

Kaladan Multi-Modal Transit Transport Project



**A preliminary report from the
Arakan Rivers Network (ARN)**

Kaladan Multi-Modal Transit Transport Project

**A preliminary report from the
Arakan Rivers Network (ARN)**

Preliminary Report on the Kaladan Multi-Modal Transit Transport Project

November 2009

Copies - 500

Written & Published by

Arakan Rivers Network (ARN)



P.O Box - 135
Mae Sot
Tak - 63110
Thailand

Phone: + 66(0)55506618
Emails: arakanrivers@gmail.com *or*
info@arakanrivers.net
www.arakanrivers.net

Table of Contents

1. Executive Summary	1
2. Technical Specifications	1
2.1. Development Overview.....	1
2.2. Construction Stages.....	2
3. Companies and Authorities Involved	3
4. Finance	3
4.1. Projected Costs.....	3
4.2. Who will pay?	4
5. Who will use it?	4
6. Concerns	4
6.1. Devastation of Local Livelihoods.....	4
6.2. Human rights.....	7
6.3. Environmental Damage.....	10
7. India- Burma (Myanmar) Relations.....	19
8. Our Aims and Recommendations to the media.....	20
9.1. Our Aims.....	20
9.2. Recommendation to the media.....	21
9. About the Organisation.....	21
9.1. Background of Arakan Rivers Network (ARN)	21
9.2. Vision of ARN.....	22
9.3. Mission of ARN.....	22
9.4. Core Values of ARN.....	22
9.5. Activities of ARN.....	23
10. Endnotes.....	23

Preface: A Note from the Author

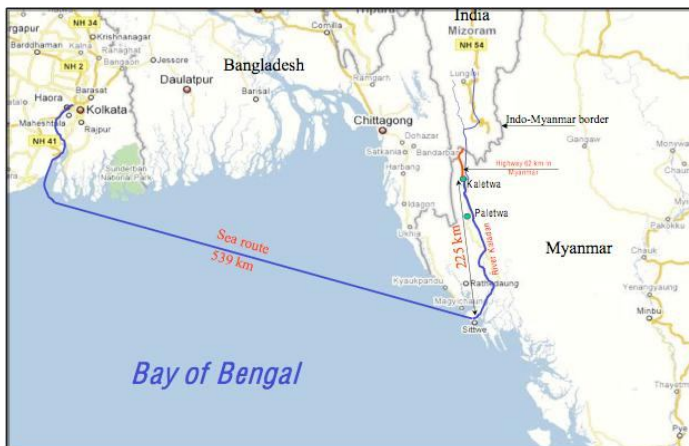
“The Kaladan Multi-Modal Transit Transport Project: A Preliminary Report, November 2009” has been written to precede a full report that the Arakan Rivers Network (ARN) will release in 2010.

This full report will include a comprehensive overview of the Kaladan Multi-Modal Transit Transport Project as well as a number of hydropower projects under construction in Arakan State. The full report will include:

- ◆ An in-depth background of the project including the current situation in Arakan State and Burma as a whole.
- ◆ A comprehensive study of the livelihoods along the rivers of Arakan and local dependence on the waterways, including independently formulated statistics and first hand interviews.
- ◆ An expert’s analysis of the Burmese junta’s recent obsession with hydropower
- ◆ A detailed explanation of all the projects, based on information taken from official engineering plans.
- ◆ Clear documentation of human rights abuse in the project areas including interviews with those who have been forced to relocate, give up farmland, work without remuneration or give up personal possessions.
- ◆ Clear documentation of recent acts of violence inflicted on locals by the military such as torture and rape in the project areas.
- ◆ Comprehensive and clear analyses and explanations of the many expected and already occurring environmental impacts the projects will have.
- ◆ Numerous examples of the damage these environmental changes are having or are expected to have on local livelihoods, including independently formulated statistics and first hand interviews.
- ◆ Detailed analyses of the many damaging effects large hydropower dams can have on the global environment and climate – and how these effects are exacerbated by the junta’s irresponsibility.
- ◆ Detailed accounts of the impacts such projects have on local culture and heritage including the destruction of ancient historical remains and the devastating effects of increased militarisation on local communities.
- ◆ Experts’ analyses on current foreign relations between Burma and its neighbours and the implications of these relationships locally and internationally.
- ◆ Comparative case studies of similar projects in Southeast Asia, India and China.

1. Executive Summary

On April 2nd 2008 the Indian government signed an agreement with the Burmese military junta for the Kaladan Multi-Modal Transit Transport Project. The project will connect the landlocked area of Northeast India with the sea via Western Burma (Myanmar) and open up trade routes to Southeast Asia.¹



Engineering plans show that widespread damage will be done to the coast of Arakan State, Western Burma, which is a key area for mangrove forests, shrimp farms and fishing.² Similar damage will be done to the Kaladan River and surrounding paddy fields, cutting off much needed supplies of food, on which over a million local civilians depend. Furthermore, the proposed highway is to be built straight through the mountainous forests of Chin State, which are home to many endangered species.

On top of this, large-scale militarisation has already been reported in the project area, which has led to forced labour on military infrastructure, forced relocation, extortion, physical and sexual abuse and an exodus of thousands of Arakanese families into India. There seems to have been no effort made by the junta or the Indian companies involved to protect the wellbeing of local civilians who already live in extreme poverty and have been given no choice about the project.

2. Technical Specifications

2.1. Development Overview

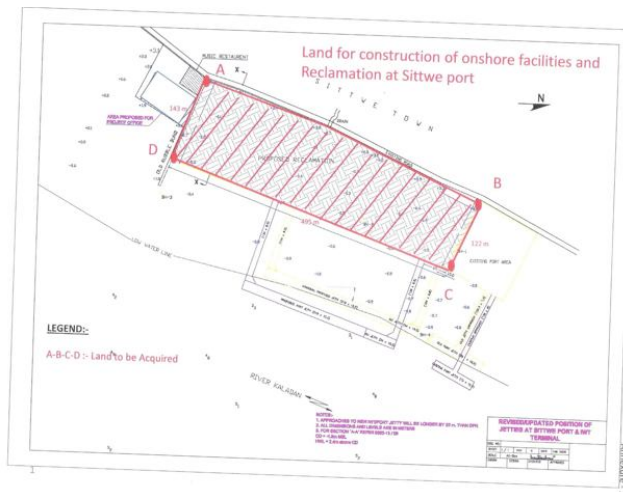
The project will connect Kolkata seaport, East India with the seaport in Arakan's capital, Site-tway (Sittwe) – a total distance of 539 km. It will then link Site-tway to the landlocked area of Mizoram in Northeastern India via river and road transport.

The project is divided into three main phases, the first and second of which are expected to begin before the end of 2009.³



2.2. Construction Stages

Phase 1 - Redevelopment of Site-tway port to handle the future increase in shipping. This will include the expansion of its seaport and the construction of a new inland waterway terminal (IWT). This stage is expected to begin in December 2009.⁴



Phase 2 – Dredging of 225 km of the Kaladan River between Site-tway and Setpyitpyin (Kaletwa) in Chin State, where another IWT will be built.⁵ This stage will begin in December 2009 and continue until March 2010. There will then be a break for the rainy season before construction recommences in November. This is expected to be repeated each year until 2013.

Phase 3 – Construction of a 62 km highway between Setpyitpyin (Kaletwa) and the Mizoram border. No dates have been confirmed for this stage as yet.⁶

3. Companies and Authorities Involved

The project is being piloted and funded by the Indian Ministry of External Affairs.



The preliminary feasibility studies (hydrographic surveys, etc.) were carried out by the state-run Rail India Technical and Economic Services (RITES).⁷



Phases 1 and 2 – The developments in Site-tway, river dredging and the IWT at Kaletwa are being primarily executed by the state-run Inland Waterways Authority of India, who are currently seeking sub-contractors from India to carry out the work.⁸



Five companies have been shortlisted:⁹

- 1) Essar Construction (India) Ltd., Mumbai.
- 2) ITD Cementations India Ltd., Kolkata.
- 3) Afcons Infrastructure Ltd., Mumbai.
- 4) M/s Simplex Infrastructure Ltd., Kolkata.
- 5) RDS POSCO JV, New Delhi.

A decision is expected in November 2009 so that construction can begin in December.¹⁰

Phase 3 – Construction of the highway is being headed by the Burmese Ministry of Transport, though it has yet to confirm which company will be given the construction contract.

4. Finance

4.1. Projected Costs

The development of Site-tway port and the Kaladan waterway

- ♦ US \$68.24 million

The highway between Kaletwa and the Indian border

- ♦ US \$49.14 million.¹¹

4.2. Who will pay?

According to the framework agreement signed in 2008, the Government of the Union of Myanmar (Burma) will provide the required land and security for all Indian workers for free.¹² The Indian government will pay US \$110 million and loan a further US \$10 million to the Government of the Union of Burma to cover the remaining expenses.¹³

5. Who will use it?

According to the framework agreement: “On completion, the project will be handed over to the Government of the Union of Myanmar on terms and conditions mutually agreed upon.”¹⁴ These terms are supposedly documented in “The Protocol on Facilitation of Transit Transport” and “The Protocol on Maintenance and Transport”. Unfortunately, neither of these documents has been released into the public sphere so it is unclear what exactly they entail.

