

DRAWING THE LINE

THE CASE AGAINST CHINA'S SHWE GAS PROJECT,
FOR BETTER EXTRACTIVE INDUSTRIES IN BURMA.



Shwe Gas Movement
September 2013

SHWE GAS MOVEMENT

Shwe Gas Movement (SGM) is a community-based organization campaigning against the Shwe Gas Project and China's Trans-Burma pipelines, for human rights, environmental justice and revenue transparency in the oil and gas sector in Burma.

Design and photographs by Shwe Gas Movement, with exception of the photograph on page 28, courtesy Edward Chung Ho.

Contact:

www.shwe.org

global@shwe.org

www.facebook.com/shwegas

© September 2013

CONTENTS

- 2** Executive summary
- 4** Our work and vision
- 6** About the Shwe Gas Project
- 12** Empty Promises
- 16** Issues: Land
- 20** Issues: Labor
- 24** Issues: Environment
- 28** Issues: Conflict
- 32** Corporate response?
- 34** Governance?
- 36** Drawing the line: the time is now
- 38** Concluding remarks and recommendations
- 40** Appendix I
- 41** Appendix II

EXECUTIVE SUMMARY

The Shwe Gas project, the largest extractive project in Burma, set to earn US\$54 billion for the Burmese government,¹ has just begun transferring Burma's natural gas to China. As the first such project to become operational under the new quasi-civilian government, its management will set the precedent for how future extractive projects will be carried out as Burma opens up for investment and resource bidding. As it stands, the standard is not good.

The Shwe Gas project refers to a number of related developments reaching from Burma's Arakan coast to Kunming and Nanning, China. The major components of the project are offshore natural gas rigs, an onshore natural gas terminal, a deep sea port, a crude oil storage facility, and two pipelines that span Burma diagonally, delivering gas and oil directly to Southwestern China. The project has effectively enabled others, such as the development of a Special Economic Zone and a transnational railway linking Burma's western coast to China.

Given that Burma's transition from military dictatorship to a quasi-civilian government is still in an early and precarious stage, some of the abuses associated with this project are ongoing, and new problems have emerged. The primary direct consequences of the Shwe Gas project are land confiscation, labor abuse, loss of livelihoods and environmental degradation. In northern Shan state, these core problems have reignited frequent conflict between the Burma Army and four separate ethnic armies, which will continue intermittently unless these core problems are addressed in a political settlement.

Land reform laws passed in 2012 have failed to protect the rights of smallhold farmers, leaving them even more vulnerable to unfair acquisition than before and providing no effective system of recourse. Laws governing fiscal transparency and environmental responsibility are virtually non-existent

(our recent brief “Good Governance and the Extractive Industry in Burma” provides an analysis of the current regulatory framework, or lack thereof).

Furthermore, Burma has retained legislation that prohibits dissent; the Peaceful Assembly and Peaceful Procession Law, Unlawful Association Act and several restrictive media laws continue to silence local voices in the face of corporate misconduct.

But beyond failures of national legislation lies a more fundamental problem: the constitutional denial of states’ local authority over resources precludes fair distribution and development. The profits of the Shwe Gas project are set to go straight to the Union government - bypassing some of Burma’s poorest communities - with no requirement of revenue transparency. Without establishing a true federalist system providing authority to ethnic states and regions, communities will not be satisfied with the implementation of new national measures, hence conflicts and civil wars will remain unresolved.

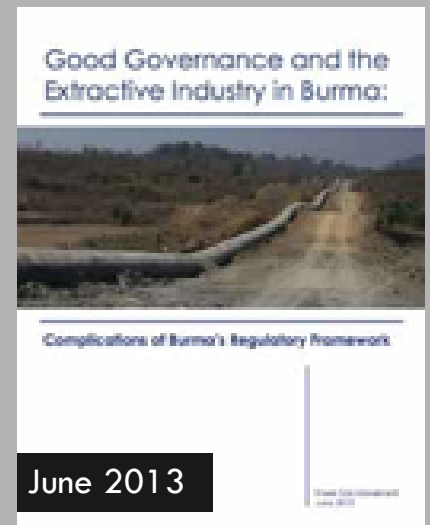
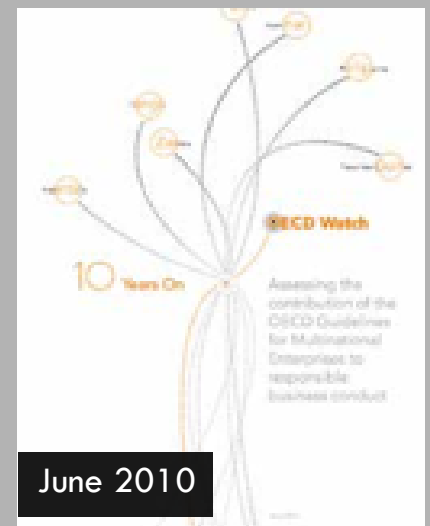
Now the Shwe Gas project is going into operation, as other similar developments are readying to do the same. Other projects - the hydropower dams on the Salween and Irrawaddy rivers, the Latpadaung copper mines, and the development of Special Economic Zones all over the country, to name a few - are forging ahead without protective measures. The people of Burma must decide: will we accept the existing standard of abuse by foreign investors without any re-assessment, safeguards, or benefits for local people?

Investors are clambering at our door. They want our resources. The Shwe Gas project can set the precedent for how similar developments are implemented and governed. We must stand up now to demand that operations be postponed until an acceptable standard is created to safeguard communities and ensure equitable distribution of both resources and revenue.

OUR WORK AND VISION

Our previous reports detailed the many human rights abuses associated with the project and shared the concerns of affected communities. Our research shows that during the reform period both the government and the corporate consortium have failed to create a peaceful and accountable environment for the extractive industries, resulting in their complicity in continued abuses.

The reports pictured below, published on our own and in collaboration with other organizations, are available at www.shwe.org





Shwe Gas Movement meeting with representatives of CNPC. Kyaukphyu, Ramree Island, December 2012.

We have met personally with representatives of Daewoo International, KO-GAS and CNPC to deliver our publications and relay the messages of local people.

While we and other community based organizations have repeatedly called for better corporate practices, stronger legal protection and greater community involvement in development projects, the response of both the government and corporate shareholders has been grossly disappointing. One response has been the creation of Corporate Social Responsibility (CSR) projects, which have tried to boost the public image of Daewoo and CNPC, while sidestepping the real issues raised by local people.

Before the Shwe Gas project becomes fully operational, the government of Burma and the investing companies must finally listen to the affected communities and show concrete results; how better to prove their sincerity that the changes in Burma have allowed more personal, political and economic freedoms for its people?

ABOUT THE SHWE GAS PROJECT

The Shwe Gas project refers to a number of related developments across Burma that facilitate the transport of natural gas and crude oil to Southwestern China. This set of projects originates off the western Arakan coast, where large natural gas deposits were discovered in the Bay of Bengal.

In August 2000, South Korea's Daewoo International signed a production sharing contract with Myanmar Oil and Gas Enterprise (MOGE) to explore Burma's seas and market any underwater gas reserves found. In 2004, Daewoo announced the discovery of 4.5 – 7.7 tbc of natural gas in A-2 and A-3 blocks, near Ramree Island.

Purchasing rights for the natural gas from these blocks was ultimately secured in whole by China's CNPC in a 2008 Memorandum of Understanding (MoU) with Burma's Ministry of Energy, followed by a 2009 MoU for the construction of two pipelines traversing two states and two divisions of Burma, cutting through regions harboring serious ethnic tensions, some of which have since escalated into outright civil war. Several clashes between the Burmese Army and four separate ethnic armed groups have occurred along supply transit routes. Additionally, in mid-May 2013 two employees of a CNPC sub-contractor were shot and killed on a project site in northern Shan state.

CNPC claims that the gas pipeline is already operational and that the oil pipeline will soon be complete, moving 12 billion cubic meters of natural gas and an estimated 22 million tons of crude oil annually.

With an estimated annual income of US\$900 million for each of the pipelines², the total revenue generated for the Burmese government by the project will be about US\$1.8 billion every year, for a total of US\$54 billion over 30 years of operation. Add to this a 16% value added tax levied on the crude oil. Both the fuels produced and the projected income have the potential to transform Myanmar from one of the least developed countries in the world (Burma has ranked on the UN Least Developed Countries list since 1989)³ into a thriving nation with a much higher living standard. Unfortunately, the revenues and the energy are slated to bypass citizens living below the poverty line and without power.

Companies involved in offshore resource extraction and sales:

Daewoo International, South Korea - 51%,
Oil and Natural Gas Corporation (ONGC), India - 17%,
Myanmar Oil and Gas Enterprise (MOGE), Burma - 15%,
Korean Gas Corporation (KOGAS), South Korea - 8.5%
Gas Authority of India Limited (GAIL), India - 8.5%

Companies involved in Burma-China pipeline construction:

Southeast Asia Oil Pipeline Company Limited/Southeast Asia Gas Pipeline Company Limited (SEAGP/SEAOP) – Hong Kong registered, CNPC holds 50.9% ownership, MOGE holds 40.1%.



