



The Republic of the Union of Myanmar
National Unity Government
Ministry of Natural Resources and Environmental Conservation

**Status of Natural Resources Depletion During the Military Regimes in Myanmar
(Forestry & Environment Sector)**

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Status of Natural Resources Depletion During the Military Regimes in Myanmar

(Forestry & Environment Sector)

EXECUTIVE SUMMARY

Despite being endowed with various abundant natural resources, Myanmar remains one of the least developed and poorest countries in the world. Myanmar military being responsible for protection of the country and its people staged an illegal coup by abducting the democratically elected leaders on 1st February, 2021. This report is intended to inform the public of their crucial role in protecting the natural resources of the country since the coup may lead to the tremendous losses of natural resources found in the country. This report reveals the depletion of natural resources, and misconduct of the authority in managing resources during the military administration periods by assessing them in various ways.

This report assesses the status of natural resources such as forest/timber, land, minerals and other resources which are managed by the Ministry of Natural Resources and Environmental Conservation, during four different administration periods namely, former military dictatorship regime, transitional democracy period, quasi-democracy period (i.e., a political situation where the military retains certain authority in both legislative and executive branch according to the 2008 constitution) and coup period.

However, this part of the assessment only presents inappropriate policy and adequate implementation related to the management of forest/timber and land resources, and its implication on the people along together with the specific cases. It also discusses how immediate actions can be done during this coup period by drawing lessons learnt from the previous impacts during the former military regimes, and what measures can be taken by the public to contribute to the sustainable management of the natural resources.



FORWARD



May all brothers and sisters living in Myanmar be peace in mind and sound in body! I deeply sympathize with all individuals who are being suffered terribly from the coup staged by military in Feb 2021 and also from the third wave of COVID-19 pandemic. It's already known

that the military has been committing atrocities against its own people since before, not just now, and the public have already learned that the ethnic people were being brutalized by cutting access to information in the past.

Today marks 100th day anniversary of the National Unity Government (NUG) that was formed on 16th April, 2021. The Ministry of Natural Resources and Environmental Conservation (MONREC) of the NUG had already made some progress with the support of CDM staff, and also experts in both home and abroad. The public have already been informed of the achievements that the MONREC made.

This assessment had been carried out, under the guidance of the Acting President, by the contribution of civil servants to inform people of natural resources depletion due to the military leaders. I believe that this assessment could provide lessons learnt from misconducts of, and inappropriate policy set by the military leaders, facilitating the collective effort for the establishing Federal State and Resources Federalism. I would like to express my gratitude to those who made this report possible.

Dr. Tu Hkawng
Union Minister

Ministry of Natural Resources and
Environmental Conservation



STATUS OF NATURAL RESOURCES DEPLETION DURING MILITARY REGIMES IN MYANMAR
(FORESTRY & ENVIRONMENT SECTOR)

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Status of Natural Resources Depletion During the Military Regimes in Myanmar (Forestry & Environment Sector)

1. INTRODUCTION

Myanmar, a country endowed with great variety of natural resources such as greenly mountain forests in its northern part, Kachin State, huge tropical rainforests in its southernmost area, Tanintharyi region, fresh- and saltwater resources along its western part, the Rakhine coastal region, pine forests and ruby land in the eastern Shan plateau, has been governed by governments through different political systems across the history.

The term political system covers diverse types of administrative rule that have been applied in the history of the country such as, an absolute monarchy, colonial rule, parliamentary democracy rule, socialist party system, dictatorship rule, transitional democracy rule, and quasi-democracy rule (i.e., a political situation where the military retains certain authority in both legislative and executive branch according to the 2008 constitution). These administrative rules have significant impacts on both striving for socio-economic development and natural resources governance of the country.

There is no doubt that Myanmar had been lagging far behind other nations in every area of development when it was under the control of the Myanma Tatmadaw (i.e., military) during the dictatorship regime from the period of 1962 to 2010. It is nearly half a century (49 years) that the country was under either direct military control or military-backed administration, and during that periods bribery and corruption practices were common due to the bureaucracy mechanisms, and ineffective and inappropriate administration led by military leaders. The military dictators attempted to retain their rule by provoking and deepening mistrust among the different ethnic groups of the country. As a consequence, the country had experienced speedy depletion of natural resources, high poverty rate, absence of human resource development measures, lack of growth in all sectors including health, education and industrial sector, which in turn contributed to being listed as one of the least developed countries by the



United Nations Conference on Trade and Development (UNCTAD) in 2019¹.

Since 2010, there has been improvement in socio-economic development of the country including declining poverty rate² when democracy system has initially practiced though it was not fully adopted. However, on 1st Feb, 2021, the military again staged an illegal coup by abducting the democratically elected leaders.

During the period where there prevailed military rule with the dictatorship system, a great variety of natural resources had been depleted due to the incompetent administration of the resources and misconduct by the junta in managing the resources only through their personal economic interests, and for maintaining their administrative mechanisms. The Environmental Investigation Agency (EIA) discussed in its report how current situation may represent a serious threat to the sustainability of the country's resources: "the military coup could bring Myanmar back to those days when the forests were being tremendously devastated by the military dictatorship, and the current coup creates significant risks that the timber trade is financing human rights violations", providing specific and valid evidences it discovered.³

This report will discuss about status of loss/gain related to natural resources during four different periods during which four political rules were adopted. In doing so, assessment is done by dividing natural resources into four major types such as forests/timbers, land, minerals, and other resources. In this section, only assessment of forest/timber and land resources will be focused on.

¹ To see list of least developed countries published by the United Nations Conference on Trade and Development (UNCTAD) - <https://unctad.org/topic/least-developed-countries/list>

² According to the Poverty Report- Myanmar Living Conditions Survey 2017, the proportion of the country population living under the national poverty line halved from 48.2% in 2005 to 24.8% in 2017. See the report- <https://www.worldbank.org/en/country/myanmar/publication/poverty-report-myanmar-living-conditions-survey-2017>

³ <https://eia-international.org/forests/myanmars-tainted-timber-and-the-military-coup/>

2. OBJECTIVES

Recognizing the crucial role of resource federalism in striving for the emergence of the Federal Democracy Union in the country, this report is prepared to fulfill the following objectives-

- a) To assess and report the status of natural resources depletion due to mismanagement by the military leaders,
- b) To inform the public of the over-exploitation of natural resources by the military authority for their self-interests,
- c) To facilitate the development of people-oriented natural resources governance mechanisms,
- d) To contribute to the development of resource federalism principles and policy, and
- e) To visualize the importance of multi-stakeholder approach in managing the natural resources.

3. ASSESSMENT PERIOD

This report focuses on depletion of forest/timber and land resources during the military rule in order to assess how inappropriate management policies or systems contribute to the widespread devastation of country's natural resources. Besides military rule, comparative discussions are also made on dynamic of resources depletion between different periods of transitional democracy and quasi-democracy, describing current administration by military led State Administration Council (SAC) including specific on-ground situation. Therefore, the periods for which assessment was carried out are divided as follow-

- a) Military rule (early years prior to 2010)
- b) Transitional democracy period (2010 to 2015)
- c) Quasi-democracy period (2015 to 2020)
- d) Military coup period (1-2-2021 to Present)



4. METHODOLOGY

Available data and information related to the following resources were collected in various ways and assessed-

- Forest/timber resources
- Land resources
- Minerals resources
- Other resources

This section only presents assessment of forest/timber and land resources in the forestry and environment sector while second section will cover on minerals and other resources.

All data and information were collected and analyzed in the following ways-

(a) Analyzing by using Remote Sensing & Geographic Information System

The assessment of the forest cover of the country was carried out for the three different geographic level: national level, state/regional level and landscape level whereas data required for the assessment were collected from readily available sources (e.g., FAO Forest Resource Assessment Reports, open-source data, and satellite imagery from Landsat and Google Earth) and analyzed by using remote sensing (RS) and geographic information system (GIS) technology.

(b) Analyzing by using secondary/published data

The assessment was conducted by using the reports already published by the Ministry of Natural Resources and Environmental Conservation, and data and information disclosed by both domestic and foreign organizations including the Ministry of Natural Resources and Environmental Conservation under the control of the SAC.

(c) Analyzing by using data and information available from news agencies

Reviewing and analyzing were done by extracting the valid data and information from the news/articles/insight/analysis related to natural resources and environment reported by local and foreign medias (e.g., Ayeyarwady News Agency, RFA).

(d) Analyzing ground information reported by the public through online system

The on-ground information reported by the public through google form are analyzed by comparing with reporting made by the news media.

All data and information required for this report were collected within short period of time with many limitations encountered. Regarding the flow of report, findings related to forest and timber resources are discussed, followed by analysis of land resources in connection with forest and timber resources.



5. ASSESSMENT OF NATURAL RESOURCES DEPLETION

5.1 ASSESSMENT OF FOREST/TIMBER RESOURCES

5.1.1 FOREST COVER ASSESSMENT

Forest cover assessment was carried out at national level, state/regional level and landscape level. The definition of forest cover used in this report is described in Box 1, following the original source.

(Box 1) : Forest

Forest cover is defined by the United Nations Food and Agricultural Organization (FAO) that is used in FAOs global forest resource assessment reports as “Land spanning more than 0.5 hectares (1.24 acres) with trees higher than 5 meters (16 ft) and a canopy cover of more than 10% or trees able to reach these thresholds in situ”. Closed forest is the same concept with different layer of canopy, and undergrowth having a canopy cover of more than 40%, while open forest is having those of 10% – 40%. Forest cover also applies to forest plantations that have potential to reach canopy cover of 10% and trees with above 5 meters, and areas having young generation of trees that have potential to become a wood.

NATIONAL LEVEL

Assessment of forest cover at the national level was carried out, referring Forest Resource Assessment- FRA report published by FAO at every five years interval.

According to the FRA reports, forest cover of the country for different interval period are mentioned as below in the table-1-

Table.1 Forest Cover of Myanmar in different years

Type of Forest Cover	Area (1000 Ha)					
	FRA1990	FRA2000	FRA2005	FRA2010	FRA2015	FRA2020
Closed Forest	30883	23505	18475	13445	14585	12260
Open Forest	8335	11364	14846	18329	14456	16284
Total Forest Covered land	39218	34868	33321	31773	29041	28544
Other Wooded Land	19498	19703	19908	20113	15080	18756
Others	7039	11184	12526	13869	21634	18008
Water Body	1903	1903	1903	1903	1903	1903
Total	67658	67658	67658	67658	67658	67658
Forest Cover % of the total area of the country	57.97	51.54	49.25	46.96	42.92	42.19

Source – FRA Reports published by FAO

As mentioned in the Global Forest Resources Assessment–FRA 2020 report launched by FAO, the forest cover of Myanmar is 42.19% (43.71% of the total land area) of the total area of the country.



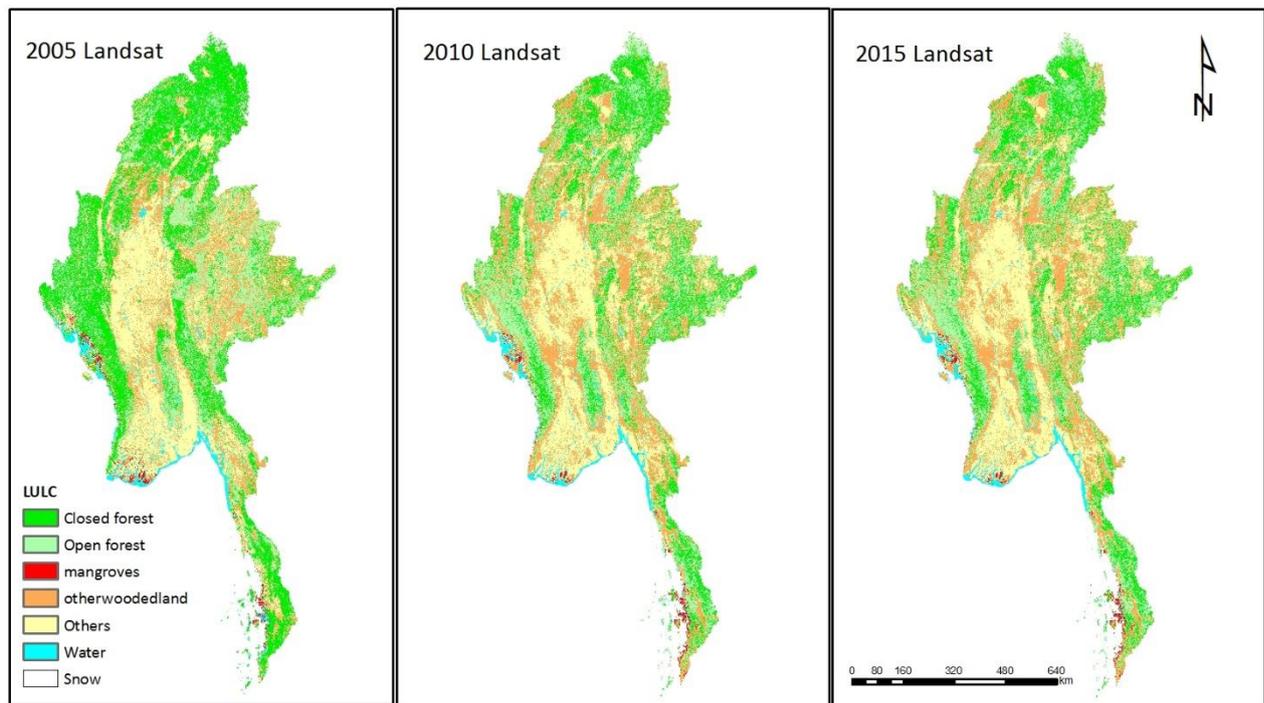


Fig-1 Forest Cover Map of Myanmar in different years

(Source– 2018 Myanmar Forest Reference Emission Level submitted to UNFCCC)

Assessment of deforestation

Though nearly half of the country area is covered by forests as shown in above Table-1, Myanmar remains being listed as one of the most deforested countries (top 10 countries) in the world while it reached number 7 according to the table showing country-specific deforestation rate during 2010–2020. The country was reportedly being listed as top 3 highest deforestation rate for the period between 2010 and 2015 according to FRA (2015) report. Therefore, deforestation rate of the country during 2010–2015 was found to be decreased compared with that during 2015–2020. The definition of deforestation is described in the Box-2, referring to the original source.

