



Scenario Plan

SHAN STATE

**JUNE
2025**

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SCENARIOS

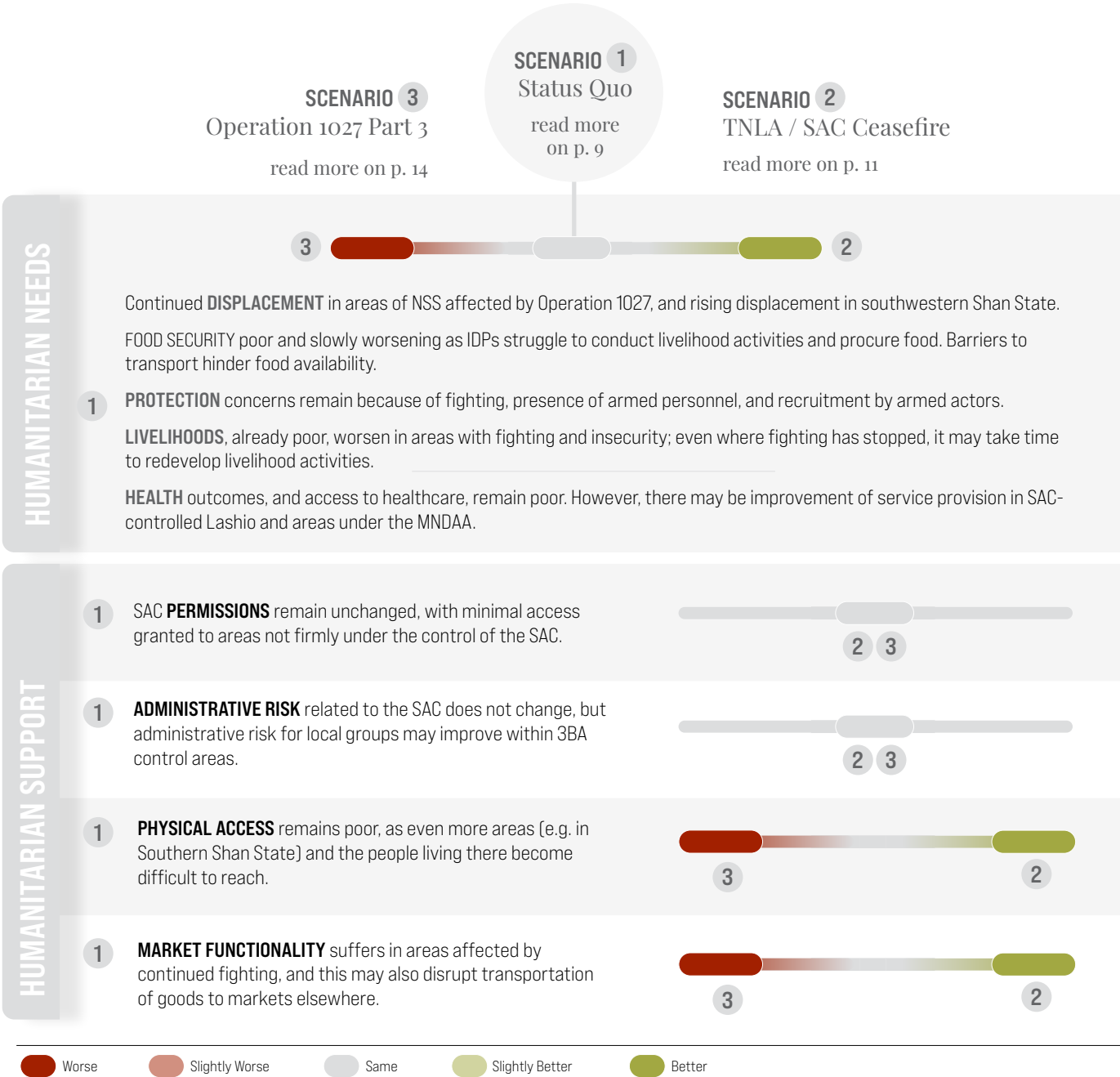
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EXECUTIVE SUMMARY