Foreign sub-contractors include: Punj Lloyd, Paramey

Domestic sub-contractors include: Myamnar Golden Crown, IGE Group, Myint and Associates & Asia World*

Exclusive purchasing rights: PetroChina, a subsidiary of China National Petroleum Company (CNPC - China)

**IGE, Myint and Associates, Asia World are all on the United States Dept. of Treasury Specially Designated Nationals list*

This Korean Daewoo employee threatened our researchers not to take photos and to leave the site. Onshore Gas Terminal, Ramree Island, December 2012.

WHERE

A Special Economic Zone (SEZ) is being built on Maday and Ramree Islands, Kyaukphyu District, Arakan State. Kyaukphyu is centrally located on the Arakan coast off the Bay of Bengal. Offshore natural gas drilling rigs have already been built in the Bay of Bengal, approximately 100km from the coast.

The natural gas will be transported via underwater pipeline to an onshore natural gas terminal in Kyaukphyu, Ramree Island, where it will then be moved to the overland pipeline that traverses Arakan State, Magway Division, Mandalay Division and northern Shan State, directly affecting 22 townships (see Appendix I). A crude oil pipeline and a transnational railway will run parallel to the natural gas pipeline.

The crude oil pipeline will culminate in Kunming, Yunnan Province, and the gas will be delivered to Nanning, Guangxi Province.

The scale and location of the Shwe Gas project are strategic, creating a direct transit path from Burma's western coast to China. We have already seen how this project has opened the floodgates for other developments along its path; first it was one pipeline, then two. A railway. A Special Economic Zone, perhaps another in Muse, on the Burma - China border.

In all affected areas, land acquisition and labor rights have been problematic, and in some areas the pipelines have actually been laid down in war zones.



In August 2000, Daewoo International began exploration in the Bay of Bengal. After the 2004 announcement of large gas deposits in two offshore blocks, China National Petroleum Corporation (CNPC) signed a 2008 Memorandum of Understanding (MoU) with Myanmar Oil and Gas Enterprise (MOGE), securing purchasing and transport rights.

In 2009, CNPC signed an MoU with Burma's Ministry of Energy, an agreement allowing CNPC to implement construction of two pipelines and the deep sea port in Madaya Island.

Construction commenced in November 2009.

The following two years saw sweeping political reform, as a general election - regarded as fraudulent by opposition parties, international observers and rights groups alike - was held in 2010, followed by the 2011 resignation of General Than Shwe and the installment of a nominally civilian government.

Broad legislative reform was rushed through Parliament, including new land rights laws, the Special Economic Zone Law and a new Foreign Investment Law.

December 8 2012, CNPC held a groundbreaking ceremony marking the start of pipeline construction on the Chinese side of the border.

January 21 2013, CNPC project manager Gao Jianguo publicly announced that the pipelines would be complete and partially operational by the end of May 2013.⁴ At that time, SGM publicly refuted the claim, and it has since proven to be false.

July 28 2013, Xinhua News reported that "Myanmar Vice President U Nyan Tun, Energy Ministers U Than Htay and U Zeya Aung, Chinese Ambassador to Myanmar Yang Houlan and a South Korean representative jointly started up the commissioning button."⁵

As Burma opens up for new investments, the extractive industries are gaining dominance over the newly liberalized economy. The energy/mining sector is already the fourth largest contributor to Burma's GDP, totaling US\$8 billion in 2010 with the potential to reach US\$21.7 billion by 2030.⁶

Of Burma's 101 gas and oil blocks, 37 blocks are already operated by foreign companies and 30 additional offshore blocks are currently open for bidding.⁷

W H A N

WHAT IS AN SEZ?

A Special Economic Zone is a delineated area with a unique set of financial laws, distinct from those that govern the nation at large. SEZ legislation is characterized by tax exemptions and relaxation of import and export regulations, and by definition gives preferential treatment to large-scale foreign investors.

The first SEZs were created in China as part of the economic reforms that began in 1978. Inspired by India's post-WWII development of Export Processing Zones (EPZs), China passed the SEZ law in 1980, and developed four such zones, Shenzhen being the largest.

In a 2010 trip to China, Senior General Than Shwe visited the SEZ in Shenzhen. Upon his return a law was drafted which catered to projects already underway, such as the Dawei deep sea port and the Shwe Gas project.

In January of 2011 Burma's parliament passed the Special Economic Zone Law. The law allows for the existence of SEZs and establishes protocol for their development, mandating that each proposed zone have its own law that must also pass through parliament. The Dawei Special Economic Zone Law is the only such law passed to date, which can serve as an example of how other proposed SEZs might be governed.



China's Special Zones were essentially a legislative experiment, one that has been subject to frequent alteration and staunch criticism, making successes difficult to measure. Tatsuyuki Ota of Toyo University published a damning analysis of China's SEZs in the legal journal *Asia in Extenso*:

"The performance of the SEZs during this experimental period revealed some disappointment among Chinese policymakers...The SEZs failed to establish an export-oriented, foreign financed industrial base, "entrepot" economy has thus developed with unsatisfactory achievements in foreign exchange earnings and technology transfer...The debate has called into question the acceptability and long-term viability of the SEZs"

"An increasing number of social and economic crimes such as corruption, illegitimate trading and smuggling, environmental contamination, labor strikes, etc. had also taken place leading to a controversy concerning the justifiable role of the SEZs. Some hard-lined opponents had strongly repudiated the SEZ itself and its policy"⁸

The Kyaukphyu SEZ is being bid by several consortiums including China's CITIC Group and Japanese Nippon Keoi Co, but open tender awaits the passage of the Kyaukphyu SEZ Law. A feasibility study produced by CITIC group in May 2011 shows that the SEZ has a total land planning area of 350 sq km of land and will require an initial investment of US\$14 billion.⁹ Much of CITIC's plan includes highly pollutant petrochemical industries.



Onshore Gas Terminal (OGT), Ramree Island, 7 February 2013.

EMPTY PROMISES

The Shwe consortium has long touted their commitment to corporate responsibility, but there has been little evidence of their sincerity. A leaked portion of the project Social Impact Assessment (SIA) recommends that CNPC adhere to the internationally accepted Performance Standards on Environmental and Social Sustainability created by the International Finance Corporation (IFC), an investment firm that is part of the World Bank Group.¹⁰ The standard has eight protocols:

Assessment and Management of Environmental and Social Impacts - requires creating a report containing policy, list of impacts, preparedness plan, shareholder engagement and a monitoring protocol.¹¹

Labor and working conditions - requires that the employer ensures access to a grievance mechanism.¹²

Resource efficiency and pollution prevention - requires good international industry practice (GIIP), as measured by internationally recognized standards such as the World Bank Environmental, Health and Safety Guidelines (EHS).¹³

Community, health, safety and security - requires adherence to EHS or other internationally recognized standards, emphasizing that, “In conflict or post-conflict areas, the level of risks and impacts in this Performance Standard may be greater... [and] should not be overlooked as it may lead to further conflict.”¹⁴

Land Acquisition and Involuntary Resettlement - requires that “Compensation standards will be transparent and applied consistently to all communities and persons affected by the displacement,” also stipulating that a grievance mechanism must be created by the client, involving an impartial recourse mechanism.¹⁵

Biodiversity Conservation and Sustainable Management of Living Natural Resources - requires monitoring throughout the life of the project, with appropriate regional expert assistance.¹⁶

Indigenous Peoples - requires Free Prior and Informed Consent from indigenous people, whereby the client is responsible for “planning, disclosure of information, consultation, and participation in a culturally appropriate manner”.¹⁷

Cultural Heritage - requires the assistance of competent professionals to identify and protect cultural heritage.¹⁸

CNPC simply ignored this recommendation, and has never addressed it publicly.

Communities would like to see CNPC make a serious commitment to these principles, with public implementation plans and accountability reports.

In 2007 Daewoo International released a Shwe Gas project annual report detailing the company's newly devised "Code of Ethics."¹⁹ In some instances they have outright failed to meet their own standards, without being held accountable for breaching "The Code." Further complicating matters is the failure of the code to address some of the key problems generated by the project, namely fuelling civil war. A comparison between the tenets of Daewoo's code of ethics and the realities on the ground reveals that safeguards and recourse mechanisms must be put in place to hold them to their word.




The Code claims a commitment to embracing standards such as Universal Declaration of Human Rights (UDHR) and the International Labor Organization (ILO), listing five core responsibilities and thirty-four provisions, including:

"...contributing to the effective abolition of child labor and to eliminating all forms of forced and compulsory labor."