BOX 2: Deforestation

Deforestation means a complete conversion of forested areas to non-forest land use in which there is no potential to re-grow trees.

Deforestation was found to be varied with area. Detailed explanation on the area-specific deforestation rate is made in State/Regional level assessment. The following table depicts average annual deforestation found at national level by comparing deforestation rate for different time periods-

Table-2 Comparing Deforestation Area in Myanmar

Period	Average Annual Deforestation (,000 ha)	Annual deforested Rate (%)
1990-2000	435	-1.17
2000-2010	343	-1.03
2010-2015	289	-0.96
2015-2020*	289	-0.96

* A preliminary estimation based on the deforestation rate of 2010-2015 in the FRA 2020 report

STATE/REGIONAL LEVEL

For state/regional level assessment, the report uses open-source data that are readily available online through Regional Land Cover Monitoring System⁴ launched by the SERVIR-Mekong initiative in partnership with the University of Maryland.

Forested land with trees of at least 5-m height, having a canopy cover of above 10% as defined in FAO forest definition, are assessed by using thematic layers showing forest cover published by the University of Maryland. However, even though the definition of forest cover used for two different levels is the same, it is not possible to compare data used in this section with the results of national level assessment as the data used here do not integrate forested lands of continuous 0.5 ha with the land use data. In general, the definition of forest cover used by FAO broadly cover forests

⁴ [https:// www.landcovermapping.org/en/](https://www.landcovermapping.org/en/)



and forest land uses, but the term used by SERVIR-Mekong and University of Maryland also considers both forests and other land uses covered with vegetation (e.g., trees outside forests).

Forest cover maps by SERVIR-Mekong are illustrated in the Fig-2 as below-

State/Regional level forest cover assessment is conducted for the year 2000, 2010, 2015 and 2019. Also, deforestation and forest degradation were examined for three periods (2000–2010, 2010–2015, and 2015–2019). The findings are displayed in Table-3 as below-

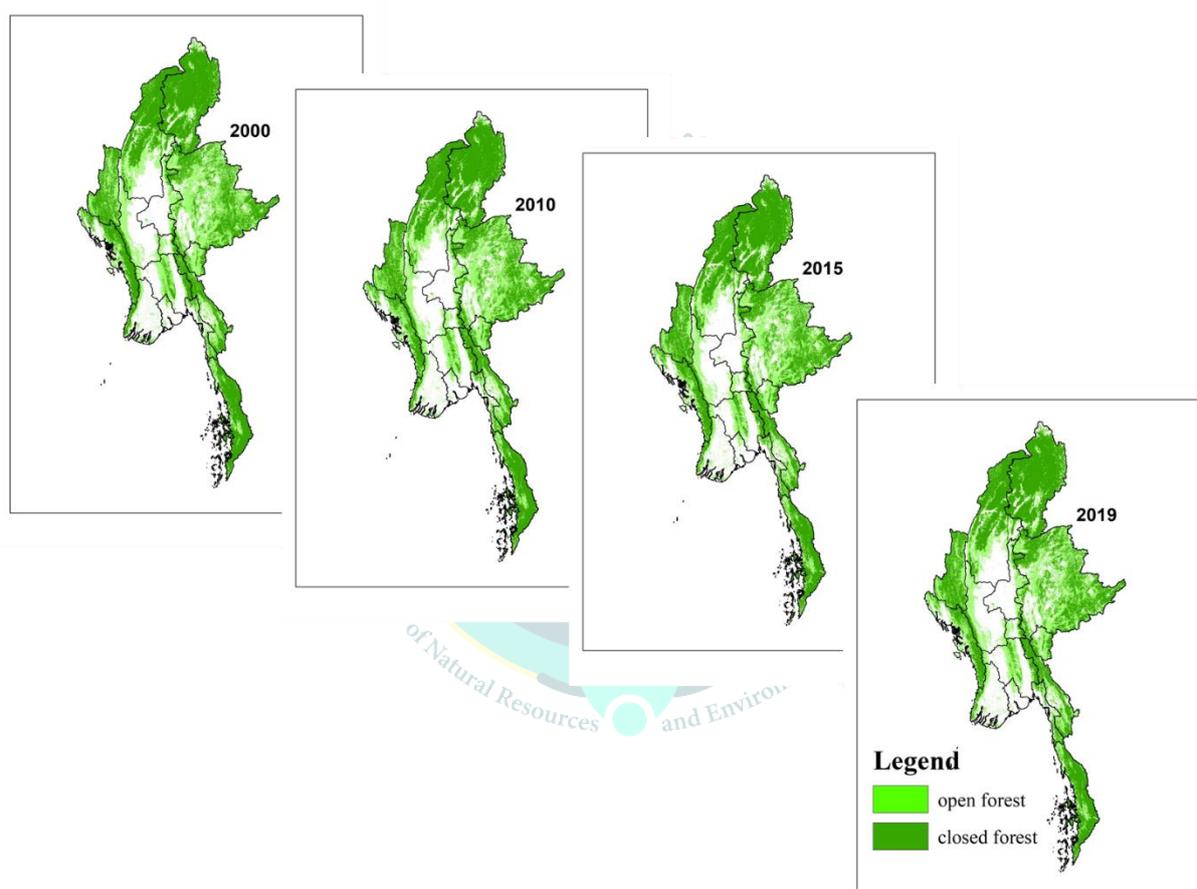


Fig-2. Forest Cover Maps by State/Regions in Different Years (Source–SERVIR-Mekong)

Based on the findings, deforestation had been consistently observed in Ayeyarwady, Sagaing Region, Kachin, Karen, and Shan State over the year 2000 – 2019. There are significant levels of deforestation observed in Bago, Magway, Tanintharyi Region, and Rakhine State during the period 2000 – 2015, and however it remained plateau during the period of 2015

– 2019. Starting from 2010, there seems to be no deforestation in Mon State and Yangon Region. Based on the results, the annual deforestation rate for 2000–2010 period is -0.10%, -0.30% (2010–2015), and -0.01% (2015–2019), and annual rate for **period 2010–2015** is found to be the **highest** whereas **2015–2019** is to be the lowest.

Table-3. Annual Deforestation Rate % in State/Region During Different Periods

State/Region	Def2000-10	Def2010-15	Def2015-19
Ayeyarwady	-0.46	-0.57	-0.20
Bago	-0.21	-0.76	0.11
Chin	0.06	-0.03	-0.01
Kachin	-0.05	-0.18	-0.13
Kayah	-0.04	-0.43	0.08
Karen	-0.20	-0.17	-0.09
Magway	-0.31	-0.34	0.77
Mandalay	0.05	-0.65	-0.09
Mon	-0.17	0.22	0.52
Naypyitaw	-0.25	-0.47	0.17
Rakhine	-0.08	-0.46	0.22
Sagaing	-0.19	-0.49	-0.17
Shan	-0.05	-0.29	-0.09
Tahnintharyi	-0.01	-0.15	0.17
Yangon	-1.10	1.12	1.53
Nationwide	-0.10	-0.30	-0.01

(Source– SERVIR–Mekong)



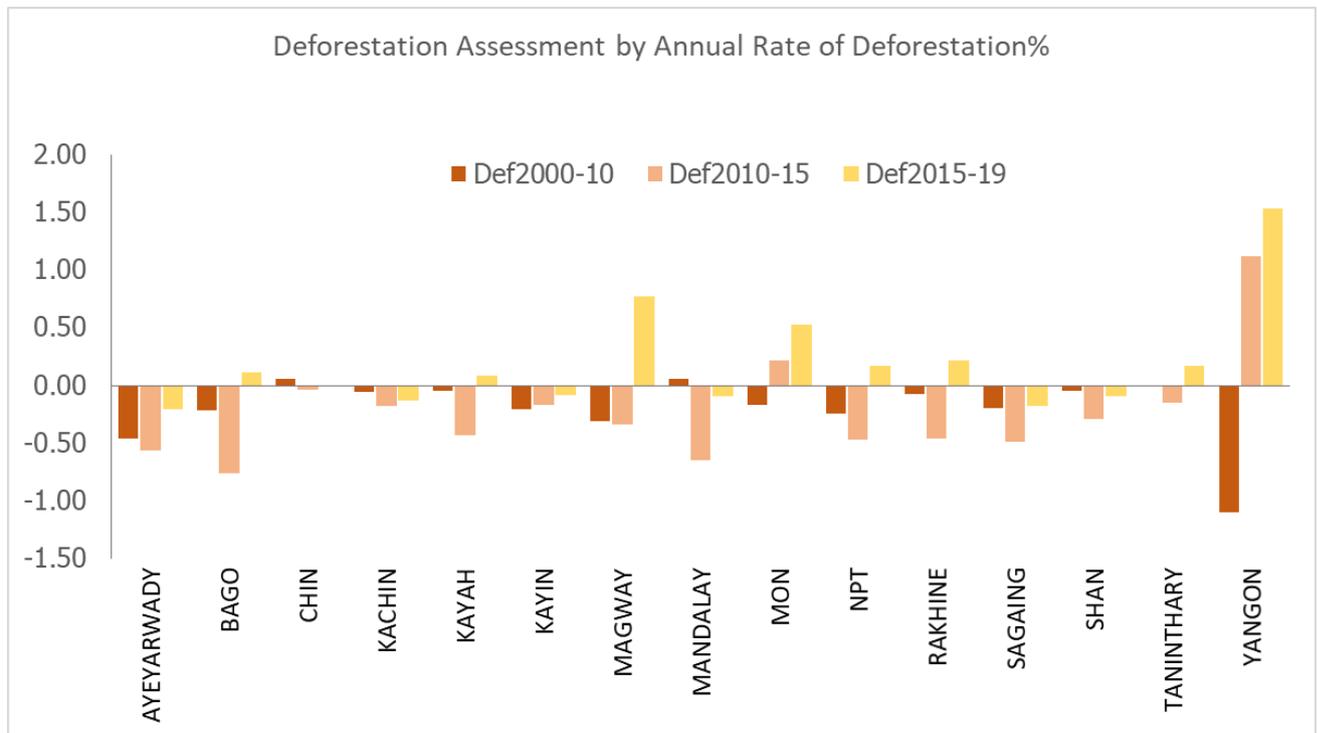


Fig-3 Annual Deforestation Rate found in State/Regions

(Source– SERVIR–Mekong)

Despite there being vegetation cover, forest degradation, particularly canopy status, is analyzed and the results are shown in the following Table-4.

As the results pointed out that there observes common degradation in the States/Regions, where deforestation is not occurred. For instance, forest degradation in Yangon is found out, even though there was no deforestation happened. In the **Union Territory Naypyitaw**, forest degradation is found to be **highest between 2015 and 2019**. As the national level assessment highlights annual forest degradation rate (%) for 2000–2010, 2010–2015, and 2015–2019 as -0.11%, -0.25% and -0.11% respectively, and therefore the annual forest degradation rate for the period of 2015–2019 is found to be highest compared to other periods.

Therefore, the findings suggest that it is necessary to carry out monitoring status of forest degradation, and improvement operation for the health of the forests.

