

Kaladan Multi-Modal Transit Transport Project



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

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Preliminary Report on the Kaladan Multi-Modal Transit Transport Project

November 2009

Copies - 500

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Preface: A Note from the Author

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

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

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

1. Executive Summary

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



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

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

2. Technical Specifications

2.1. Development Overview

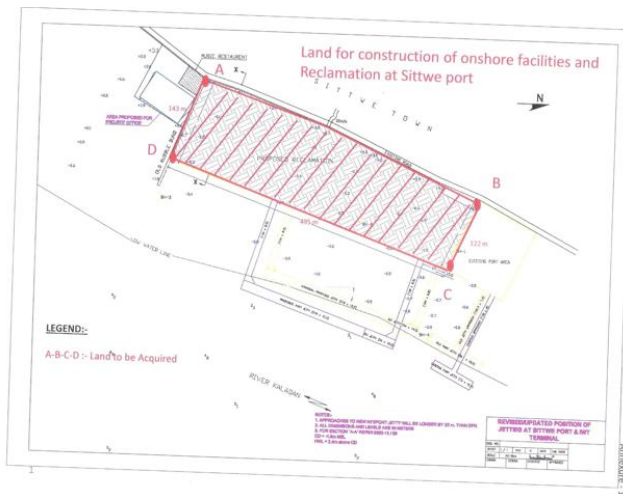
The project will connect Kolkata seaport, East India with the seaport in Arakan's capital, Site-tway (Sittwe) – a total distance of 539 km. It will then link Site-tway to the landlocked area of Mizoram in Northeastern India via river and road transport.

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



2.2. Construction Stages

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



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

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

3. Companies and Authorities Involved

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



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



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



Five companies have been shortlisted:⁹

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

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

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

4. Finance

4.1. Projected Costs

The development of Site-tway port and the Kaladan waterway

- ◆ US \$68.24 million

The highway between Kaletwa and the Indian border

- ◆ US \$49.14 million.¹¹

4.2. Who will pay?

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

5. Who will use it?

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

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



ARN

Some fishing boats on the Kaladan River



ARN

Some Navy Boats for collecting taxes on the Kaladan River

6. Concerns

6.1. Devastation of Local Livelihoods

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

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

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

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

Food Supplies Already Desperately Low

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

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

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

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



A young boy fishing in the Kaladan River



A local fish market – an essential source of income

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

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

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



A local vegetables market– an essential source of income



A typical family trading boat along the Kaladan River

6.2. Human rights

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

◆ Widespread land confiscation

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

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



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



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

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

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

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



◆ **Forced Labour**

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

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



These photographs were taken at previous development sites in Arakan State

Case Study – Zee Chaung Dam

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

◆ Militarisation

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



FBR

An Arakanese woman severely abused by soldiers



<http://aftermathnews.files.wordpress.com>

Burma's army, the Tatmadaw, on parade

◆ Extortion

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

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

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

◆ **Forced Conscription**

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



A few of many Navy checkpoints along the Kaladan River

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

6.3. Environmental Damage

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

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

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

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

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



Photo by Chuck Dresner

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



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

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



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

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

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

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



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

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

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

a) The Estuary

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

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



Buffaloes eating grass along a bank of the Kaladan River



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

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

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

Loss of mangroves & Direct Consequences

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

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

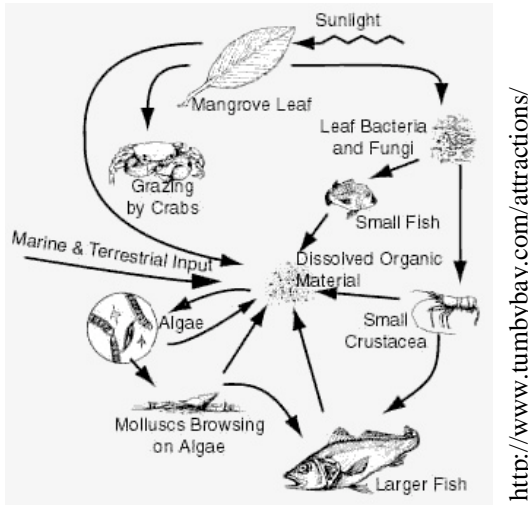


Threatened mangrove forests on the bank of the Kaladan River

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



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



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

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

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

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

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

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

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

b) Up-river

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



People's livelihoods up-river on the Kaladan

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

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

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

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

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



People's livelihoods and forests along the Kaladan River

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

Logging in Burma: a Historic Path to Devastation

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

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

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

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



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

7. India – Burma (Myanmar) Relations

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

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

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

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

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



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

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

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

8. Our Aims and Recommendations to the media

8.1. Our Aims

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

8.2. Recommendations to the media

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

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

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

9. About the Organisation

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

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

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

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

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

9.2. Vision of ARN

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

9.3. Mission of ARN

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

9.4. Core Values of ARN

1. Grassroots ownership

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

2. Technology transfer

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

3. Inclusiveness

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

4. Sustainable development

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

9.5. Activities of ARN

To achieve our goals we aim to:

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

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Photos

Front cover:

A typical trading boat and a village along the Kaladan River

Back cover:

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

Rivers are our lifelines

Protect our rivers