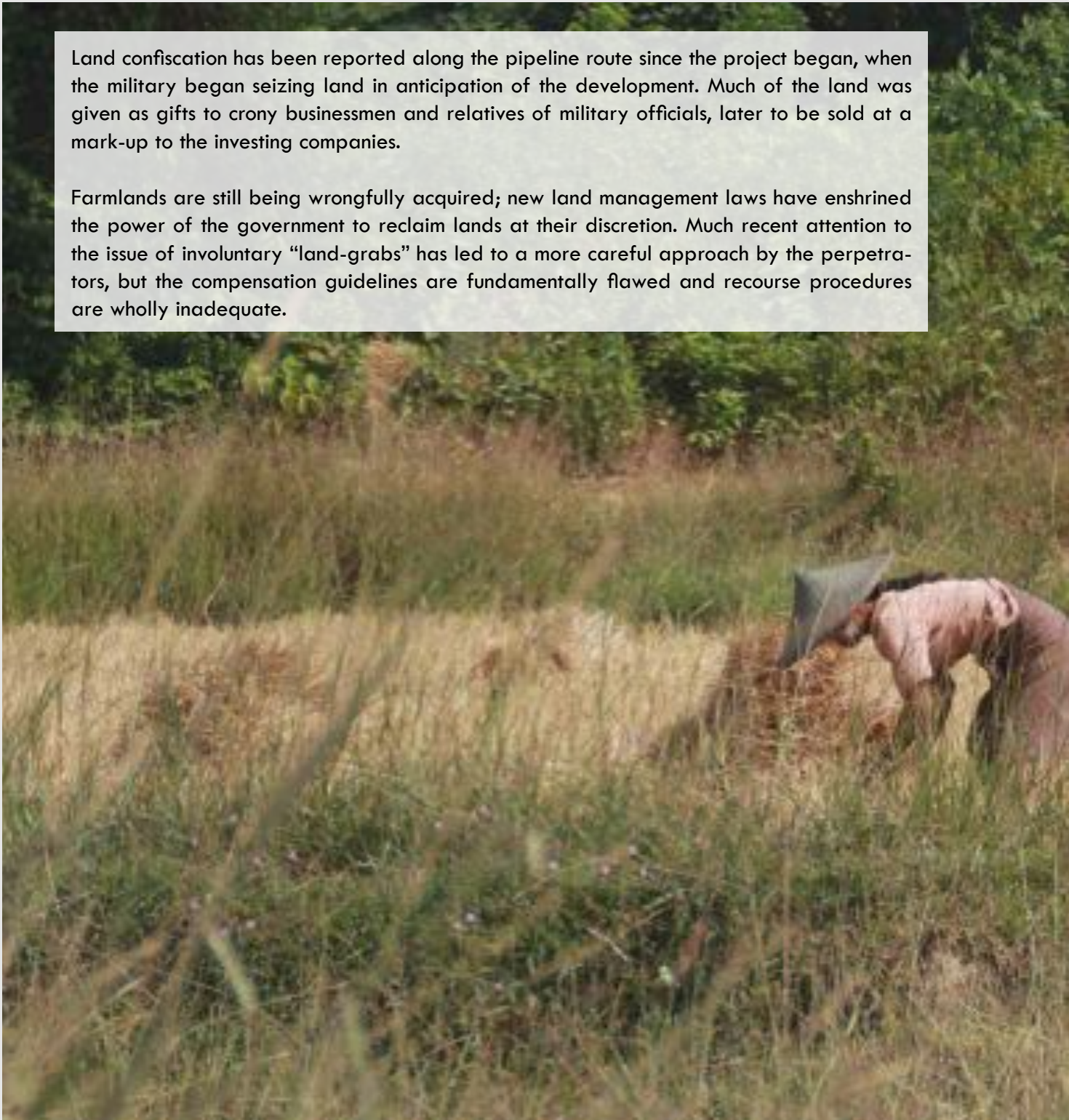
"...protecting the economic livelihood and contributing to the general well-being of the local communities..."

The following pages demonstrate that Daewoo and its subsidiaries are not keeping their promises.



Land confiscation has been reported along the pipeline route since the project began, when the military began seizing land in anticipation of the development. Much of the land was given as gifts to crony businessmen and relatives of military officials, later to be sold at a mark-up to the investing companies.

Farmlands are still being wrongfully acquired; new land management laws have enshrined the power of the government to reclaim lands at their discretion. Much recent attention to the issue of involuntary “land-grabs” has led to a more careful approach by the perpetrators, but the compensation guidelines are fundamentally flawed and recourse procedures are wholly inadequate.



NIPD

Daewoo International, at the request of SGM and Earth Rights International (ERI), released a Land Acquisition Profile report in April 2013, wherein they state that the total area of land acquired for the OGT and pipeline route in Kyaukphyu would be 92 acres.²⁰ However, our interviewees testified that more land is being lost or destroyed due to unforeseen side effects of the development.

The villagers that we spoke with invariably made the same complaint: twice the amount of land sold was taken, and even more was damaged by trucks and waste brought in to lay the pipes. Furthermore, last year's monsoon season caused floodwaters to drown the neighboring farmlands with damaging industrial materials like cement, causing permanent damage.

*"We were afraid that if we didn't [sign the agreement] we would get nothing at all".
Farmer who did not want to relocate, Goneshein Village, February 2013.*

LAND CONFISCATION

Land has been confiscated all along the pipeline route for years, and it is still happening. This section examines recent cases in Arakan and Shan States.

SGM researchers have documented the confiscation of land from 26 households in Mala Kyun, Ramree Island, none of whom have received compensation despite a written promise from state authorities. In Pyine Se Kay village, also on Ramree Island, only 6 of 14 villagers whose lands were irreparably damaged have received compensation, which was sometimes as low as 50,000 kyat (US\$52.00) for half an acre.

Similarly, we have documentation that 23 heads of households whose land was damaged by Punj Lloyd contractors (either by the passage of trucks or mudslides carrying waste into the farmlands) complained to Punj Lloyd to no avail. The villagers then made an appeal to state authorities in April 2013, at which point an investigation commission was established on 23 April 2013. While this commission was said to have investigated the claims, more than 100 villagers are still awaiting recourse. In these cases there was no initial land transfer agreement – all of these complaints were caused by damage by the contractors.

Much of the land used for the project was bought by speculators at unfair prices years before construction commenced, who acquired the lands by coercing villagers to sign confusing and predatory contracts. Some of the villagers are illiterate and many of the contracts were written in non-native languages, sometimes only in Burmese or Chinese, which many ethnic villagers cannot read or understand. Due to the culture of fear at the time, many people signed them nonetheless. In Namkham, however villagers refused to sign the contract pictured below, key parts of which were printed only in Chinese.

In many cases, even though a contract was signed, the money never materialized. In instances where compensation was received, it was not enough to purchase new lands or sustain a household for more than a few years. Furthermore, land prices are arbitrary and vary greatly by region.

In Shan State, for example, villagers in Namkham received 13,000,000 kyat (US\$13,500) per acre against 2,500,000 kyat (US\$2,600) in Namtu and Hsipaw, according to Northern Shan Farmers Committee.



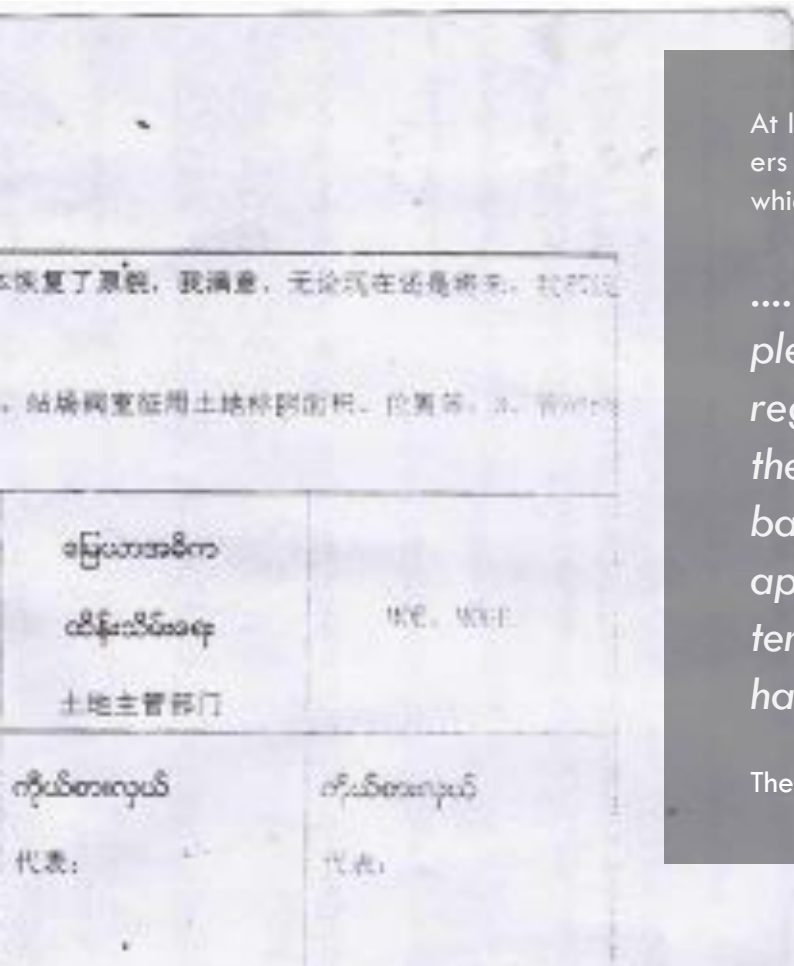


RECOURSE PROCEDURES

Among the many flaws of the current HLP legislation (see Appendix II) is the lack of an adequate recourse mechanism. The Farmlands Law, which fails to provide tenure security for farmers, additionally grants ultimate decision making power to the district level authorities, not the judiciary.²¹

Prior to the new legislation, land disputes were submitted to the ILO, which had only the authority to advocate for cases that directly involved forced labor. While the new law establishes a system for complaint (through the village, township and district land management bodies), it lands the final decision in the lap of politicians.