It is clear, however, that the transport system will be primarily used by Indian companies to increase trade with Southeast Asia and to link the landlocked area of Northeast India to the sea. It is inevitable that the river will be used less by local citizens as they will not be able to afford the tolls imposed by the Burmese government or the unofficial “taxes” extorted by the military along the river.¹⁵



Some fishing boats on the Kaladan River



Some Navy Boats for collecting taxes on the Kaladan River

6. Concerns

6.1. Devastation of Local Livelihoods

Approximately a million civilians live in townships along the Kaladan River. The large majority of these people make a living from fishing and farming and rely heavily on the river for both. In addition to the river’s importance for fishing

a vast amount of cultivated farmland (primarily paddy) is located along its fertile banks. Moreover, due to a lack of good roads, the trade of both fish and agricultural products in the region is dependent on the use of the waterway.

“At home, the river is very important for everyone’s lives. It is where we get our food and water and how we travel,” explained a resident of Ponnagywan Township, situated on the Kaladan River.

Destruction of food supplies (covered in more detail in section 6.2), and restriction of travel on the river by the military (6.3) will push locals further into poverty, leading to starvation and disease, and ultimately forcing many to live in the jungle or leave the country.

Food Supplies Already Desperately Low

Food supplies in northern Arakan State and Chin State are already desperately limited as a result of a famine in the region. The famine began in 2007 due to the rare blossoming of a certain bamboo plant, which has caused a rapid increase in the population of rats, which eat the fruit.¹⁶

The bamboo species *Melocannabaccifera*, a plant covering vast amounts of land in the region, blossoms approximately every 48 years. This produces a rare, highly nutritious fruit; rats eat the fruit and then begin reproducing at an alarming rate (about 1 generation every 3 months.) As well as spreading disease, these rats also eat large amounts of rice, potatoes, chillies and other staple foods, attacking both crops and food stores. This coupled with the junta’s gross economic mismanagement and heavy restrictions on local business has caused widespread hunger and illness.

According to the Free Burma Rangers (FBR) who have been conducting relief in the region, there are currently over 100,000 families in northern Arakan and southern Chin State suffering from malnutrition, and many cases of diarrhoea, malaria, gastritis, fungal conditions, beriberi, and anaemia.¹⁷ Meanwhile, reports from early 2009 confirm that the regime continues to increase rice exports, selling at a lower price than other nations in the region.¹⁸

According to an Arakanese community leader in Mizoram who wished to not be named, there are currently 20,000 Arakanese families in Mizoram, around 1,000 of which have fled in the last two years due to famine and militarisation in the region. Due to the extreme poverty suffered by the locals of Mizoram, the displaced Arakanese receive no support from the authorities there.



A young boy fishing in the Kaladan River



A local fish market – an essential source of income

The project will allow greater access for foreign companies and large ships. However, it will put further restrictions on already strained local businesses. To allow foreign vessels access to the port at Site-tway at all times, it is likely that fishing will be prohibited in an area where hundreds of locals make their living and get their daily food. This has already happened in Kyauk-phru where a port was recently built for the Shwe Gas Project by Chinese companies.¹⁹ Similar restrictions are likely to be implemented all the way up the Kaladan River, making travel and the transport of goods almost impossible.

“Not only do we fish in the river, but it is also how we travel to other villages to sell our produce,” according to another local from Mrauk-U Township.

“I used to go into the river everyday with my brother to catch fish and find water snails for food. This is how we feed my family,” he added.



A local vegetables market– an essential source of income



A typical family trading boat along the Kaladan River

6.2. Human rights

Once the development of the river and the construction of the highway are fully underway, we expect to see the following:

◆ Widespread land confiscation

Private land such as homes and farmland will be systematically destroyed without any relocation assistance or compensation from the government. In the past, over 53,000 acres of land have been confiscated from civilians in Arakan by the military without any compensation being given.²⁰

Due to mass deployment of battalions in the region, many acres of land have been confiscated from locals to build barracks, military outposts and other related infrastructure. Over 200 acres of farmland was recently confiscated from locals for the deployment of artillery battalions 375 and 377 in Kyauk Taw Township. According to locals, there have been similar cases throughout Paletwa Township.²¹



Sign detailing confiscation of 1,000 acres of farmland in Ponnagywan Tsp.

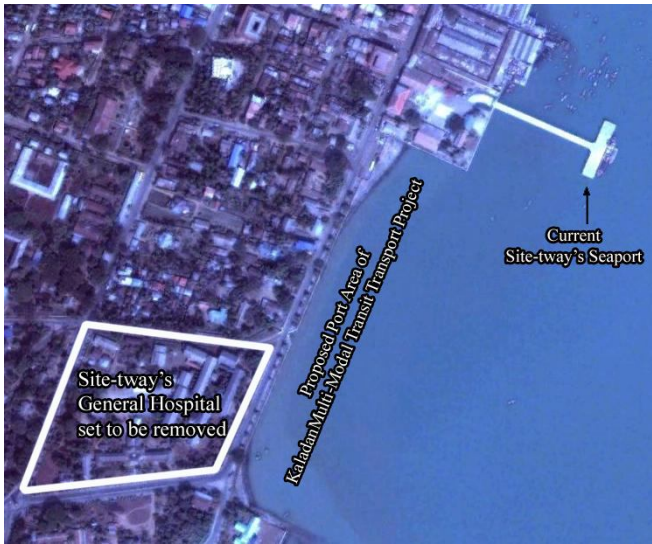


40 acres of Castor Oil Plantation Garden in Kyauk-phru Tsp confiscated by LIB 542

The proposed site for the new seaport is situated in a highly residential area, and it is possible many citizens will be forced to relocate. We can predict from past experience, that these people will receive no help from the authorities to find new homes. Many locals are also concerned about Site-tway general hospital, which is situated less than 50 metres from the sea and may also be removed.

“We have big concerns about the construction of the port, as all of the houses along the Strand Road will be removed, including the general hospital of Site-tway. According to those who have previously been relocated in Arakan and other parts of Burma, usually no compensation is given to the owners. So we expect the same thing to happen to us when these buildings are removed.

Without our houses we will lose a lot of business, as we mainly rely on our houses for doing business such as trading rice with rural folks and city dwellers,” said a resident of the Strand Road of Site-tway.



◆ **Forced Labour**

Men, women and children will be forced to act as labourers or porters, carrying heavy loads, without remuneration. Breadwinners of poor families will be forced to send their children to work so that they still have enough time to earn a living.

According to the International Labour Organisation (ILO), Arakan State has become an area of serious concern given recent increases in forced labour, especially in the north, near the border. Much of this has been for the construction of military infrastructure.²²



These photographs were taken at previous development sites in Arakan State

Case Study – Zee Chaung Dam

During the construction of the recently opened Zee Chaung Dam in Arakan State, 100-150 villagers a day were forced to work for no pay. Despite warnings of severe flooding by military officials in the area, no action has been taken to protect the lives of the 3000 families living nearby.²³

◆ Militarisation

Among the conditions stated in the framework agreement, the Burmese military have assured “*necessary security*” to all foreign workers and personnel.²⁴ A need for higher levels of security has already given rise to increased militarisation in areas surrounding the project. This has led to higher levels of extortion at military checkpoints as well as cases of sexual violence and torture, committed by soldiers with almost total impunity.



An Arakanese woman severely abused by soldiers



Burma's army, the Tatmadaw, on parade

◆ Extortion

There are currently over 30 military checkpoints along the river compared with just 2 or 3 in 2006. According to Lunn Htein, an Arakanese youth living near the India– Burma border, “*The soldiers demand money from merchants who are going to India to sell things like dried fish and domestic products from Arakan. Three years ago the merchants made high profits from this route but now they have lost a lot, especially in 2009.*”

There have also been high levels of extortion reported in local villages, near where new battalions have been deployed. “*Most of the soldiers there are staying in the village, not in the camps. So, local villagers must support them by giving water and chickens. Around 20 villages are being forced to give 6 cages of chickens per month for just one battalion.*”

“We are worried about this situation because in this area there is no fighting so we don't know why there are so many soldiers,” he continued.

◆ **Forced Conscription**

As well as the soldiers coming in from other parts of Burma, many are recruited locally, often by force. There have been reports from areas all along the river this year of youths being forced into the army.



A few of many Navy checkpoints along the Kaladan River

Whereas in the past, villages would often be forced to send 2 young men per year for recruitment, the authorities are now demanding 5. According to the local news agency, Narinjara, *“Burmese authorities from light infantry battalion 20 in Site-tway have also been arresting young men and rickshaw pullers during the night and forcing them to enlist in the army.”*

6.3. Environmental Damage

Extreme environmental damage will take place as the military government continues to practice a policy of complete disregard for ecosystems, biodiversity and migratory paths of importance species. Even the smallest of changes to ecosystems such as these can cause a long series of unpredictable changes, degrading essential sources of food and forcing villagers to adapt their lifestyles more quickly than is possible.

As the construction goes ahead on the Kaladan Multi-Modal Transit Transport Project, we expect to see the following:

- Destruction of mangrove forests, shrimp farms and essential marine wildlife along the Arakan coast, which is also home to an already decreasing dolphin population.
- A sharp degradation of water quality due to river dredging, particularly affecting the river's turbidity and oxygen levels. As well as harming those

who use the water to drink and wash, it will lead to the extermination of numerous marine species, which are eaten by locals. Further, mangrove swamps will be destroyed along the river during this process.

