

Project-Level Impacts

Security



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A. National Context**Armed Conflict in Areas of O&G Operations**

Operating onshore oil blocks are located primarily in Magwe Region, central Myanmar. While there is no history of armed conflicts in this area, it is an important region in Myanmar history with close ties to the O&G sector. During the colonial period, demonstrations sparked by labourers at the Burma Oil Company (BOC), swept the nation into a campaign against colonialist oppression.

Parts of Mon State and Tanintharyi Region have been affected by decades-long armed conflict between the central Government and various ethnic armed groups. The Karen National Union (KNU) and New Mon State Party (NMSP) armed groups are present in parts of Tanintharyi Region – although they are no longer active in the vicinity of the Yadana/Yetagun gas pipeline. Although ceasefires are now holding in Mon State and Tanintharyi Region, they still experience high levels of militarisation, which includes the presence of the *tatmadaw*, its allied militias, Mon and Karen armed groups, small splinter groups, and armed criminal gangs. This militarisation and insecurity has led to past and some continued human rights abuses, including land confiscation, extortion and arbitrary taxation, and sexual violence.³⁹⁴

The more recently developed pipeline by the Southeast Asia Gas Pipeline Company (SEAGP)/ the Southeast Asia Crude Oil Pipeline Company (SEAOP) (also referred to as the Shwe Gas Pipeline), which comes on shore at Kyaukphyu in Rakhine State and then travels through central Myanmar to northern Shan State and into China, has seen international and Myanmar groups report human rights violations by the Government during the construction phase.³⁹⁵ Rakhine State is characterised by a disproportionately high poverty rate and on-going inter-communal violence between Muslim and Buddhist

³⁹⁴ See for example recent reports by the Karen Human Rights Group, "[Losing Ground: Land conflicts and collective action in eastern Myanmar](#)", (March 2013). Transnational Institute/Burma Centrum Netherlands, "[Developing Disparity: Regional Investment in Burma's Borderlands](#)", (Feb. 2013). See for example, Earthrights International, "[Total Impact](#)" (Sep. 2009).

³⁹⁵ See Earthrights International, "[The Burma-China Pipelines: Human Rights Violations, Applicable Law and Revenue Secrecy](#)" (Mar. 2011) and Shwe Gas Movement, "[Sold Out: Launch of China pipeline project unleashes abuse across Burma](#)" (Sep. 2011).

groups, as previously noted, although there is little or no armed conflict there. Northern Shan State is host to a number of ethnic minority armed groups, including the United Wa State Army (the largest armed group in the country, which has long had an uneasy ceasefire with the Government); the Kachin Independence Organisation (KIO, a major armed opposition group); the Ta-ang (Palaung) National Liberation Army (TNLA); the Shan State Progress Party (Shan State Army-North); and a recently reactivated Kokang armed group.³⁹⁶ Fighting continues in northern Shan State, mainly between the *tatmadaw* on the one hand, and the KIO and TNLA on the other. Myanmar civil society groups have accused the *tatmadaw* of recent human rights violations against the civilian population, including forced portering and torture, amidst an increase in *tatmadaw* battalions in Palaung areas.³⁹⁷ International human rights organisations have reported on widespread human rights abuses in areas where the KIO and *tatmadaw* are fighting, including Kachin State and northern Shan State, after a 17 year ceasefire between the KIO and the Government broke down in June 2011.³⁹⁸ Some analysts and civil society groups have claimed that fighting in this area is related, at least in part, to the *tatmadaw's* efforts to secure the Shwe Gas Pipeline route.³⁹⁹

The nationwide ceasefire process, even if successful, will not necessarily bring an end to insecurity in Myanmar's border areas. In addition to the major armed groups at the peace table, there are numerous small splinter groups, village militias (some with hundreds of troops), and armed criminal gangs. Lack of economic opportunities, an easy availability of weapons, and weak security and rule of law mean that these areas will be characterised by insecurity for some time to come. If the peace process eventually leads to Disarmament, Demobilisation, Rehabilitation and Reintegration (DDRR) – which is still likely some years off – there will be the additional dynamic of former combatants with limited opportunities for lawful employment, and who may resort to extortion, racketeering and other criminal activities to support themselves – as some are already doing.

International Support for Reform of the Myanmar Security Forces

Since the reform process began in 2011, foreign governments and international organisations have started to provide training to the police and *tatmadaw* in human rights-related areas. The International Committee for the Red Cross (ICRC), which has a presence in Myanmar, began training senior police officers in September 2013 in the proper use of force, crowd control, and detention procedures. In December 2013 the ICRC provided training in international policing standards and appropriate use of police powers for police based in Rakhine State.⁴⁰⁰ EU training for Myanmar police began in November 2013.⁴⁰¹ In February 2014 EU police officers provided training to 200 Myanmar police on

³⁹⁶ See Transnational Institute/Burma Centrum Nederland, "[The Kachin Crisis: Peace Must Prevail](#)" (Mar. 2013) and "[Burma's Ethnic Challenge: From Aspirations to Solutions](#)" (Oct. 2013).