Due to the frequency of unfair acquisition, a Land Investigation Commission was established in July 2012. This commission has purportedly investigated claims in Sittwe and was expected to visit other townships (including Kyaukphyu), but their findings have not been publicly released and it is still unclear what – if any – consequences or remittances will follow.²² Past cases have shown lack of will on behalf of the authorities in addressing land loss – notably in the case of the Hukawng Valley in Kachin State and the Latpadaung Copper Mine near Monywa.



At left is a land transfer agreement given to villagers in Namkham, northern Shan state, key parts of which were printed only in Chinese. See translation:

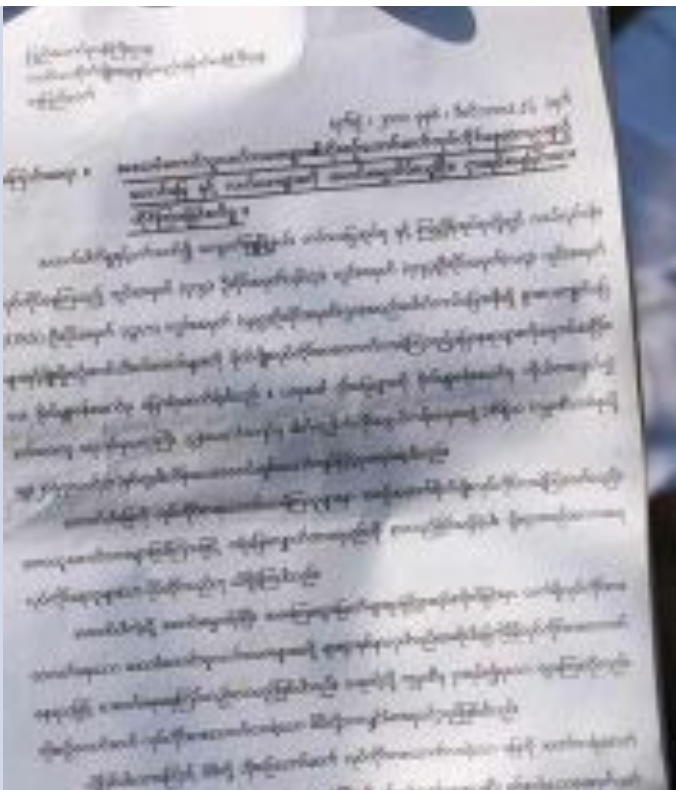
....the compensation has been completed under the (compensation) regulation. After the completion of the construction, my lands have been basically restored to the original appearance, I am satisfied. No matter now or in the future, I would not have any other claims for any rights.

The vast majority of villagers refused to sign.

COMMUNITIES SPEAK OUT

Locals have not been silent about their land rights. Below is just one of many well documented cases of community efforts to protect their right to live and work on their lands. This case concerns three holdings in Katha Pyay Village Tract, Kyaukphyu township. The land in question, used by an entire village as grazing land for livestock, was confiscated by retired Navy officer Major San Maung in 2011. Major San Maung sold the land to the Indian company Paramey. He received 20,540,000 kyat (US\$21,400).

U San Tha Kyaw, a villager from Katha Pyay, sent a letter to the Paramey company headquarters in late 2011 demanding return of the land. Five months later, after receiving no reply and witnessing destruction of the disputed property, he appealed to the District and Township authorities with two new letters - one demanding restoration of the land and another on behalf of the entire population of the two village tracts affected, demanding return and use of the land. Neither U San Tha Kyaw nor the other villagers received any reply or any compensation.



U San Tha Kyaw

26 December 2011 - no reply

Sent to the office of the Indian company Paramey, as well the Union Minister of Agriculture and Irrigation, requesting return of three confiscated lands in Katha Pyay, Kyaukphyu:

*field 474, holding #46-3
field OSS, holding #43-1
field 499, holding #50*

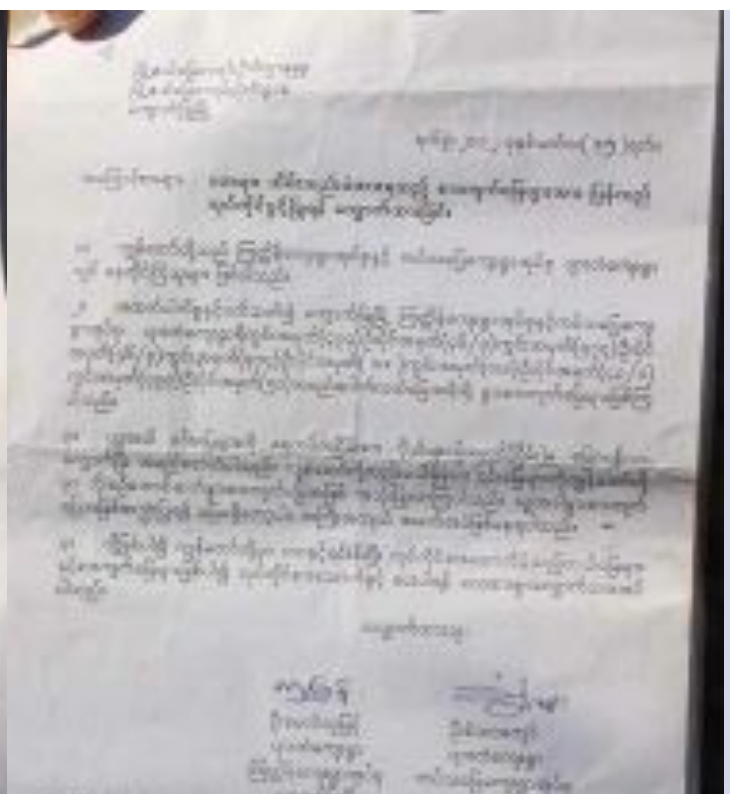
“We have been working this land for generations – it is a traditional grazing ground. We want to get the land back.”



Similarly, in Shan State, a group of farmers representing the Northern Shan Farmers Committee submitted a letter on 5 April 2013 to the office of Shan State Chief Minister U Sao Aung Myat expressing the following six demands:

- Full, immediate payment for all lost land.
- Repair broken parts of the pipelines and improve the strength and stability of project elements.
- Postpone operation until repairs are made and structure is strengthened.
- Provide information about and contact information for all responsible parties, in case complaints are necessary.
- Provide jobs for people from northern Shan State.
- Guarantee adequate safety measures to protect local people from dangers of the project.

The farmers received neither confirmation of his receipt, written reply, or any kind of observable change.



U San Tha Kyaw
15 May 2012 - no reply

Sent to the Township Commissioner, requesting that the Paramey company remove waste and restore the following lands:

- field 474, holding #46-3*
- field OSS, holding #43-1*
- field 499, holding #50*

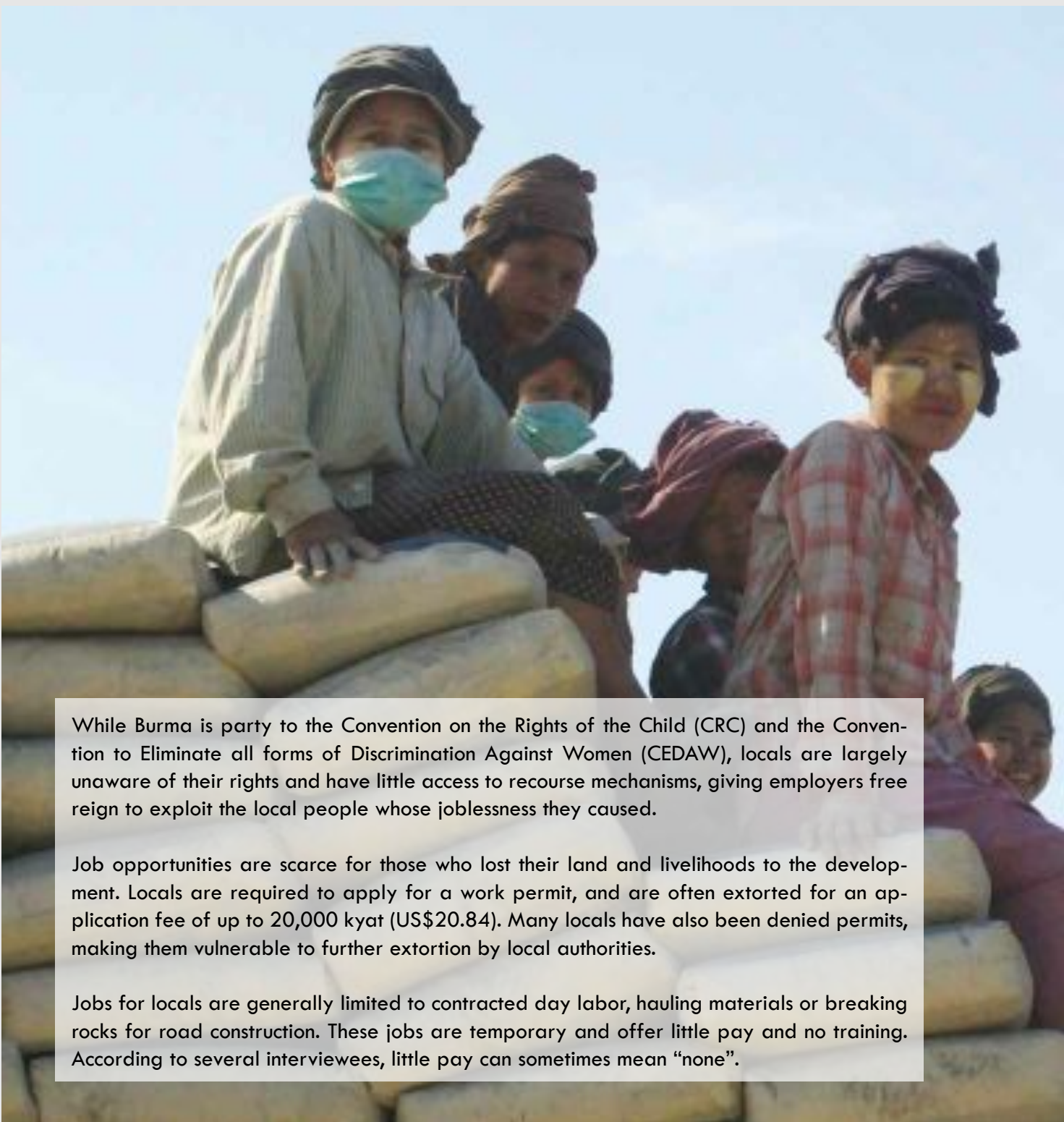
“They are Dumping waste in the field after working with the bulldozer. Paramey company dug a hole in this area, they filled it with waste. Now we cannot work in the field.”

