisations and a growing number of local defence forces. The following report interrogates the impacts of the 2021 military coup and subsequent national revolution on the governance of natural resources in Tanintharyi Region in Myanmar's far south.

Tanintharyi Region is emblematic of natural resource conflicts across Myanmar. The region holds enormous resource wealth, including one of the largest expanses of contiguous rain forest in Southeast Asia, a sizable portion of the region's tin belt, large gold deposits, coal, and large gas fields. The region is held under a tenuous arrangement of mixed administration between the Karen National Union Mergui-Tavoy District (KNU-MTD) and Myanmar government, and has had over seven decades of conflict and ceasefire politics.

Following the 2012 ceasefire during a period of democratisation and liberalisation, natural resource exploitation expanded significantly. Oil palm concessions significantly expanded to an area of over 1.9 million acres (768,902 Hectares), large-scale mining operations commenced, and expansive industrial and energy infrastructure projects were planned.¹ This period of rapacious resource extraction had far-reaching impacts, including dispossession of communities from their lands, deforestation and environmental degradation. At the same time, a growing civic space amidst the decreased instances of armed conflict enabled communities to forge and strengthen their own land management systems through which they could assert claims over forested territories.²

As is the case throughout the country, the 2021 military coup transformed life throughout Tanintharyi Region. The civic space that had emerged through the past ten years of liberalisation collapsed, a new set of armed actors and parallel administrative bodies emerged, and the region has again become the site of active civil war. Natural resources make up a key component of these changing dynamics, simultaneously representing revenues for armed actors, and the lands and livelihoods of indigenous and local communities.

Following the coup, resource exploitation has proliferated across the region. While some large-scale operations have withdrawn from the region, small and medium-

1 Woods, K. 2015. Commercial agriculture expansion in Myanmar: links to deforestation, conversion timber and land conflicts. Forest Trends. Accessed at: https://www.forest-trends.org/wp-content/uploads/2015/03/Conversion_Timber_in_Myanmar_Exec_Summary-1.pdf

2 TRIPNET., 2016. We will manage our own resources: Karen indigenous people in Kamoethway demonstrate the importance of local solutions and community driven conservation. Accessed at: https://www.iccaconsortium.org/wp-content/uploads/2018/05/We_Will_Manage_Our_Own_Natural_Resources_-_English.pdf

scale mining projects, often operated by SAC and KNU-MTD affiliated companies have grown in number across the region. This increase has been driven by a) a growing conflict economy in which both the SAC and the KNU-MTD seek resources for defense spending; b) a collapse of regulations and civic space that allows for unrestricted exploitation; c) growing poverty that forces workers to mine pits; and d) rising tin and gold prices. Further, mutual interests in revenue generation between the SAC and KNU-MTD have resulted in limited clashes and conflict.

Resources in Tanintharyi Region, most notably timber, tin and gold, are taxed by both the SAC and the KNU-MTD. Via ports in Myeik and over the border, timber and tin make their way to Malaysia, Thailand and China. While it is unclear where resources end up in global commodity chains, it has been estimated that the SAC has sold over \$190 million of timber, including \$31 million to countries with active sanctions on timber imports.³

The impact of proliferating resource exploitation amidst collapsing governance practices and a narrowing civic space to engage with Tanintharyi Region's natural resource governance has been disastrous. Community members complain that public water ways are being polluted, and in many cases are no longer potable, and that agricultural lands in villages where mining has commenced have been transformed into desolate, barren hillsides, described by one interviewee as a 'moonscape'.

Escalating conflict and increasing authoritarian control throughout the region have created an increasingly difficult environment for local environmental defenders to operate. Community members and community-based organizations that had previously taken a central role in local natural resource governance are fearful of reprisals from authorities. As a result, community members often refrain from conducting forest management activities, and find it difficult to complain or confront companies or authorities operating in their villages. Similarly, civil society organizations that had supported community organizations to manage and assert control over their territories have also faced extreme challenges, and in many cases have been forced underground. This increasingly hostile environment for environmental defenders has enabled companies and armed actors to exploit natural resources with impunity, often causing significant and irreparable environmental damage.

Natural resource governance following the military coup and subsequent resistance in Tanintharyi Region, reflects larger trends across the country. The (re)ignition of conflict in the region between the SAC, newly established People's Defense Forces and Local Defense Forces (PDF/LDFs) and to a lesser extent the KNU-MTD has created a growing demand for resources for arms and military supplies, leading to a rapid expansion of mining and logging operations. The expansion of mining operations during this period of instability has caused significant adverse environmental impacts, such as deforestation, pollution of waterways, and erosion of agricultural lands. Reports from Kachin and Sagaing have shown similar

catastrophic impacts, as SAC, militias and ethnic revolutionary organisations (EROs)

³ Forest Trends, 2022. Myanmar's Timber Trade One Year Since the Coup. Accessed at: https://www.forest-trends.org/wp-content/uploads/2022/03/Forest-Trends_Myanmars-Timber-Trade-One-Year-Since-the-Coup.pdf

expand resource extraction efforts, and farmers and displaced persons enter into mining livelihoods.⁴

Natural resources play a central role in shaping Myanmar's political economy. While agricultural lands, forests, streams, and rivers in resource rich areas comprise the livelihoods, food security and source of cultural production for over 70% of the country's population⁵, they represent sites of substantial revenue generation. central importance of natural resource and environmental politics to Myanmar's post-coup landscape, it has received relatively little attention from both domestic and international actors to date. This report aims to address this gap by providing a detailed account of natural resource management and exploitation related issues in Tanintharyi Region.

4 Global Witness. 2022. Myanmar's poisoned hills. <https://www.globalwitness.org/en/campaigns/natural-resource-governance/myanmars-poisoned-mountains/>

5 FAO. 2022. Myanmar Response Overview 2022. Available at: <https://www.fao.org/3/cc0700en/cc0700en.pdf>

Introduction

Natural resources are a significant component of Myanmar's national economy. With large reserves of oil and natural gas, timber, jade, gold, tin, amber, and rare earths, natural resources comprise over 6% of Myanmar's GDP, 23.6% of state revenues, 38.5% of national exports, and likely a much larger amount of its sizeable informal economy.⁶ As well as being of great economic importance, natural resources have also had a large impact on Myanmar's social and political fabric, tightly intertwined with a legacy of over seven decades of armed conflict.

During the decade of liberalization and democratisation (2011-2021), Myanmar's resource sector went through a substantial transformation. The sector, which had previously been marred by opacity and corruption, made improvements in terms of transparency, with a burgeoning civil society becoming increasingly involved in its management.⁷ Subsequently, a larger number of international companies invested in the sector. Despite some progress, reforms that liberalized land markets, consolidated by an influx of domestic and foreign land-based investments, created new landscapes of dispossession, particularly in ceasefire areas that had been recovering from decades of civil war.⁸ This period of economic development in the resource sector was tightly entwined with armed conflict, as the Myanmar military granted land and resource concessions to armed groups in exchange for ceasefires, in turn facilitating the entry of domestic and international investment into these areas.

The southernmost Tanintharyi Region exemplifies these resource conflicts. The region holds considerable resource wealth, including tin, timber, coal, gas, gold and pearls, and has also been the site of conflict and ceasefire politics between the KNU and the Myanmar military over the past seventy years. During the ceasefire period (2011-2021), the region received substantial land and resource-based investments ranging from expansive oil palm concessions to large-scale infrastructure and mining projects. Simultaneously, the area was targeted for ambitious conservation targets, leading to the development of exclusionary protected areas. Expansions of commercial and conservation projects across Tanintharyi's landscape put pressures on the fragile ceasefire process and resulted in many communities losing access to their lands and resources.⁹

Following the coup, the political economy of natural resource governance and extraction has changed dramatically. Mounting reports across the country reveal a proliferation of small and medium-scale mining sanctioned by the Myanmar military alongside an assortment of armed actors, a collapse of rules and regulations leading to widening environmental, land and human rights abuses, and a more hostile and violent environment for local environmental defenders and civil society

⁶ Open Development Myanmar. 2016. Extractive Industries. Available at: <https://opendevelopmentmyanmar.net/topics/extractive-industries/>

⁷ Vijge, M.J., Metcalfe, R., Wallbott, L. and Oberlack, C., 2019. Transforming institutional quality in resource curse contexts: The Extractive Industries Transparency Initiative in Myanmar. *Resources policy*, 61, pp.200-209

⁸ Suhardiman, D., Kenney-Lazar, M. and Meinzen-Dick, R., 2019. The contested terrain of land governance reform in Myanmar. *Critical Asian Studies*, 51(3), pp.368-385

⁹ See reports by Tanintharyi civil society organisations – included in bibliography

organizations attempting to protect their lands and resources.¹⁰

This report looks at the impacts of the coup and subsequent political and economic transformations on the natural resource sector in Tanintharyi Region. The first section of the report outlines the broader shifts in governance, conflict and security, and actors involved in natural resource management since the coup. The report then moves on to explore the trends in natural resource exploitation, management and associated value chains amidst a context of increasing conflict and deteriorating rule of law. Next, the report looks at the growing environmental and social impacts felt by communities in Tanintharyi as a result of unregulated resource extraction since the coup, before making recommendations, which also have implications for natural resource management in other parts of the country.