- Rapid deforestation to make way for the river expansion and highway. This can cause floods or droughts and will harm endangered species such as tigers, elephants, rhinoceroses, gibbons, hornbills, and Arakan forest turtles, the latter two of which are close to extinction.



Photo by Chuck Dresner

The Arakan forest turtle – the rarest and most unique of Arakan’s many endangered species



One of many victims (dolphin) of the regime’s disregard for natural habitats

Coastline – *For the development of Site-tway port, large areas of the coastline will be dredged causing degradation of a number of food sources.*



Arakan State is situated in the Bay of Bengal, a triangular section of the Indian Ocean that stretches from Sri Lanka, up to Bangladesh and across to Sumatra. In addition to its historical significance, which dates back many millennia, the region is revered by marine biologists worldwide as a unique centre of biodiversity and natural beauty.

The area surrounding the Arakan Coast is one of the few regions of the Bay of Bengal that remains largely untouched by man; it is held in high regard by many coastal scientists for its long, pristine beaches. According to the “Encyclopaedia of Coastal Science”, these include the longest beach in the world.²⁵ Except for a few small-scale port developments, the sea surrounding the State capital,

Site-tway has been preserved and is still home to many undisturbed nektonic and benthic species.

These species are important not only for scientific study but also as the main source of food for many local residents. To allow large vessels to reach the seaport at Site-tway, an approach channel will need to be created. Therefore, 12,216 cubic metres of material from the bottom of the sea will be dredged (dug up). A further 549,738 cubic metres directly around the port area will also be dredged. The majority of the dredged material (waste) will then be dumped at sea.²⁶



*Proposed Port area of Kaladan Multi-Modal Transit Transport Project
along the Strand Road of Site-tway*

This whole process will have devastating effects on many integral nektonic and benthic species, which are crucial to local food supplies. Thousands of worms, snails, shrimp, mollusks, mussels, barnacles, clams and oysters living in the seabed will be killed instantly, both in the areas being dredged and at the dumpsites. Many other species such as fish and squid will also suffer enormously from rapid changes in oxygen levels, increased turbidity (cloudiness) and the destruction of plants such as seaweed. Smaller fish like shellfish are likely to die while bigger fish will often leave the area completely.

River Dredging – To allow large vessels to travel along the Kaladan, 225 km of the waterway will need to be dredged, destroying many mangrove forests and fish.

a) The Estuary

River estuaries across the globe are home to some of the world's most diverse and productive ecosystems. Therefore, in areas where people largely rely on the

natural environment for food supplies, these areas are perhaps the most important of all. The estuary of the Kaladan River is no different; it is home to thousands of species, many of which have never been studied before and could hold a wealth of biological information. For the locals, these species play a much more urgent role, as they are the sole source of food for hundreds of thousands of impoverished families.



Buffaloes eating grass along a bank of the Kaladan River



Two young girls catching fish on a bank of the Kaladan River

Dredging an estuary for the first time can trigger massive changes to an ecosystem, damaging many different species. Digging up material from the riverbed will first kill benthic creatures living in the river bed and will completely destroy the long established habitats of numerous species of crab. Next, the most serious damage will be caused by suspended sediments and a sudden increase in turbidity. This change will decrease light penetration to the area on which many plants depend. Furthermore, dredging leads to the extinction of smaller fish and forces bigger fish to leave the area.

The other possible consequences are extensive, including a decrease in oxygen levels, eutrophication (the over-abundant growth of plants), unnatural mixing of salt water and freshwater, and the ‘armouring’ of the river bed and banks making the area less susceptible to natural erosion.

Loss of mangroves & Direct Consequences

The estuary is also home to large tracts of mangrove forests, which are essential for preserving natural habitats. Often dominating coastlines in tropical and sub-tropical areas, mangroves are a bridge between terrestrial and marine environments. They provide the perfect conditions for extremely diverse and productive ecosystems. The forests transfer organic matter and energy from the land to the sea, forming the base of many marine food webs. They are also home to a wide

variety of marine and terrestrial life, and serve as nurseries for coral reefs and commercially important fish species. In addition, mangrove forests play a vital role in trapping sediments, thereby stabilising coastlines and protecting coral reefs and seagrass meadows. Arakan's once-abundant mangrove forests are already becoming rapidly depleted due to government shrimp farming initiatives and infrastructure development. As progress is made on the river development projects and the Shwe Gas Project these unique forests are coming perilously under threat.

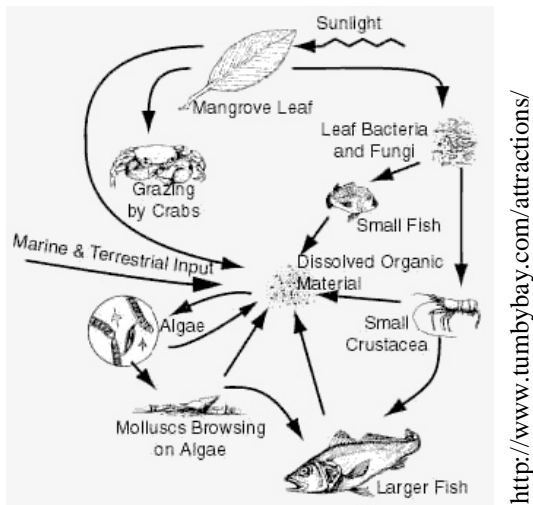


Threatened mangrove forests on the bank of the Kaladan River

There are three main areas of mangrove forests in Burma. They are Arakan State, Irrawaddy Division and Tanintharyi Division. According to an article written by Kyunt Thar Nga Mann in 2003, there are a total of 414,477.86 acres of mangrove forests in Arakan State.²⁷ Notably, there are 107,718 acres of mangrove forests in Mraybon Township alone. The majority of these are based in river estuaries. As one of the few trees able to grow in half saltwater / half freshwater conditions, mangroves are essentially the basis of estuary ecosystems. Their leaves, which fall into the water, are broken down by plankton for food. Plankton is then eaten by worms, snails, shrimp, mollusks, mussels, barnacles,



oysters and small fish. These animals are then eaten by carnivores such as crabs and bigger fish, which in turn are eaten by people.



As well as their importance as a source of food, these ecosystems support a wealth of fascinating biodiversity, including many species that are globally threatened. Arakanese mangroves, a subset of the Burma coastal mangroves, are particularly recognized for their biodiversity. During the dry summer, wild Asian elephants come down from the mountains to these areas to drink salt water. They also contain a vast number of migrant and resident water birds.

There are a number of other ways that mangroves drive their surrounding ecosystems:

- Rich soils transported downstream with the river current are collected in the mangrove area, making the low land higher and higher, building many natural habitats.
- The mangroves prevent the erosion of river banks by tidal waves and the river current.
- As mangrove trees bear fruit and flowers, these fruits and flowers become a nutritious supply of food for the fish and other creatures living among the mangrove forests.
- Mangrove forests provide wood, essential for daily living (fuel for cooking and heating), housing and fishing materials.
- The mangroves are home to many land animals such as monkeys, insects, deer, wild pigs, snakes, and different kinds of fish-eating birds.
- Mangrove forests provide vital natural protection against cyclones, storm

surges, and tidal waves. Tidal surges up the estuaries of the Arakan's rivers caused much damage when Arakan was hit by Cyclone Nargis in 2008.²⁸

In recent years a number of the junta's money-making initiatives have devastated mangroves in Arakan State, in complete disregard of their significance to local livelihoods. At the M Block oil exploration site in Kyauk-phru Township on Ramree Island, a number of roads were recently built straight through flourishing mangrove forests. This development was executed by a consortium of companies managed by Asia World Co. Ltd., which is also leading the exploration for oil. Large parts of the area, 60,000 square acres in total, had already been devastated by the establishment of army infrastructure, shrimp and prawn farms and the harvesting of firewood.²⁹

Environmental analysts have predicted that both the new oil and gas pipelines and the river dredging for the Kaladan Multi-Modal Transit Transport Project will cause further destruction. These projects will directly cause the people of Arakan State to become more vulnerable to damage from food shortages and storm surges.

The dredging of the estuary at Site-tway³⁰ will uproot many mangrove plants and damage their habitat, hindering the chance that they will be replenished. Mangrove forests in Arakan are already decreasing rapidly due to government shrimp farm projects, which have noticeably depleted fish stocks.

b) Up-river

Further up the river, the banks of the Kaladan are lined with the homes of hundreds of thousands of people, the majority of which eat fish from the river every day. Many of the effects on ecology in this area will be the same as in the estuary area. However, there are other risks involved between Paletwa and Kaletwa, where the river will be made wider as well as dredged.



People's livelihoods up-river on the Kaladan

Destruction of the riverbanks will not only directly encroach on people's homes and destroy cultivated farmland but will also release large amounts of suspended sediment into the river, which will severely disrupt natural habitats. Much of this sediment will then be carried downstream and deposited along the way. This will lead to the unnatural contamination of other areas of the riverbed and could introduce new species into areas that have been undisturbed for hundreds or even thousands of years.

Highway – *Deforestation to make way for the 62 km highway will threaten many rare endangered species*

Chin State is a mountainous region, covered by some of the world's most biologically diverse forests. These forests include evergreen, deciduous and pine areas and are home to a wealth of unique flora and fauna. Furthermore, the rapid destruction of forests like these can cause floods, destroying farmland and homes or even droughts which can lead to famine.