Villagers of Katha Pyay and Kra Tin
15 May 2012 - no reply

Sent to the Township Inventory Office and Kyaukphyu District Commissioner, requesting full return and usage rights of the following lands:

- field 474, holding #46-3*
- field OSS, holding #43-1*
- field 499, holding #50*

“[retired Navy officer] Major San Maung, government pensioner, confiscated the land. Villagers are no longer allowed to use the land.”



While Burma is party to the Convention on the Rights of the Child (CRC) and the Convention to Eliminate all forms of Discrimination Against Women (CEDAW), locals are largely unaware of their rights and have little access to recourse mechanisms, giving employers free reign to exploit the local people whose joblessness they caused.

Job opportunities are scarce for those who lost their land and livelihoods to the development. Locals are required to apply for a work permit, and are often extorted for an application fee of up to 20,000 kyat (US\$20.84). Many locals have also been denied permits, making them vulnerable to further extortion by local authorities.

Jobs for locals are generally limited to contracted day labor, hauling materials or breaking rocks for road construction. These jobs are temporary and offer little pay and no training. According to several interviewees, little pay can sometimes mean “none”.





Among our interviewees in the Kyaukphyu area, many described labor abuses such as refusal of payment, sudden dismissal without pay, physical abuse, threat of dismissal for protest or formal complaint, and severely unsafe conditions. In most cases, when asked if a formal complaint was made, the laborers said no. In some such cases, workers were offered a small bribe to drop the issue, in others they were threatened that they would lose their jobs.

While it is possible for workers to submit a complaint to the ILO, there is no regional representative in Kyaukphyu, making it difficult for workers to seek recourse. Furthermore, many locals lack basic education about their rights as hired labor in this new industrial context.

BOOR



“I was a fisherman in the past. I cannot fish so now I have been working for the [Punj Lloyd] company for 4 months. They pay me 4,500 kyat (US\$4.60) per day. It is not enough but we have to live like this. The Chinese workers treat us badly but we cannot complain... nobody would do anything about it.”

Day laborer at Punj Lloyd - operated deep sea port, Maday Island, 7 February 2013.
(A foreign employee injured this laborer on the site by kicking him off a boat while unloading materials.)





Day laborers work long hours in extreme heat, sometimes barefoot carrying bags of cement on the tops of their heads. One worker that spoke with our researchers said, “I start at 6 in the morning. It used to be I worked until 6 at night. Now it is a little less. But I don’t have education. I can’t do anything else. I don’t think I will have any opportunity after this.”

Local students attending schools near the on-shore gas terminals have been recruited for road construction, digging stones and bricklaying. The students provide cheap labour with daily wages of 2000-3000 kyat (US\$2-4.00), whereas an adult doing the same job would receive 4000-8000 kyat (US\$4-8.00). SGM interviewed several laborers who testified that Punj Lloyd employs boys as young as 14 years old.

“A villager is hired at a rate of 6,000 kyat (US\$6.25) per day at first, but in reality the villager is given only 2,000 kyat (US\$2.08) per day. If the villagers oppose and complain against [the contractor] about the wages, the villagers are fired from their jobs. The villagers in our area have to work for such wages... because they have no other job opportunities.”

U Kyaw Nu, day laborer at MGC - operated OGT site, 2012.



Women employed to transport sand and gravel at the Maday Island construction sites are paid only half the wages paid to male laborers. The managerial staff employs women to cut costs and pocket the difference. Women have also reported sexual abuse and intimidation in the workplace.

Housing is not provided for local laborers. On the deep sea port site, housing has been built for foreign workers, while locals live in makeshift bamboo huts that they have erected on the worksite.

ENVIRO

Environmental damage is already evident in Kyaukphyu; locals have testified that industrial waste has destroyed the farmlands and fishing areas on which they depend for their livelihoods. The biggest immediate threats to the environment are dredge waste, mining for construction materials and accidental damages caused by industrial materials flooding into farmlands during the monsoon season.

We have full documentation of 28 cases of damaged lands in Myo Chaung, Kyaukphyu Township, ten of which have yet to receive indemnity for these unexpected losses.

Beyond ruining farmlands, the coastal ecosystems are also in danger. The waters around Kyaukphyu are being filled with dredge waste, killing fish and damaging Burma's second largest mangrove forest - which acts as a storm buffer during the monsoon season.

Real and potential environmental damage from this project is not isolated to Arakan state. Shan farmers have experienced similar collateral damage to their lands, and also fear future gas and oil leaks. Northern Shan Farmers Committee has reported that holes were seen in the pipes before they were laid underground. Their latest report, *Shan Farmers Oppose the Shwe Pipelines*, claims, "They fixed the holes in the pipeline with rubber patches, like fixing a tyre puncture."²³

A villager in Kyaukphyu points at a stream that has been polluted by oil leaked from the nearby Punj Lloyd industrial site. Kyaukphyu, Ramree Island, December 2012.

ONWMENT



STANDARDS OF ASSESSMENT - NOT MET

Environmental and Social Impact Assessments (EIA/SIA) have never been publicly released.

The firms that carried out the Environmental and Social Impact Assessments for both the gas and oil pipelines are Western owned. CNPC hired the Hong Kong branch of the UK-based Environmental Resources Management (ERM) to carry out the EIA, while International Environmental Management Co., Ltd. (IEM) - A Canadian owned firm based in Thailand - performed the SIA. Both assessments were carried out in 2010, and their findings remain undisclosed.

SGM and other activists have repeatedly demanded public disclosure of full, independent environmental and social impact assessments, and these calls have for years been ignored. Much of the damage has already been done, but proper assessments must be conducted to create adequate regulation before the project becomes fully operational to prevent further destruction of land and livelihoods.

Villagers of Maday repeatedly told us that Punj Lloyd has been illegally dumping dredge waste into fishing areas, causing what they claim is a 50% decrease in their fishing yield over the past year. The fishermen told us that they often do this at night, when the villagers - who are currently still under a 10pm curfew by mandate of Section 144 - cannot bear witness.

Fishing boats idle where the crude oil pipeline exits Maday Island.





Paddy flooded with concrete is now completely unworkable. We also heard complaints that dust from increased traffic on unpaved roads has ruined crops and paddies.

This is just one of several consequences of the project, which the foreign subcontractors were completely unprepared for. One can only imagine that many more surprise disasters may occur, such as a crude spill or a gas explosion. Much attention has recently been paid to this possibility, as a recent warning was issued by Michael Oxlade of the safety firm Westminster International, “Running an over-ground gas pipeline in a location where an armed conflict taking place is absolutely unadvisable; an explosion could easily be caused by a stray bullet. If the pipeline is penetrated it will explode, causing it - and the surrounding area - significant damage.”²⁴

“The fish are gone. We have to go somewhere else. But they won’t give us permission so we cannot make a living.”


Fisherman, Maday Island, 7 February 2013.

The area around Sittwe and Kyaukphyu is a regional fishing zone that local people rely on for their income. On Kyaukphyu alone, of an estimated population close to 20,000, village leaders claim that 80% would cite fishing as their main source of livelihood, which is supplemented by farming.



Kachin Independence Army (KIA) soldier. Photo by Edward Chung Ho, 2011.