Table-4 Annual Forest Degradation Rate % of State/Region in different period

State/Region	Deg2000-10	Deg2010-15	Deg2015-19
Ayeyarwady	-1.16	-0.07	-0.96
Bago	-0.58	-0.37	-1.02
Chin	0.28	-0.04	-0.16
Kachin	-0.04	-0.23	-0.14
Kayah	0.002	-0.61	1.06
Karen	-0.42	-0.28	0.06
Magway	-0.28	-0.37	-2.01
Mandalay	0.02	-0.11	-0.94
Mon	-0.51	0.79	1.21
Naypyitaw	-0.48	-0.51	-4.17
Rakhine	-0.23	-0.43	0.11
Sagaing	-0.19	-0.43	-0.51
Shan	0.03	-0.12	0.19
Tahnintharyi	-0.12	-0.51	0.49
Yangon	-2.81	0.27	-3.40
Nationwide	-0.11	-0.25	-0.11

(Source- SERVIR-Mekong)



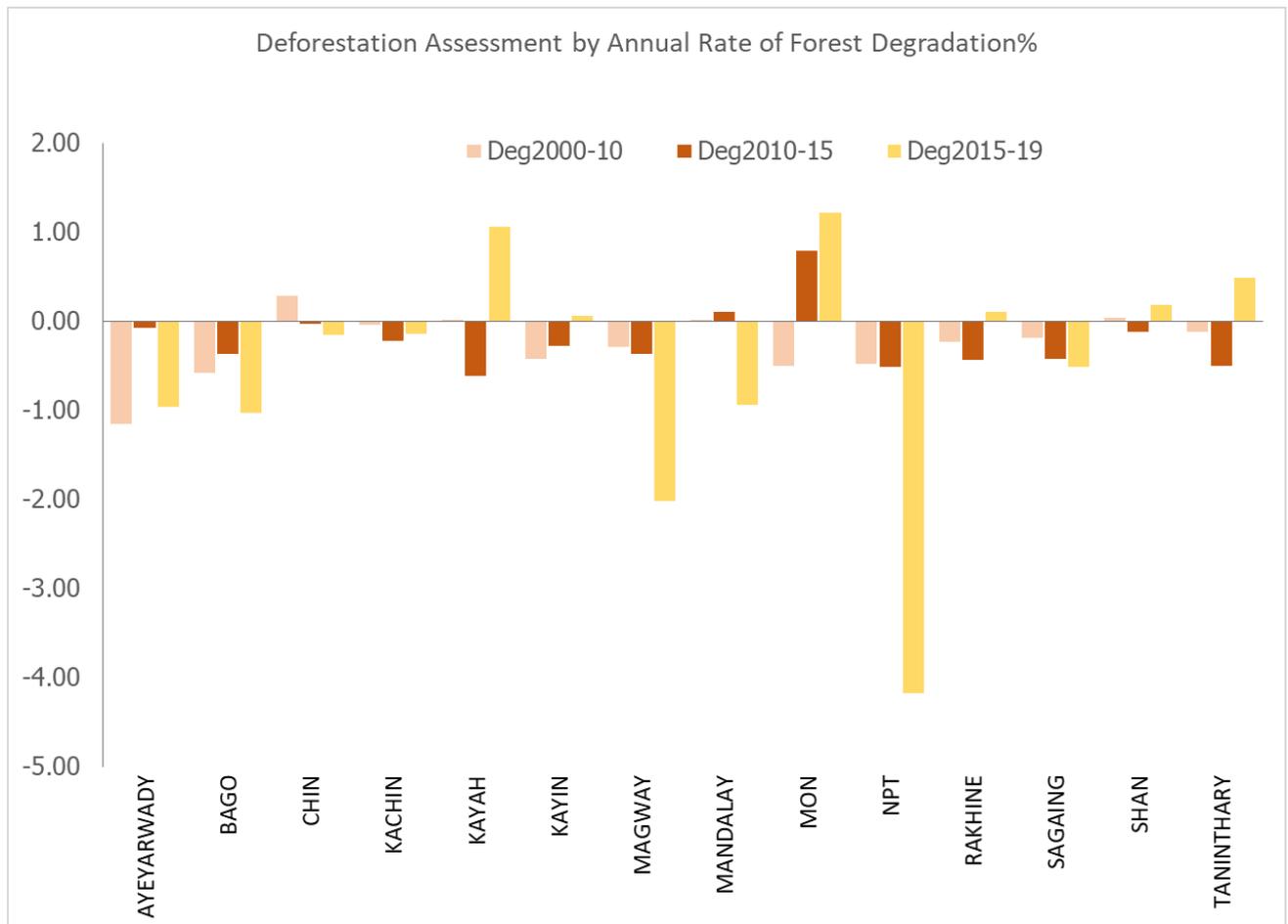


Fig-4. Annual Deforestation Rate found in different State/Region (Source– SERVIR-Mekong)

LANDSCAPE LEVEL

Landscape level assessment was carried out by comparing satellite images obtained from the Google Earth on a yearly basis.

There may be various drivers for and cases of forest resources devastation in different areas/landscape. Among them, the following drivers and cases are the crucial ones for the depletion of forest resources in the relevant region-

- a. Conversion of forest land to annual/perennial agricultural land
- b. Conversion of forest land to other land uses (fish/shrimp cultivation pond, in local term “*kari*” or land in which fish/shrimp and rice are grown cultivated together)
- c. Conversion of forest land to mining and minerals exploration areas

Case -1 Conversion of over 15000 acres of forest land to crop land in Tanaing Township, Kachin



Fig-5 Google Earth imagery showing conversion of forest land to agricultural land in different years in Tanaing township, Kachin State.



Fig-6 News article featured in “Myanmar Alin” newspaper published on 17-11-2010

Forest lands in Tanaing township, Kachin State after the 2000 were notably converted to agricultural lands as shown in Fig-5. In the “Myanmar Alin” newspaper published on 17th November, 2010, how sugarcane, cassava, rice and other crops plantations were successfully grown were extensively featured (See Fig-6). How this conversion benefits whom, and to whom it may cause trouble are discussed in later part (land resources assessment section).



Case -2 Conversion to rubber plantation (over 7000 acres) in Tanintharyi Region

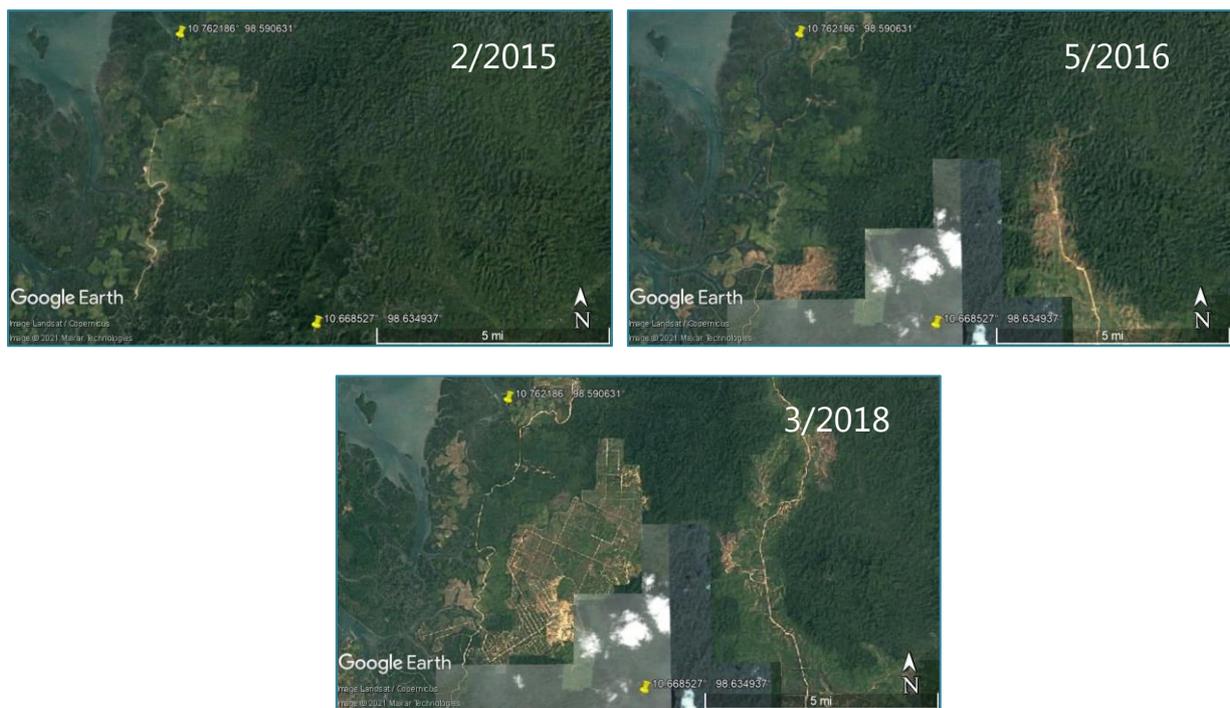


Fig-7 Google Earth imagery showing conversion of forest land to rubber plantation in different years in Bokeyyin township, Tanintharyi Region.

Besides conversion of forest land to annual crop land, it is examined that forest lands were also converted to rubber, oil palm plantation. In 2015, conversion of forest lands to rubber plantations was observed while only a few areas of land were covered by forest in 2018 as shown in Fig-7. This case, according to the available data, is the conversion of over 7000 acres of forest land to rubber plantation in Bokeyyin Township

Case-3 Conversion to fish/shrimp ponds in Tanintharyi Region

As the above-mentioned case-1 and 2, conversion of forest land or forest covered land at the disposal of the government to other land use is reportedly done not only for agricultural purpose, and also for growing livestock. In 2015, forest covered land at the disposal of the government were found to be converted to fish/shrimp cultivation ponds. Such conversion can be seen in Fig-8.



Fig-8 Google Earth Imagery showing land use change in different years in Kyunsu township, Tanintharyi Region.

Case-4 land use change in Wunbaik mangrove area of Rakhine State



Fig-9 Google Earth imagery showing land use change in different years in Wunbaik mangrove area, Rakhine State.



Similarly, clearing the mangrove forest and practicing “*kari*” farm that means growing rice and fish/shrimp in an alternative way can be observed in Fig-9. Such conversion of mangrove to cultivation areas was happened during the military rule (from 2004 to 2009). However, when the country was practicing the quasi-democracy system from 2015 to 2020, regenerations of mangrove were scattered and found probably due to the community-based reforestation programs.

In this landscape level assessment, four specific cases discuss the conversion of forest land or forest covered land at the disposal of the government to other land uses including annual/perennial agricultural land, fish/shrimp farms by examining satellite images from Google Earth. Obviously, during military rule and transitional democracy period from 2000 to 2015, it found out that establishing of annual/perennial plantation on forest land/ forest covered land at the disposal of the government, conversion of mangrove areas to fish/shrimp cultivation ponds were done. Conversion of forest land to mining areas will be examined in the coming Section Two of the report.

Similar case of converting forest land to cropland/ perennial plantation, or other land uses were widespread across the country. Such cases were reportedly occurred during military rule and transitional democracy period while actors involved in them were none other than military and military-backed entrepreneurs and business entities. Land confiscated by them, and the actors involved are listed in Annex-1.

In above-mentioned findings, the year after 2015 observed declined rate of deforestation and increased forest cover. During the quasi-democracy rule, international support and cooperation were realized amidst the limitations, challenges arisen in the field of politics and economics, and other improvements in the forestry sector such as developing and implementing Myanma Reforestation and Rehabilitation Program (10 years program) were gained. According to the assessment results, nationwide deforestation rate was under control, and forest cover was increased in some States/Regions.

Linked to loss of forest resources, deforestation and forest degradation, the extraction of timber resources was also assessed. Forest degradation in

relation to depletion of forest resources is not only concerned with legal and illegal over exploitation of valuable timber, and also with other factors. Likewise, though deforestation does not have direct correlation with timber extraction, it is linked to the inappropriate policy and implications of timber extraction.