¹⁰ Global Witness. 2022. Myanmar's poisoned mountains. Available at: <https://www.globalwitness.org/en/campaigns/natural-resource-governance/myanmars-poisoned-mountains/>

Research Methods

The aims and objectives of the research were defined through a consultation with 5 civil society organisations working in the land and natural resource sector across Tanintharyi. During this consultation we discussed some of the key issues relating to natural resource governance, which helped to inform the direction of this research.

Key Informant Interviews (9 KIIs) and Focus Group Discussions (4 FGDs) were conducted in-person and via telephone with over 23 individuals across Tanintharyi Region, including community members from 6 different villages and three different townships, as well as key stakeholders in KNU Central and conservation INGOs. Further, we used satellite imagery through the Global Forest Watch portal to triangulate data and trace areas of major deforestation. We conducted a desk review and analysed recent and relevant reports and articles on current issues pertaining to land, environment and natural resource governance in Myanmar.

The worsening security situation in Myanmar created limitations to our research. Firstly, while the research team had originally planned to visit four sites, it was only possible to conduct one field trip. Instead, interviews were conducted either by phone, or by meeting interviewees at a half-way point, creating some limitations to data collection. Secondly, during this period there is a lack of official or reliable datasets, and data collection has become significantly more difficult and high risk. Due to security concerns, we did not interview anyone from the SAC, which created limitations on understanding internal SAC policies and practices.

Section 1.

Natural Resource Governance in Tanintharyi Region

Resource governance in Tanintharyi prior to the coup

Tanintharyi Region is home to one of Southeast Asia's largest contiguous stretches of low-elevation evergreen forest, which supports a wide array of globally important and endangered biodiversity. It also has a large array of valuable hardwoods and minerals that have been exploited by successive colonial, military and civilian governments.¹¹ The region is governed under a tenuous mixed administration between the KNU and the Myanmar Government, which has in many ways shaped the ways in which resources are governed.

Tanintharyi has historically been a site of resource extraction. Captured and occupied by the British empire in 1826, the region became a hub for timber extraction and export, providing a source of hardwoods for the empire's ship building, as well as an important source of tin and tungsten.¹² Following the rapid plunder of the region's forests by the colonial administration, a series of departments, policies and laws were devised in order to facilitate the extraction and management of natural resources, many of which still exist to this day.¹³

Conflict between local actors and central forces broke out in Tanintharyi Region in December 1947, and the area has remained in a tenuous state between conflict and ceasefire ever since.¹⁴ Between the 1990s and the 2000s, following a series of military offensives across the region, Tanintharyi Region became a target for foreign and domestic land and resource-based investments. These included plans for a 196 km² Special Economic Zone, the exploitation of natural gas by French and American oil and gas giants, large-scale agribusiness, pearl farms, tin, coal and gold mining, logging operations and the creation of a network of large-scale protected areas.¹⁵ Many have argued that these land-based investments in ceasefire zones constitute a form of 'ceasefire capitalism', deployed as a means of expanding military territorial control over contested landscapes.¹⁶

In 1999, the SPDC regime declared Tanintharyi Region the "oil bowl" of the country, a reference to the upper lowlands long being known as the "rice bowl of Burma", and by 2013 had proceeded to hand out 1.9 million acres (768,902 Hectares) worth of oil palm concessions to forty domestic and four foreign companies.¹⁷ Despite the rapid proliferation of concessions across the region, only 34% of granted areas have been planted with oil palm, with large areas of forested land instead used for logging of hardwoods.¹⁸ During this period, mining operations also proliferated, with a number of Myanmar, Thai and Chinese companies receiving permits from both the central government and KNU for mining a vast tin deposit that sits under the region, as well as coal and gold mining

11 Aung, S.S., Shwe, N.M., Frechette, J., Grindley, M. and Connette, G., 2017. Surveys in southern Myanmar indicate global importance for tigers and biodiversity. *Oryx*, 51(1), p.13

12 Bryant, R.L., 1994. From laissez-faire to scientific forestry: Forest management in early colonial Burma, 1826-85. *Forest and Conservation history*, 38(4), pp.160-170

13 Bryant, R.L., 1997. *The Political Ecology of Forestry in Burma, 1824-1994*. University of Hawaii Press

14 Smith, M., 2007. *State of strife: The dynamics of ethnic conflict in Burma* (Vol. 36). Institute of Southeast Asian Studies

15 Please see extensive reports from civil society organisations, including Tarkapaw, DDA, TRIPNET, Southern Youth, Candlelight, Earthrights international. References are included in bibliography

16 Woods, K., 2013. Ceasefire capitalism: military-private partnerships, resource concessions, and military-state building in the Burma-China borderlands. In *New Frontiers of Land Control* (pp. 87-110). Routledge

17 ALARM, et.al. *Green Desert: Communities in Tanintharyi Region Renounce the MSPP Oil Palm Concession*. At: <https://eia-international.org/wp-content/uploads/Green-Desert-FINAL.pdf>

18 Onemap, 2020. *Regional Oil Palm Assessment*. University of Bern

projects. The poor regulatory environment meant that these projects frequently resulted in the dispossession of communities from their lands, loss of forests, and the pollution of critical waterways.¹⁹

Tanintharyi Region's forested landscape sits under a system of dual administration between the KNU and the central Myanmar government. Both administrations have sought to extract resources, while at the same time implementing rival models of biodiversity conservation, with the Myanmar government proposing a set of protected areas that total 3.5 million acres, and the Kawthoolei Forest Department (KFD)²⁰ establishing over 41 community forests that span over 104,000 acres. A strong network of civil society organisations and community-based organisations have also worked to create new models of community-based conservation initiatives based on customary land claims and practices.

Despite local efforts to protect lands and forests from expanding commercial projects, Tanintharyi Region has the highest level of deforestation in Myanmar. Following the 2021 military coup the political economy of resource extraction has again shifted. Rising levels of conflict, collapsing state structures and a shrinking space for collective action indicate that environmental management will continue to suffer.

Changing actors, governance and conflict dynamics related to natural resources

The coup has created an environment in which space for some actors has closed and for others has opened. The rising level of conflict has resulted in an increasing militarisation of resource governance and has strengthened the position of those who have access to armed force over those that do not. The primary actors involved in natural resource extraction in Tanintharyi Region continue to be the regional and central SAC and KNU-MTD.

The State Administration Council (SAC)

SAC control over large parts of Tanintharyi has weakened since the coup due to rising levels of conflict. However, the military remains centrally involved in resource extraction, and continues to grant concession areas for mining and industrial projects. While some concessions are granted by Regional and Central level SAC from Dawei or Nay Pyi Daw, many concessions are approved informally by SAC troops. While growing levels of armed conflict and collapsing administrative capacities following the coup mean that there is less presence of SAC officials on the ground, the SAC continues to issue concessions for resource extraction projects, and military affiliated or crony companies have received contracts for lucrative projects. In a number of cases the SAC and KNU-MTD collaborate in mining and logging activities.

KNU Mergui-Tavoy District (also known as KNU Brigade 4)²¹

KNU-Mergui-Tavoy District is a central actor in natural resource governance in Tanintharyi Region. It has a series of policies and laws for resource governance

¹⁹ Tarkapaw., 2016. We used to fear bullets, now we fear bulldozers. Dawei, Myanmar

²⁰ The Kawthoolei Forest Department (KFD) is the forest department administered under the KNU

²¹ For the purposes of this report KNU-MTD refers to administrative body of KNU, and KNU 4th Brigade refers to its military wing

which are administered through District and Township offices, as well as private interests in mining and logging operations. The KNU-MTD operates relatively autonomously from the Central KNU, and District and Township leaders oversee extractive and logging operations in the region with little oversight from Central KNU. KNU-MTD also continues to hold tenuous relationships with parts of the Regional SAC, through which business ventures are authorised and taxes collected - as a result there has been little conflict between the two. KNU-MTD also provide sanctuary and safe passage at Township Level for other resistance groups, as well as participating in humanitarian relief efforts for IDPs in line with the statement released by KNU Central one day after the coup. The District Office, however does not host any resistance groups, as it is shared with the SAC.

Companies

Prior to the coup, Tanintharyi held land and resource-based investments from a wide array of national companies, and several international companies; including major Thai, Malaysian and Korean operations. Following the coup, there is a growing prominence of SAC and KNU-MTD-owned or backed companies operating in the region, particularly over tin and gold mining projects. Several of these are powerful cronies including cronies from Tanintharyi Region, with active interests in many parts of the economy. There has also been a growth in Chinese operations in the region.

The Tanintharyi Nationalities Congress (TNC)

The TNC was formed in March 2021, and made up of former strike committee members, activists and community leaders. The congress was designed to coordinate between different actors and establish a platform through which federalism and self-determination can be realized, as well as contributing towards humanitarian relief efforts. The TNC is not connected to the NUG or CRPH, but has some coordination in specific cases.

National Unity Government (NUG)

Following the military coup, parallel governance platforms have been forged in order to progress and defend aspirations for federal democracy across the country. While the NUG has developed several policy papers on natural resource governance through its MONREC department, it has not yet been able to implement them. However, NUGs guidelines issued to the PABs forbid revenue raising from unsustainable and illegal sources such as uncontrolled logging.

Local Defence Forces and Peoples' Defence Forces

There are 32 Local and Peoples' Defence Forces operating in Tanintharyi Region.²² LDFs and PDFs mainly operate under KNDO and KNLA controlled areas, where they have received training and safe passage. While a number of PDFs are operating under NUG command structures, a majority of LDFs are independent. LDFs/PDFs have been involved in an increasing number of attacks against the SAC (approx. 500), however they do not control any territories, and therefore have little role in resource governance.