CONI



The pipelines and railway will enter China through the border town of Muse. To get there they will pass through areas currently under the control of ethnic armies that are engaged in active armed combat with the Burma Army.

Burma's military has regularly fought with troops from the 4th Brigade of the Kachin Independence Army in northern Shan state since a ceasefire between the two sides ended in June 2011.²⁵ The army has also fought with forces from the Shan State Army North, Shan State Army South and the Ta'ang National Liberation Army (both allied with the KIA) in areas very close to the pipeline route.

Despite the fact that large scale battles between the Burma Army and the KIA largely ceased after early February 2013, regular clashes between both sides in areas close to the pipeline route are ongoing.

The fighting in northern Shan State has displaced large numbers of civilians from villages located along the pipeline route. According to an aid worker, as of the end of 2012 there were more than 2,100 internally displaced people living in temporary camps in Namhkam, Namtu, Manton, Munekeo and several other small villages nearby.

In some areas where there is no active combat, there has been conflict of another kind. Arakan State has received much recent media attention for the sectarian violence that began in June 2012, which displaced over 125,000 people, later spreading to other parts of Burma to similar effect. In addition to the military security installed along the route, military presence has further increased in Arakan in response to the violence and displacement.²⁶

This travesty, which has rightly dominated the media over the past year, has also effectively diverted attention from resource exploitation in Arakan State. After the riots, Criminal Procedure Code section 144 - which essentially establishes martial law by empowering the military to impose and enforce curfews and land use restrictions without judiciary approval - was implemented in Arakan State and several parts of central Burma in response to the violence. This has repeatedly been leveraged by the state and central government to refuse the right of public assembly and access to land.





Ta'ang National Liberation Army (TNLA) soldier aiming a missile launcher. Northern Shan State, May 2013.

STAUNCH WARNINGS HAVE BEEN IGNORED BY GOVERNMENTS

The Government Pension Fund of Norway (also known as the Petroleum Fund) has for years been a major investor in PetroChina, a subsidiary of CNPC. The Norwegian government publically ignored harsh warnings from their Board of Ethics, which was developed for the express purpose of preventing investments that contribute to civil wars, killing, torture, or the repression of freedom.

The Board of Ethics made the following recommendation to the Pension Fund Global on 26 May 2011:

This recommendation concerns the risk of contributing to human rights violations in connection with the construction of two oil and gas pipes in Burma by the Chinese company China National Petroleum Corporation (CNPC). The Government Pension Fund Global (GPF) invests in PetroChina Co. Ltd., a subsidiary of CNPC. As of 31.12.2009, GPF owned shares in PetroChina worth some USD 92 million, corresponding to an ownership of 0.03 percent. CNPC owns 86.71 per cent of PetroChina's shares... the Council assumes that the construction of a nearly 800 km-long pipeline through areas inhabited by a number of different ethnic groups will entail serious or systematic human rights violations. As the Burmese government will be responsible for the security of the project, it is highly probable that CNPC, through its involvement in the project, will contribute to human rights violations.²⁷

Despite this strongly worded suggestion, Norway's Ministry of Finance sent out a press release on 12 June 2011 making the following announcement:

The Ministry of Finance has decided not to follow a recommendation from the Council on Ethics for the Government Pension Fund Global (GPF) to exclude the company PetroChina Co. Ltd. from the fund's investment universe. On 26 May 2010, the Council on Ethics for the GPF recommended to the Ministry of Finance that the company PetroChina Co. Ltd. be excluded from the GPF portfolio. The case raises some fundamental questions. The company is not directly involved in the unethical activities. These are linked to another company. Following a detailed assessment, the Ministry of Finance has concluded that the connections between the two companies are not such that they should be regarded as a single entity. Accordingly, the Ministry of Finance has decided not to follow the recommendation of the Council on Ethics.

The basis for the Council on Ethics' recommendation was that there is an unacceptable risk of involvement in current and future human rights violations in connection with the construction of oil and gas pipelines in Burma. The Council on Ethics concluded that there is a high risk of human rights violations by the Burmese authorities in connection with the construction of the pipelines, and that the companies responsible for construction, risk involvement in these violations.²⁸

Danica, however, a Danish Pension fund, did divest in response to similar warnings issued in 2009.

The original plan for the pipeline would have avoided most of the KIA's territory, but in 2010 the proposed pipeline route in northern Shan state was altered significantly, following a demand by the Burmese authorities. Previously the pipeline route headed east at Hsipaw to Lashio where it then headed north to Kunming. Under the revised route the pipeline makes a near 90 degree turn at Hsipaw heading directly north into KIA territory.

The increased militarization that has accompanied the pipeline construction has had a severe impact on the lives of local civilians. In a report released in November 2012 researchers from the Ta'ang Students and Youth Organization (TSYO) revealed that 26 new military units deployed to their part of northern Shan state since construction of the pipeline began.²⁹

“Military personnel continue to inflict needless human rights violations on innocent civilians and corruption is rife making life extremely difficult for the local people,” the TSYO report states. These abuses include the confiscation of livestock and forcing villagers to give soldiers food. The newly arrived soldiers have also forced villagers to work as porters and guides for them in an area rife with land mines and rebel activity.

Commencing operation on a project that transports highly explosive gas and oil through these areas brings additional threats to the surrounding communities.



CORPORATE

Tun Kyi, a community leader of Maday Island, told us that the Punj Lloyd company did build a new school on Maday island, "This is the new school," he said, "We don't need a school building. We don't have any teachers or books." The consortium has been making a show of several empty buildings marked "School" all around the area, plastered with signs and placards naming the corporations that built them, but didn't staff or supply them.



Non-operational school in Goneshein village, Ramree Island, 8 February 2013.

RESPONSE

In 2007 the Shwe consortium released an annual report detailing their “socio-economic program” in Burma.³⁰

The report outlines plans for a health and education project, which includes the building of a hospital in Sittwe, 22 schools and 9 clinics in Arakan state. These efforts, while good on paper, are in reality misdirected and inadequate. We have observed and locals have testified that many of these projects are built on main roads where they are far more easily seen than used. Those villagers most in need and those directly affected by the project live in remote areas with little access to these new “amenities”.

South-East Asia Oil Pipeline Company Limited and South-East Asia Gas Pipeline Company Limited (SEAOP/SEAGP), the two companies established by CNPC and MOGE to construct the northern elements of the pipelines, have also boasted their corporate philanthropy in an April 2013 report, Brochure for Myanmar-China oil and Gas Pipeline Project.³¹

The report, distributed at an invite-only press conference in Rangoon on May 10, 2013, claims that CNPC has already spent US\$20 million on socio-economic development around the project areas, with photographs of new school and clinic buildings, each next to an arbitrary “number of beneficiaries”.

We have seen that many of these facilities are as yet non-operational, and will become even more irrelevant as more local people are displaced by the project.


ပညာရေးနှင့် ဆေးကုသမှုဖြိုးတိုးရေး

Burma's current legal framework for governing the extractive industries is wholly inadequate, the main problem being a vague and contentious constitution that simply lacks provisions over how to govern pertinent issues like environmental protection, resource management and investment revenue. Furthermore, the current constitution does not grant enough authority to state and regional levels over local assets, leaving them susceptible to exploitation at the national level, as has proven to be the case with the Shwe Gas project.

On 16 May 2013, Revenue Watch Institute launched a Resource Governance Index, evaluating the world's 58 most resource-rich nations on transparency and accountability in the extractive sector. Burma received the lowest overall ranking of all energy-rich countries in the entire world, consistently scoring lowest in all evaluation criteria; institutional and legal setting, reporting practices, safeguards and quality controls and enabling environment.³²



GOVERN



The most glaring weaknesses of Burma's governance with regard to large-scale extractive projects are: Union ownership of natural resources; lack of a law requiring Environmental and Social Impact Assessments (ESIAs); lack of state/regional authority to create and implement environmental protection and conservation projects; debilitating Housing, Land and Property (HLP) laws; virtually non-existent legal protection for laborers; repressive civil and political rights laws that inhibit public dissent.

While President Thein Sein announced in July 2012 that Burma will sign the Extractive Industries Transparency Initiative (EITI), the government has not yet done so and has given no real indication of what its implementation might mean. A promise to sign the EITI is a positive step, but the initiative only deals with revenue transparency, and has no mandate for performing impact assessments or safeguarding communities and the environment.

EITI is a G8 endorsed international standard for revenue transparency in the extractive industries. EITI provides a methodology to aid in the creation of multi-stakeholder groups that include government, civil society and corporate representatives, who then oversee the production of an annual EITI report, which publishes payments made and received by companies and governments partnered in extractive projects.

The government has also come under heavy criticism for selling natural gas to China and Thailand while Burma itself faces severe energy shortages, even in its largest cities. Arakan, the source of the natural gas, is notably not connected to the national grid, powered instead by diesel generators with electricity fees up to twenty times higher than those in Rangoon.

Refer to SGM's June 2013 briefer, "Good Governance and the Extractive Industry in Burma," for a fuller analysis of Burma's current legal landscape and its real and potential consequences.