³⁹⁷ The Irrawaddy, "[Burma Army Attacks Displaced 3,000 Palaung Civilians: Rights Group](#)" (25 Feb 2014).

³⁹⁸ See for example Human Rights Watch, "[Untold Miseries: Wartime Abuses and Forced Displacement in Kachin State](#)" (Mar. 2012).

³⁹⁹ See for example, Transnational Institute, "[The Kachin crisis: Peace must prevail](#)" (Mar. 2013).

⁴⁰⁰ UPI, "[ICRC helps guide police policies in Myanmar](#)" (12 Sep. 2013) and "[ICRC advising police in Myanmar](#)" (10 Dec. 2013).

⁴⁰¹ The Irrawaddy, "[Burma's Police Get EU Training on Crowd Control](#)" (8 November 2013).

human rights in policing, effective crowd control, and prevention of the escalation of violence. The EU aims to conduct training for 4,000 police personnel until March 2015.⁴⁰²

The US Government has had military-to-military contact with the *tatmadaw* and senior Administration officials have called for training on human rights, but no formal training has yet taken place, due to remaining sanctions. Members of the US Congress and Myanmar groups have expressed concern about training because of ongoing allegations of human rights violations by the *tatmadaw*.⁴⁰³ In January 2014 the UK Government trained 40 *tatmadaw* officers in the role of the military in a democracy, security sector reform, governance, accountability, and the rule of law. UK Government senior officials emphasised that the training did not enhance *tatmadaw* military capabilities.⁴⁰⁴

Broader security sector reforms are critically important after decades of isolation and in a context where it is hoped that the security forces will come gradually under greater civilian control, but currently this does not feature among the 16 “Sector Working Groups” composed of Government, donors and international organisations active in reshaping Myanmar policies and laws.⁴⁰⁵ Training is an important step but training to date covers only a very small part of the military and police. Much remains to be done before human rights and international humanitarian law are fully incorporated into the rules of engagement of the military and standard operating procedures for the police and to integrate new thinking around the primary role of security in protecting the population rather than only the state. Moreover, there will need to be a major shift in behaviour on the part of the security forces in the way in which they treat the population.

B. Key Human Rights Implications for the O&G Sector

Interaction with the Myanmar Security Services

- **Linkages to the military:** Governments have the primary obligation of maintaining law and order, security and protection of human rights. Security is the responsibility of the Government. In sensitive and conflict-affected areas this will be the *tatmadaw*, which generally does not have positive or unproblematic relations with communities,

⁴⁰² DVB/Reuters, “[EU assists training of Burma’s police force](#)” (21 February 2014).

⁴⁰³ DVB/AP, “[US Considers limited engagement with Burmese military](#)” (5 December 2013). The Irrawaddy, “[Ethnic Groups Concerned over US, UK Military Engagement with Burma](#)” (30 April 2014).

⁴⁰⁴ The Irrawaddy, “[British Minister Defends Burma Army Training](#)” (30 January 2014).

⁴⁰⁵ The Government of Myanmar and its development partners (bilateral and multilateral donors) endorsed the “[Nay Pyi Taw Accord for Effective Development Cooperation](#)” in January 2013. The development partners in Myanmar have established a new Development Partners Group (DPG) in late-2013 chaired by the UN and DFID to facilitate coordination. The Government and these development partners have formed 16 Sector Working Groups (SWG). The SWGs are intended to be a one-stop shop for coordination in their respective sectors and to ensure that sectoral strategies and priorities are elaborated by the Government of Myanmar as well as identifying priority programmes and ‘quick win’ initiatives. The SWGs cover the following sectors: 1. Education, 2. Cultural Conservation, 3. Agriculture & Rural Development, 4. Environmental Conservation, 5. Employment Opportunities, 6. Electric Power, 7. Health & Water Supply, 8. Communications & Information Technology, 9. Transportation, 10. Social Protection & Disaster Risk Reduction, 11. Public Administration & Reform Process, 12. Gender Equality & Women’s Empowerment, 13. Media, 14. Hotels & Tourism, 15. Statistical Quality Development and 16. Trade.

particularly in ethnic areas. In other areas, there are Oilfield Police who provide more routine security in the oil field areas.