²² People's Defense Forces refer to armed units that sit under the NUG's command structure, while Local Defense Forces are ostensibly independent groups that are not part of the NUG structure

Civil Society Organizations (CSOs) and Community-Based Organisations (CBOs)

CSOs and CBOs play an important role in resource governance in Tanintharyi Region. CBOs have generally been formed to organize local resource management and resolve local issues, including resource extraction projects in their localities. CSOs usually conduct work through local structures, and support groups in campaigns, while building local capacity. Since the coup, many CSOs have been forced underground, and CBOs are finding the environment increasingly hostile to conduct their activities. Civil society organisations currently work through networks with local communities, and mainly report to KNU Central and the media.

Karen National Union (Central Level)

KNU CEC is located at KNU headquarters and is comprised of administrative departments that devise policies and provide political leadership for the KNU. While KNU MTD follow these policies, it has long been a District which KNU CEC has had difficulty in asserting control over. In recent years, communities and civil society organisations have developed connections with KNU CEC and send complaints to them where there are difficulties relating to KNU-MTD in Tanintharyi Region.

Conflict and control

As is the case in many parts of the country, armed conflict returned to Tanintharyi Region in 2021. Following brutal crackdowns of public demonstrations by the military in April 2021, many people formed LDFs and PDFs as part of a revolutionary war against the military. To date there are approximately 32 local defence forces in Tanintharyi Region, largely operating in forested areas under quasi control of the KNU and KNDO²³. As of August 2022 there have been over 555 armed clashes, producing over 4,600 IDPs across the region. Most of these clashes have been between LDFs and SAC forces, including more recently with military aligned civilian militias such as Phyu Saw Htee. There have been very few clashes between KNLA and SAC forces.²⁴ There is a perception among research respondents that deepening or continued business relationships between the SAC and KNU-MTD have resulted in stabilising relations between the two.

²³ Karen National Defense Organization (KNDO) is one of the armed wings of KNU before Karen National Liberation Army (KNLA) was formed officially in 1949. Since then, both serve under the umbrella of KNU

²⁴ Southern Monitor. 2022. Myanmar: Tanintharyi Region Monthly Situation Update (31 August, 2022). Accessed at: <https://reliefweb.int/report/myanmar/myanmar-tanintharyi-region-monthly-situation-update-31-august-2022>

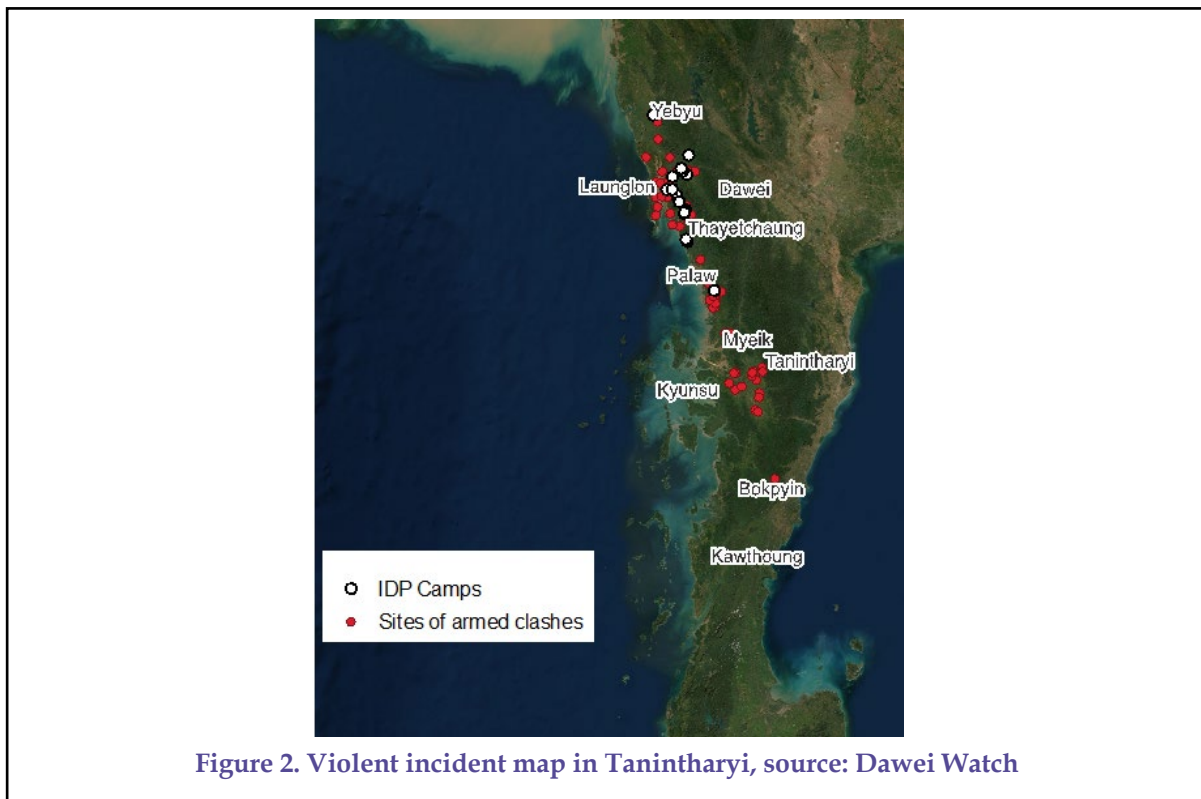


Figure 2. Violent incident map in Tanintharyi, source: Dawei Watch

KNU Resource Governance

The Karen National Union (KNU) was established in 1947 by Karen politicians, lawyers and academics in order to pursue greater autonomy for Karen people and territories in the context of looming independence from British colonial rule in Burma.²⁵ War initially broke out between the KNU and the Myanmar military on the eve of independence in 1947 and has intermittently continued to this day.

The KNU has become a major governance actor across the southern and southeastern Myanmar. Administrative areas comprise seven districts, these include Doo Hta Htoo, Hpa-An, Taw Oo, Kler Lwee Htoo, Mergui-Tavoy, Muttraw, and Dooplaya. Together, KNU administrative areas govern over approximately 800,000 people. Around 100,000 of these live under firm KNU control, with others under varying degrees of mixed administration between the Myanmar government and the KNU.²⁶

The KNU acts as a de facto government or authority in the areas that it administers, and carries out a number of key governance functions, including the collection of taxes, administering land and resource claims through the provision of land titles, managing forests and conservation, and providing basic education and health services through central, district and township level offices. While in the past governance under the KNU was relatively centralised, it has become increasingly decentralised and fractured following a number of significant splits and the fall of Mannerplaw in 1995. Mergui-Tavoy District has always been the most difficult for

²⁵ San C Po. 1928. *Burma and the Karens*. London.

²⁶ Jolliffe, K., 2015. *Ethnic armed conflict and territorial administration in Myanmar*. The Asia Foundation, 89

KNU CEC to control, and this remains the case to this day.²⁷

Land and Resource Management

Land and resource governance systems and practices are particularly advanced under the KNU system, replete with established land, forest, mining, environmental protection and investment laws and policies, administered under departments with large numbers of staff at both central and district levels. The key departments managing land and resources include the Agricultural Department, the Forest Department and the Mining Department.

According to recent figures, the Agricultural Department (KAD) has registered over 103,605 (41,001F/62,614M) land certificates, spanning an area of 886,169 acres (358,619 Hectares) across all seven districts. Further, the KNU has also registered 195 kaw certificates across its districts, covering over 1.5 million acres (607,028 Hectares).²⁸

The Kawthoolei Forestry Department (KFD) administers over 4 million acres of forest landscapes across its administrative areas. These include 85 Reserved Forests (3,025,740 acres/1,224,473 Hectares), 24 Wildlife Sanctuaries (668,930 acres/270,706 Hectares), 194 Community Forests (323,952-acres/131,098 Hectares), and 14 Herbal Forests. KNU forest officers work with communities to monitor and manage forests under their administration. KNU administered forests include some of the some of the largest contiguous and most biodiverse forest landscapes in Southeast Asia.

Innovations in Civil-KNU Resource Governance

The KNU has also explored innovative forms of collaborative land and resource governance in recent years. These have tried to form collaborative governance platforms between the KNU, indigenous communities and civil society. Such innovations include the Salween Peace Park, a 6,000 km² indigenous park that is jointly governed between 52 community representatives, 12 civil society representatives and 42 representatives from the KNU.²⁹ The initiative aims to protect land and forests in KNU Muttraw District in line with indigenous knowledge and practices, and inclusive democratic governance.

This approach to land and resource management is now being tried in other locations governed under the jurisdiction of the KNU and other EROs. This includes, for example, Thaw Thi-Oo, an indigenous park located in Taw Oo (Taung Oo) District, bordering Karenni State.³⁰

Resource Governance in Tanintharyi Region

Following the coup, the SAC has not been able to consolidate full control over Tanintharyi Region, and so resource governance, like other forms of public

²⁷ Smith, M. Burma: Insurgency and the politics of ethnicity. Zed Books. London.