ADVANCE

DRAWING THE LINE: THE TIME IS NOW


The Shwe Gas project may set the precedent for extractive industry standards as Burma opens to the world. Now is the time to ask what that precedent will be and whose interests it should reflect. Reform is about more than money; Burma's transition to democracy should come with more personal and political freedoms, and self determination for ethnic states and regions.

Thus far, this kind of progress is not evident.

Local people have been documenting the damages of this project - often putting themselves at serious risk of retribution - and they have for years been trying to deliver their message to the companies and the government of Burma, to no avail. The time is now to support their efforts loudly and publicly.

Over the past few years, locals, laborers and community organizers have submitted numerous formal complaints as well as staged public demonstrations against the project, which have met with indifference in some cases and arrest in others.



The background image shows a protest scene. In the foreground, a person's hand is visible holding a sign with Burmese text. The sign is partially obscured by a white text box. The background is a blurred outdoor setting with trees and a clear sky.

The most recent act of resistance to the project was a demonstration of over 300 villagers from Maday Island, held on 18 April 2013, demanding an immediate freeze on construction until their demands were met.

The demonstration was held after the villagers were twice denied a public assembly permit, and the organizers were subsequently detained and interrogated for “unlawful” activities. The permits were rejected on the premise of Section 144, the Criminal Code section put in place to quell last year’s riots.³³

The ten activists detained after the protest were released on bail and are awaiting trial. While this was the first mass public protest against the Shwe Gas project held inside Burma, it likely will not be the last. In other parts of the project’s path, activists are coming out of the woodwork.

Just a week before the demonstration, Shan CBOs held a press conference in support of affected farmers that submitted a letter of complaint to Shan state authorities in Taunggyi, calling for the complete removal of the pipes from Shan farmlands. A few days later, Ta’ang Students and Youth Organization announced that two explosions on the pipes in Shan State had caused alarm among villagers. In late April, a Shan Herald Agency for News article forewarns that the farmers in Shan State will stage a public protest “if they do not receive satisfactory responses from Shan leaders about the dangers of the project.”³⁴

In all affected areas, local people are sending the same message: this project must be stalled until the issues of equitable distribution, land rights, labor rights and future safety and stability are adequately addressed. As CNPC insists that operation is imminent, the time is now to meet these long-suppressed demands for better governance and corporate practice.

The Shwe Gas project is a litmus test for Burma’s future resource management. It is clear that the current management of natural resources and the extractive industries are not satisfactory. As recently as 18 August 2013, the Rakhine Nationalities Development Party (RNDP) commenced a statewide signature campaign to demand that the Union government ensure state and regional rights and control over natural riches, even if such assurance requires changing the constitution.

It is in this light that we reiterate the need to postpone construction and operation of all Shwe Gas project - related developments until legislative review, revision and real implementation can be felt all along the project’s path.



CONCLUDING REMARKS

Burma's investment environment is not prepared for major extractive developments like the Shwe Gas project. The only way to avoid complicity in abuse and a future of inequality and displacement is to postpone this and similar projects until the fundamental problems of poor governance and the disenfranchisement of ethnic nationalities are solved.

We therefore recommend the following solutions:

RECOMMENDATION #1

Immediate postponement of all activities related to the Shwe Gas project (halt construction of incomplete infrastructure and postpone operation of completed elements) until the following conditions are met:

- Settlement of all outstanding land and labor disputes
- Drop all charges against demonstrators who participated in the April 18 protest
- Public disclosure of Environmental and Social Impact Assessments
- Establishment of a comprehensive Disaster Preparedness Plan that includes procedures for handling oil spills, gas leaks, explosions and other potential scenarios that could result from the Shwe Gas project, created through community input and thoroughly distributed in a public awareness campaign
- Political settlement between the Burmese Government and ethnic nationalities ensuring lasting peace

RECOMMENDATION #2

During this period of postponement, we demand that no new resources be sold until the following issues are addressed in the form of constitutional review and/or new legislation where applicable:

- Burma must increase civil society involvement in EITI preparation and implementation, then become signatory to EITI
- Establish publicly available and comprehensive complaint mechanisms for land loss, labor abuse, and environmental destruction
- Establish legislation that defines and ensures Free, Prior and Informed Consent (FPIC)
- Establish legislation mandating full, independent EIA and SIA for all new investments, to be conducted in collaboration with communities
- Establish legislation regulating land compensation to avoid discrimination
- Establish International Labor Organization (ILO) field office in Kyaukphyu and other cities along the pipeline route, with accessible complaint mechanisms
- Ratify and implement core human rights treaties and protocols, i.e. International Covenant on Civil and Political Rights (ICCPR)
- Revise laws that restrict freedom of expression, i.e. laws governing peaceful assembly, public procession and media
- Establish constitutional federalism protecting state self-governance
- Establish constitutional state ownership and control over local resources

APPENDIX I*List of affected townships*

	TOWNSHIP	STATE
1	Kyaukphyu	Arakan
2	Ann	Arakan
3	Ngaphay	Magway
4	Minbu	Magway
5	Saku	Magway
6	Pwint Phyu	Magway
7	Yenan Chaung	Magway
8	Chauk	Magway
9	Kyauk Pantaung	Mandalay
10	Taung Thar	Mandalay
11	Northoo Gyi	Mandalay
12	Tatarr Oo	Mandalay
13	Kyauk Say	Mandalay
14	Sein Kine	Mandalay
15	Pathin Gyi	Mandalay
16	Pyin Oo Lwin	Mandalay
17	Naung Cho	Shan (North)
18	Kyauk Mye	Shan (North)
19	Thipaw	Shan (North)
20	Nanmatu	Shan (North)
21	Mantone	Shan (North)
22	Namkham	Shan (North)

APPENDIX II

Housing, Land and Property Rights reform of 2012

HLP REFORM OF 2012

- **The Farmlands Law** replaces the 1963 Tenant Farming Law and the 1963 Protection of Peasants' Rights Law, and it repeals the 1953 Land Nationalization Act. This law defines the rights and responsibilities of tenure and establishes a hierarchy of management over tenured farmlands. The Farmlands Law reiterates the previous mandate of land nationalization and retains the government's authority to seize lands and determine its use.
- **The Vacant, Fallow and Virgin Lands Management Law** regulates the definition and distribution of new land for large-scale investments. While it governs domestic investors, this law also complements the Foreign Investment Law. In it is established a mechanism by which new or unused lands are appraised, allotted, monitored and protected.

CRITICISM OF BURMA'S HLP LAWS

The central challenge arising from the current legal framework is tenure insecurity among the rural poor. Many other problems arise as a byproduct of this precarity; landlessness, unfair contractual farming practices, large-scale immigration and rural migration to urban areas, problems which overwhelmingly affect ethnic minorities.

Critics of the legislation ascribe this core problem of land insecurity to several perceived weaknesses of the 2012 Farmland Law. A statement released by Asian Human Rights Commission in November of 2011 urged rejection of the bill and outlined these three weaknesses:³⁵

- No improvements on existing law
- Aggrandizing of executive authority
- Denial of basic freedoms

The 2012 Farmland Law reiterates the power of the government to reclaim tenured lands for any reason in the interest of the State or for any of the myriad stipulated violations such as misuse, failure to register, failure to pay fees, etc., leaving small-holder farmers at serious risk of land loss.

In contrast, the Vacant, Fallow and Virgin Lands Management Law and the Foreign Investment Law are both tailored to encourage, protect and support large investments. This leaves small-scale agriculturalists extremely vulnerable to "land-grabs" as larger endeavors expand, despite evidence that for agricultural sector growth policies to truly reduce poverty there must be a strong focus on small-scale farming and equitable land distribution.

Experts have claimed that this new legal landscape has paradoxically enabled land grabbing, predicting that Burma could potentially become the "displacement capital of Asia".³⁶