Living in these vast habitats are tigers, bears, wild boar, leopards, goat, serow, gibbons, and many reptiles and butterflies. Tigers and gibbons are already considered endangered species in the region and their numbers are rapidly shrinking.

Perhaps most unique to the region are its 159 different bird species, many of which cannot be found elsewhere in the world and have not been properly studied. A large area of the state is considered an Important Bird Area (IBA) by Birdlife International and efforts are being made by that and other international ecological institutions to conserve the area for this reason.



People's livelihoods and forests along the Kaladan River

The military junta has shown before it has little regard for ecologically important areas and it is likely nothing will be different here. A 62 km stretch of forest will have to be cleared so that asphalt can be laid down, encroaching on the natural habitats of many already endangered species.

Logging in Burma: a Historic Path to Devastation

In past years, Burma was home to the world's most abundant teak forests (80% of the world's total in 1994). These forests have been a key source of income for successive rulers ever since the days of British rule.³¹ Practices such as the use of elephants for logging, which were abandoned by most Asian countries years ago, continue to take place in Burma as we see forests disappear at an alarming rate.³²

At the beginning of the twentieth century, 80% of the country was covered by forests. By the late 1990s this figure had dropped to just 36% and then continued to decrease at the third highest rate of deforestation in the world. At this time, the export of teak, primarily for Scandinavian style furniture and luxury yachts was the military regime's second largest legal source of revenue.³³

This rapid change of terrain has triggered a number of damaging knock-on effects in rural areas, where citizens are reliant on their natural environment. Various studies have shown that in the absence of forests floods have frequently occurred, forcing people to leave their farms and homes. In other areas, logging has had the opposite effect, provoking long droughts.

Logging operations have also caused much damage to the country's wildlife. Encroachment of human development on forests has disrupted the habitats, and thus the lives, of many wild animals which are considered to be endangered species internationally. Furthermore, elephants, which are already close to extinction in Southeast Asia, are often drugged with methamphetamines so that they work harder. These drugs are very addictive and over time make the animals very weak, leading to illness and death.



Tab



AASYC

Htoo Company, owned by Burmese tycoon U Te Za, has been illegally exporting teak from western Burma to Bangladesh

7. India – Burma (Myanmar) Relations

Over the years, Burma's relationship with India has been inconsistent. In the past, various issues have caused problems, such as a brief dispute over Coco Island, in the Andaman Sea, which is internationally considered to be part of Burma. In recent years, however, Indo-Burmese relations have improved significantly as trade has increased. Indian companies such as Essar and ONGC are among the investors which have begun to capitalise on Burma's abundance of natural resources.

In 1992, following the break-up of the Soviet Union, The Indian government launched its "Look East Policy", which in the words of the then prime minister was "a strategic shift in India's vision of the world and India's place in the evolving global economy". From then on a number of initiatives have been put in place to increase ties, largely in trade relations, between India, members of the Association of Southeast Asian Nations (ASEAN) and other Asian states. As India's gateway to East Asia, the Burmese Regime has found itself in a key geo-strategic position, giving it a strong card to play in negotiations with India. Before the agreement for the Kaladan project was signed, a series of efforts by India's Ministry of External Affairs to improve transport had hit a brick wall, as it was unable to meet the Burmese junta's demands.

By the year 2000, India was the largest buyer of Burmese exports, purchasing around US \$220 million worth of goods. Ties were further strengthened later that year with the formation of the Mekong-Ganga Cooperation. The next year, in 2001, the Indo-Myanmar Friendship Road was completed, marking a significant stage in India's efforts to open up trade routes with Southeast Asia.³⁴ This trend has continued throughout the past decade with further deals being brokered on a regular basis.

"India has two main reasons for this project: one is to connect with ASEAN and the other is to compete with China," says Kim, a long-term observer of Indo-Burma relations and author of "Unfair Deal".

As well as the transportation and trade opportunities made available by a closer relationship with Burma, India also has a keen interest in Burma's abundance of natural resources as a way to fuel its rapidly expanding hunger for electricity and gas. The Burmese regime seems equally eager on brokering such deals as they offer quick and easy profits, much of which are then spent expanding the military (over 40% of all government spending in 2006-2007). As well as their wide participation for the exploitation of Burmese oil and gas reserves, Indian companies are involved in a number of hydropower developments such as the Tamanthi Dam in Sagaing division.



2004 -General Than Shwe (centre) becomes the first senior Burmese official to visit India for over 20 years

India's relationship with Burma is also largely based on a need to counter China's influence in the region. China has recently become Burma's largest foreign investor and has built its own port in Kyauk-phru, just 40 km from Sitway.

As well as the Kaladan Multi-Modal Transit Transport Project, India has recently extended a US \$124 million line of credit (LoC) to Burma, 100% of which will be paid to Indian companies for the construction various electricity projects and an aluminium wire factory in Burma.³⁵ India has also been trying to secure deals for the construction of an Indo-Myanmar railway line and the re-opening of the Stillwell Road from India to China. However, at this stage the Burmese regime seems reluctant to pursue those projects. Nevertheless, estimates from 2006-2007 pitched India and Burma's trading total at US \$650 million,³⁶ a figure which is certain to increase significantly in coming years.

8. Our Aims and Recommendations to the media

8.1. Our Aims

On behalf of all people from Arakan and Chin States, the ARN aims to protect regional ecosystems from deterioration and prevent the destruction of habitats that are home to endangered species. Moreover, we endeavour to bring an end to the persistent abuse inflicted on the people of Arakan and Chin States as a result of development projects that favour Burma's oppressive military regime.

8.2. Recommendations to the media

In order to give a voice to the affected communities in Western Burma and to ensure that an unbiased overview of this project can be communicated worldwide we recommend that all domestic and international media outlets:

- ♦ *Follow the development of the Kaladan Multi-Modal Transit Transport Project throughout and endeavour to keep the Burmese and international community informed of all its implications.*

The ARN will continue to meticulously monitor the project and its impacts so it can supply the media with up-to-date information on request at any time.

9. About the Organisation

9. 1. Background of Arakan Rivers Network (ARN)

The Arakan Rivers Network (ARN) was founded in July 2009 by the All Arakan Students' and Youths' Congress (AASYC) as an emergency response to the challenging calls to sustain the use of water resources vital for the livelihoods of waterside dwellers.

Spurred by profit motive alone, transnational corporations have been vigorously seeking to exploit our natural resources. This is done with the backing of Burma's notorious dictators who in turn enjoy the opportunity to expand their military and entrench their power with the revenue generated from foreign investments.

Thus, the potential implications of such projects are manifold, affecting important social, cultural, and economic aspects of local people's lives. This will take place as ecosystems are adversely changed and the junta's oppression of democratic forces is intensified. Summarised in one word, these projects spell a "curse" for the Burmese people.

The ARN's information collectors, researchers and report writers have been monitoring the progress of so-called development projects along Arakan's rivers since early 2007. We endeavour to inform both local and international communities about the detrimental impacts of these projects on the powerless people whose lives are affected but not improved by such "development". ARN is open to the participation of all Arakanese people, regardless of their sex, colour, religion, or political affiliation; it is dedicated to the common good of humanity.

9.2. Vision of ARN

We envisage a future where the people of Arakan have the knowledge and the right to protect their rivers from destruction, enjoying total sovereignty over their main source of food and means of travel.

9.3. Mission of ARN

- ◆ To educate and inform local and international communities about development projects with seemingly negative impacts on the local people and environment
- ◆ To ensure that the voices of affected people are heard by establishing systematic networks, and endeavouring to secure as much media coverage as possible on relevant themes
- ◆ Prevent the exploitation of Arakan's Rivers for profit motive alone, by ensuring that all responsible parties are held to internationally recognised labour and environmental standards
- ◆ Provide concrete evidence of the Burmese military regime's incompetence and mismanagement of natural resources, and failure to pay any heed to public well-being

9.4. Core Values of ARN

1. Grassroots ownership

It is of the highest importance that the Arakan Rivers Network (ARN) is an outlet for the Arakan people at large. Therefore, the people of Arakan will maintain ownership of the network at all costs, keeping our actions in the hands of people local to the affected rivers.

2. Technology transfer

We believe that, to guard against exploitation, all developments that bring improved technology to the region for use by corporations, must also bring such opportunities to the local people.

3. Inclusiveness

To ensure that the needs and rights of local people are of paramount concern at all times, we believe that all those affected by the development of Arakan's rivers should have an equal say in any action taken regarding them.

4. Sustainable development

Any developments that take place on the river must be sustainable and not bring rapid degradation to any of Arakan's rivers or the land surrounding them. Any project designed for short-term profit, without giving consideration for long-term risks should not go ahead.