²⁸ KESAN. 2019. Kaw Policy Briefer. Available at: <http://kesan.asia/wp-content/uploads/2019/05/FI-NAL-Kaw-Briefer-KESAN-Eng.pdf>

²⁹ KESAN. 2020. Salween Peace Park Programme. Available at: <https://kesan.asia/salween-peace-park-program-3936/>

³⁰ KESAN. 2022. Thawthi Taw Oo Indigenous Park. Accessed at: https://kesan.asia/wp-content/uploads/2021/09/Thawthi-Taung-Oo-briefer_English-version-web.pdf

administration, have become chaotic. This has resulted in a deterioration of security, a collapse in the rule of law, risk of violence and loss of livelihoods. While the SAC grants concessions in some cases, they are often unable to travel to resource extraction sites. As a result, they no longer monitor or regulate resource extraction and focus largely on taxation and resource extortion. In many cases, new mining projects do not have formal permission, evidenced by the fact that since the coup only one mining concession has been granted for a Gypsum mine in Dawei Township.

For the KNU-MTD, resource concessions are supposed to follow the KNU Investment Policy, as well as policies of the Kawthoolei Forest Department, the Kawthoolei Mining Department and Environmental Conservation Committee. KNU Central Economic Committee are required to register companies planning to operate in any District, however concessions are granted at District Level, which in Brigade 4 area is relatively autonomous. During the registration process, the Economic Committee and Mining Committee check the background of mining companies and ensure that proposed extraction sites do not conflict with other land uses.

At District and Township levels, small and medium-scale concessions are granted by district level departments and township officers. KNU-MTD often subcontracts concessions under permits that have been granted by the SAC by giving licenses for companies to operate locally and by collecting taxes. The KNU CEC has a policy that it will not grant large-scale land-based investments within Kawthoolei territory, however this has not always been followed in Mergui-Tavoy District.

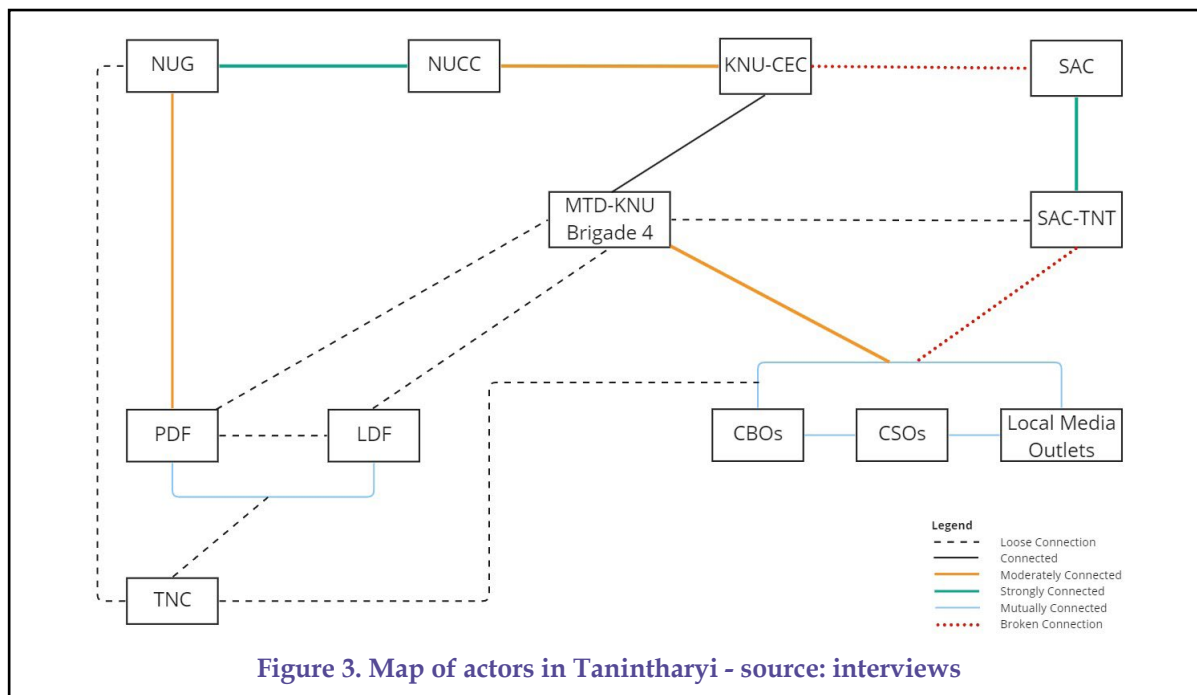
The relationships between different governance bodies and actors are constantly in flux, delicately balanced, and highly localised. The diagram below, based on data gained through field work and interviews, illustrates the connections between different actors in Tanintharyi, and shows the way that KNU-MTD has a key role in balancing power relations between all actors. The KNU-MTD on one hand has a set of relationships with Tanintharyi Regional SAC, primarily through joint resource extraction operations and business ventures, while also providing safe passage to CSOs and L/PDFs in operating in the region. Further, the diagram shows that security and governance arrangements are highly localised, with only tenuous linkages between Tanintharyi-based actors and national level actors such as the NUG and KNU CEC.

Barriers of access to information and reporting:

As KNU territory has provided sanctuary for civil society, media outlets and LDFs, the role of civil society and media has become increasingly difficult. Media and civil society groups are unable to complain or hold KNU-MTD to account with respect to natural resource governance, as their continued security depends upon them. Likewise, the actions of PDF/LDFs are also constrained by KNU, as they have received training from KNLA and are often operating under their territory. Where land and resource issues arise, CBOs have to complain to KNU CEC, however limited communications create difficulties, and the KNU CEC is often not able to directly intervene.

The KNU-MTD operates relatively autonomously from the KNU-CEC, making its own decisions, rather than seeking permission from or reporting to the central

level. Instead, the KNU-MTD is increasingly stretched between localised actors and interests. For example, joint business ventures between individuals in KNU-MTD and SAC create communication platforms and common interests, resulting in a non-confrontational relationship between the two. Despite having common interests with the SAC with respect to resource extraction, the KNU-MTD also provides sanctuary for revolutionary actors, underpinned by the KNU CEC's position, which creates an increasingly polarised and tense environment.



Complaint Mechanisms and Response:

Rising levels of conflict and unaccountability have resulted in extremely poor resource governance practices, often resulting in communities losing land and forest access, environmental damage, and human rights abuses of those who have their lands and resources confiscated. Communities have few avenues for remedy or recourse, as complaint letters are no longer effective, and many fear retribution from authorities if they complain vocally.

There are no functioning complaint mechanisms at District and Township level KNU, responses are inconsistent when complaints are made, and issues are rarely addressed due to the instability of the situation and competing interests. Civil society groups have instead attempted to complain to KNU CEC at the central level when a problem arises, however limited communications create difficulties, and the KNU CEC is not able to directly intervene. In some cases, township authorities have arranged stakeholder meetings to create agreements between companies and communities, with CSOs as observers.

The NUG and other newer governance actors are unable to have any meaningful role in these processes, as they have little presence on the ground or ability to assert territorial or administrative control. One civil society leader commented that;

"It is not clear how the exile government is still using the previous useless policies and frameworks, and how they are engaging in this [natural resource]"

sector. The situation has changed, and there is no clear approach for dealing with it in this context... NUG should have a better plan to handle the natural resource governance sector."

Section 2.

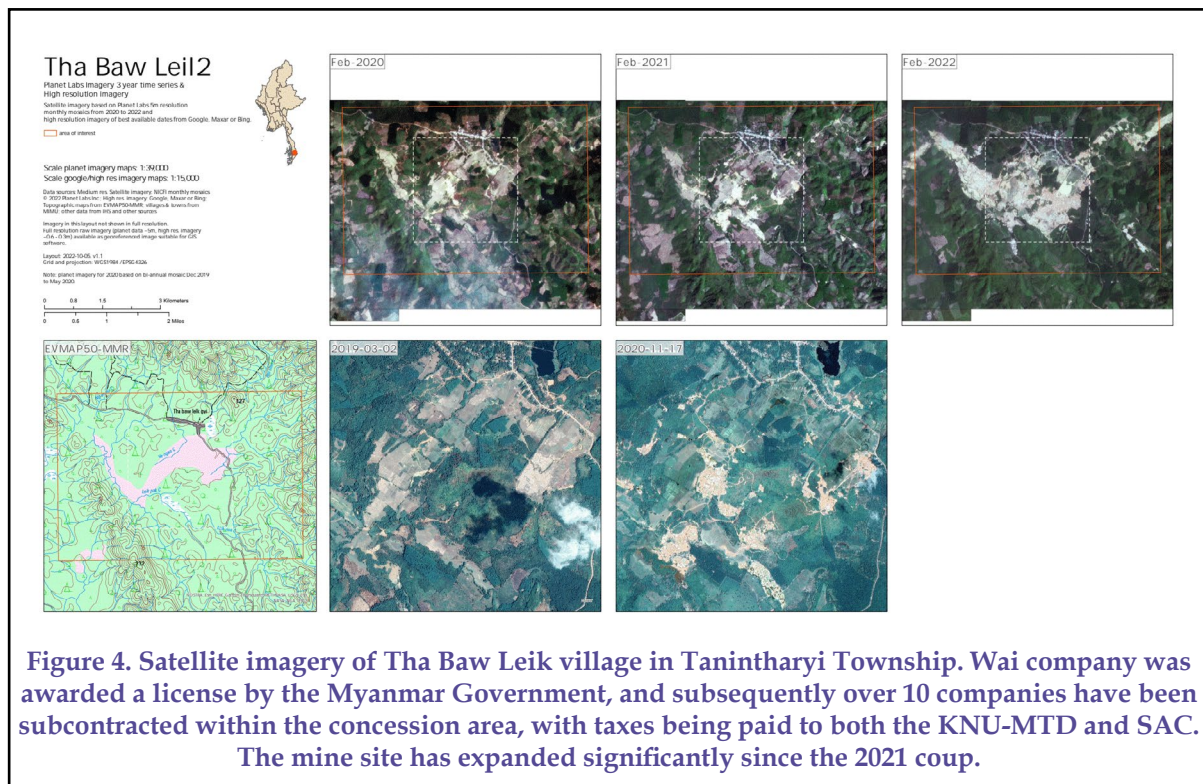
Resource Extraction Amid Collapsing Governance

Rapidly accelerating mining operations

"We need [to] extract resources so we have money to fight this coup ..." – KNU officer

Both the SAC and KNU-MTD currently preside over a growing number of expanding tin and gold mining operations across the region, as well as an increasing number of logging operations. Many mine sites had already been established with the permission of both KNU-MTD and SAC, however following the coup, these have continued to expand in size. Interviewees across all three districts have reported an increasing number of bulldozers and excavators entering mine areas, at one site as many as one hundred machines have entered the area since the coup. Once mines have depleted tin or gold reserves at one site, they move on to next sites to set up new mining operations.