ENDNOTES

- 1 *New Energy Architecture: Myanmar*. World Economic Forum, Accenture, Asian Development Bank. June 2013, page 19. Available at: http://www3.weforum.org/docs/IP/2013/EN/WEF_New_Energy_Architecture_Myanmar.pdf
- 2 id.
- 3 United Nations Development Programme. *Integrated Household Living Conditions Survey in Myanmar 2009-2010: Poverty Profile Report*. June 2011, page 6. Available at: http://www.mm.undp.org/ihlca/01_Poverty_Profile/PDFs/12%20Poverty%20Profile_Complete%20Report.pdf
- 4 "China-Myanmar pipelines to be completed in May." Xinhua News, 21 January 2013. Available at: http://news.xinhuanet.com/english/china/2013-01/21/c_132116981.htm
- 5 "Myanmar-China gas pipeline starts to deliver gas to China." Xinhua News, 28 July 2013. Available at: http://news.xinhuanet.com/english/business/2013-07/28/c_132581007.htm
- 6 McKinsey & Company. *Myanmar's moment: Unique opportunities, major challenges*. June 2013, page 5. Available at: http://www.mckinsey.com/insights/asia-pacific/myanmars_moment
- 7 Myanmar Ministry of Energy. Available at: <http://www.energy.gov.mm/index.php/en/about-moe/menu-moge>
- 8 Ota, Tatsuyuki. "The role of special economic zones in China's economic development as compared with Asian Export Processing Zones: 1979-1995." *Asia in Extenso*, March 2003, pages 19-20. Available at: <http://www.iae.univ-poitiers.fr/EURO-ASIE/Docs/Asia-in-Extenso-Ota-mars2003.pdf>
- 9 CITIC Group of Companies. *Myanmar Kyaukpyu Harbor Industrial Zone Preliminary Feasibility Study*. May 2011. On file with SGM.
- 10 Confidential assessment document on file with SGM. January, 2010.
- 11 International Finance Corporation. *IFC Performance Standards on Environmental and Social Sustainability*. 1 January 2012, page 7, paragraph 5.
- 12 Id. Page 21, paragraph 26.
- 13 Id. Page 23, paragraph 4.
- 14 Id. Page 27-8, paragraph 2, 5.
- 15 Id. Page 33-4, paragraph 9, 11.
- 16 Id. Page 41, paragraph 8.
- 17 Id. Page 49, paragraph 10.
- 18 Id. Page 54, paragraph 7.
- 19 Daewoo International. *Shwe Project Socio-Economic Program Annual Report: 2006-2007*. 2007. On file with SGM.
- 20 Daewoo International. *Land Acquisition Activities 2009-2010: Kyauk Phyu, Rakhine State*. 2011. Available at: <http://www.earthrights.org/sites/default/files/daewoo-land-acquisition-english.pdf>
- 21 Republic of the Union of Myanmar 2012 Farmlands Law, Chapter V-X.
- 22 Kyunt, Punna. "Arakan Land Commission begins investigation into confiscation lands." *Narinjara Independent Arakanese News Agency*, 21 September 2012. Available at: <http://www.narinjara.com/main/index.php/arakan-land-commission-begins-investigation-into-confiscation-land/>
- 23 Northern Shan Farmers Committee. "Shan Farmers oppose the Shwe pipelines." 4 April 2013. Available at: http://www.shanhumanrights.org/images/stories/Action_Update/Files/shan%20pipeline%20-%20english.pdf
- 24 Byrne, James. "Pipeline perils on the China-Myanmar border." *Interfax International Information Group*, 28 March 2013. Available at: <http://interfaxenergy.com/natural-gas-news-analysis/asia-pacific/pipeline-perils-on-the-china-myanmar-border/>
- 25 Maung Shwe, Thomas. "Burma army sends more troops to fight KIA along Shwe pipeline route" *Kachin News Group*, 24 January 2012. Available at: <http://www.kachinnews.com/news/2223-burma-army-sends-more-troops-to-fight-kia-along-shwe-pipeline-route.html>

- 26 Stout, David Marshall. "Commission calls for troops to be doubled in Arakan state" Democratic Voice of Burma, 29 April 2013. Available at: <http://www.dvb.no/news/commission-calls-for-troops-to-be-doubled-in-arakan-state/27818>
- 27 Council on Ethics for the Government Pension Fund Global. *Annual Report 2011*. December 2011, page 33.
- 28 "Government Pension Fund Global: The Ministry of Finance does not exclude PetroChina." Press release, 12 June 2011. Available at: <http://www.regjeringen.no/en/dep/fin/press-center/press-releases/2011/statens-pensjonsfond-utland-nye-beslutni/government-pension-fund-global-the-minis.html?id=665636>
- 29 Ta'ang Students and Youth Organization. "Pipeline Nightmare Shwe Gas fuels civil war and human rights abuses in Ta'ang community in northern Burma." November 2012, page 6. Available at: http://www.burmalibrary.org/docs14/Pipeline_Nightmare-en-red.pdf
- 30 Daewoo International. *Shwe Project Socio-Economic Program Annual Report: 2006-2007*. 2007. On file with SGM.
- 31 South-East Asia Oil Pipeline Company and South-East Asia Gas Pipeline Company. "Brochure for Myanmar-China Oil & Gas Pipeline Project." April 2013, pages 36-52. On file with SGM.
- 32 Revenue Watch Institute. *The 2013 Resource Governance Index*. May 2013. Available at: www.revenuewatch.org/rgi
- 33 Rejection letters from Township and state-level authorities on file with SGM.
- 34 "Shwe gas pipelines loosely connected, say worried Shan farmers," Shan Herald Agency for News. 29 April 2013. Available at: http://www.english.panglong.org/index.php?option=com_content&view=article&id=5383:shwe-gas-pipelines-loosely-connected-say-worried-shan-farmers&catid=87:human-rights&Itemid=285
- 35 Asian Human Rights Commission. Press release, "Burma: Draft land law denies basic rights to farmers." 1 November 2011. Available at: <http://www.humanrights.asia/news/ahrc-news/AHRC-STM-163-2011>
- 36 Stout, David Marshall. "Scott Leckie: 'Burma could easily become the displacement capital of Asia.'" Democratic Voice of Burma, 5 November 2012. Available at: <http://www.dvb.no/interview/scott-leckie-'burma-could-very-easily-become-the-displacement-capital-of-asia'/24607>



Above - Arakanese youth, braced for an uncertain future. Lakekhamaw Village, Kyaukphyu.

Below - List of landowners demanding reparations for damaged lands, Maday Island.

၁၄	ဦးစိုးယိုင်ဦး	၀၇၇၉၇၇	ဦးစံဖူး
၁၅	ဒေါ်မသောကြာ	၁၁၃၈၀၅	ဦးပေါ်ထွန်း
၁၆	ဦးမောင်စောကြည်		ဦးဝေမြအောင်
၁၇	ဦးမောင်မောင်ဝင်း	၀၅၅၀၄၄	ဦးမောင်ခိုင်
၁၈	ဦးဖြူခေါင်း	၀၂၀၇၂၆	ဦးင/ဇွာ
၁၉	ဦးထွန်းမြအောင်	၀၀၇၄၄၁	ဦးမြသာထွန်း
၂၀	ဦးထွန်းခင်နု	၀၈၃၃၈၅	ဦးမောင်သာထွန်း
၂၁	ဦးမောင်လှကြည်	၁၁၃၈၂၄	ဦးမောင်ကျံယု
၂၂	ဒေါ်မစံနု	၁၀၃၈၁၃	ဦးမောင်သာ
၂၃	ဦးမောင်ဖြူ	၀၅၅၀၆၉	ဦးစိုးယိုင်
၂၄	ဦးညွန့်မောင်နု	၁၀၈၃၁၃	ဦးခင်စိအောင်
၂၅	ဦးမောင်ဝင်းခင်	၀၇၄၁၉၀	ဦးလှချမ်းအောင်

စွမ်းအင်ဝန်ကြီးဌာန
ပြန်စာရေးရန်နှင့်သဘာဝခါတ်ငွေ့ပိုက်လှိုင်းစီမံကိန်း
ပြန်စာ-တရုတ်ရေးရန်နှင့်သဘာဝခါတ်ငွေ့ပိုက်လှိုင်းစီမံကိန်း
(ရေးရန်ဝင်ဆိပ်ကမ်းတည်ဆောက်ရေးစီမံကိန်း)

စာအုပ်နံပါတ်: စွမ်းအင် / လုပ်ငန်း / ကား / ၀၀၇
ရက်စွဲ ၂၀၁၂ ခုနှစ်၊ ဇူလိုင်လ ၃၀ ရက်

သို့

ဦးကျော်
မြို့နယ်မြေစာရင်းဦးစီးဌာန
ကျောက်ဖြူမြို့

အကြောင်းအရာ : ရေနံတင်ဆိပ်ကမ်း ဖြေ/ယာသိမ်းဆည်းတိုင်းတာရေးကိစ္စ

ပြန်စာ-တရုတ်ရေးရန်နှင့်သဘာဝခါတ်ငွေ့ပိုက်လှိုင်းစီမံကိန်း၊ ရေနံတင်ဆိပ်ကမ်းတည်ဆောက်ရေးစီမံကိန်း၊
မဲဒဲကျွန်း တွင်စီမံကိန်းလုပ်ငန်းများ ဆောင်ရွက်နေသည့် ဖြေနေရာကတွင်း မဲဒဲကျွန်း(ဣပ)ဣပနေ ဦးထွန်းခင်နှင့် (သ)
ဦးမောင်သာထွန်း သ/ကပပ(နိုင်) ၀၈၃၃၈၅ နှင့် ဦးကောင်လှမိန် (သ) ဦးမောင်လှအောင် သ/ကပပ(နိုင်) ၀၂၅၇၇၀
တို့ ပူးပေါင်း၍ ရင်းတို့၏ ဥယျာဉ်မြေများပါရှိနေကြောင်း စီမံကိန်းလုပ်ငန်းသို့အကြောင်းကြား တပ်မြလာပါသဖြင့်
လိုအပ်သည်များ ဆက်လက်ဆောင်ရွက်ပေးနိုင်ပါရန် သို့မဟုတ်အကြောင်းကြားတပ်ပါသည်။

Above - Order from MOGE to Kyaukphyu Land Department authorizing land measurement and seizure.

Below - Women carry firewood for cooking fuel at the deep sea port construction site, Maday Island.



Shwe Gas Movement
www.shwe.org
September 2013