5.1.2 ASSESSMENT OF TIMBER RESOURCES

LEGAL EXTRACTION OF TIMBER

Timber, one of the natural resources of the country, was extracted annually focusing on earning foreign revenue for the country during the former military rule. It was being extracted increasingly year by year. Log extraction and exporting them as raw materials represented a great loss to the country from the revenue collection point of view. There was a minimum level of success in attempting to trade the finished/semi-finished products after processing raw timbers with the advanced technology. The volume of timber extracted legally during three different regimes namely, former military rule, transitional democracy period, quasi-democracy rule is compared as shown in Fig-10-

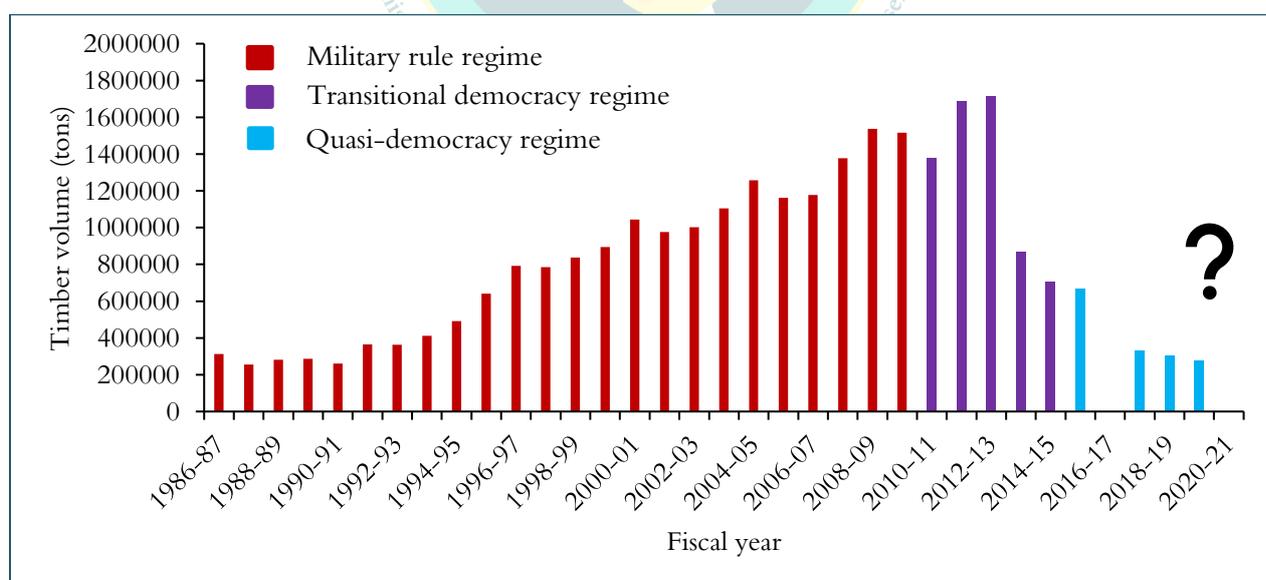


Fig-10 Graph showing timber extraction in different fiscal years.

As shown in Fig-10, it is clear that how over-exploitation of timber resources had been carried out prior to the quasi-democracy rule can be seen. After the 1988 Uprising, military regime increasingly emphasized on



border trade of log, and from the year of 1988-1989 to 1993-94, about 405856 tons of teak and 502866 tons of hardwood were extracted along the Myanmar-Thai border areas in Shan, and Karen State by the Myanmar Timber Enterprise and sold to Thai companies, whereas totally 780339 tons of both teak and hardwood were cut by 18 companies from Thailand in Shan, Kayah, Karen State, and Tanintharyi Region. During those times, the Tatmadaw formed the State Law and Order Restoration Council (SLORC), and implemented the foreign exchange earning policy through practicing market economy⁵.

In accordance with the essence of Myanmar Selection System that had been practiced ideally since colonial rule, annual allowable cut (AAC) was estimated and felling was done by sticking to that amount by considering motto of “Take out only interest without touching the capital”. However, due to the inappropriate policy of earning more foreign currency set out annually during the military rule and transitional democracy period, the standard exploitable girth limit of teak was found to be reduced from 7 ft 6 inches to 6 ft 6 inches in conducting the felling operation.

According to the increased felling of timber resources year by year from military rule period to transitional democracy period (See Fig-10), it was clear that the ruling military focused on realization of foreign exchange target for each fiscal year without having proper consideration on sustainability and environmental conservation. When the transitional democracy rule was over and the country was practicing quasi-democracy system, the volume of timber extraction was reduced so as to ensure resource sustainability and environmental integrity. Furthermore, teak and hardwood log extraction were suspended across the country in 2016-17 fiscal year and starting from 2016-17 fiscal year, 10-years log extraction ban was imposed in the Bago mountain range. Nationwide log extraction bans for one-year came into force by issuing the notification no (135/2016) dated 23rd November 2016 by the Union Minister Office of the Ministry of Natural Resources and Environmental Conservation (See Fig-11).

⁵ ဦးကျော်ကျော်လွင် (ဒုတိယညွှန်ကြားရေးမှူးချုပ်-ငြိမ်း၊ သစ်တောဦးစီးဌာန)၊ သစ်တောသမိုင်း

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
 သယံဇာတနှင့်သဘာဝပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဝန်ကြီးဌာန
 ပြည်ထောင်စုဝန်ကြီးရုံး
 အမိန့်ကြော်ငြာစာအမှတ် (၁၃၅ /၂၀၁၆)
 နေပြည်တော်၊ ၁၃၇၈ ခုနှစ်၊ တန်ဆောင်မုန်းလပြည့်ကျော်(၉) ရက်
 (၂၀၁၆ ခုနှစ်၊ နိုဝင်ဘာလ ၂၃ ရက်)

၂၀၁၆-၂၀၁၇ ဘဏ္ဍာနှစ်တွင် ကျွန်းနှင့်သစ်မာထုတ်လုပ်မှု (၁) နှစ် ရုပ်ဆိုင်ကြောင်းကြေညာခြင်း

၁။ ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ၊ သယံဇာတနှင့် သဘာဝပတ်ဝန်းကျင် ထိန်းသိမ်းရေးဝန်ကြီးဌာနသည် သစ်တောသယံဇာတများ ရေရှည်တည်တံ့စေရေးအတွက် မြန်မာ နိုင်ငံတစ်ဝန်းရှိ တိုင်းဒေသကြီး၊ ပြည်နယ်အသီးသီးတွင် သစ်တောများပြန်လည်တည်ထောင်ခြင်း အစီအစဉ်ကို ၂၀၁၇-၁၈ ခုနှစ်မှ ၂၀၂၆-၂၇ ခုနှစ်အထိ (၁၀) နှစ် စီမံကိန်းရေးဆွဲ၍ အကောင်အထည် ဖော်ဆောင်ရက်သွားမည်ဖြစ်ပြီး သစ်ထုတ်လုပ်မှုကို နှစ်စဉ်ထုတ်လုပ်နိုင်မည့်ပမာဏ (Annual Allowable Cut - AAC) ဘောင်အတွင်းမှ လျော့ချထုတ်လုပ်ရန် စီမံလျာထားဆောင်ရွက်လျက် ရှိပါသည်။

၂။ သို့ဖြစ်ပါ၍ ၂၀၁၆ ခုနှစ်၊ အောက်တိုဘာလ ၂၀ ရက်နေ့တွင် ကျင်းပခဲ့သော ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးအမှတ်စဉ် (၁၄/၂၀၁၆) ၏ ဆုံးဖြတ်ချက်အရ သစ်တောသယံဇာတများ ရေရှည်တည်တံ့စေရေးအတွက် နိုင်ငံတော်အတွင်း သစ်ထုတ်လုပ်မှုလျော့ချရေးလုပ်ငန်းစဉ်အဖြစ် ၂၀၁၆-၂၀၁၇ ဘဏ္ဍာနှစ်တွင် ကျွန်းနှင့် သစ်မာ ထုတ်လုပ်မှု (၁) နှစ် ရုပ်ဆိုင်လိုက်ကြောင်း ကြေညာလိုက်သည်။

(ပုံ) အုန်းဝင်း
 ပြည်ထောင်စုဝန်ကြီး
 သယံဇာတနှင့်သဘာဝပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဝန်ကြီးဌာန
 ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

စာအမှတ် (သစ်တော)၃/၀၉(၁)/(၂၃၄၂ /၂၀၁၆)
 ရက်စွဲ ၂၀၁၆ ခုနှစ်၊ နိုဝင်ဘာလ ၂၃ ရက်

- ဖြန့်ဝေခြင်း
- ၁။ နိုင်ငံတော်သမ္မတရုံး။
 - ၂။ ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး။

Fig-11 Notification for suspension of nationwide teak/hardwood extraction in 2016-2017 fiscal year

The volume of timbers cut during the quasi-democracy rule was not only substantially lower than that of military rule, also the extracted amount was well below than the estimated ACC amount, considering the purpose of sustainability. The AAC, target and actual extraction of teak and hardwood during the fiscal year 2015-16 – 2019-2020 of the quasi-democracy periods are illustrated in Fig-12 and Fig-13.



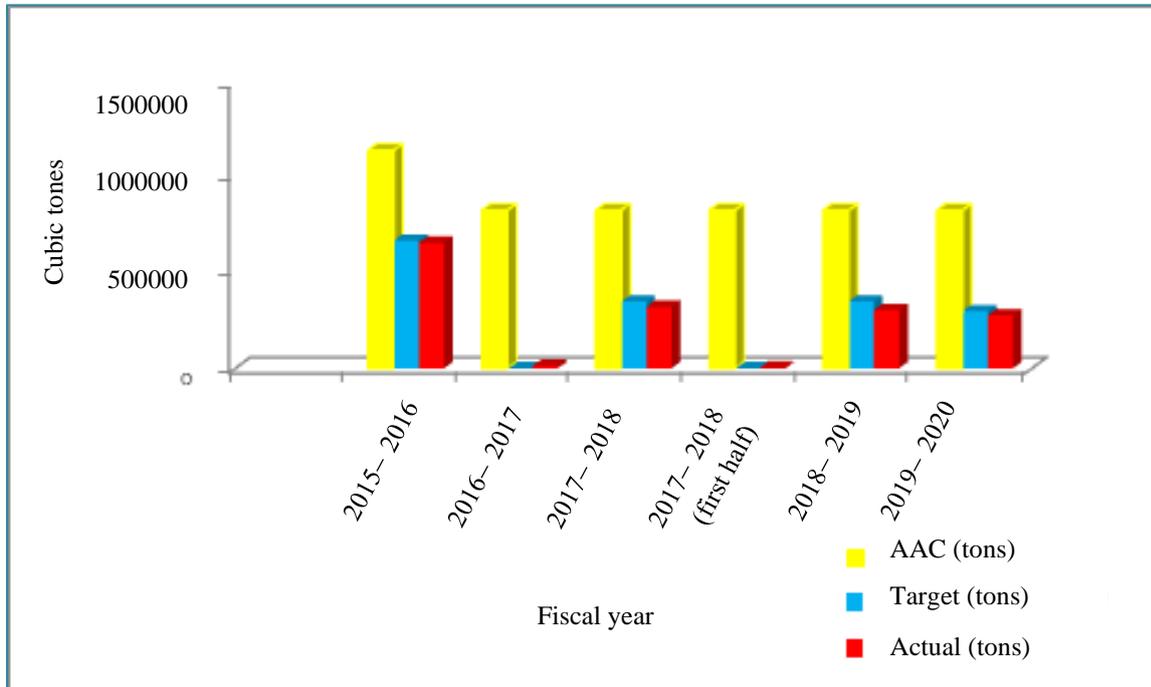


Fig-12 AAC, target, actual extraction of Teak from 2015-16 to 2019-20

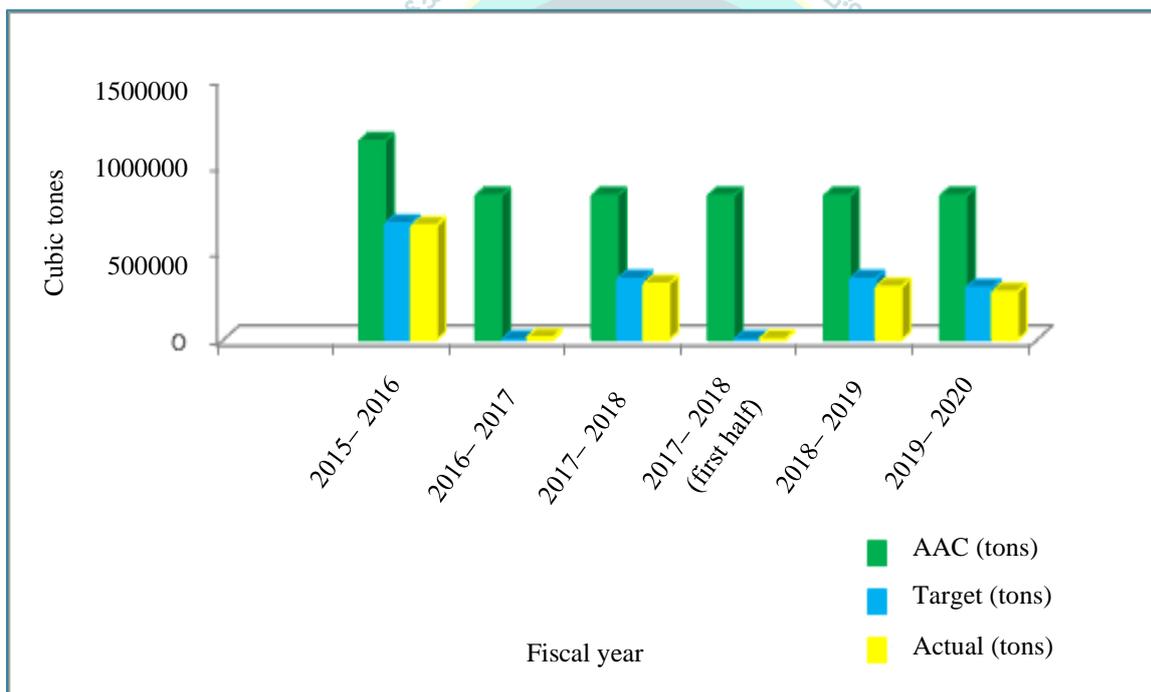


Fig-12 AAC, target, actual extraction of Hardwood from 2015-16 to 2019-20

Revenue earned from selling timbers extracted during 2015-2016 – 2019-2020 fiscal year at both local and abroad market during the quasi-democracy rule can be seen in Fig-14 and Fig-15.

