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### Call to extractive companies in Myanmar

To International and domestic investors in the extractives sector,

On February 1<sup>st</sup>, 2021, the Myanmar military upended democracy within Myanmar and carried out a coup d'état, illegally instating themselves in power against the will of Myanmar citizens. As of February 15 2021, the military has arbitrarily arrested and detained 426 people, including elected government officials, CSO leaders, teachers, activists, journalists and civilians.<sup>1</sup>

Subsequently:

- The UN Security Council has expressed deep concern regarding the military's declaration of a state of emergency<sup>2</sup>;
- the UN Human Rights Council convened a Special Session (the act of which underscores the gravity of events in Myanmar) where they deplored the removal of the democratically elected government<sup>3</sup>;
- ambassadors to Myanmar issued a joint statement supporting "the people of Myanmar in their quest for democracy"<sup>4</sup>;
- the USA has declared a national emergency to deal with the threats in Myanmar<sup>5</sup>.

Evidently, there is international condemnation of the illegitimate military government.

In line with international response to the coup d'état, we are calling for your companies to stop legitimizing the illegal military government by ceasing revenue payments to them. The military has now taken hold of all government structures and your payments would be fueling and strengthening their illegitimate hold over Myanmar. This is particularly the case given the tremendous amount of revenue that the extractives industries provide to the government. Although officially the extractives sector contributes to only 5.2% of state revenue according to the 2018 EITI report, we are aware that there are likely significantly larger amounts of unofficial

<sup>1</sup> "Daily Briefing in Relation to the Military Coup," *Assistance Association for Political Prisoners*, February 15 2021 <<https://aappb.org/?lang=en>>.

<sup>2</sup> "UN Security Council Expresses 'Deep Concern' at Myanmar Coup, Calls for Release of Detainees," *The Irrawaddy*, February 5 2021 <<https://www.irrawaddy.com/news/burma/un-security-council-unanimously-expresses-deep-concern-myanmar-coup-calls-release-detainees.html>>.

<sup>3</sup> *Resolution A/HRC/S-29/LZ1* <<https://undocs.org/en/A/HRC/S-29/L.1>>.

<sup>4</sup> *Statement by Ambassadors to Myanmar*, February 14 2021 <<https://mm.usembassy.gov/statement-by-ambassadors-to-myanmar/>>.

<sup>5</sup> *White House Briefing Room: Executive Order on Blocking Property with Respect to the Situation in Burma*, February 11 2021 <<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/11/executive-order-on-blocking-property-with-respect-to-the-situation-in-burma/>>.

revenue from the extractives industry that are not recorded given that revenue is collected by Myanmar’s opaque State-Owned Enterprises (SOEs).<sup>6</sup> We also know this because the Myanmar people have suffered under the military junta for over sixty years; we know that the power they wield to rule over the people of Myanmar is fueled by oil, gas, mining, jade and timber. These are industries from which they have longed exploited and profited to fund their activities.

Your sustained revenue flow to the military would undermine the Myanmar people’s efforts to return the country to democracy, and would instead provide the Myanmar military with the necessary resources to continue their violations of human rights in Myanmar. We strongly urge international and domestic investors in the extractive industries to ensure they do not support an illegal governing authority and are not complicit in any human rights violations. To this end:

- companies already in production should instead place revenue payments into protected accounts that would only be released to the democratically elected government.
- companies in the exploration phase should halt their activities until the illegal military government steps down.
- companies should conduct due diligence and ensure that you are not in partnership with any military entities, and are not indirectly providing resources to the military to carry out human rights violations. This is also in your company’s best interests pending possible future sanctions.

Sincerely,

Myanmar Alliance for Transparency and Accountability

<sup>6</sup> Andrew Bauer, Arkar Hein, Khin Saw Htay, Matthew Hamilton and Paul Shortell, “State-Owned Economic Enterprise Reformed in Myanmar: The Case of Natural Resource Enterprises”, *Natural Resource Governance Institute and Renaissance Institute*, January 2018 <[https://resourcegovernance.org/sites/default/files/documents/state-owned-economic-enterprise-reform-in-myanmar\\_0.pdf](https://resourcegovernance.org/sites/default/files/documents/state-owned-economic-enterprise-reform-in-myanmar_0.pdf)>