This Scenario Plan presents Shan State-based context projections for the purposes of response planning and strategy. The most likely scenario over the next 6-12 months is a continuation of the status quo, characterised by slowly rising displacement and humanitarian needs across the western parts of both Northern and Southern Shan State, and poor humanitarian access, but somewhat functional markets. However, other scenarios to consider – though they are of lower likelihood – include: (1) a ceasefire agreement between the Ta’ang National Liberation Army (TNLA) and State Administration Council (SAC); and (2) a third phase of Operation 1027 (i.e. a resumption of large-scale fighting in Northern Shan State).

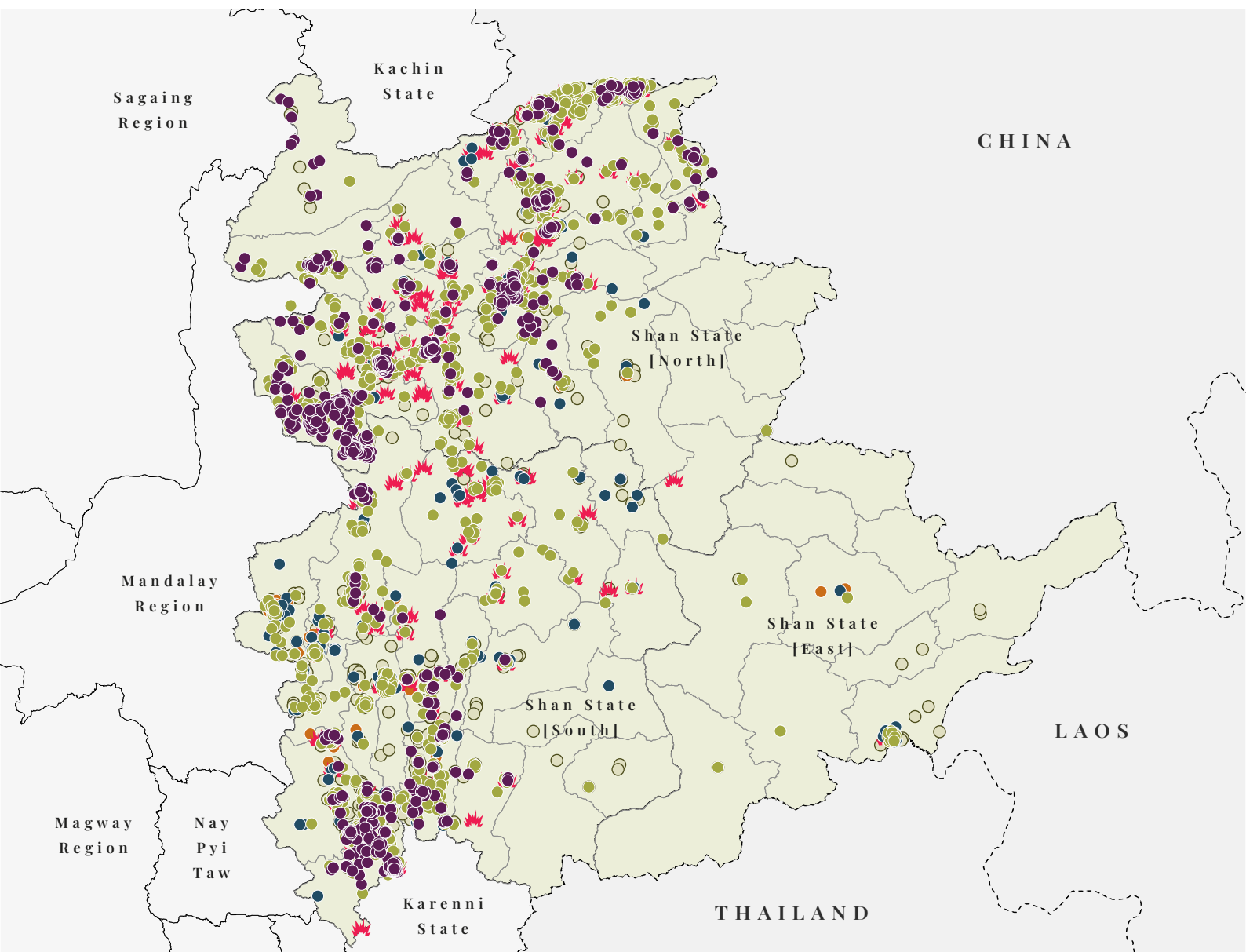
While this Scenario Plan provides general guidance, responders may make adaptations to suit the needs, priorities, and strategies of their respective organisations.