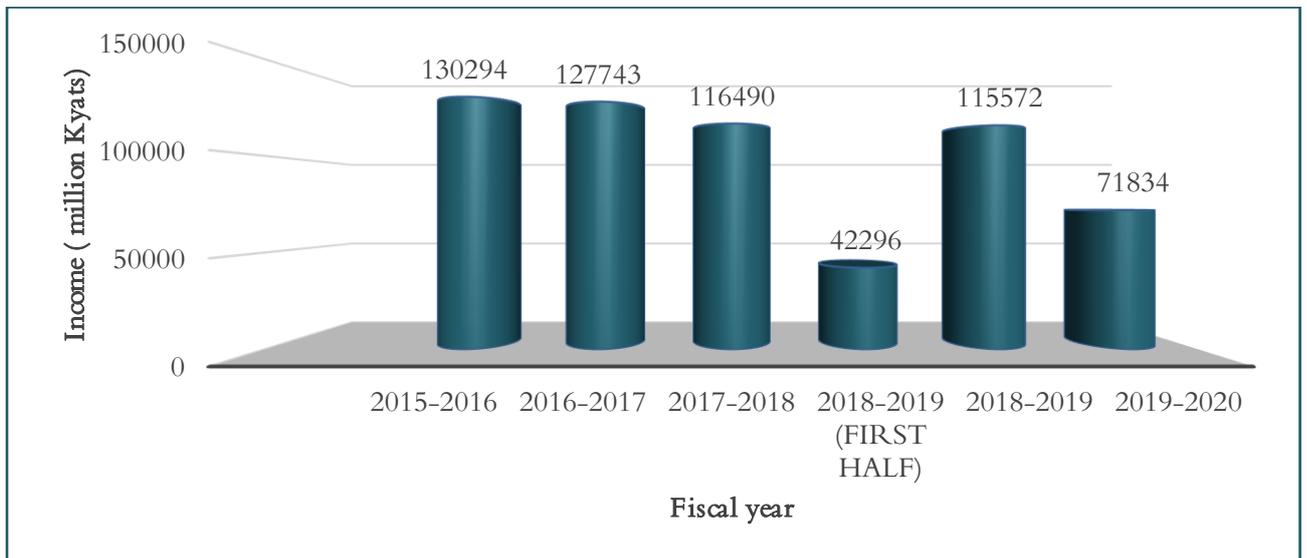


Fig-14. Domestic earning in different fiscal year (Teak/Hardwood)

(Source- 5 years performance of Myanmar Timber Enterprise of the Ministry of Natural Resources and Environmental Conservation, aired by Myanmar Radio and Television.)

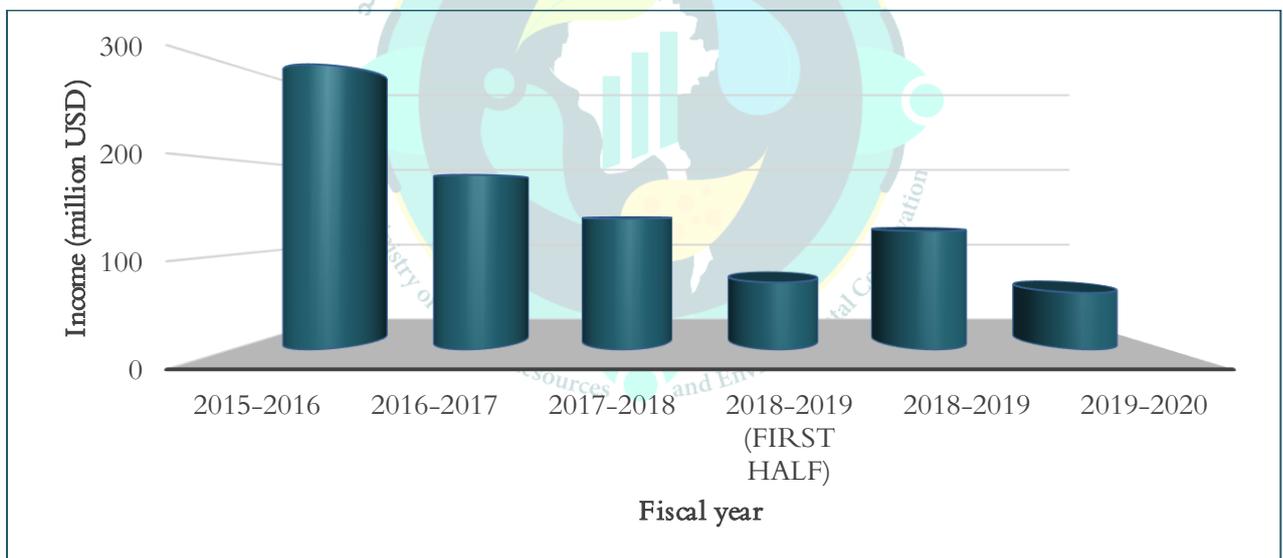


Fig-14. Foreign exchange earning in different fiscal year (Teak/Hardwood)

(Source- Myanmar Radio and Television-MRTV))

After the coup staged by the military on 1st Feb 2021, the United State of America imposed targeted sanction⁶ against the Myanmar Timber Enterprise (MTE) to cut revenue flow to the military-led council or the SAC, as the MTE is reportedly attempting to help maintain revenue flow to the SAC. This can also be observed in the news titled “Tender sale of

⁶ <https://sanctionsnews.bakermckenzie.com/category/sanctioned-regimes/sanctions-targeting-myanmar/>



the SAC sold timber equivalent to US\$ 2 million”⁷ dated on 28-5-2021 and the news titled “Timber being sold at a lower price in tender sale of the SAC”⁸ dated on 31-5-2021 by the Ayeyarwady news agency, both of which mention that quality timbers cut in 2020-21 fiscal year of the quasi-democracy rule were sold through open tender held by Export Marketing and Milling Department of the SAC during the coup period. Total amount of timbers sold and earnings by the Export Marketing and Milling Department during the coup are described in the following Table-5.

Table-5. Volume of timber (cubic tons) sold and earnings by the Export Marketing and Milling Department during the coup

No	Tender Date	Total number of companies who join tender	Tons sold		Earning (US \$ millions)
			Teak/ Hardwood Log	Teak/ Hardwood lumber	
1	27-5-2021	13	2130	3	1.8

(Source the news titled “Tender sale of the SAC sold timber equivalent to US\$ 2 million” dated on 28-5-2021 and the news titled “Timber being sold at a lower price in tender sale of the SAC” dated on 31-5-2021 by Ayeyarwady news agency)

Likewise, the Local Marketing and Milling Department also conducted open tender sale, State/Regional level open auction, and sale of log/lumber through specific tender for micro, small and medium enterprise (MSME)/entrepreneurs in each State/Region. According to the news article published by Ayeyarwady news agency on 31-5-2021, the Local Marketing and Milling Department held an open tender (4/2020-21) sale during the coup period. Furthermore, the same department was also reportedly making effort to earn revenue through holding open tender (5/2020-21) as one reporter claimed on-ground information via Google form. Table-6 shows the volume of timber sold and earnings by the Local Marketing and Milling Department during the coup.

⁷ <https://burma.irrawaddy.com/news/2021/05/28/242285.html>

⁸ <https://burma.irrawaddy.com/news/2021/05/31/242360.html>

Table-6. Volume of timber (tons) sold and earnings by the Local Marketing and Milling Department during the coup

No.	Tender No.	Tender Date	No. of people who join tender	Tons sold		Earnings (millions Kyats)
				Teak/Hardwood Log	Teak/Hardwood Log	
1	4/2020-21	16/20-5-2021	93	6968	1197	4600
2	5/2020-21	23/24-6-2021	102	5470	1015	3819

(Source- the news titled “Timber being sold at a lower price in tender sale of the SAC” dated on 31-5-2021 by Ayeyarwady news agency)

Therefore, the MTE under the control of the military SAC is found to be attempting to earn revenue flow to the SAC by selling timber extracted within 2020-21 fiscal year of the quasi-democracy rule at the local and foreign markets. Therefore, it is obvious that the MTE is facilitating the coup-related activities, and human rights violation by the SAC.

ILLEGAL LOGGING

Regarding the devastation of timber resources during the military rules, though forest police forces were formed in different 19 districts of 8 States/Region since 1-9-2016 to search and arrest the illegal logging, there are reportedly many cases of illegal logging in Indaw Township, Banmak Township, Tanze Township, Wuntho Township, Sagaing Region, Kyaukse Township, Mandalay Region, Letpatan Township Bago, and Tanintharyi Region.

During the military regime, how timber harvesting in Mabane Township, (Northern) Shan State, and Katha Township, Sagaing Reion were conducted in a wrong way and its linkage with illegal logging are depicted in a storytelling style as below (Storytelling-1).



Storytelling -1

Mabane Township, Shan (Northern) State is one of the dense and closed forest covered area of the country. Since the Burma king reign, Kunchaung, Moe-lone, Ma-U-kone villages located along the Shweli river are the base camps by the major timber harvesting companies such as Bombay Burma Trading Corporation (BBTC) where British harvesting practice had been carried out. Background areas of those villages are still being covered by closed forests. [This story will be detailed in Annex-3.]

Moreover, in a research article named “Myanmar’s military coup linked to illegal deforestation’ dated on 23rd April, 2021 by researcher Ben Heubl mentioned that “**Satellite images show evidence suggesting that Myanmar’s recent coup d’état increased the risk of unsustainable deforestation in the country.**”⁹ In the analysis made by Ben Heubl, the main driver of deforestation in Myanmar is illegal timber harvesting by the military leader for their own interest during the former military rule, there are many concerns about the potential series of deforestation triggered after the coup in Feb 2021, the military junta have been benefiting from illegally selling wood to neighboring countries and evidently, illegal padauk harvesting in Alaungdaw Kathapa National Park, one of the ASEAN Heritage sites, in Sagaing are happening with the support of the military SAC as he posted such comment on his Twitter account (see Fig-16).

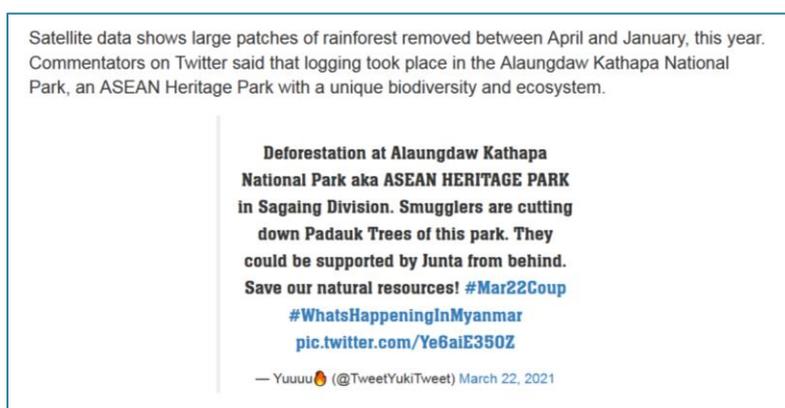


Fig-16. Facts stated in research article by Ben Heubl.

⁹ <https://eandt.theiet.org/content/articles/2021/04/myanmar-s-military-coup-linked-to-illegal-deforestation/?fbclid=IwAR1DzSOZttmLLA1XrIONeukqIbJXBXIOItJuXqLEZ3e00SbkHvqd7GYocCs>

Further to this, Eoghan Darbyshire, a researcher of Conflict and Environment Observatory (CEOBS), mentioned in his analysis that “**one of the reasons why the military staged the coup is to make money**”. He added that the military regime is selling timbers to earn money quickly. Such unregulated selling of timber resources looks like pouring the water on the sand for all reforms made by the quasi-democracy government, leading to the country in more chaotic and incoherent, and such as illegal activities can be considered as the biggest environmental risk in conflict zones.