- **The security clause in the PSC and US sanctions:** Under the model Production Sharing Contract (PSC) (clause 17.1) MOGE is responsible for providing “security protection ...as may be requested by the Contractor and made available from the resources under MOGE’s control. In the event that such ...personnel are not readily available, then MOGE shall promptly secure the use of such ... personnel from alternative sources. Expenses thus incurred at the Contractor’s request shall be reimbursed to MOGE by Contractor.” As noted, many foreign operators may be very reluctant to be seen to be paying for security protection by the *tatmadaw* as payments could directly link the company to *tatmadaw* actions. The clause may well breach US Sanctions. (See further the [Annex to the Recommendations](#)). Companies may need more flexibility on how security protection is arranged, and to do so in a way that permits companies some control over the arrangements for security protection where needed. Companies should be formally permitted to have their own security guards.
- **Consultation and capacity building:** Given the history of human rights violations perpetuated by the military and given the low level or lack of awareness of human rights standards and low level of human rights training of the military and police, O&G companies and contractors will need to be particularly attentive to ensuring that their security arrangements respect human rights, with constructive outreach to police and military through consultation, as well as training on human rights. In the changing environment, companies are advised to pursue a broader and more systemic response to the risks of abuses by the military, police and other forces, rather than a narrow approach that has sometimes been taken in the past. This has previously involved creating a “cordon sanitaire” around their projects, within which the company provides a protective presence for villagers, but which has little effect on the situation immediately outside their area of operations, and which can sometimes have the effect of displacing abusive practices (such as demands for payments or labour) to other nearby areas.
- **International humanitarian law:** International humanitarian law regulates situations of armed conflict. Businesses carrying out activities that are ‘closely linked to’ an armed conflict (whether through the location or the nature of the business) are required to respect relevant aspects of international humanitarian law.⁴⁰⁶ This may therefore impose additional responsibilities on companies both with respect to security forces and to other dimensions of operations, including the acquisition of assets.
- **Voluntary Principles on Security and Human Rights:** The Voluntary Principles on Security and Human Rights⁴⁰⁷ (VPs) is an initiative that includes governments, companies, and NGOs. The Principles are designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights and which addresses working with public and private security providers. The VPs emphasise that companies have an interest in ensuring that actions taken by governments, particularly the actions of public security providers, are consistent with the protection and promotion of human rights. Security risks and appropriate responses to risks should be covered in regular

⁴⁰⁶ ICRC, “[Business and International Humanitarian Law: an introduction to the rights and obligations of business enterprises under international humanitarian law](#)” (2006).

⁴⁰⁷ [The Voluntary Principles on Security and Human Rights](#)

communications between companies and public security forces (military and police). Myanmar is not a member of the VPs but this does not prevent companies applying them to their Myanmar operations and engaging with government agencies. The training already provided to the public security sector noted above is an important step in laying the groundwork for these discussions and it is an area where a collective discussion between O&G operators and the Government could be useful.

Newly Emerging Security Considerations and Situations

- **Protests around O&G projects:** There is a potential for increased protests around O&G projects, for which local authorities may be unprepared after decades of suppression of freedom of expression, which may result in violence or arrests of protesters.
- **Persons fleeing violence:** Companies will need to be alert to newly emerging security scenarios, such as the unfolding developments involving the Rohingya, some of whom flee violence and extreme poverty by boat across the Bay of Bengal (the government asserts that these boats are also carrying Bangladeshis). Those boats may cross paths with the vessels conducting exploration in the area, or supplying goods and services to the offshore platforms. Companies will need to develop appropriate procedures to respond if they find the people on the boats are in distress and in need of assistance.⁴⁰⁸ The cumulative impact of ships using Sittwe and Kyaukphyu for O&G exploration activities may also interfere with logistics around the Rakhine State relief effort or lead to a larger security presence around those two ports, with negative implications for local populations and the relief efforts.
- **Crime in O&G areas:** On a more localised level, communities expressed concerns in some areas about increased drugs and alcohol with an influx of workers and an increase in the number of bars serving alcohol, including to children in the community. These dimensions, together with increased wealth and company assets, raises the potential for increased crime in O&G areas, increasing security risks for companies and communities. Some communities expressed concern that they did not receive the same level of protection as company workers.