9.5. Activities of ARN

To achieve our goals we aim to:

- ◆ Closely monitor and document the unethical practices of the regime and the transnational corporations involved with the development projects affecting Arakan's Rivers
- ◆ Educate local people through campaigns, publications, and issue-awareness classes on relevant environmental issues
- ◆ To effectively and efficiently conduct internal and external advocacy
- ◆ To cooperate with other organizations with a similar vision, mission and values to strengthen our voices

10. Endnotes

1. Srinivasan, V., "Indian, Myanmar Sign Pact on Kaladan Project" *The Hindu Business Line* 03 April 2008, at: <<http://www.thehindubusinessline.com/2008/04/03/stories/2008040350591200.htm>>
2. The Inland Water Authority of India (IWAI), "Executive Summary of Detailed Project Report for Port & Inland Water Terminal", at: <<http://iwai.gov.in/misc/portiwt.pdf>>
3. IWAI, "Presentation on Indo-Myanmar Kaladan Multimodal Transit Transport Project" 22 June 2009, at: <<http://iwai.gov.in/nit/KaladanPresentationprebidon220609.pdf>>
4. IWAI, above note 2, Sections 1.2, 5.1
5. Ibid., Sections 1.2, 3.2, 5.2
6. IWAI, "Executive Summary of Detailed Project Report for a Highway from Setpyit-pyin (Kaletwa) to India – Myanmar Border in Myanmar", Section 0.7, at: <<http://iwai.gov.in/misc/highway.pdf>>
7. "Framework Agreement Between the Government of the Republic of India and the Government of the Union of Myanmar for the Construction and Operation of a Multi-Modal Transit Transport Facility on Kaladan River Connecting the Sittwe Port in Myanmar with the State of Mizoram in India" 02 April 2008, at: <<http://iwai.gov.in/nit/Frameworkagreement.pdf>>
8. IWAI, above note 2
9. IWAI, "List of Contractors Short Listed For Participation in Bid Process for Construction of Port & IWT Components of Kaladan MultiModal Transit Transport Project in Myanmar" at: <<http://iwai.gov.in/CONTRACTORSSHORTLISTEDFORPORT&IWTCOMPONENTS100909.pdf>>
10. IWAI, above note 3, p.20

11. Framework Agreement, above note 7, Article 3
12. Ibid., Articles 3(a), 5(a), 12
13. Ibid., Article 14
14. Ibid., Article 15
15. Shwe Gas Movement (SGM), "Supply and Command: Natural Gas in Burma Set to Entrench Military Rule" July 2006, pp.29-32, at: <<http://www.shwe.org/media-releases/publications/file/SUPPLYANDCOMMAND.pdf>>
16. Project Maje, "Rats and Kyats: Bamboo Flowering Causes a Hunger Belt in Chin State, Burma" 29 July 2008, at: <<http://www.projectmaje.org/mautam.htm>>
17. Free Burma Rangers, "More than 5,000 IDPs on the run from the Burma Army in Arakan State, 100,000 villagers suffer from food shortages" *Free Burma Rangers Report* 31 August 2009, at: <<http://www.freeburmarangers.org/Reports/2009/20090831.html>>
18. "UPDATE 1- Myanmar Rice Exports Double on African Buying" 12 February 2009, at: <<http://news.alibaba.com/article/detail/agriculture/100050645-1-update-1-myanmar-rice-exports-double.html>>
19. SGM, "Corridor of Power: China's Trans-Burma Oil and Gas Pipelines" September 2009, at: <<http://www.shwe.org/Attachments/CorridorofPower.pdf>>
20. AASYC, PYO & MYPO et. al., "Holding Our Ground: Land Confiscation in Arakan & Mon States, and the Pa-O Area of Southern Shan State" March 2009, at: <http://www.burmalibrary.org/docs07/HOLDING_OUR_GROUND%28en%29.pdf>
21. Free Burma Rangers, above note 17
22. Macan-Markar, M., "ILO Turns Spotlight on Officials to End Forced Labour" *Inter-Press Third World News Agency (IPS)* 03 September 2009, at: <<http://www.reliefweb.int/rw/rwb.nsf/db900SID/SNAA-7VN5GT?OpenDocument>>
23. "Zee Chang Dam May Destroy Nearby Villages: MOC 9" *The Kaladan Press* 06 March 2009, at: <<http://www.bnionline.net/news/kaladan/5937-zee-chang-dam-may-destroy-nearby-villages-moc-9.html>>
24. Framework Agreement, above note 7, Article 12
25. Schwartz, M. (ed.), *Encyclopaedia of Coastal Science*. Dordrecht: Springer, 2005, p. 61
26. IWAI, above note 3
27. Article written in Burmese by Kyunt Thar Nga Mann in 2003
28. Masters, J., "Thousands Dead in Myanmar Tropical Cyclone" 05 May 2008, at: <<http://www.wunderground.com/blog/JeffMasters/comment.html?entrynum=934&tstamp=200805>>
29. Kyunt Thar Nga Mann, above note 27
30. IWAI, above note 2, Section 3 "Waterway"
31. Johansen, B., "Burma (Myanmar): Forced Labour in the World's Last Teak Forest" 2003, at: <<http://www.ratical.org/ratville/IPEIE/Burma.html>>
32. Hile, J., "Logging Keeps Asian Elephants in Business...For Now" 13 September 2005, at: <<http://www.grist.org/article/hile/>>
33. Johansen, above note 31
34. Allison, T., "Myanmar Shows India the Road to Southeast Asia" *The Asia Times* 21 February 2001, at: <<http://www.atimes.com/reports/CB21Ai01.html>>
35. Exim Bank of India, "Exim Bank's Operative Lines of Credit", 07 October 2009 at: <<http://www.eximbankindia.com/locstat071009.doc>>
36. "Myanmar, India Finalising River Transportation Project" *Indo-Burma News* 28 August 2007, at: <<http://www.indoburmanews.net/archives-1/2007/august/myanmar-india-finalising-river-transportation-project/>>



Overview of Land Confiscation in Arakan State

June 2010

1. Introduction

The following analysis has been compiled to bring attention to a wider audience of many of the problems facing the people of Burma, especially in Arakan State. The analysis focuses particularly on the increase in land confiscation resulting from intensifying military deployment in order to magnify security around a number of governmental developments such as the Shwe Gas, Kaladan, and Hydropower projects in western Burma of Arakan State.

Article 17 the Universal Declaration of Human Rights (UDHR) states that:

- ✓ Everyone has the right to own property along as well as in association with others.
- ✓ No one shall be arbitrarily deprived of his property.

However, article 18 of the 1974 Constitution of Burma stated against international norms that:

- The State is the ultimate owner of all natural resources above and below the ground, above and beneath the waters and in the atmosphere, and also of all the lands.

This law was reaffirmed in January 2004 as one of the State Fundamental Principles.

2. Brief Background of Arakan State

Arakan State, with four dynastic eras (from BC 3325 to AD 1784); Dhanyawaddy, Vesali, Laymro and Mrauk-U, operated as an independent sovereign state for over 5,000 years. Its sovereignty was lost when the Burmans invaded in 1784 establishing Arakan State as a state of Burma.

Separated from Burma's other ethnic nationalities by the Arakan Roma mountain range, the Arakanese people have customs and a language of their own. With approximately three and a half million inhabitants, Arakan State accounts for approximately 6 % of the total population of Burma. Situated on the Bay of Bengal, the Arakan state enjoys an abundance in natural resources such as forests, a coastline therefore direct access to the sea and long stretches of beaches, and the fertile land within the Kaladan and Laymro River valleys. Many Arakan inhabitants conduct their economic activity through rice farming and fishing; the cornerstones of their identity and daily survival. The state is divided into 4 districts and 17 townships, 3 sub-townships, 20 towns, 132 quarters, 1,040 village-tracts and 3,861 villages. The capital city, Site-tway, also known as Akyab, has a population of approximately 400,000 and is located on an estuarial island at the confluence of the Kaladan, Laymro, and Mayu rivers.

However, due to its abundance of natural resources and biodiversity, Arakan State has

suffered a high level of land confiscation by the SPDC who wish to use the land for development, often in conjunction with other countries rather than the local people. Furthermore, the SPDC has increased militarisation within these areas to ensure the unopposed exploitation of natural resources.

3. Military Infrastructure Developments

Also known as the “Tatmadaw”, the SPDC Army numbers stand at around 490,000; which has more than doubled in size since 1989,¹ despite Burma facing no external enemies. There are additionally about 72,000 people in the Myanmar Police Force, including 4,500 in the paramilitary police.² This corresponds to roughly one soldier per 100 citizens. The expansion of the army would not have been possible without the increase in weapons trade and foreign investment in Burma from abroad, particularly China, Thailand and Russia³ and increasingly India.

The SPDC’s preoccupation with increasing the size of Burma’s army is underlined by the fact that in the period 1993-2004, 29% of central government spending was dedicated to defence, while the corresponding health and education figures remained low at 3 % and 8 % respectively.⁴

Across Burma, battalion⁵ deployment and general militarisation happens on a continual basis. This ensures that control is maintained in areas where development projects are taking place, there is civil unrest or in newly controlled areas of the country.⁶ Such military deployment has led to a surge in land confiscation, forced labour and general human rights abuses committed within this region.