The report titled “Organized Chaos” published by Environmental Investigation Agency (EIA) in 2015 details that “illegal timbers valued at US \$ 600 million was being exported to China by Myanmar, there are high demands for Tamalan (*Dalbergia oliveri*) and Padauk (rosewood, *Pterocarpus macrocarpus*) timber of Myanmar in China for making furniture, illegal trade of these two timber species was worth US \$ 100 million in 2012, and US\$ 300 million in 2013 respectively, the loggers bribed military officers and members of EAOs, EIA team members was taken the form of timber traders to have meetings with traders, and custom clearance agents in Yunan Province, and how some custom officers did manage to get the process passed and how they engaged with Myanma military officer and EAOs”.¹⁰

Moreover, EIA adds that the military seized over 9,900 tons of illegal timber worth around £5.6m (11 billion Myanmar Kyats) last year, mainly in the states of Rakhine, Kachin and Shan, local news sources reported. The EAI worries that the military may profit from the subsequent sales now, and, in this way, continues to profit from seized timber.¹¹

In another report published by EIA titled “Myanmar’s tainted timber and the military coup”, it discusses how the Myanma military (Tatmadaw) receive cash flow from illegal timber trade, timber companies that are in ties with military directly or indirectly; and how extensive illegal logging and trading with China was done in both former military rule, transitional democracy period and also even in the quasi-democracy rule. The EIA

¹⁰ <https://eia-international.org/blog/the-only-winwin-for-myanmar-china-is-to-end-timber-theft/>

¹¹ <https://eandt.theiet.org/content/articles/2021/04/myanmar-s-military-coup-linked-to-illegal-deforestation/?fbclid=IwAR1DzSOZttmLLA1XrIONeukqIbJXBXIOItJuXqLEZ3e00SbkHvqd7GYocCs>



reveals that all the substantial amount of income derived from illegal timber exports worth US \$ 170 in 2019 flowed to MTE and some companies with direct or indirect links to military. (See such company list in Annex-2). The US, UK and EU have recently imposed sanctions on the Forest Products Joint Venture Corporation Co. Ltd which helps seek financial benefits for the military. Though EU and USA imposed sanctions against MTE in the past, there are common cases of exporting timbers to the EU and US market through intermediary companies in the third countries (to circumvent sanction),¹² and the MTE is found again to be making efforts to facilitate cash flow to the military SAC.

5.2 ASSESSMENT OF LAND RESOURCES

Land is considered to be a crucial resource among many other resources of the country. Land in Myanmar can be broadly classified into agricultural land, forest land and other lands, all of which are administered by the relevant government departments. Other lands include urban/rural residential land, religious land, cemetery, and land at the disposal of the government that are not being used for agriculture and being covered by forests. It is necessary to be systematic and incorruptness in managing land resources. As the country have been under various political rules across the history, land governance differs according to the management efforts by the government. This section covers vacant, fallow and virgin land management and its significant case in different ruling periods, such as former military rule, transitional democracy rule and quasi-democracy rule.

5.2.1 ALLOCATION OF VACANT, FALLOW AND VIRGIN LANDS

Many issues related to land stem from the ineffective and unsystematic management of vacant, fallow and virgin lands (VFV lands) and land grabbing for mega project run by military-linked companies. Such land grabbing practice caused many social difficulties to the local communities such as displacement from their homes, and loss of livelihood activities, which in turn lead to the series of conflicts between the affected local

¹² <https://eia-international.org/forests/myanmars-tainted-timber-and-the-military-coup/>

communities and the entrepreneurs, the permission holder. Outstanding cases related to land conflicts due to allocation of land for military and military-linked companies by abusing the legal provisions are described as below.

Since 1999, allocation of 500000 (Ac) area of land to the military-linked companies by the military government to establish oil palm plantation had summed up to 1.9 million acres of land being allocated for the private oil palm company in 2013¹³. All these projects are located only in Tanintharyi Region and make up 18 % of the total area of the region. These project areas are reportedly to be inside the reserved forest (RF) areas, and only 20 % of the land granted are actually planted, the ground checking report said. Only 40 companies who are in ties with military leaders monopolize the permissions to establish oil palm plantation.

Relocation claims to their native areas by Karen ethnic people who were being displaced due to the oil palm plantation project in Myanmar-Thai border area are come out only when the Karen National Union (KNU) signed a ceasefire agreement with the Myanmar military. Such claims made by the ethnic people pose a challenge in managing official production of palm oil and relocation of displaced person, bringing many difficulties to the transitional democracy rule and furthermore, it underscores its incompetency in land resource governance.

Obliviously, “there are over 1.6 million acres of both forest land and VFV land allocated to the military and military-linked companies for establishing oil palm plantation, and only military-backed companies such as Myanmar Economic Holdings Public Company Limited and Yuzana Company were granted large areas of land,” one survey reported¹⁴. Land allocation for oil palm plantation from 1995 to 2013 is tabulated in the Annex-1.

¹³ <https://www.forest-trends.org/publications/commercial-agriculture-expansion-in-myanmar-links-to-deforestation-conversion-timber-and-land-conflicts/>

¹⁴ <https://www.forest-trends.org/publications/commercial-agriculture-expansion-in-myanmar-links-to-deforestation-conversion-timber-and-land-conflicts/>



Table-7. Lists of land allocation for mega agricultural project in the years between 2010 and 2013 in State/Region

State/Region	Land Allocation (Ac)		
	2010- 2011	2011-2012	2012-2013
Naypyitaw	-	7408	17554
Kachin	596108	139675	1381165
Karen	2161	4011	30946
Chin	-	1542	1743
Sagaing	100057	259273	533406
Tanintharyi	671594	993887	1896970
Bago	19772	52238	200150
Magway	202492	211292	219578
Mandalay	10300	6262	56046
Yangon	30978	30980	80208
Rakhine		7826	131667
Shan	117096	160626	323833
Ayeyarwady	193353	285844	335331
Total	1943983	3417762	5212597

(Source- Commercial Agriculture Expansion in Myanmar: Links to Deforestation, Conversion Timber, and Land Conflicts by Kevin Woods)

It is found that in Tanintharyi Region where oil palm is heavily planted, VFV land and forest lands were allocated to the military and its affiliated companies not only for establishing oil palm plantation but also for growing rubber. Although rubber have been grown since the early years of 20th century in southern part of the country, the military-led State Law and Order Restoration Council (SLORC) offered permissions to grow perennial crops to the military-linked individuals and entities through

misconduct of liberalization policy and decentralized plan on perennial crops.

According to the survey¹⁵ regarding the land allocation across the country, there were over 1 million acres of land granted to more than 100 companies in 2001, and 10 years later in 2011, approximately 2 million acres of land were allocated to over 2014 companies. Among these 2 million acres, over half of them were existed in Kachin and Tanintharyi Region (Table-7). Though rubber was allowed to be grown only in southern part of the country, but it is officially planted across Myanmar (See. Table-7).

Moreover, regarding land concession in Kachin, in 2006, 30000 acres of land inside Buhn Sun and Thein Daw Reserved Forests (where valuable timbers are grown) located nearby Hkaya village, Dotphoneyan sub-township (or town) were granted to Northern Royal Jade Company (NRJ) to which Chinese entrepreneurs are shareholders. Also, 200000 acres in Hukaung Tiger Conservation Zone, Kachin State, were allocated to Yuzana Company owner U Htay Myint (who hold land concession for oil palm in Tanintharyi). In the recent years, Yuzana Company cultivated cassava and sugarcane in those areas for the biomass fuel markets in China, only 20000 acres of these 200000 acres of land were covered with yam crops, but the valuable timber species found in the remaining forests were unlawfully cut and sold, one survey reported.

Again, also in 2010, natural forest areas of 200000 Ac around the Hukaung Tiber Conservation Zone were granted to NRJ company for agricultural project. NRJ did logging operation, and part of its concession were sold to a certain company in China for the purpose of growing corn and rubber. Therefore, during the military rule and transitional democracy rule, such biased land management practice, corrupted land tenure and abusing legal framework contributed to the detrimental effects on the livelihood of the local people, as well as on the natural forest and land resources.

Table-7 depicts the VFV land allocation during the transitional democracy rule. As the above cases highlighted, the transitional democracy rule granted permissions concerning natural resources to its affiliated

¹⁵ https://www.burmalibrary.org/docs20/The_Political_Ecology_of_Rubber_Production_in_Myanmar.pdf



individuals and entities without having proper consideration on the public interest, environmental integrity, and respecting rights of the local people including their rights to meet basic needs. There are reportedly increased number of landless farmers due to land confiscation and land grabbing during that period.

5.2.2 MANAGING FOREST LANDS

Forest Department (FD) has been implementing constitution of Reserved Forests (RFs)/Protected Public Forests (PPF) and Protected Areas (PAs) to conserve natural forests and biodiversity sustainably. FD has been making efforts to fulfill policy target of having 30% of the country area constituted as RFs/PPFs and 10 % designated as PAs that are set out in the National Forest Master Plan (2001–2001 to 2030–2031) and also in the commitment made to the Paris Agreement (to reduce GHGs emissions and that was emerged at Climate Change Summit held in Paris in 2015).

However, agricultural concessions granted within RFs/PPFs increased the risk of illegal logging by the companies, and consequently worsening the existing deforestation of the country. Moreover, granting land concession to military-linked entrepreneurs in the customary lands of the local ethnic people led to the encroachment to the nearby forest by the affected persons or those who lost their customary lands. Besides granting VFV land concessions to military-tied entrepreneurs, the transitional democracy rule also abrogated over 18 million acres of the forest land that are being encroached. The abrogation program was followed by illegal trespassing into forest lands by the entrepreneurs. Such improper implementation and wrong management practice make land conflict a big and long-lasting issues faced by the country.

During the quasi-democracy rule, the government had attempted to realize policy target set out in the forestry sector by accelerating the constitution of forest lands, and such action of constitution/designation of RF/PPF and PAs from 2016 to 2020 can be seen in the Table-8.

Table-8. Constitution of permanent forest estate during the quasi-democracy rule from 2016 to 2020

Categories	Constitution between 2016 and 2020 (Area in acre/Number)	Current Total (Area in acre/Number)
Reserved Forest (RFs)	103,433 (4)	29,701,617.847 (828)
Protected Public Forest (PPFs)	1,297,550 (91)	13,014,703.585 (438)
RFs/PPFs	1,400,983 (0.838% of the country area)	42,716,321.432 (15.550% of the country area)
Protected Areas (PAs)	526,448(7) (0.34% of the country area)	10,169,439.04 (46) (6.08% of the country area)

(Source- Forest Department)

All things considered, the main driver of land conflict in the country is presumably found to be granting land concession to the entrepreneurs/entities with link to military. Due to this project or land concessions, the ethnic local people were displaced from their customary lands, and relocated in nearby area for their livings, resulting that they are being considered as illegal encroachers. In this way, land issue is becoming a major concern that requires proper consideration to be solved for different rules.

Storytelling -2

The following case is similar to the oil palm/rubber plantation case happened in Mon State and Tanintharyi Region. Nga-Oh Reserved Forest located near the Nag-Oh village, Mabane Township, (northern) Shan State has an area of 46647 acres with 75 compartments. The Yinkae RF, adjacent one to Nga-Oh RF, located in Katha Township, Sagaing covers an area of 39276 acres with 52 compartments. The unique feature of these two reserved forests is having no gradient, being flat-plains, formed with 1 square-mile area of compartments. When the reserved forests were established under colonial rule, it usually uses the streams and valley as the compartment boundaries and reserve boundaries, However, this was not the case for these two RFs. [This story will be detailed in Annex-4]



How land concessions were granted in RFs of Katha Township, Sagaing Region and Mabane Township, Shan (Northern) State for industrial crop plantation is discussed in a Storytelling method (Storytelling-2).

Then again, coup was staged by the military on 1st Feb, 2021. According to the lessons learnt from the past, it increased risk of abusing authority to grant land concession for their own personal interest. This may inevitably lead to loss of lands owned by the local people, and the devastation of forest and land resources. It is therefore necessary for every citizen including civil society organizations (CSOs) to do monitoring and protection against these mischievous activities for reducing the risk of/ not happening the loss of forest and land resources owned by both local people and the State.

6. RECOMMENDATION

6.1. OBSTRUCTING CASH FLOW FROM THE RESOURCES SECTOR

While being sanctioned by the international communities, the military SAC may attempt to earn hard currency through trading resources of the country. There are enough evidences that it has been selling timbers to earn revenue for them. Therefore, strong and targeted sanctions on the individuals and entities who are major actors in trading timbers during the coup could be an effective measure to prevent any export of timber to the foreign countries while obstructing cash flow to the SAC.

6.2 INTERNATIONAL SUPPORT AND ENFORCEMENT

Within the first 5 months of coup period, the US, UK, and EU imposed the sanction on the State-owned entity, MTE, that is mainly responsible for earning revenue from the forestry sector subsequently. This causes any export of teak and hardwood from Myanmar invalid and illegal at the US and EU market.

In this way, any attempts to earn revenue for the SAC through exports of log could be brought under control, and it would also help reduce illegal logging and legal trading within the country by preventing selling of timbers from Myanmar.