Companies pay taxes both to the SAC and the KNU-MTD, however the SAC are rarely seen on the ground. Levels of tax paid to KNU-MTD vary between townships and operations, for example in Palaw Township companies are charged 50,000MMK per machine (such as backhoes and bulldozers), while in Tanintharyi Township taxation is over ten times this after the coup, however it is unclear what the rationale for this is. Approximately 20% of taxation is meant to be sent to Central KNU, District keeping 80%, but it is not clear if this occurs for all operations. While normally operations are sanctioned by the District KNU Mining Department, there are a growing number of operations sanctioned by Township Officers, who are involved in their own resource extraction projects. The breakdown in oversight and has led to a deepening of "smash and grab" resource extraction.



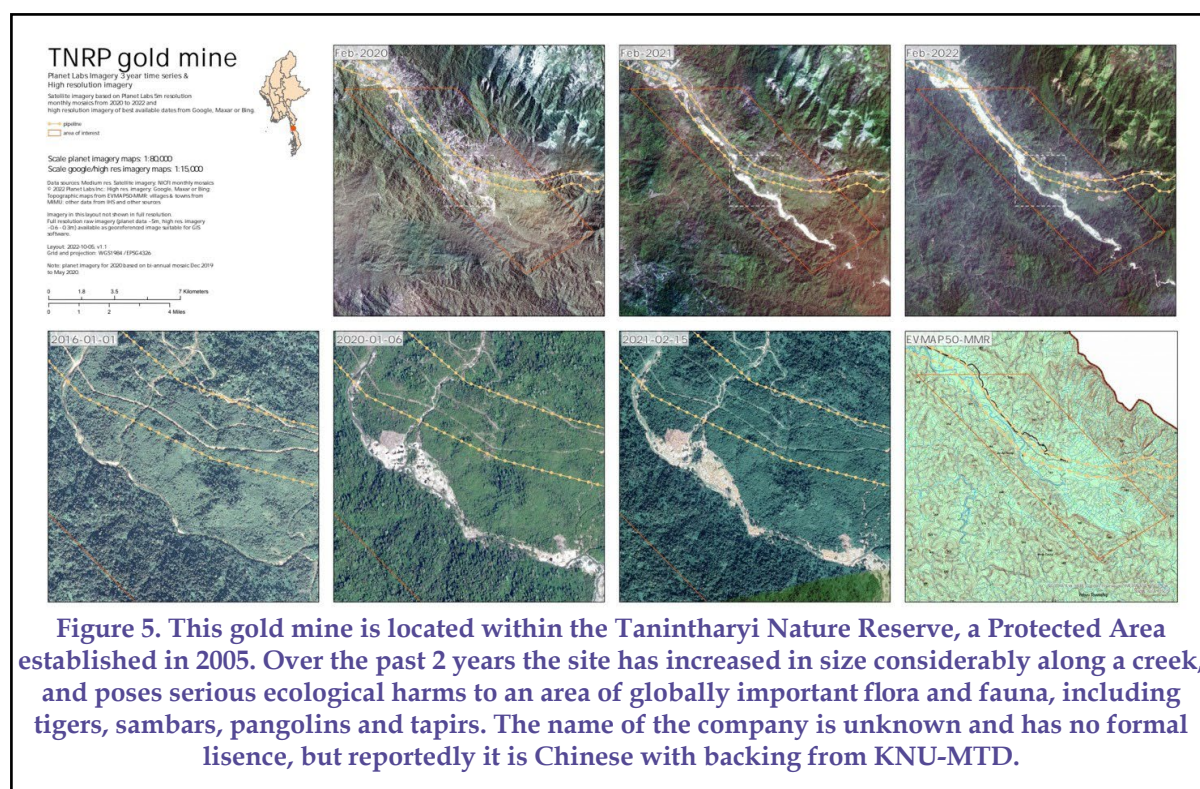


Figure 5. This gold mine is located within the Tanintharyi Nature Reserve, a Protected Area established in 2005. Over the past 2 years the site has increased in size considerably along a creek, and poses serious ecological harms to an area of globally important flora and fauna, including tigers, sambar, pangolins and tapirs. The name of the company is unknown and has no formal licence, but reportedly it is Chinese with backing from KNU-MTD.

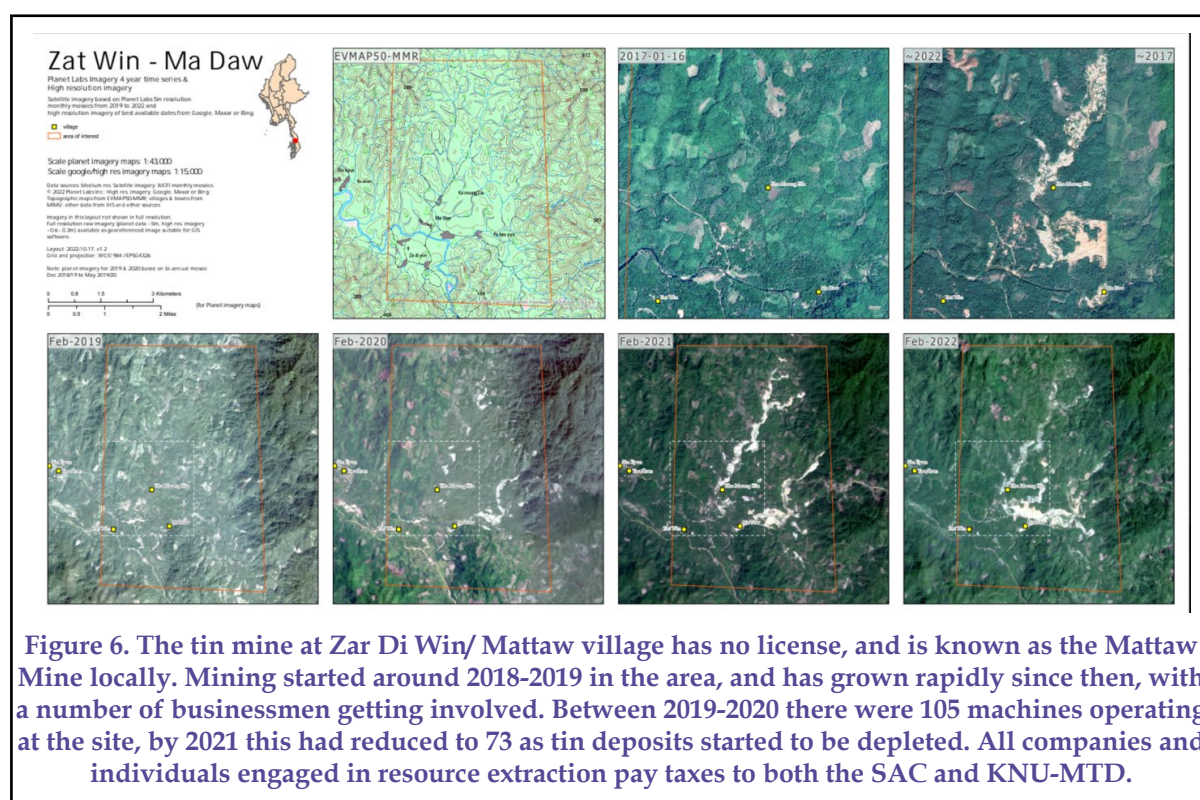


Figure 6. The tin mine at Zar Di Win/ Mattaw village has no license, and is known as the Mattaw Mine locally. Mining started around 2018-2019 in the area, and has grown rapidly since then, with a number of businessmen getting involved. Between 2019-2020 there were 105 machines operating at the site, by 2021 this had reduced to 73 as tin deposits started to be depleted. All companies and individuals engaged in resource extraction pay taxes to both the SAC and KNU-MTD.