Furthermore, the Asian Human Rights Commission (1999) found that food scarcity in Burma was a direct result of militarisation of the nation.⁷ Areas that experience an increase in militarisation have numerous official and unofficial military check points created. These are put in place to monitor security, but, also prove a lucrative source of unofficial income for military members who collect an unofficial tax⁸ from locals and traders. For examples, in Arakan State, during a rice famine in August 2008, rice traders had to pay 2,500 Kyat (US\$ 1.85) and part with large quantities of rice to pass through 4 illegal military checkpoints on their trade routes.⁹ This kind of corruption not only negatively affects local livelihoods but

¹ <http://en.wikipedia.org/wiki/Tatmadaw>

² Asia Briefing No. 21 – “Myanmar: The Future of the Armed Forces” – International Crisis Group, 27/09/2002 – p3, footnote 5

³ “Burma’s Arms Procurement Program”, Working Paper N°289 (Strategic and Defence Studies Centre, Australian National University, Canberra, 1995); Andrew Selth, *Burma’s Secret Military Partners*, Canberra Papers on Strategy and Defence N°136 (Strategic and Defence Studies Centre, Australian National University, Canberra, 2000).⁴ BBC News: Day in Pictures,

⁴ http://www.unicef.org/view_chart.php?sid=764c6063cd1e1a2ab44da6cc6b654cce&create_chart=Create+

⁵ A full strength infantry battalion in Burma is officially made up of 700 men. They often operate with 400 -500 men, but, recent sources indicate that newer battalions are operating with just 200 – 300 men. (“MyGun Was As Tall As Me” – Kevin Heppner & Jo Becker): see Human Rights Watch link below:-

<http://www.hrw.org/reports/2002/burma/Burma0902-04.htm>

⁶ *Dammed by Burma’s Generals: the Karenni experience with hydropower development – From Lawpita to the Salween*, Karenni Development Research Group 2006

⁷ Asian Human Rights Commission (AHRC), 1999, *Voice of the Hungry Nation*, Hong Kong: AHRC

⁸ Money levied on traders each month based on the number and type of goods they wished to transport across the checkpoints.

⁹ FBR Arakan team report: Relief team brings food to famine victims as the Burma Army tries to stop assistance in Western Burma, 19 July, 2008

also people's day to day living standards, as many inhabitants live in fear of violent attacks and threats to their economic and livelihood security.



One military gate/ check point in Site-tway and some navy ships along the Kaladan River

Since 1988, the number of infantry battalions based in the Western Command, an area that includes Arakan State and Paletwa Township of Chin State, has increased from 3 to 43 battalions. Furthermore, there are ten specialised battalions (such as engineering and communications), three tactical command centres, and three navy bases. The Western Commander, headquartered in the town of Ann in Arakan State, controls many of the lucrative businesses in the state, and their permission is required for any licensing procedures.¹⁰

Forced land confiscation without any compensation is commonplace in Burma, especially where development projects are being implemented by the current military regime and foreign corporations.¹¹ There are currently many development projects happening in Arakan State such as the Shwe Gas Project, Kaladan Project, and several hydropower projects, which have led to land confiscation and forced relocation.¹² As long as the expansion of the military in ethnic states of Burma continues, land will be forcibly confiscated with little or no compensation being given to the owners. The land confiscated is used to house barracks, outposts and training sites for the troops. Furthermore, considerable areas of land are confiscated for farming and gardening in order to supplement rations and generate additional income for the troops.¹³

Evidence suggests that the Burmese Army seizes land, food and other resources from areas near its bases.¹⁴ The increase in troop deployment throughout the country is positively correlated with the amount of land that is confiscated from individual and collectives throughout the locality.¹⁵ Such action is a result of a policy of self-reliance where the Army must produce its own food and obtain basic materials.¹⁶

¹⁰ *Supply and Command* by AASYC, July 2006.

¹¹ "Our Land and Our Natural Resources in Burma", The Nationalities Youth Forum, 2005

¹² For example, see <http://www.khrg.org/khrg97/khrg9706.html>, <http://www.earthrights.org/publication/total-impact-human-rights-environmental-and-financial-impacts-total-and-chevron-s-yadana>, and <http://www.khrg.org/khrg2007/khrg0701.html>

¹³ "The Impact of the confiscation of land, labour, capital assets and forced relocation in Burma by the military regime", Dr. Nancy Hudson-Rodd Dr. Myo Nyunt, Saw Thama Tun, and Sein Htay, 2003

¹⁴ "A conflict of interests: the Uncertain future of Burma's Forests", Global Witness, 2003, p. 28

¹⁵ "No Land to Farm", Human Rights Foundation of Mon Land, 2002

¹⁶ "Developments concerning the question of observing the Government of Myanmar of the Forced Labour Convention", ILO Report of the high Level Team 2001

100 acres of farmland between Kyauk-site and Yo-ngu village, Arakan State, were confiscated by military engineering squadron No.908 to grow rain season paddy in July 2005. If the owners want to plough their farmland, they have to pay 60 baskets of paddy to the military. The same month saw military engineering squadron 962 confiscate 35 acres in the same area and battlefield medical battalion No.8 confiscate 31.5 acres between Yo-ngu and Tha-ra-cho village, along the Site-tway-Rangoon highway. In all cases the “60 baskets tax” was applied if farmers wished to plough their confiscated land.¹⁷

4. Industrial Zone (515 Acres)

In 2009, SPDC authorities began to order factories and other businesses in Site-tway to relocate their operations to a designated 515-acre “industrial zone” on the outskirts of town. Factory and business owners were threatened with eviction from their current facilities if they refused to co-operate with the military orders. Many local businessmen set up small offices in the new area zone to avoid losing their property, but were unable to actually transfer their operations since the government had not sought outside investment, constructed any facilities, or even arranged for the site to be connected to the water and electricity networks. Business owners were essentially expected to do this at their own expense, although it was not clear if they would receive any compensation for the properties they would be leaving in central Site-tway. “The authority told us all industries in our town, like auto garages, biscuit factories, drink factories, and ice factories must move to the industrial zone before 15 February. Some private owners have moved their business but have faced many problems from a lack of power and water“, according to a local auto garage owner.¹⁸

The authorities are planning to re-develop Site-tway’s seaport as part of the Indian-funded Kaladan Project (see below), so they are likely to be attempting to free up land in Site-tway to attract further foreign investment, or state-run or SPDC-approved companies to develop.

5. Shwe Gas Project

The Shwe Gas pipeline, intended to run from the natural gas fields of the Bay of Bengal, off the west coast of Arakan State, to China’s southern Yunnan Province, is set to be the biggest such project in Southeast Asia. Critics anticipate widespread land confiscation, military deployment for security reasons and the use of forced labour in order to clear the proposed route. These fears arise from experience of the Yadana and Yetagun gas pipelines, which run through Tenasserim Division in Eastern Burma, and experienced a systematic pattern of abuse as a direct result of the investment in these projects. For example, on 27th & 29th November 2000, the Mon villages of Wae-ka-rat and Wae-thun-chaung saw 20 and 10 houses destroyed respectively, without compensation, to clear the way for the Yadana gas pipeline. The villagers were left homeless and landless.¹⁹ The land confiscation that occurred as part of the Yadana and Yetagun pipelines has been well documented by EarthRights International (ERI). In a report published in 2009, ERI includes a quote from a local villager along the pipeline route who said, “There are about 180 households in the village. Most people in the village now are daily workers. In the past they had their own plantations but they had to give it away for the government’s palm plantation project and for the gas pipeline route. Now only a few

¹⁷ Ibid.

¹⁸ “Junta Builds Industrial Zone in Sittwe Without Electricity and Water.” *Narinjara*, 04/02/2010. Web. 2 Apr 2010. <<http://www.narinjara.com/details.asp?id=2474>>.

¹⁹ “No Land to Farm” - Human Rights Foundation of Mon Land, 2002. (for full information on the Yadana & Yetagun Projects see “Total Denial” & “Total Denial Continues” – Earth Rights International, 1996 & 2000)

people are left with some plantation land.”²⁰

Land confiscation will undoubtedly be much worse during construction of the Shwe Gas pipeline due to its size, 15 times longer than the 60km Yadana pipeline. According to Naing Htoo, Burma project coordinator for ERI, “land confiscation has begun in Arakan state along the pipeline route.”²¹ According to the Shwe Gas Movement (SGM) close to 44 infantry and light infantry battalions from the Burma military have been stationed to secure the pipeline route.²² The increased militarisation will surely lead to land confiscation and other human rights abuses and many have already fled from fear of the military.²³

Members of the Shwe Gas Movement have already stated that they fear the human rights abuses and extent of land confiscation will be worse for the Shwe pipeline than Yadana due to it being much bigger, predicting that 22 townships will be affected along the pipeline in the next three years.²⁴ Similarities have already begun to show from the increased militarisation along the pipeline, heightening cause for concern.

Local residents in Kyauk-phru Township in Arakan State have already alleged that authorities had not paid compensation by November, despite assurances, for the 50 acres of farmland that had been seized in May²⁵.

Furthermore, as outside foreign investment increases year on year, there seems to be little sign that the regime will change its approach on land confiscation or other human rights abuses at the expense of the profits that can be made from oil. Similarly, with the increasingly expansive policies taken up by leading Asian economies, the enforcement of accountability into projects undertaken in Burma is also looking increasingly unlikely.

6. Hydropower/Damming Projects

The Burmese regime has begun construction on four hydropower developments in Arakan State and has plans for one more. If expectations are met, an estimated 691 megawatts of electricity will be produced and either exported to neighbouring countries such as Bangladesh or used by the Burmese military, solely to power military infrastructure and for other projects in the region such as the Shwe Gas Pipeline. The large majority of this power will come from a proposed hydroelectric dam on the Laymro River. The dam will be built by a local company, Shwe Taung Ltd. and is expected to produce approximately 500 MW of power.²⁶ This thereby negates any possible benefit to the inhabitants of Arakan State for the human rights abuses incurred due to their development.

The remaining 191 MW of power will come from three other hydropower developments: Sai Dun (70), Thahtay Chaung (111 MW) and Ann Chaung (10 MW).²⁷ All three projects are currently under construction and are expected to be operational within the next few years. In

²⁰ “TOTAL IMPACT: The Human Rights, Environmental, and Financial Impacts of Total and Chevron’s Yadana Gas Project in Military Ruled Burma (Myanmar)”. *EarthRights International*. Sep 2009. See report for further discussion of land confiscation due to Yadana Pipeline Project.