Company Employed & Contracted Security Providers

- **Business partners:** Companies appear to be contracting out to service providers for security guards. It is important to ensure that contracted security providers have had background checks to ensure security service owners, managers or guards have not been linked to past human rights abuses. They also need appropriate training on respecting human rights. Companies should ensure that working conditions and employment contracts, in line with labour rights standards, are integral parts of the contract with the security provider. Companies should consider prioritising members of local communities for security jobs, but bearing in mind where this may exacerbate inter-communal tensions, depending on the choices made (see further [Part 4.2](#) on Communities). There is now an international code of conduct for private military providers (ICoC) that sets private security industry principles and standards based on

⁴⁰⁸ See: International Maritime Organisation, UNHCR and International Chamber of Shipping “[Rescue at Sea: A guide to principles and practice as applied to migrants and refugees](#)” (2006); and [forthcoming guidance](#). And see: [Human Rights at Sea](#).

international human rights and humanitarian law. The code is open to signature by companies.⁴⁰⁹ This is a relevant reference for screening potential service providers and should serve as a target for company commitment within a specified time period.

- **Use of weapons:** Private security guards are unarmed in Myanmar, which lowers the level of risks to human rights posed by private security providers but does not eliminate all risks. Appropriate training in human rights will still be needed.⁴¹⁰

C. Field Assessment Findings

Company Security

Human Rights Implicated: Right to life, liberty and security of the person

Field Assessment Findings

- **There were no complaints reported during the assessments from local communities about company-employed security guards.** In the pipeline areas, companies typically employ unarmed security guards who are usually from the community. The security guards are therefore present in the community. The security incidents reported during the field assessments instead involved localised, unremarkable issues such as drunken fights among O&G workers. Pipeline security is monitored through sensors inside the pipeline. Pipeline walkers are sent out routinely (on a monthly or weekly rather than daily basis) to walk the pipeline route to inspect the area above buried pipelines.
- There were some **complaints by workers towards their employer (sub-contractor) regarding long work hours and lower wages** compared to same ranking staff working in different departments employed by a different sub-contractor.

Public Security

Human Rights Implicated: Right to life, liberty and security of the person

Field Assessment Findings

- Designated oil field areas (OFA) are usually guarded by the Oil Field Area (OFA) Police, a detachment of the **Myanmar Police Force which liaises closely with MOGE** and can be armed. These special police forces are particularly focused on theft or unauthorised extraction of oil from OFA. **Complaints were aired about the OFA police attempting to attribute responsibility to local farmers** for monitoring local wells or for being complicit in thefts of oil.
- No other complaints against the military or the MOGE security forces were mentioned to the researchers but this also needs to be considered in light of continued reticence to speak out.

⁴⁰⁹ International Code of Conduct for Private Security Service Providers.

⁴¹⁰ For further guidance, see "[Voluntary Principles Implementation Guidance Tools](#)".

Impacts on Livelihoods Due to Security Restrictions

Human Rights Implicated: Right to an adequate standard of living

Field Assessment Findings

- Fishing communities informed that, for reasons of security, there can be restrictions on fishing near the sub-sea pipeline areas for long or indeterminate periods. The fish ban announcements are made by local authorities and sometimes by the Navy. **Fishing communities complained that these restrictions impact on their regular income and livelihood.**

Gender / At-Risk Groups

Human Rights Implicated: Right to life, liberty and security of the person

Field Assessment Findings

- **Despite the presence of security guards, women indicated a rising sense of insecurity in some areas of O&G operations**, in light of the presence of the often predominantly male workforce, with a particular concern about foreign male workforces.
- Some community members remarked with concern on **the marked rise of bars in the areas of O&G operations**. They noted drinking at all hours of the day and a particular concern about young adolescents drinking in the bars. There was a worry that the introduction of readily available alcohol into the community would lead to a decrease in security with fights and petty crimes.

Myanmar Good Practice Examples:

- One company provided **training for MOGE, the army, navy and township authorities** on the Voluntary Principles on Security and Human Rights.
- One company reported that it specifically integrated the **Voluntary Principles on Security and Human Rights** into its security management, training material, procedures and assessment.
- As a good practice, there were examples of **coordination between security staff and community engagement staff** to make sure that all grievances were logged and then referred to appropriate department in the company to address.

Box 22: Relevant International Standards and Guidance on Security Issues, and Linked Initiatives in Myanmar

Relevant International Standards:

- [IFC Performance Standard 4 and Guidance Note – Community Health, Safety and Security](#)
- [Voluntary Principles on Security and Human Rights](#)
- [International Code of Conduct for Private Security Service Providers](#)

Relevant Guidance:

- Fafo, “[Red Flags: Liability Risks for Companies Operating in High-Risk Zones](#)”
- IHRB, “[From Red Flags to Green Flags: The Corporate Responsibility to Respect in High-Risk Countries](#)”
- International Alert, “[Conflict-sensitive Business Practice: Guidance for Extractive Industries](#)”
- Voluntary Principles “[Implementation Guidance Tools](#)”

Myanmar Initiatives on Security Linked to the O&G Sector:

- European Union, [Crowd Management Training of Myanmar Police Force programme](#)