Agribusiness and Agro-Conversion
Timber in Myanmar

New Drivers of Deforestation
and Land Grabs

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Political-Economic Reforms

• Re-made reform-minded government since 2011
  – Quasi-democratic principles being experimented
  – Neoliberal *investment* reform top priority
    • Opening up financial and banking sectors: WB+ADB
  – *FDI* being heavily courted
    • Almost exclusively in resource extraction/production sectors

• Opening political spaces for *civil society*

• *Land conflicts* most pressing issue
  – Protests across country
  – Land policy reform gaining traction among gov’t and int’al donor community
    • More limited cross-sector outreach (forestry Vs. agric)
Forestry Reform + Conservation

• Forestry Ministry refashioned to be more conservation oriented after decades of overexploitation
  – Annual forest loss of nearly ½ million hectares (1.15 million acres), or 1.2% of forest cover every year (1990 and 2010)
    • Total > 7.5 million ha (18.4 million acres) or 19 percent of its total forest cover
  – Log export ban since April 2014
  – Will decrease annual wood quotas
  – Grant cultivation rights to communities in forest reserves
  – Push to demarcate more protected forest parks
  – REDD+ funds mobilized, projects starting
    • “Ridge to Reef” in Tanintharyi: UNDP + FFI
Private Agribusiness Sector Push

• Large-scale industrial *agribusiness sector* push
  – New *land laws* to facilitate foreign investment in land and resource extraction / production
  – *Foreign investment* being courted for large-scale production
  – Drastically increasing private agribusiness concessions allocated since new government
    • Now 5.2 million acres allocated
      – 170% increase in acres allocated since new gov’t
      – But < 1/3 of total acreage actually planted

• New biggest *driver of deforestation* and associated production of *conversion timber*
<table>
<thead>
<tr>
<th>State/Region</th>
<th>Allocated 2010/11</th>
<th>Allocated 2011/12</th>
<th>Allocated 2012/13</th>
<th>Total % Allocated 2012/13</th>
<th>Planted 2012/13</th>
<th>% planted</th>
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<tbody>
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Source: Myanmar Ministry of Agriculture and Irrigation (MoAI), except for Tanintharyi 2012/13 which was collected from the regional head office.

Note: Allocated and planted concessions for Tanintharyi does not include rubber, only oil palm.
Forest Conversion to Agribiz Concessions

• Many agribusiness concessions have been allocated in protected state forest areas
  – Forest reserves de-gazetted for agribusiness concessions
  – Two top areas agribiz concessions: Kachin + Tanintharyi (63 percent of national total acreage)
    • Same two areas are Myanmar’s global hotspots for HVCFs
  – Agribiz clearly facilitating production of agro-conversion timber
    • Presents legal loophole to obtain timber
Lack of Data and Reliability

• Government does not differentiate timber according to land category source
  – Natural forest, managed state forest, timber plantation, forest conversion

• Government data on conversion timber is not systematically collected nor publically available

• Lack of good governance and robust rule of law, systematic method of issuing timber extraction permits, and sound timber management plans

• These data limitations hamper more effective cross-sector land and resource management
Land Conflicts and Denial of Rights

• Local land and livelihood conflicts now surfacing across the country
• Further enflamed from agribusiness concessions
• Local communities denied statutory and customary land use rights and claims
  – No land use rights within state forest, agricultural “wasteland”, or agribusiness concession
• But no discussion yet on lack of land rights in state forests
Poor Governance and Corruption

• Rife with legal *loopholes*, special permits and/or legal exemptions
• Legality of agro-conversion timber questionable, highly susceptible to *corruption* and patronage politics
• Agro-conversion timber = *legal* with permits
  – But same agencies & authorities who approve concession & conversion timber override any legal restrictions → rent seeking behavior
• *No social or envt’al safeguards* practiced whatsoever
• *Socially-legitimate process needed* to define legality of conversion timber
Lack of Critical Attention

• No other study in Myanmar on relationship between forests and agribiz concessions, and associated agro-conversion / timber
• No review processes to clarify legal framework for forest conversion and associated timber
• No int’al donor agencies supporting such possible endeavors
Context is Everything

- Agribiz concessions $\rightarrow$ conversion timber depends on **context**
  - Local (ethnic) political context
  - Ecological landscape
  - Overlap of forest reserve with agribusiness concession

- **Tanintharyi oil palm concessions:**
  - Mostly in forest reserves, implemented by domestic ‘cronies’ with interests in land & logging

- **Kachin State biofuel & rubber concessions**
  - Mostly Chinese driven, interest in agric commodity production, conversion timber much less significant cuz can source through logging concessions instead
Concluding Remarks

• Need for future debates on Myanmar’s deforestation and degradation of HCVF
  – Must include both forestry & agriculture sector reforms

• Need focus on the legality of associated conversion timber as a significant source of exported timber

• But must go beyond just normative ‘legality’ standards:
  – ‘Intent’ of law
  – Social and environmental safeguards
  – Local community land use rights and claims
  – Stronger good governance FW, transparency
  – Socially-sanctioned process with buy-in from civil society