²¹ Macan-Markar, Marwaan. “BURMA: China’s Oil, Gas Pipelines Recipe for Abuse, Warn Activists.” IPS: Inter Press Service, 31/12/2009. Web. 5 Apr 2010. <<http://ipsnews.net/news.asp?idnews=49858>>.

²² Ibid.

²³ Ibid.

²⁴ Ibid.

²⁵ ‘Land Confiscation Begins with Pipeline Project’ Mizzima News, 9th November 2009,

<http://www.mizzima.com/news/inside-burma/3023-land-confiscation-begins-with-pipeline-project.html>

²⁶ “Laymro Dam”. Arakan Rivers Network. http://www.arakanrivers.net/?page_id=176

²⁷ Ibid.

addition to large security perimeters set up around the sites limiting locals' access to communal grazing lands and bamboo forests, previous hydropower projects in Burma suggest that many individuals and probably whole villages will be forced off of their lands to make way for the dam facilities and the reservoirs, and receive no compensation from the authorities. They will therefore lose their entire income source and access to the local economic market as well as destroying livelihood sustainability and security.

One example of such previous hydropower projects is the Tasang dam. As a result of the Tasang dam, "already over 300,000 people have been forcibly relocated from the areas since dam studies commenced in 1996," according to Salween Watch.²⁸ Other dam projects that have included land confiscation are the Shweli dam project in Shan state, Myitsone dam in Kachin state, and the Tamanthi Project in Western Sagaing.²⁹

7. Castor Oil Plantations

In December 2005, the SPDC issued a decree for the nationwide cultivation of jatropha and castor oil plants for the production of bio-diesel as a renewable resource, and to counter rising oil prices. Both plants are referred to as *jet suu* (physic nut) in Burmese. However, it is jatropha that is more readily used to produce bio-diesel.

The aim is to plant 8 million acres of the plant within 3 years, with each state or division, regardless of size or suitable land, having to plant 500,000 acres. This would require Rangoon division to cover 20% and 17% of the total Karenni land areas with jatropha. As with other development projects, widespread land confiscation and forced labour has been used in an effort to meet this ridiculous target.³⁰ Furthermore, little or no consideration has been given to any crops which may already be grown and cultivated in the area which provide income sources for many and thereby economic sustainability and security.

Light Infantry Battalion No (542) made villagers plant 48,000 castor oil plants on 40 acres of former grazing land in Chaung-wa village tract, Arakan State, on 4th January 2008.

²⁸ "Dams in Burma to Displace Thousands." *Intercontinental Cry*. 27/01/2008. Apr 5, 2010. <http://intercontinentalcry.org/dams-in-burma-to-displace-thousands/>

²⁹ More can be read about these projects and the land confiscation as a result of them in the following reports: "Under the Boot" by *The Youth Network Group* and "Damming the Irrawaddy" by the *All Kachin Student and Youth Union* which can both be found at <http://intercontinentalcry.org/dams-in-burma-to-displace-thousands/>

³⁰ "Biofuel by Decree" – Ethnic Community Development Forum (2008) p7



Light Infantry Battalion No (542) made villagers plant 48,000 castor oil plants on 40 acres of former grazing land in Chaung-wa village tract on 4th January 2008

In April 2008 the military junta gave India 40,000 hectares of land for growing palm oilseeds and pulses. In October 2008, the SPDC leased 50,000 acres of paddy fields in Arakan state to the Bangladeshi Government.

The majority of the paddy fields are in Myauk-U and on Mann Aung Island. Officially they belong to the military, but in reality the land has been confiscated from local farmers. No compensation has been paid to the local farmers and further land seizures are feared. This could have a devastating impact on local food supplies: “If they lease out 50,000 acres of paddy fields, I am certain that the people of Arakan State will starve.” Than Hlaing, joint secretary of the Arakan National League for Democracy (ALD).³¹

In 2006, the headquarters of Dhanyawaddy Navy Base confiscated Ahtet-taw, also known as Kone-baung-daw, Mu-run village tract, Kyauk-phru Township. Those areas were used by local communities as farmland where ground beans and *thiho*, a kind of mango, were usually grown. That land is now used to grow castor oil plants by the Navy, with no compensation being received by the local communities. Local farmers are now struggling to survive, as they are unable to grow ground beans on the confiscated land. To make matters worse, the locals have to plough the Navy plantation, supposedly for a salary of 10,000 Kyats per acre. In reality, they receive no money for their work. Moreover, if a cow strays into the plantation, the owner of the cow has to pay a fine of 10,000 Kyats (US\$7.40).

³¹ Democratic Voice of Burma: <http://english.dvb.no/news.php?id=1849> (10th October 2008)



5 Acres of Castor Oil Plantation in land confiscated



1000 Acres of confiscated farmland

A lot of soldiers live in the *thiho* garden of U Ba Tin from Kan-lann-tay village. Since many *thiho* gardens were occupied by the army, local communities have lost an estimated income of 10 million Kyats (US\$7,407.40) per year. However, the army's castor oil plantation was not successful, nor were any profits reinvested into the community. Over 100 acres of farmland, extending from Ka-lan-tay bus station to Mu-run bus station were confiscated from local communities. The confiscated land includes plantation gardens and pastures that are vital for community businesses. The lack of pasture for cattle is causing great hardship for the local communities.³²

8. Highways (i.e. Site-tway -Rangoon & Rangoon- Kyauk-phru)

In May 2006, the plantations of many local people were confiscated by the military along the Site-tway-Rangoon highway, in the northern part of Ponnagywan Township, Arakan State. The plantations contained plants, such as teak, ironwood, mango trees, jack fruit trees, banana trees and vegetable trees. Troops permitted the owners to recover their belongings and crops for just one week following the confiscation. At the end of that week, the owners were refused permission to visit their plantation again. A military order stated that if they were found in the plantation, they would be fined 100,000 Kyats (c. US\$74). If they were unable to pay, they faced incarceration for three months in the local military camp, where they have to work fencing, cutting grass and cooking for soldiers.³³ Those plantations would be worth between 5,000 and 10,000 million Kyats (~US\$3,700 – 7,400) by current values and the owners depended on them for their livelihood.³⁴

A further 1,000 acres of farmland was confiscated between Panila and Krankhun village, along the highway running on the western side of the Kaladam River, and Ponnagywan Township, by Military H-Q of Site-tway No.20.³⁵ 15 acres of plantation gardens owned by Ohm-daw and Prai-sae-kae villages in Kyauk-phru Township, Arakan State, were forcibly confiscated by the Township Forestry Department under Ministry of Forestry in 2005. The confiscated area is called Doe-dan-taung, where villagers from these rural communities relied upon their ability to grow beans and other vegetables for their livelihoods before the land was confiscated. The villager members received no compensation.³⁶

During the building of Kyauk-phru-Rangoon Highway in 2005, hundreds of acres of lands

³² Primary field research by AASYC

³³ Ibid.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

including farmlands from local farmers were confiscated with little or no compensation to the owners. Moreover, a lot of mangrove forests were destroyed by the construction of the 2700-foot Minkyaung Creek Bridge and highway. Such destruction of natural habitat will have severe negative impacts on both the local eco-system and the local community.



Threatened mangrove forests by the construction of Minkyaung Creek Bridge on the highway of Rangoon- Kyauk-phru

9. Kaladan Multi-Modal Transit Transport Project/ Facility (Kaladan Project)

The Indian government sought approval from the Burmese military regime for nearly a decade for the “Kaladan Multi-Modal Transit Transport Facility” (Kaladan Project), as a means of providing a seaport – and thus access to international trade – to the landlocked and restive northeast of India. The infrastructure development aims to move goods in three stages: by sea between the port of Kolkata in eastern India and Site-tway (Sittwe) in Arakan State; by river transport along 225 kilometres of the Kaladan between Site-tway (Arakan) and Kaletwa (Chin State); and by road via a 120 kilometre highway that will be constructed through the northwestern Chin State between Kaletwa and the Burmese border with India’s Mizoram province. Goods would also be shipped in the opposite direction, and from Site-tway to other locations in southeast Asia using the port as an international trade hub but with little opportunity for the local community to use the facilities or engage in economic activity on an international scale due to high taxes imposed on the use of the port facilities.³⁷

The governments of India and Burma signed a Framework Agreement for the Project in April 2008, with the start date planned for December 2009. However, due to delays in receiving and allocating the tender, the date looks set to be mid-2010 although a stringent 36-month execution package has also been planned with Essar, the winning tender. Under the terms of the Agreement, the Indian government (through the Ministry of External Affairs) will finance the US \$120 million Project and the state-run Inland Waterways Authority of India (IWAI) will oversee the redevelopment of Site-tway port, dredging operations around Site-tway and along 225km of the Kaladan, and construction of an Inland Waterway Terminal (IWT) in Kaletwa. The Burmese regime will provide all of the land required for the project for free, as well as security for all personnel, materials, equipment, work sites, and the facility itself in exchange for the Indian government providing the financial funding for the project. The regime will also be responsible for the construction of the highway to the Indo-Burma border³⁸

³⁷ *Arakan Rivers Network* (partner and subset of AASYC) <http://www.arakanrivers.net/>

³⁸ Ibid.

for which the Indian government has loaned a sum of approximately \$10,000 for the building of this highway and the Burmese government implementation of the project.