The satellite images above illustrate fast growing mining operations, corroborating our interviews with community members who describe larger numbers of mining machinery entering mines sites. Over a short period, since the coup, mining operations across the region have grown significantly, resulting both in observable deforestation and pollution of surrounding rivers and creeks. The reason for the expanding and growing number of mining and resource extraction operations includes

armed actors searching to generate revenues, growing levels of corruption amid a breakdown in the rule of law, increasing levels of poverty and instability, and rising commodity prices. These are expanded upon below:

Armed actors looking to generate greater revenues

A primary reason for the growing mining is a desire of armed actors to generate funds for arms and defence during a time of conflict. Each armed actor needs quick revenues; however, it is only the KNU-MTD and SAC that have enough territorial control to extract resources on the ground.

Breakdown in regulations

This drive to rapidly extract resources amid a breakdown of rules, regulation and oversight has also created opportunities both for lower ranking authorities, local elites and businessmen to take advantage. There is a growing tide of new actors getting involved in resource extraction projects including village headmen, township authorities and small businesses as a result of this. These actors have little technical knowledge and no obligation to extract resources responsibly, leading to growing environmental issues.

Growing poverty and instability

The instability caused by the coup, the conflict and financial volatility have resulted in many households losing their livelihoods and incomes. Farmers growing betel-nut are no longer able to get a good price for their produce as a result of rising input costs such as petrol, and many traders do not have the cash to pay for the produce, giving IOUs instead. Many households are unable to attain food security from either farms or orchards and are sending children to boarding schools in towns as they are unable to feed them at home. Growing poverty is also pushing many households towards mine sites, as one of the few industries left where people can earn money.

Raising commodity prices

As well as growing instability and a need to generate revenues, both gold and tin have seen commodity booms, leading to resource rushes. The tin price, for example, increased by 200% from 150,000 to 450,000 USD/T between March 2020 and March 2022.³¹ Likewise, the gold price has also increased over the past 3 years by around 60%, from 1,200 USD/oz in 2019 to 2,000 in early 2022.³² In Tanintharyi Region, these increased prices are also being seen on the ground, for example in 2018 miners would be able to get 18,000 kyats per viss (1.6kg), which increased to between 30-70,000 in 2020 and 2021, and has settled again at between 20-22,000kyats in 2022. Rising commodity prices have helped to create tin and gold rushes in Tanintharyi, pulling companies and workers into the mining sector, where they can make higher earnings.

³¹ <https://tradingeconomics.com/commodity/tin>

³² <https://goldprice.org/gold-price-history.html>



Figure 7. Tin price index

Shifting investments

Following the coup, the dynamics of resource extraction have changed in several areas. While there has been a rapid proliferation of small-scale mining and logging operations often run by local authorities, there are other operations that have either remained dormant or withdrawn from their operations. Further still, some larger operations are either continuing to operate or are making plans for future projects when there is a return to stability.

Type of operation	Description	Examples
Quick cash operations	Proliferating small-scale mining and logging operations often initiated by SAC or KNU-MTD authorities in order to make quick profits, ostensibly for defence purposes, but in reality often for individual gain.	Tha Baw Leik mine, TNRP gold mine among a large network of illicit mining projects.
Withdrawing operations	Some larger scale investments have withdrawn from the region due to increasing conflict, rising financial instability and future uncertainty. Contracts either cancelled or passed on.	Heinda Tin Mine, Dawei Special Economic Zone (unconfirmed)
Dormant projects	Operations that have temporarily suspended operations due to the current context, but continue to have interest in restarting at a later date	Oil palm concessions, Ban Chaung coal mine.

Continuing or new investments (new cronies)	Larger-scale projects that were either initiated just before or after the coup, and are continuing to move ahead with operations. These have approval from both authorities and are often crony companies with strong networks.	24 Hour Mining and Industrial project, Wa Zone Chaung dam, ect.
Speculative investments	Speculative investors making plans for future projects, when there is greater stability. This often constitutes dams or other large-scale energy or infrastructure projects.	Several large-scale dam projects.

While small and medium-scale operations proliferate, some larger-scale international investments in the region have started to withdraw. French energy giant TOTAL, for example, has withdrawn from natural gas projects in Ye Phyu Township, and it is unlikely that the Dawei SEZ will attract sufficient investment or political will to continue in the current climate. Large tin mines in Dawei District such as Heinda and Bawa Pin mine have also suspended their operations due to growing security concerns and rapidly increasing inflation. Some large-scale operations withdrawing from Myanmar are replacing operators with either military or military aligned companies, for example, Myanmar Pongpipat Company Ltd. that operates Heinda Tin Mine in Dawei District has reportedly transferred its contract to MEHCL.

A number of mid to large-scale operations in Tanintharyi Region have been dormant since the coup, suspending, changing or reducing their projects, possibly waiting to restart when there is greater stability. Ban Chaung Coal Mine for example has remained dormant since the coup, with no companies attempting to restart the operation at the present time. Likewise, palm-oil plantations which occupy a large proportion of the region's land cover have in large part been suspended or have halted expansion. Several plantations are no longer growing oil palm, with workers instead tending to betel nut and fruit orchards on expansive concession lands. This is likely because companies are no longer prepared to make longer term investments in agribusiness projects, failing electricity under which conditions mills are unable to operate, and a deteriorating security situation.

Several mid-to large projects have continued to operate during this period of political instability. One such project is 24Hour Mining Company Limestone mining and cement manufacturing project in Bokpyin Township. The operation was first granted a contract in 2019 with support from both the Myanmar government and KNU-MTD. Following the coup, the company has conducted consultations at the mine site, and has started to move forwards with plans to build a cement factory in a coastal area. Despite increasing volatility, the company has been able to continue to make progress in implementing the project with the support of both the SAC and KNU-MTD.

Likewise, several large-scale dam developments have continued to make progress, with frequent meetings held with both the Tanintharyi SAC and KNU-MTD. This includes a large-scale dam backed by Chinese state-owned enterprise, Power China, and several others located on the Tanintharyi River and its tributaries. While these

projects are unlikely to move ahead in the current climate, dam developers are likely making plans for a period that they hope will be more stable.

Value chains and taxation

Value Chains:

The key actors operating resource-based value chains are investors and domestic and foreign companies, supported by SAC and KNU-MTD authorities under a weak regulatory environment underpinned by growing violence and instability. While many of the existing mining operations have been permitted, either under the previous NLD government or by SAC and KNU-MTD, a majority of operations are operating illegally, either extracting resources without a permit, or sub-contracted by larger companies on an existing concession site. Both individual businessmen or established companies bring machinery for mining, either their own or rented from nearby towns.

Among smaller operations, mine owners sell their tin or gold at the nearest town, at larger operations buyers are based at the mining site, or investors transport their produce via road or river to the coast. While in the past, a majority of timber and resources flowed across the border to Thailand, much larger amounts of resources are now transported to ports in Myeik where they are shipped overseas, entering global value chains.

In recent years Myanmar has become one the biggest global exporters of tin globally, the largest markets being China and Malaysia. China is by far Myanmar's biggest tin market, particularly after the opening of new mine sites in Wa region,³³ importing 292 million kg in 2017, valued at \$USD 910 million, and 147 million kg after the coup in 2021, valued at \$USD 761 million. The majority of tin from Tanintharyi, however is transported to Malaysia, which imported 353,000 kg in 2021, valued at 8.1 million \$USD.³⁴ Thailand also imports some tin, but to a much smaller degree.

	Malaysia import		China import	
Year	Quantity (kg)	Trade value (USD)	Quantity (kg)	Trade value (USD)
2017	1,190,514	12,127,219	292,544,955	910,388,594
2018	1,477,030	16,116,275	218,703,730	716,360,379
2019	1,477,030	16,706,739	167,642,020	577,087,340
2020	243,820	2,917,930	145,076,520	446,808,091
2021	353,548	8,144,780	147,136,010	761,145,402

Figure 8. Data: UN Comtrade

Timber has also historically been a critical resource for military revenue generation during periods of instability. Following the coup, timber exports to global markets have continued despite sanctions imposed by the US, UK and EU.³⁵ A recent Forest

³³ <https://news.metal.com/newscontent/100086938/Myanmar-tin-exports-to-China-hit-all-time-high-during-January/>

³⁴ UN comtrade. 2022. Accessed at: <https://comtrade.un.org/>

³⁵ Environmental Investigation Agency. 2021. The Italian Job: how Myanmar timber is trafficked through Italy to the rest of Europe despite EU laws. Accessed at: <https://eia-international.org/report/the-italian-job-how-myan->

Trends report shows over \$190 million of timber exports between February 2021 and November 2021, including \$31 million to countries that have declared sanctions.³⁶ Research respondents in Tanintharyi report that the majority of timber, rather than going over the border to Thailand is sent the ports in Myeik or Theyetchaung, where they are exported, likely to Malaysia.

Taxation:

"I have seen no actions carried out before or after operations by either authority. They extract and make damage to the soil and environment, then take no responsibility. No authority takes supervision, monitoring, nor reporting, they just take taxes." – community member, Myeik District

As armed actors attempt to raise funds during this period of instability, taxation and financial extortion related to natural resource extraction has also increased. Taxation systems are often chaotic and arbitrary, with those participating in resource extraction often paying taxes to more than one armed actors. Further, there is also an increase in the occurrence of financial extortion from armed actors at mine sites.

The SAC continues to use the 2015 Mining Law which was amended under the NLD period to collect taxes from licensed mines, either through a production sharing agreement, usually at the rate of 30-70% or through set royalty rates of 4-5% for tin and gold.³⁷ In some cases, however, SAC officials go to the mining site and extort more money for mineral extraction, the amount is arbitrary.