SCENARIOS OVERVIEW



KEY SECURITY INCIDENTS

FEBRUARY 2021 – MAY 2025



Legend

Security Incidents

- Airstrike/Drone attack
- Arrest/Detention/Abduction/Kidnapping
- Targeted killing
- Clash/Shelling*
- 🔥 Landmine/UXO incident
- Other security incident

*including explosive device attacks. (Incidents with unidentified locations are not displayed on the map)

The information on this map is sourced from both traditional media and social media such as Facebook. The information should not be considered comprehensive.

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In Northern Shan State, fighting has calmed down considerably since the height of Operation 1027 parts 1 and 2, but it has not stopped, and tensions remain high. Following negotiations in China, the Myanmar National Democratic Alliance Army (MNDAA) has largely ceded control of Lashio town back to the SAC, although its troops remain outside the town and everywhere else that they overran SAC positions during 1027. By contrast, talks in China between the SAC and TNLA have so far been unsuccessful in reaching a resolution; the TNLA has not been willing to appease the SAC by ceding major towns, and the SAC has [continued](#) to [bomb](#) Nawnghkio Township (and, to a lesser extent, [other](#) TNLA-held townships). The SAC has [launched](#) ground operations to [regain](#) more of Nawnghkio Township, which sits closer to SAC-controlled areas than do most areas captured by the TNLA during 1027. Meanwhile, tensions have continued to flare between armed actors, including between the MNDAA and Shan State Progress Party (SSPP) in [Hsipaw](#) Township, and between the TNLA and Kachin Independence Army (KIA) in [Manton](#) Township.

Southern Shan State did not see the same dramatic territorial shifts as Northern Shan State over the past year, but fighting there has continued and appears to be on the rise again. A particular hotspot in recent weeks has been Pinlaung Township, where the SAC and Pa-O National Army (PNA) have [fought against](#) the Karenni Nationalities Defence Force (KNDF) and local resistance actors. Farther south (closer to the

Karenni State border), the KNDF has been fighting the SAC for far longer. Fighting also appears to be increasing in and around the Danu Self-Administered Zone (SAZ), including in [Lawksawk](#) Township. Meanwhile, tensions between the two largest ethnic Shan actors — the SSPP and Restoration Council of Shan State (RCSS) — have been ongoing but [recently paused](#) for Shan Resistance Day (21 May) celebrations, a development [welcomed](#) by Shan communities and Shan Nationalities League for Democracy (SNLD) leaders. The SNLD — the most popular ethnic Shan political party — has [denounced](#) the SAC's proposed national elections.