Due to mass deployment of battalions in the region, many acres of land have been confiscated from locals to build barracks, military outposts and other related infrastructure. Over 200 acres of farmland was recently confiscated from locals for the deployment of artillery battalions 375 and 377 in Kyauk Taw Township. According to locals, there have been similar cases throughout Paletwa Township in Chin State.³⁹

The proposed site for the new seaport is situated in a highly residential area, and it is probable many citizens will be forced to relocate. We can predict from past experience, that these people will receive no assistance from the authorities to find new homes. Many locals are also concerned about Site-tway general hospital, situated less than 50 metres from the sea, which may also be threatened with removal and thereby unassisted relocation.

“We have big concerns about the construction of the port, as all of the houses along the Strand Road will be removed, including the general hospital of Site-tway. According to those who have previously been relocated in Arakan and other parts of Burma, usually no compensation is given to the owners. So we expect the same thing to happen to us when these buildings are removed. Without our houses we will lose a lot of business, as we mainly rely on our houses for doing business such as trading rice with rural folks and city dwellers.”⁴⁰

- Resident of the Strand Road, Site-tway

10. Gas and Oil Test Drilling (Kyauk-phru Township, Ramree Island, and Site-tway & Ponnagywan Townships)

In 2004, a consortium of Chinese and Singaporean companies was awarded rights for oil and gas exploration and started test drilling in “Block M” on Ramree Island. China National Offshore Oil Company Ltd., of parent company China National Offshore Oil Corporation (CNOOC), China’s third-largest oil and gas corporation, was designated managing partner of the consortium, responsible for coordination oil and gas exploration and development in Block M.



Workers from CNOOC Company undertaking oil drilling test on land confiscated

³⁹ “More than 5,000 IDPs on the run from the Burma Army in Arakan State, 100,000 villagers suffer from food shortages” *Free Burma Rangers Report* 31 August 2009, at: <http://www.freeburmarangers.org/Reports/2009/20090831.html>

⁴⁰ Primary field research by AASYC

Altogether 150 workers from the Chinese consortium and 600 from Asia World Company were drilling in the 3,007 square mile block. According to our research, once the consortium began exploration, local farmlands and local traditional oil wells located within the block were confiscated for exploration by the local authorities. Locally owned private boats were forced to transport arm equipment as well as officials and workers of the companies. Oil workers have also cleared forest areas to facilitate transportation.

Asia World Co. Ltd along with another Burmese company arrived in Kyauk-phru Township in 2004. Asia World Co. Ltd was stationed at the building of Rammarwaddy Ltd soup mill near to the Kyauk-ta-lone Pagoda. The other company was stationed at the primary school of Wa-myaung village in Kyauk-praung. Local community members were employed to clear the forests for the roads and given 1,200 Kyat (c. 90 US cents) as daily wages. After the oil drilling test, the companies left in May 2005. They returned in September 2005 to undertake further drilling tests using dynamite in October, November and December, 2005. A lot of paddy fields and plantation gardens were destroyed by the explosions. The owners were told that they would be given compensation, but received nothing from the companies.



Abandoned oil drilling materials left by Asia World Co Ltd., on local farmland in Kyauk-phru

In early 2006, Asia World Co. Ltd confiscated over two acres of land that were owned by U Maung Saw Aung, U Maung Wai Tin and U Maung Hla Tin from Rae-nan-taung (Oil Mountain) and used as traditional oil drilling site for many years. Apart from their drilling areas, a lot of traditional drilling wells owned by the local community members were destroyed by the companies. Furthermore, the traditional oil refinery owned by U Wong Zaw Hlaing was also destroyed with no compensation received. Additionally, 1 million Kyat, supposedly for U Sa Nay Aung and his workers, was never received. Instead it was withdrawn in advance by a Burmese worker from Asia World Co. Ltd, who then fled. The company took no action to retrieve the money. Therefore, U Sa Nay Aung had to pay the workers with his own money, greatly affecting his own business. Drilling mud was allowed to pollute the Chaung-wa stream, killing many local fish species. In early 2007, the plastic waste products of the drilling were burnt, generating toxic smoke, which adversely affected the health of villagers near Rae-nan-taung. In April and May 2007, the project stopped although the confiscated farmlands are now surrounded by barbed wire and people are prohibited from approaching the area which is guarded by the local police.⁴¹

⁴¹ Primary field research by AASYC



Land confiscated by Asia World Co. Ltd, surrounded by barbed wire

In 2005, India's Essar Oil Limited (AOL) signed a production-sharing contract with the Burmese military regime, for oil exploration in two blocks (L & A-2) one each for onshore and offshore drilling. AOL has been drilling in onshore Block L, near Arakan's Site-tway and Ponnagywan Townships, since late 2008 after finalizing seismic surveys conducted by the Sichuan Geophysical Company of China in 2007.

According to local people, rice fields, shrimp farms and plantations were destroyed due to seismic surveying last year and growth of foliage has since diminished. Limited compensation was given to a few owners who have close relationships with the authorities, but most received none. Some rural community residents were forcibly hired for construction jobs but received no regular wage. A local resident said that 16 acres of rice plantations, owned by seven people were confiscated without adequate compensation by local authorities. The former farmland is being used for Essar's drilling camp, and is currently protected by a fence. Local people are concerned that if the company finds oil or gas in the area, many villages near the drilling camp will be forcibly relocated.



Essar have started drilling oil in Site-tway Township, block L area in Arakan State since late 2008. Villagers lost their rice fields to Essar's drilling camp without or with little compensation.

11. Site-tway-Ann Railway

As part of Burma's military government recent railroad development projects, the 413-km long Site-tway-Ann-Padang-Minbu railway project is expected to be completed sometime this year, 2010. The project, which also includes the construction of 51 railway stations and 1,285 bridges and tunnels, and may initially sound like it would benefit the lives of the people in Arakan State, has instead become just another instance of military land confiscation and forced relocation. "The army authority confiscated many lands that are situated on the railway route and owned by local Arakanese farmers, without any compensation, to make way for the new route from Site-tway to Ann. Some villages from Kyauk Taw Township have been ordered to relocate to other places to clear a path for the railway route," said a villager from Arakan State affected by the project.⁴² Many villages in Kyauk Taw Township, Arakan State have been forcibly relocated to make way for railway construction.⁴³

Similar land confiscation has occurred as a result other railway projects throughout Burma such as in Tenasserim Division.⁴⁴ Development of a railroad to connect cities in Arakan State to each other and the rest of Burma is theoretically a project that could produce many social and economical benefits to the inhabitants of Arakan State, however, in reality, it is likely to be another development which the military will use but charge too high a price for local use to maintain their control. Local people could use the railway to transport goods when the use of the port is too expensive, especially as roads connecting Arakan state to the rest of Burma and Bangladesh are limited, which could then further promote economic growth and diversity within the state and many opportunities for local inhabitants to develop and progress their economic livelihoods and a sustainable local economic market.

Site-tway- Ann Railroad on land confiscated



Site-tway- Ann railroad construction site in land confiscated

⁴² "Villages Threatened with Relocation for Railway." *Democracy For Burma*. N.p. 25/03/2009. Web. 2 Apr 2010 <<http://democracyforburma.wordpress.com/2009/03/25/villages-threatened-with-relocation-for-railway/>>.

⁴³ Ibid.

⁴⁴ See the section on Tenasserim Division for description of land confiscation: <http://www.tbtc.org/idps/borderstates.htm>

12. Conclusion

The SPDC's ongoing parallel policy of increasing militarisation while increased forced land confiscation to house and feed the increasing troop numbers causes widespread problems throughout Burma. By stripping people of the land upon which people's livelihoods are based, whilst providing only desultory compensation if any at all, many citizens face threats to their food security as well as water shortages, a decrease or abolition of their income, eradicating their ability to educate their children in order to create a sustainable income source in the future. Additionally, the policy of using forced labour in the Government's construction and development projects, coupled with the disastrous environmental effects of many of these projects, continues to create severe health problems throughout the country whilst simultaneously stifling the local economy so that varied or sustainable work is difficult to become engaged in. All of this often leads to people fleeing the country in search of a better life.

“The only law in Burma is what the generals from day to day decide it to be”
(Burma's lawyer council 2001)

13. Recommendations

SPDC:

- An immediate end to the policy of land confiscation without compensation.
- Properly enforce and recognise legal ownership of land and property by educating the people of the need to register land with Form 105 and reviewing and changing existing laws to incorporate international law and rights included in the Declaration of Human Rights.

Foreign Investors:

- Withdraw all current investment in development projects until accountability is introduced to ensure land confiscation to ensure that adequate compensation or relocation assistance is offered, as well as to ensure forced labour does not occur and that international standards for working conditions and wage rates are recognised and implemented to reduce human rights abuses.

All Governments:

- Introduce economic sanctions preventing trade with or investment in Burma to encourage more ethical conduction of work-related practices, recognition of human rights abuses, recognition of a free and fair, democratic election procedure and the opening up of the economy to international trade and organisations. The sale of military equipment to the SPDC must be completely eradicated on the world market.

Photos

Front cover:

A typical trading boat and a village along the Kaladan River

Back cover:

Site-tway's current port & Kolkata seaport, India, and a traditional trading boat along the Kaladan River

Rivers are our lifelines

Protect our rivers