The European Union Timber Regulation-EUTR and the US Lacey Act could facilitate controlling any trade of timber including teak from Myanmar, but there remains a need to lobby and monitor the international timber traders/entrepreneurs to respect and comply regulation accordingly. Moreover, the international governments should be continuously calling for cooperation with this process, and any violations by the international timber traders should be monitored, and questioned to take possible legal measures against them.

6.3 CONTROLLING ILLEGAL BORDER TRADE

Myanma military has deeply engaged in illegal logging and border trade, and the coup increased risk of opening up more opportunity to accelerate illegal logging. Since there is no way to trade timber legally without any communication with international traders due to the economic sanctions imposed by the international communities, it increased risk of illegal logging and trading across the country. Many experts warned that the SAC may earn profits by carrying out illegal border trade with China and India. Therefore, it is of great importance to seek for cooperation and support from the neighboring countries such as China and India who are major importers of the Myanma timbers.

Furthermore, forestry staff are also joining Civil Disobedience Movement against the military coup, leading to systemic failure of forest governance system, and this may pose serious concerns for controlling the illegal timbers.

Therefore, partnership and engagement with EAOs based along the border trade and stakeholders from forestry sector is increasingly important in ensuring continuously surveillance on the illegal trade, while maintaining



diplomatic ties with neighboring countries in regulating the illegal border trade.

7. CONCLUSION

Myanmar was being regarded as one of the highest deforested countries in the world during the military rule. Forest resources were devastated at an alarming rate due to overexploitation of timber to fulfill policy target of earning foreign exchange for the military leaders.

The military rule (State Peace and Development Council led by Senior General Than SWE) did excessive extraction of timber resources to meet its own target of earning foreign money. The exploitable girth limit set by the Myanmar Selection System was reduced to 6' 6" (1 ft deduction), emphasizing on the increased production of timber and selling Myanmar valuable forests in the border areas to the neighboring countries with the justification of promoting border trade. It is also observed that extensive logging operation was carried out from late 1990s to the transitional democracy rule period.

As a consequence of this including illegal extraction, deforestation rate of the country was at peak during that period, as the forest cover assessment pointed out. Moreover, 250,000 ha of forest areas were cut annually from 2010 to 2015, and deforestation rate reached the 3rd highest among the countries across the world.

Despite being faced by various limitations, the quasi-democracy government did succeed in implementing many reforms related to the forest governance. After the civilian government was elected democratically, nationwide logging ban was imposed for 2016–2017 fiscal year, and the government also practiced 10 years long logging ban for Bago Yoma mountain range. To restore the depleted forest resources, Myanmar Forest Rehabilitation and Restoration Program (MRRP) 10 years program was implemented starting from 2017–18 fiscal year. The international support and assistance were gathered in the field of reforestation, and there were many progresses achieved in the forestry sector. The deforestation rate

across the country was under control, and there observed increased forest cover in some States/Regions.

Regarding the land resources, many land issues including abusing authority to grant land concession were common across the country during the former military rule and transitional democracy rule, but improvements were made during the quasi-democracy rule amidst many hindrances that the political system had caused.

However, the recent coup could increase risk of devastating natural resources and therefore, there are urgent need to carry out control/regulation measures to prevent any further widespread depletion of natural resources during the coup period.

On the whole, the military leaders during their rule had caused devastation of natural resources such as timber/forest and land in both rural and urban areas of the country. The country, endowed with abundant of natural resources, is being considered as one of the least developed and poorest countries because of personal interest of the military leaders, abusing the legal provisions, and weak and ineffective management. They had created mistrust among the ethnic people to extend their rule.

During the quasi-democracy rule, the country observed many developments though there are many impediments by the military. As the people of Myanmar have an opportunity to overcome such challenges, it is essentially at their hands to establish a system in which they manage their own resources in their own way by collectively conquering such challenges or hindrances.

Therefore, this report is attempting to fulfill the gaps in striving for establishing a people-centered natural resources management system, and other word to say to developing resources federalism by providing the lessons learnt from failure of resources such as timber/forest and land management practice by the military leaders during their ruling period.



ANNEX-1

Forest land and VFV land allocation for oil palm plantation projects in Tanintharyi Region (from 1995 to November 2013)

Company	Allocated are (Ac)	Actual planted area (Ac)	Remark
Yuzana(1)	144,787	144,787	
Annawa Tun	37,955	19,756	Other name of Yuzana Company
Shwemyay Yadanar	29,100	6,600	Other name of Yuzana Company
Yuzana(2)	138,707	29,734	Bokepyin Township
Pokaung (1)	2,002	2,002	No factory
Pokaung (2)	27,550	12,100	No factory
Htoo trading	700,000	2,075	land left behind after timber harvesting by U Tayza Company, land 30000 Ac left
Myanmar Naing	70,000	Nil	a company owned by a son of (retired) senior general
Dagon Timber Enterprise	18,601	13,378	No factory
Aung Zin Mar	10,000	5,690	No factory
South Dagon	13,245	8,646	
South Shweyaung	7,200	150	No factory
Shwe Kanbawza	39,314	7,205	
Myannaing Myint	2,308	2,308	

Company	Allocated are (Ac)	Actual planted area (Ac)	Remark
Asia World	10,200	10,200	
Shwe Thanlwin	1,463	1,438	
Vintage (1)	400	400	
Anawah Soemoe	6,000	6,000	No factory
Steel Stone	3,000	2,067	No factory
Shwe Padonemar	1,200	300	Small factory
Evergreen	7,000	-	
SuperOne	750	750	
ShweAhone	49,600	246	No factory, a company owned by a son of Police Force Chief (retired)
Arm Strong	1,500	375	No factory
Aung Ye Phyto	200	200	No factory
Coastal Development	2,000	200	No factory
Auto Industrial Group	133,600	100	100% invested by a Korean company in partnership with Ministry of Agriculture
Royal Shwe Pearl	42,200	350	No factory
Pyae Phyto Htun	21,895	3,635	
Vintage (2)	1,520	720	
Thein Khun	500	405	
Green land	5,400	150	
Myanmar Aveior	775	775	No factory
Tet Nay	1,500	1,413	



Company	Allocated are (Ac)	Actual planted area (Ac)	Remark
CKB	2,000	1,876	
MaungWeik	1,020	1,020	abandoned due to personal issues
SI	42,200	40	its main intention as timber extraction instead of oil palm plantation raised by the local people
Advanced Seafood	17,000	450	
Dawei Company	20,000	-	
Seinpyae Waihlyan	10,000	-	
MEC	6,539	6,539	MEHL
Myanma Awba	18,500	-	

Source- Department of industrial Crops Development, Ministry of Agricultural and Irrigation, Dawei¹⁶

¹⁶ https://www.mrlg.org/wp-content/uploads/2019/09/LSLA-Report_print-PDF-1.pdf?fbclid=IwAR3Acx_pdXRovzXTQehi2FcpCOOWTOsaN7Gzp6BQdbONwuZWJ3tf8T-6S3Y

ANNEX-2

List of companies and entities with direct or indirect link to military in the trading of timber resource

Entity/ Company	Link to Military
Myanma Timber Enterprise (MTE)	a State-owned entity which is now under the control of the military junta, including use of its revenues. This is especially notable as all timber harvesting and sales is overseen by the MTE – meaning that all shipments of timber, including to international markets, passes through its hands, and now attempting to seek financial source for the SAC
Forest Product Joint Venture Corporation (FPJVC)	The FPJVC is also a key player in the timber supply chain, including for shipments of teak to international markets, and now trying to make earning for the SAC
Myanmar Rice Trading	It is part of the Investment Growth Enterprise (IGE) conglomerate. IGE has been identified as having provided financial donations to the military, with the donations used, according to the UN Human Rights Council (UNHRC), to support military operations in Rakhine (against the Rohingya). Myanmar Rice Trading, through IGE also has other connections to the military, including family links;
Myanmar Economic Corporation - MEC	Many of the shipments of timber use Ahlone port, including those destined for the EU. The port is owned by Myanmar Economic Corporation (MEC), which in turn is owned and run by the Military. Each shipment will be paying a fee to the port, therefore providing income to senior military officials.



Entity/ Company	Link to Military
Asia World Port Terminal	It is owned by the Asia World Conglomerate. The US Government has accused the Managing Director of this conglomerate, Steven Law (also known as Htun Myint Naing), of laundering money for the military. The company has also been linked by UNHRC to the clearing of land owned by Rohingya communities in Rakhine. Furthermore, it has made financial donations to the military.
Vandecastelle Houtimport (Belgium)	Companies (Countries) that have been engaging in importing of illegal timber from Myanmar
HF Italy and Comilegno Srl (Italy)	
Houthandel Boogaerdt BV (Netherlands)	
ABC (Slovenia)	

Source- EIA¹⁷

Note- EIA suggests that these companies/entities should be sanctioned economically.

¹⁷ <https://eia-international.org/forests/myanmars-tainted-timber-and-the-military-coup/>

Storytelling -1 (Continued)

Extraction Department of the Myanmar Timber Enterprise (MTE) had been systematically carried out teak and hardwood extraction in the Reserved Forest area located in Mabane Township, adjacent to the Moe Mate (Mongmit) Township with the support of Asia Development Bank-1 and approval of the Forest Department in 1985 and 1986. Transport of logs solely depended on the flow of watercourse along Shweli River, by using traditional method of transporting timber such as “Driving wild bull (နွားရိုင်းမောင်း)” “drifting downriver (ရေမျှောခြင်း)၊ rafting and pulling downriver to main stream (မြစ်မသို့ တွဲတွဲစုန်မျှောသယ်ယူခြင်း)”

When conducting the logging operation in Mabane Township, it was done by strictly complying with Myanmar Selection System and it was also relevant with ensuring sustainable forest management and Myanmar Forest Policy. If the operation were done at the required level, the existing stock of the RF would surely be sustainable.

Reserved Forest	Area (Ac)	Compartment
Kunchaung	44,368	39
Minetha	78,151	63
Nanhan	68,935	26
Nanpaw	60,909	34
Nanme	120,080	114
Supoke	29,095	13
OhoneDote	56,374	38
NanHlaing	125,602	20
Tonekwar		
Mabane		

Moehlaing



Storytelling -1 (Continued)

Forest type in this RF belongs to moist upper mixed deciduous (MUMD), with no deep slope or gradient, and occupied by valuable teak, rosewood, Kanyin and Tamalan (*Delbergia oliveri*). The growth and occurrence rate were so high that teak can be found up to the Nanhan RFs located near Kotar Village which is situated 4 miles NW to the Mabane Township. Seed production area (SPA) was established within Nanhan RFs. Nanmae and Miletha RFs were of particular famous when it comes to growing of teak.

The State Law and Order Restoration Council (SLORC) led by military after staging coup in Sept 1988 and overturning the 1900 general results granted permissions to cut 50 tons of teak per a private timber entrepreneur in the above-mentioned RFs without setting conditions for them. Many who were affiliated with the military authorities were granted permissions and this case was widely known as 50 tons era.

As the compounded effect of difficult accessibility of Mabane Township, understaffing of township Forest Department, and inappropriate or no management practice led to massive corruption by the government staff, and the SLORC ended giving such permissions.

Between 1997-98 and 2012-13 of the military rules and the transitional democracy rule, the excessive extraction of timbers was carried out in these RFs by hiring major logging companies in partnership with MTE via Contract Form- AD/AE.

As the main source of foreign exchange was none other than the resources, intensive overexploitation of timber was done in accordance with the motto of “foreign exchange earnings MTE”.

Generally, MTE engaged with private companies through AD/AE Contract System in which contract and extractions fees were exchanged with logs extracted only when MTE had no enough resources such as elephants, machinery and etc. However, when the foreign exchanges were in urgent demand by the state, MTE had shifted their management approach from AD/AE Contract System to Free On Board (FOB)

Storytelling -1 (Continued)

system in which MTE took the role of shipper to finish export of timbers to the international market.

As MTE adopted this system of dividing the extracted logs between MTE (60% of the output) and company (40%) extensively, the term FOB was increasingly popular among the loggers working in the fields. This means that the logging companies even considered carefully on how to do logging operation in the fields to make use of their 40% benefits. As they were allowed to export timbers, they attempted to get favor of the relevant authorities and cut the trees to the extent they wanted.

List of logging company extracted timbers in Mabane areas from 1998 to 2013

Company	Amount Extracted (tons)	
	Teak	Hardwood
Htoo	100,000	20,000 – 30,000
Myat Noe Thu	75,000 – 80,000	150,000 – 200,000
Momentum (Kayarphu)	25,000 – 30,000	40,000 – 60,000
One-Star		30,000
Lukar Wu (Asia World)	20,000 – 30,000	80,000
MRT (U Aye Thaung)	30,000 – 50,000	10,000 (since 2010)
Phyo Sithu	10000	60,000 (since 2010)

The authorities during colonial rule constituted and managed the Reserved Forest in order to earn benefits in perpetuity, and they also designated unclassified forests in the forests located outside the RF and close to the rural areas.

