

# As Myanmar opens up, forests face new risks

With the lifting of economic sanctions, Myanmar is opening its doors to big agribusinesses in palm oil and rubber. It's good for the economy, but not for the country's natural resources, especially its forests.



Branches heavy with dark green leaves and wooden tendrils hang across a winding path beaten flat by the stomping feet of elephants training for a life of logging. Now just learning the trade, the animals carry tourists on their backs through the deep jungle, trundling over undergrowth and through bubbling streams before being released at night to wander the area with their free cousins.

But it is a jungle that is in danger. Land that was once part of the elephants' home close to Ngwesaung, a beach town on the western coast of Myanmar, is being snapped up by investors scrambling to turn a profit from agribusinesses, such as rubber plantations, or what the Burmese refer to as "white gold."



Forests are often illegally cleared to make way for rubber and palm oil plantations

"The president and his coalition have literally put their country up for sale to foreign investors," said Kevin Woods, a Myanmar-based researcher for Forest Trends, a forest conservation organization.

"The majority of investment interest is in natural resource extraction, such as mining, dams and oil and gas, in addition to the land itself, in particular for agribusiness."

## 'Next agricultural investment frontier'

Led by President Thein Sein, Myanmar's government has made a series of democratic reforms in an attempt to open up the country, which had, until he took leadership in 2011, been largely isolated.

The changes have led to both the United States and the European Union in the past year lifting economic and trade sanctions, which had been put in place due to the former military junta's brutal human rights' record. The move has paved the way for international investment to the impoverished nation.

"The Myanmar government is fully pushing foreign direct investment (FDI) in the agricultural sector now, with much growing interest this year from global investors, in this case from western countries," said Woods.

"Certainly the dropping of sanctions – backed by legal and political encouragement from the Burmese central government – will set the stage for Burma to be the world's biggest and next agricultural investment frontier."

## Biodiversity at risk

Foreign investment pouring into the country certainly means good news for the country's economy crippled by decades of economic sanctions and political isolation. But questions are being raised about what the business boom will mean for the fate of Myanmar's natural resources and especially its dense forests rich in biodiversity.



Tractors are used to pull down trees and tow them away

A largely rural, densely-forested country, Myanmar is the world's largest exporter of teak and a principal source of jade, pearls, rubies and sapphires.

The country's Northern Forest Complex, a 12,000-square-mile tract that runs along the border from India to China in Burma's Kachin State, is home to tigers, bears, elephants, and hundreds of bird species. And the country's Hukaung Valley Wildlife Sanctuary houses one of the world's largest tiger preserves.

Foreign investors with agricultural interests present a real threat to that biodiversity, say analysts.

"These agribusiness concessions are now the single largest driver of deforestation in the country, it is argued, and in fact may act more as a cover for logging, depending on the local context," said Woods.

## Big firms sidestepping land laws

With the reforms carried out by President Thein Sein have also come new land laws, which require interested parties, such as farmers, to register the claim on their land to avoid conflict over land titles.

While the laws were pushed as a way of giving local people official ownership of land they had already been using, analysts say that in reality big firms are snapping up the areas.

"People who make claims on the land are usually those with big lawyers rather than normal people, who may not even understand the rules let alone have the money to set up a legal claim," said Tim Forsyth, a specialist in environmental change and international development at the London School of Economics.

"The government comes and says you don't have any official documentation saying you own this place and therefore we've decided to allocate it to this investor and then they come in and put up a barbed wire fence and start growing a cash crop," he added.

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## Could community forestry reverse deforestation?

Community forestry has been one of the solutions promoted by international agencies to help solve the problem of deforestation in Myanmar. Could it work? (06.08.2013)

While a land committee has been set up to evaluate the rights of farmers, Aung Kyaw Thein, program adviser of the Yangon-based Pyoe Pin Program, which aims to empower civil society organizations in Myanmar, said he does not think it will work.

"It will actually look at who has the right of the traditional ownership," he said. "But I doubt the capacity of those committee members to protect the farmers' rights. It looks like farmers will have the rights, but in fact the bigger advantages will go to the cronies [those with connections to the government] and elites."

As a result, the number of land concessions that have been handed out to agribusinesses has increased dramatically, with a 75 percent increase to almost 3.5 million acres of agribusiness concessions in the country between March 2011 and March 2012, according to Woods.

## Opening the door to conservation

Despite the risks, opening up to the world may not be all bad for Myanmar's lush landscapes and rich wildlife. Reforms and lifting of sanctions have also enabled international organizations and conservation programs to operate more easily within the country to try to prevent deforestation.

The European Union's FLEGT program is attempting to bring Myanmar up to speed with international protocols to be able to identify illegal logging, providing measures to exclude illegal timber from the market, while other organizations assist in setting up community forestry, which hands back control of village forests to local residents.

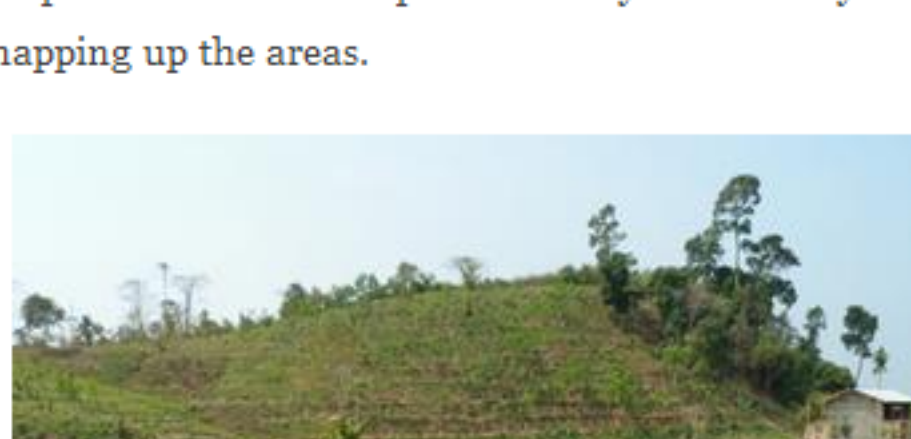
Meanwhile, groups, such as the World Conservation Society (WCS), are working with Myanmar's government to identify potential areas in the country for protection. The government has a national goal of having 10 percent of their area protected and so far they have just 5 percent said Robert Tizard, technical adviser for the WCS's Myanmar Program, based in Yangon.

"We are working with them to build capacity of their new and existing staff to manage areas and in focusing our efforts and resources, we work in the far north of the country and the south of the country along the border with Thailand," he said.

"The biggest challenge is this period of transition where the legal framework is not really in place and people are unsure about these power structures," said Tizard. "[But] I think this government is quite serious about conserving biodiversity and the forest department about managing forests sustainably."



Some 47 percent of Myanmar's surface is covered by forests



The rainforest is making way for rubber plantations - like on this hill