For the KNU-MTD, taxation takes place through a number of ways. Tax gates are a key way through which the KNU-MTD is able to levy taxes and generate revenues. Respondents say that the number of tax gates around mine sites has increased significantly following the coup, with authorities taking fees per machine, on production and per operation. In some instances, village heads also receive taxation for operations, ostensibly for village development, but often taken privately. The amount of tax paid appears arbitrary, for example at some sites the KNU take 50,000 kyats per machine, whereas in others a much larger amount, between 500,000 – 1,200,000 kyats are taken.

Taxes that are collected at Township and District Levels are supposed to be shared with KNU Central to the degree of 14%, and in the past 50%³⁸. This, during the period when KNU enjoyed more centralised control, was intended to evenly spread resources across districts, ensuring that areas with less resources could also have access to budgets to administer their territories. District Collection is supposed to be allocated to the ratio of 65/35 between military and administrative departments. Despite these regulations and protocols, in reality they are thought not to be practiced anymore by the KNU-MTD, as the District office rarely reports the income that they receive from business operations.

mar-timber-is-trafficked-through-italy-to-the-rest-of-europe-despite-eu-laws/

³⁶ Forest Trends. 2022. Myanmar's Timber Trade One Year Since the Coup. Accessed at: https://www.forest-trends.org/wp-content/uploads/2022/03/Forest-Trends_Myanmars-Timber-Trade-One-Year-Since-the-Coup.pdf

³⁷ Government of Myanmar. Pyitaungsu Hluttaw Law No.72/2015: Law amending the Myanmar mining law. Available at: <https://myanmar-law-library.org/law-library/laws-and-regulations/laws/myanmar-laws-1988-until-now/union-solidarity-and-development-party-laws-2012-2016/myanmar-laws-2015/pyidaungsu-hluttaw-law-no-72-2015-law-amending-the-myanmar-mining-law-burmese.html>

³⁸ The districts have to share remaining taxes to the service delivery departments for development.

PDFs, LDFs and other forms of revolutionary armed or non-armed governance structures also need to raise revenues. The NUG has established Standard Operating Procedures for taxation from resources for several States and Regions, but it is not yet able to generate resources in Tanintharyi Region. PDFs and LDFs do not have any tax gates, prevented from doing so by the KNU-MTD, and instead depend on donations from communities in the area, and remittances and donations from overseas diaspora communities.

Case Study: Charcoal Production in Mangrove Forests

Myanmar is one of the world's largest charcoal exporters despite the state policy law banning this practice. The two most prominent locations for the charcoal business are in coastal regions and northern Kachin State. Among coastal regions, Tanintharyi Region supplies the Thai market with charcoal, while Kachin State supplies a growing Chinese market. Charcoal is used for silicon metal for the massive production of solar panels and silicon chips for electronic devices.³⁹

Charcoal from mangrove trees is popular and in demand due to its prolonged burning capacity and high caloric content. Charcoal production is one of the primary drivers of mangrove deforestation, driven by 85% of the domestic population dependent on charcoal as a primary energy source. The production of charcoal in Myanmar became higher after the Thai government banned the charcoal production in the late 1990s. Thai traders inject not only capital but also technical support for better quality and market products.⁴⁰

Significantly, the permitted, powerful and primary engaged actors in charcoal production are local armed militias, affiliated with the Myanmar military. During the period of democratisation, civil society and community-based organisations had a chance to complain about illegal production, which contributed to deforestation, and manage their adjacent forests through regular patrols and community action against illegal logging. However, following the 2021 coup, these actions are no longer possible. The growing trade has led to a 60% decline in mangrove cover within 20 years.⁴¹

One female daily wage worker recounted threats to food security because of mangrove degradation and deforestation: "There are less fish and prawns when there are less mangrove trees because the mangrove forests are their home for breeding. Poor households like mine depend on fish, prawns, mussels from that forest and we did not need to spend money for food till my marriage. Now, I need to spend money on daily food for my family."

39 Freudenthal, 2017, (need full citation)

40 Woods, K.M., 2020. CHARCOAL PRODUCTION IN MYANMAR: LINKS TO ILLEGALITY, DEFORESTATION.

41 Naing Tun, Z., Dargusch, P., McMoran, D.J., McAlpine, C. and Hill, G., 2021. Patterns and Drivers of Deforestation and Forest Degradation in Myanmar. *Sustainability*, 13(14), p.7539.

Section 3.

Environmental and social impacts

There are growing serious environmental impacts as a result of expanding unregulated and increasingly militarised natural resource extraction in Tanintharyi Region, and a growing hostile environment for ground level environmental defenders who are losing their ability to exercise and assert control over their lands and forests. The results include deforestation, polluted waterways, and desecrated agricultural lands.

Impacts of expanding mining

Due to a collapsing rule of law and absentee governance by both administrations, mining companies operating across Tanintharyi Region no longer conduct environmental impact assessments, and no mining laws or environmental policies are followed on the ground. The result has been an increase in land and water pollution, land clearances, and poor mine closure.

Interviewed respondents from townships across Tanintharyi Region reported an increase in environmental issues in their localities. These include the pollution of waterways, as companies dump mine tailings and waste into neighbouring farmlands and in local streams and creeks, causing fish stocks to diminish, and rendering domestic water sources non potable. Respondents also reported that in mining areas, agricultural lands are being transformed into 'moonscapes', with soil being degraded and damaged. Erosion of riverbanks and deforestation of community forests and woodlots and decline of wildlife was also reported as observable environmental impacts.



Figure 9. Mine tailings dumped on village in Myeik District

Growing deforestation

While Tanintharyi is home to one of the largest areas of contiguous rainforest in Southeast Asia, it is also the second largest site of deforestation in Myanmar. As demonstrated by Figure 11, between 2001 and 2021, Tanintharyi Region lost 4,870km² of forest cover, equivalent to 11% of the region's land cover. The most intense deforestation took place during 2014, 2016 and 2020, largely as a result of expanding agribusiness concessions that were utilised for the logging of valuable hardwoods. While communities report a reduction in plantation expansion, there has also been a growth in new logging areas, often in areas opened for new mining operations.

Community members and civil society organisations in the region report that border areas near Htee Kee, and the Maw Taung Road and Palaw Township are among the most significant areas of deforestation; these are also active conflict zones. Both the KNU-MTD and SAC are involved in sanctioning or conducting logging operations in the region, often in collaboration with local businessmen and mining companies. Logs are usually transported to Myeik or Theyet Chaung townships, where they are transported by sea, reportedly to Malaysia, however this cannot be confirmed. Previous evidence suggests that logs had been transported by sea to either China or India⁴². Currently transportation of logs is difficult due to conflict along the major roads, so logs are often found piled up on the side of the road.

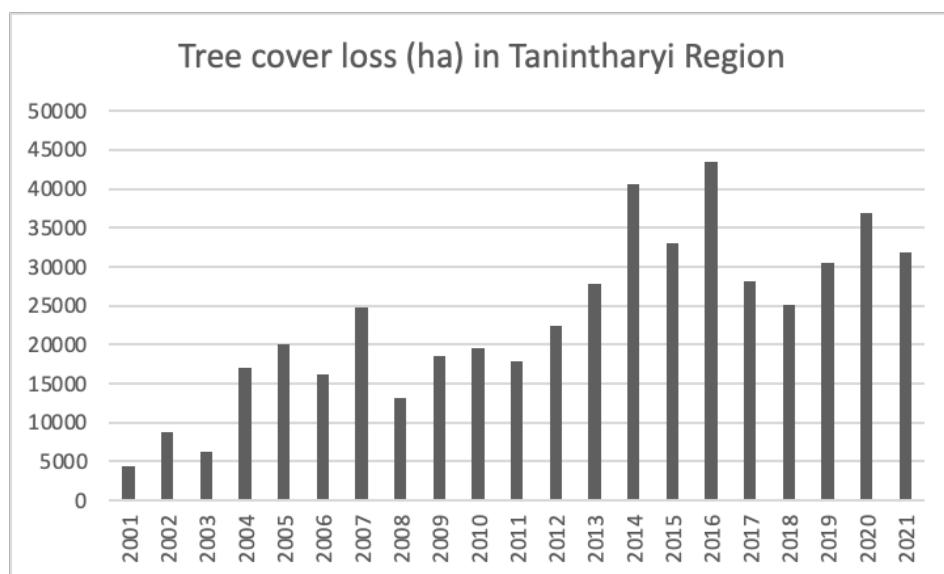


Figure 10. Data from Global Forest Watch

42 ALARM. 2018. Behind the oil palm: consequences of international oil palm. Accessed at: https://alarmmyanmar.org/pdf/Behind%20the%20Oilpalm_English.pdf



Figure 11. Deforestation around mine site, Myeik District

Increasing difficulties with local forest management

The KFD has supported communities to establish a total of 41 Community Forests (CFs) that cover an area of 104,000 acres across Tanintharyi Region. CFs are approved at township, district and central levels of the KFD, and require that communities form a Community Forest Committee through which management decisions are taken over access to and use of resources, typically including no agricultural expansion, no hunting, and no logging. Community members and District KFD take an active role in managing Community Forests, regularly patrolling, and monitoring them to prevent incursions and forest loss.

Following the 2021 coup, communities report that their ability to manage their forests has reduced. Rising fears of attacks or reprisals from the military mean that most community members no longer do regular forest monitoring trips, choosing instead to stay home. As a result, communities are losing control over their forests, and there has been some increase in logging and resource extraction within CF areas.