Rambo Village, Mabane Township was located in the middle of Unclassified Forest (Coupe- XI). Teak trees were even grown in the village.



Storytelling -1 (Continued)

During 2011-2012 harvesting season, Htoo Company did logging operation by using modified procedure in that unclassified forest. Modified Procedure (MP) means a system in which trees are not selected and felling marked by the FD, only logs arrived at depots are measured and marked with loyalty seal and this system was only acceptable to be used by the MTE in the insurgent area of Karen and Mon State. Mabane Township area was under well control of Moe Mate (Mongmit) army forces.

Htoo Group with close link to military authorities did logging operations in the Minesein, Hanehein, Sakalar RFs located in Mansi, Shweku Township, Kachin State simultaneously by using this MP system.

It cut teak trees with under 4ft GBH (Girth at Breast Height). It made fun of the terms Annual Allowable Cut (AAC) and Natural Reperation (NR) used and practiced by the MTE and departments.

Unfortunately, and sadly, staff from the FD and MTE were increasingly engaged in corruption practices and neglected the formal stand operation procedure intentionally.

These permissions holding companies did felling, and transported tens of thousands of teak/hardwoods from deport at river bank of east Katha Township to along Ayeyarwady River while illegal trade chain from Mabane to “Naungtaung” Village of China was speedily grown.

Illegal Chinese workers came and cut teak trees with hand sawn at the above-mentioned coupe-XI, RamBo Village, and transported logs with mules since 2005. Though the village was located far beyond the border, they were uneducated to realize that they were encroaching Myanmar. The locals who were having a lot of Chinese yuan, drugs, and walkie-talkie were very much supportive of these Chinese workers.

In 2010, Yan Fong and Yan Naing encroached and cut timbers by bringing China-made vehicle, bulldozers named Lugong, sawn, motorbike and other machineries all day long.

Storytelling -1 (Continued)

The locals also willingly joined this theft and they blissfully participated in what they called “theft of teak festival” annually.

Located in east of Shweli River, with only main street and two teashops, Mabane Town that had no electricity was occupied by the people who all are involving in this illegal timber trade. In front of every along the main street stood a latest model car without license (Parado, Pajero, and Landcruiser) and China-made log transport truck and as soon as the local received any signal from the Chinese traders, and they went to the forests and cut down the trees.

Every small village located along Shweli River, Mabane Town also engaged in this illegal logging by having various machineries kept in each house.

Needless to mention, there were quite abundance of China-made motorbike, instead noodles, coffeemix, fuel, sawn, drugs, and opium.

Such timber-loaded trucks were confiscated by FD and military-backed officers and transferred to the MTE, and then to the Thilawa industry according to instructions by the military authorities. Such chain of custody was managed wrongly and there were widespread corruption practices along the chain by various actors.

Moe Mate Township is a place where the military colonel bases and surrounded by 3 different regiments. This town was under the control rule of the colonel rather than the civilian administration. Needless to say, about the case of Mabane town which is under the judiciary of Moe Mate.



Storytelling -1 (Continued)

As the MTE timber extraction season began and massive theft of teak or illegal trade to the China happened, every colonel based there in frontline area “Dotphoneyan” Kachin started to collect bribe or fees to turn blind on what’s happening in Bamoh, Shwegu, Mansi, Mabane, and Moe yeik areas. There had been several cases of conflicting interest between colonels as some illegal route overlaps the different judiciary of the military officers.

On the other hand, special officers who was transferred from military to the Ministry were also involved in massive corruption practice. They had been engaging in different fraud activities and deceitful tactics such as blackmailing the arrested person to give money to be freed, or exchanged, and reporting the wrong statistics about the seizure case.

As there remained an incentive about searching and seizing illegal timber in terms of promotion, there were high level of competitiveness in seizing the illegal activities among the officers who were at the same time involving in corruption practice, and this led to development of many mischievous behavior among them such as manipulating the data, and arresting farmers who use pole as their farm border demarcation. It became impossible to identify what the real hammer seal was. There was a vicious circle of arresting case, causing the same person being arrested so many times for one crime by different authorities such as police, military, and special officer. Implications of such data manipulation were solved by the staff for many years.

The afore-mentioned special officers are now holding several senior positions at the FD, MTE and others of the Ministry and their positions include Union Minister (as the current Minister of the Ministry of the SAC is U Khin Maung Yi who is originally from the military, with the position of colonel), Director, General Manager, Deputy General Manager, Assistant Director and many others. It is all due to the

Storytelling -1 (Continued)

greedy of all stakeholder involved such as these officers, traders, entrepreneurs, and local people that the devastation of natural forests is resulted.

There is no teak left in SPA located near the Kotha Village in the Nanhan R.F. All involved in this atrocious activity did not even leave over hundred years old teak (mother tree) located at the juncture of Minetha, Nanme, and Sakalar R.Fs.

There was a reported case of exporting many teak square logs (2 ft x 2 ft x 50 ft) to the Saudi Arabica country by airplane per log for the construction of palace. These timbers were extracted in Bago Yoma by staff of Bago (South & North) Extraction Zone, MTE and processed in Nyaungpinthar Sawn Mills, and exported through Yangon. MTE had carried out this according to Free On Board system. One rejected log (2 square-ft) due to its flaw on surface can still be seen at No. (1) Sawn Mill, Kyimyindaing Township, Yangon.

Hardwood species such as (Kaung Mu and Thingathu species) logs harvested in Ye Township, Mon State, in July 1997 were 7, 13, and 19 cubic tons for each log. These were extracted from nearby “Chaltaik” Village south to “Phayarthonesu” Township by partnership company of Htoo, TPE company with MP system. As these logs cannot be transported via ships, they were drifted from the “Kingphayar” depot along Yaechaung, through Ziphythaung Village to the Phookhet, Thailand.

China who was quite aware of the fact that Myanmar has invaluable teak and hardwoods in the country was reportedly to had them bought for various reasons of building Pekin Lin Monastery, and Xinxim Wut Temple.

Teak logs extracted in Katha Extraction Zone, transported to Nyaungchaytauk depot, nearby of Ayeyarwady River and exported to China’s temple construction in 2009 were 7, 9 and 11 cubic tons in one log while 39 rosewood logs cut down from Mabane Town in the same



Storytelling -1 (Continued)

year were from 3 to 7.5 cubic tons in one log. There cannot be any chance for future generation to admire such valuable resources of the country. Teak, Rosewood, and Tamalan were being extracted heavily to the extent that they almost become extinction.

There were many sad cases of easily losing invaluable resources of the country due to the ineffective management that the bad system had caused.

Though such long-standing and dense natural forests can hardly be deforested, they are undeniably degraded as valuable timber species are already cut down.

It has been late to carry out remedial measures of log export ban for 2014, suspension of logging in Bago Yoma for 10 years, and extraction of timbers well below AAC level. No matter how reforms are taken in the extraction sector, illegal activities are far too developed. It is impossible to see matured teak and rosewood and well-known Tamalan spp is hardly to be found in Mabane, Moe Mate of Shan, Shwegu, Bamoh of Kachin and Katha, Indaw, Banmauk Township of Sagaing.

Storytelling-2 (Continued)

Yinkhae Reserved Forest is a famous RF in which undergraduate students from Institute of Forestry undertook their field practices. It is indeed an open and ground forest university from which the students gain hand-on experience about forest inventory, improvement felling, climber cutting, boundary demarcation. Kauktaung RF, the adjacent to it is also a legendary forest as head of colonial rule played a game there and stayed at “Nanpaung” bungalow.

Along the road from Nga-Oh village to Indarin, Palway Village, Katha Township, located in these RFs covered by aesthetically good and valuable Inn (*Diptecarpus indicus*) timber species in 2001 and however, these trees were no longer existed in 2005.

This is mainly due to sugarcane factory established by Great-wall Company near the Maungekone Village, south to Myataung village located 30 miles east to the Takaung Town, and 35 miles north to the Nga-Oh village.

As the local farmers increasingly grown sugarcane, disregarding the Forest Law, by replacing the green and vast Inn forests with sugarcane plantation. As the farmers did thinning the Inn trees located in their farms, it was like a picturesque of lightning festival with bright flame especially on night times of winter season. During that period, sky of NgaOh, Myataung, Pulwayshwe, Maunngkone Village were covered with smoke from burning trees, dust flake emitted from transported trucks of timber and sugarcane. It was even impossible to drive without light on during daytimes.

Great-Wall company, by using different sub-branch name, did establishing tree plantation by clear cutting trees growing along the road from Takaung Township to Shwegu Township. Honda Myanmar, and Kyawtha are its branch name of the Great-Wall company. It did clear-cut all the trees without leaving any single stumps in the land concession areas it received. Many of the company managers or in-chief are the



Storytelling-2 (Continued)

retired military officer or quitted from the military for various reasons.

The company in partnership with the military authority did establishing depots nearby of Kauktone-Gyi and Thapyaypin village, Katha Township, east of Ayeyarwady, pilling logs at the depot, processing logs by building sawn mills at deport, production of veneer after establishing small-scaled veneer industry, transport of the finished products. It constructed VIP light boat to be used in the Ayeyarwady by the Sagaing Military Commander (who later became a Chief Minister of Sagaing).

On the other hand, the company persuaded local farmers in various way to have their land bought for their plantation. Though staff from local FD and MTE had been carried out ground survey, checking logs extracted, inspecting plantation, and having the timber fees paid from 2005 to 2017, and they have not done yet.

In 2008, Kyaukme District FD had attempted to have illegal land of 1500 acres confiscated and allocate them to three different logging company namely, Myat Noe Thu, Momentum, and One Star to have these areas covered by Yemanay spp plantation but this remained in vain, only resulting an endless trial case between the companies and the local farmers.

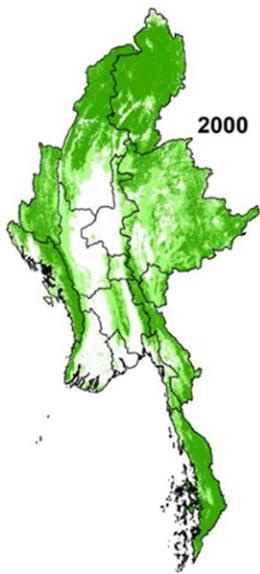
The local people backed by the Great-Wall company encroached forest land, disregarded Forest Law, while these encroached and clear-cut land are bought by the company, and given back to the farmers for their labor in establishing plantation, and corruptions by the local forest staff. All these activities have been attributed to vicious circle of such violation. There are thousands of cases where legal measures are taken against the staff.

Analyzing the case, there are seeking permits to clear cut by associating with the military authorities, selling the extracted timbers by paying lower fees, establishing unsuccessful plantation for just showing it, and acquiring land in an inappropriate way.

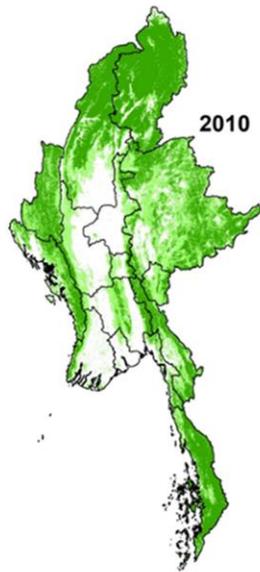
Storytelling-2 (Continued)

Justification for all this could be creating job opportunities for the locals but it is indeed a way of destroying ethics and moral value of each citizen. Well-known Yinkhae and NgaOh RF had already been ruined under the expansion of sugarcane plantations.

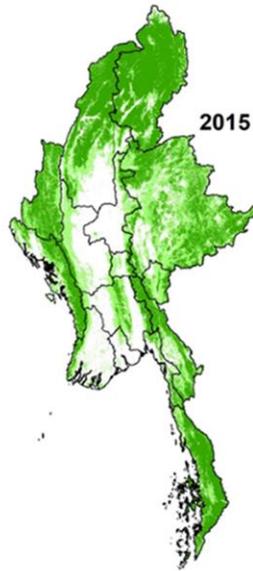




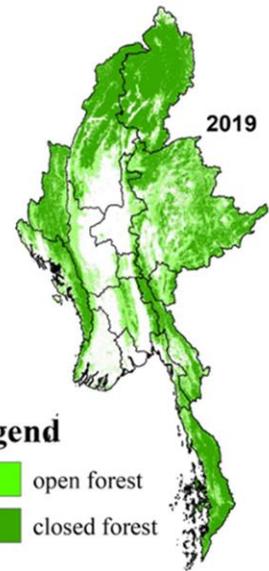
2000



2010



2015



2019

Legend

- open forest
- closed forest