Declining space for civil society and increasing dangers for environmental and land defenders

Prior to the military coup, communities across Tanintharyi Region had developed strong structures and practices in order to defend their lands from growing extractive projects, often with the support of civil society organisations. Communities and civil society organisations across the region had campaigned against expanding palm oil plantations, mining operations, protected areas, and dams, as well as establishing their own forms of community-driven conservation.

Following the coup, activities of community-based organisations, environmental defenders and civil society groups have been tightly constrained by an increasingly hostile and violent environment. Many community members are fearful of conducting or participating in activities in their surrounding environments due to trauma from decades of civil war in the area. Other CBO members say that they have been threatened by authorities for conducting activities, one telling us that he was threatened that he would be shot if he continued to complain about a mining operation that was planning to be established in the village.

Both SAC and KNU-MTD have created a shrinking and increasingly hostile space for CBOs and CSOs doing environmental and community development work in Tanintharyi Region. In July 2021, 6 months after the coup, the SAC called for all INGOs to cease their operations and close their offices in Tanintharyi Region.⁴³ There has also been an increasingly challenging environment for local civil society organisations, several of which had their offices raided by the SAC, others have had members arrested, and all of which have had to go underground, continuing scaled back operations from safe spaces. Likewise, some CBOs report that they are no longer given permission by KNU-MTD authorities to conduct activities such as environmental awareness meetings. SAC representatives in one village ordered local CBOs to halt their development work, announcing that there are no longer any CSOs or CBOs in the area, and anyone conducting activities in the area would be arrested.

The result of this increasingly hostile and limiting environment for community-based organisations, environmental defenders and civil society groups has been an increasing loss of control over land and resources, and growing impunity for illicit and unregulated mining operations, causing increasing environmental issues. Respondents from two villages reported that communities have had to halt their conservation activities and that customary land and forest management activities have fallen into disrepair. Communities are fearful of travelling to the forest or confronting companies or authorities conducting extractive operations on their lands. There have also been reports of an increasing occurrence of wildlife poaching and logging, to which local groups are finding it increasingly difficult to respond to.

43 UNHCR. 2021. Weekly Briefing Note Southeastern Myanmar. <https://data2.unhcr.org/en/documents/download/87451>

Section 4.

Conclusion

The 2021 military coup has had far-reaching impacts in natural resource governance, both in Tanintharyi Region, and across Myanmar. Growing armed conflict and the dismantling of state structures has both destabilized rule of law and created a growing demand for natural resource revenues by armed actors. In addition to this, global commodity booms, domestic financial uncertainty, and growing poverty have led to resource rushes, resulting in a rapid proliferation of small and medium scale mining across the country. At the same time, increasing instability has resulted in large-scale investments being halted and many long-term projects being withdrawn. Herein a conflict economy has emerged in which long-term investments have rescinded and smaller scale ‘smash and grab’ operations led by armed actors and affiliates have proliferated. Like the examples shown in this report from Tanintharyi, small-scale gold mining operations have grown significantly across Kachin State, as well as Sagaing and Magawe Regions, as armed actors, companies and impoverished communities move towards a burgeoning unregulated mining sector.⁴⁴

The growing conflict resource economy is also becoming increasingly militarised, as armed actors seek to shore up resource deposits and create quick revenues. While in Kachin State, Shan State, and Sagaing Region we have seen an increasing presence of military affiliated militias controlling and exploiting resources, in Tanintharyi Region a similar relationship has been forged between the KNU-MTD and the SAC. Resource exploitation here creates platforms for cooperation between disparate and often opposing armed actors. The growing militarization of resource governance is also creating an increasingly dangerous environment for land and environmental defenders, who have experienced threats, detention or violence at the hands of armed actors while trying to protect lands and forests.⁴⁵

The larger environmental impacts of the natural resource sector during this period of growing instability, mismanagement and conflict have been enormous. While in Tanintharyi, multiplying mining operations have resulted in the pollution of streams and rivers, erosion and destruction of agricultural lands, and deforestation in surrounding areas, similar cases have been documented across the country. In Kachin State, for example, growing gold mining has resulted in the erosion of river basins, mercury pollution and drying up of water sources, and increasing deforestation – in some cases consuming IDP villages or displacing communities.⁴⁶ Similar cases have been documented in Sagaing, Bago, Shan, and Magwe States and Regions.

44 Frontier. 2022. ‘Quick profits’: Activists fear for environment under military rule. Accessed at: <https://www.frontiermyanmar.net/en/quick-profits-activists-fear-for-environment-under-military-rule/>

45 Wah, E., 2022. Loosing the freedom to protect: shattered dreams of environmental defenders. Accessed at: <https://www.frontiermyanmar.net/en/losing-the-freedom-to-protect-the-shattered-dreams-of-environment-defenders/>

46 Fishbein, E., Hkawng, J.T., Lusan, N., Naw, J. 2022. In the wake of the coup, gold mining boom is ravaging Myanmar: e360Yale. Accessed at: <https://e360.yale.edu/features/as-conflict-persists-gold-mining-boom-is-ravaging-myanmar>

Section 5.

Recommendations

For the Karen National Union (Central)

- a. In a context when territorial authority is unclear, further develop and implement regulations and procedures for responsible resource management and environmental protections, along with robust monitoring mechanisms during this period of growing instability and uncertainty, particularly in mixed control areas. Where reliable monitoring is not possible through District and Township offices, work closely with CSOs, taking action to hold lower ranking officials to account, where rules are broken.
- b. Establish a strong set of grievance/complaint mechanisms at Central Level through which the public can report instances where individuals or organizations are violating KNU policies and procedures, and harming the wellbeing of surrounding communities. Ensure that complaints are followed up within a reasonable and pre-agreed timeframe, and that the information is used to hold District and Township Officers accountable.
- c. Many communities in Tanintharyi Region and throughout KNU Districts are unaware of the KNU's policies and governance mechanisms. Conduct an awareness raising campaign among communities across all districts, working with CSOs where most effective.
- d. Ensure that there is a robust process for granting resource extraction licenses among all departments and committees, including a strong FPIC process which gives communities the option to withhold their consent and say no. Consider making this process public in order that communities and civil society can scrutinize commercial projects, and ensure that FPIC and correct procedures have been followed in the granting of resource concessions.
- e. For every project carefully assess short term gains of resource extraction with longer-term aspirations of the KNU and Karen people for sovereignty, peace, justice, and equality. While some income generation may be necessary during this period, we recommend being more selective and ensuring that projects area implemented in a more sustainable and responsible manner, and with the consent of local communities. The KNU's values of equality, peace, and respect for indigenous territories and biodiversity are what distinguishes it from the SAC, and risk being compromised by a focus on short term gains.
- f. Support innovative, collaborative co-management approaches to sustainable resource governance by indigenous communities across all districts, as has been done with the Salween Peace Park Such initiatives. Such project can foster stronger relationships between local populations and the KNU, support long-term sustainable forms of resource management, and encourage global recognition and support for KNU land and resource administration.

NUG and Parallel Administrations:

- a. Demonstrate leadership on natural resource and environmental issues by pressing international donors on the importance of supporting work on natural resource governance. Similarly, communicate with Chambers of Commerce from countries supportive of the democracy movement to deter

companies from unsustainably sourcing raw materials from conflict-affected areas.

- b. Develop a vision for natural resources management that recognizes that natural resources are not only a source of income, but are the basis of livelihoods for most people, a defense against climate change and represent the country's natural heritage.
- c. Ensure that policies, laws, and procedures support that vision and are feasible, inclusive, and based on consultations with EROs, civil society and the wider public. Have confidence to implement more sustainable management plans, even where there is some localized opposition to the controls.

Donors and International Organizations

- a. While donors and international organisations focused resources and energy on natural resource governance in the past decade, many have stopped engaging with this work after the coup. Given the enormous challenges faced by people in land and natural resource sectors, we recommend that donors and organisations consider refocusing their resources on this area.
- b. Support EROs and local authorities to develop and strengthen policies and systems for managing and protecting land and natural resources. In addition to this, we recommend that donors and international organizations support locally developed collaborative resource management initiatives.
- c. Facilitate communication channels between the Myanmar leadership, civil society, and foreign companies involved in consumer commodity chains to prevent unsustainable sourcing of communities from conflict-affected areas.
- d. Increase support to civil society and community-based organisations, who maintain strong relationships with communities across the region. These organisations have local legitimacy, are closely monitoring ground level situations, and so are a source of information for actors looking to improve the situation. And while their power is limited, they are one of the few remaining bulwarks against groups acting with even greater impunity. They are also best placed to navigate local contexts during a period of extreme uncertainty, instability and high regional variation.
- e. Provide support for Environmental Defenders operating in Myanmar, whose work has become increasingly high risk. Areas of need include emergency evacuation and security costs, as well as technical support for mapping, monitoring and covert campaigning on environmental issues.

Civil Society Organisations

- a. Systematically monitor land and natural resource incursions following the coup, using remote sensing where ground-level data collection is not safe. Work with allies (e.g., KNU/NUG leadership, donors, international organizations) to strengthen advocacy channels to hold to account actors involved with consumer commodity chains.

- b. Work with communities and local forms of administration to develop and strengthen interim governance mechanisms. There are already many examples of such initiatives across the country.
- c. Continue to support indigenous, forest-dependent communities and community-based organizations to document, sustain and protect lands and territories, through customary practices and institutions.

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