Humanitarian needs remain high across the state, as a combined result of fighting, economic decline, and natural disasters. According to [UNHCR](#), as of 26 May there were 36,500 people displaced in Northern Shan State and 127,400 people displaced in Southern Shan State. In Northern Shan State, many people remain displaced or otherwise insecure as a result of Operation 1027, and people continue to be displaced from their homes in Nawnghkio Township by fighting and repeated SAC airstrikes; according to a Kyaukme Township resident, many monasteries there have reached capacity, and food and shelter are the most urgent needs of people recently displaced. In Southern Shan State, at least 1,500 people were displaced by fighting, and SAC [arson](#) and airstrikes, in Pinlaung Township in May, and people living around Inle Lake in Nyaungshwe Township have recently faced [flooding](#), [compounding](#) needs stemming from the massive earthquake on 28 March. In Pinlaung, the monsoon season is likewise making conditions [worse](#) for people who already needed food, clean water, shelter, and medical care; in Nyaungshwe,

the deluge threatens agriculture as well.

Current displacement and insecurity threaten to undermine harvests later in the year — and with them both food security and sources of income. May is the planting season across much of the state, and is typically followed by tending: watering, fertilising, managing weeds and pests, among other things. Where agriculture has already been compromised by barriers to planting, and where it is disrupted by fighting, flooding, or other factors, this is likely to impact yields. Notably, this stands to impact people who are displaced, and also communities supporting those displaced; particularly in Southern Shan State, community support is often the only support available.

Humanitarian access remains [challenging](#) in Southern Shan State, particularly for outside (e.g. international) actors, and particularly in areas with active fighting. For example, local sources have told this analytical unit that only local individuals and some smaller groups have been able to affect people in Pinlaung Township, both because of the fighting and because the SAC can restrict access along key roadways into the area. In Northern Shan State, fighting and SAC presence do not hinder access to the same extent, but it can still be challenging for outsiders. For one thing, crossing out of SAC-held territory (e.g. from central Myanmar) is difficult because of checkpoints. For another, the armed actors administering territory may be disinclined to allow activities by actors they do not know. For example, a local source told this analytical unit that, in TNLA-controlled areas, ethnic Ta'ang organisations and local Ta'ang responders have easier access and greater freedom of movement. ■

KEY STAKEHOLDERS

State Administration Council (SAC)

In power since 2021 coup; gatekeeper on engagement by international stakeholders, and has capacity to stifle local organisations where it has troops

Hundreds of thousands of troops spread across Myanmar

Engaged in nationwide recruitment drive since early 2024; has reportedly recruited at least 60,000 new troops

Kachin Independence Army (KIA)

Estimated 12,000 troops

Member of Northern Alliance, FPNCC; supportive of numerous PDF groups throughout the country

Primarily operates (and headquartered) in Kachin State, but considers part of Northern Shan State to be ‘Kachin Sub-State’ and operates there

Recent local-level tension with TNLA

People’s Defence Forces (PDFs)

Smaller groups lacking centralized control

Often act in tandem with larger EAOs

Ta’ang National Liberation Army (TNLA)

Estimated 8,000 troops

Massively expanded territory during Operation 1027, but suffered recent losses to SAC in Nawngkhio Township

Member of Three Brotherhood Alliance, Northern Alliance, and FPNCC

Allied with resistance actors including Mandalay PDF and DPLA.

Danu People’s Liberation Army (DPLA)

Estimated <1,000 troops, received training from TNLA

Formed in 2022 through the unification of local actors in Danu SAZ

Conducts military operations and community outreach

Myanmar National Democratic Alliance Army (MNDAA)

Estimated 10,000 troops

Member of Three Brotherhood Alliance, Northern Alliance, and FPNCC

Sensitive to demands from China, UWSA

Massively expanded territory during Operation 1027, but recently ceded control of Lashio town to SAC

United Wa State Army (UWSA)

Estimated 30,000 troops

Member of Federal Political Negotiation and Consultative Committee (FPNCC)

Ostensibly neutral since coup in 2021; has not fought against SAC, but may also support other FPNCC members

Often serves role as mediator between other FPNCC members

Shan State Army-North (SSA-N) (aka SSPP)

Estimated 6,000-10,000 troops

Member of FPNCC, Shan State Joint Action Committee (SSJAC), and Committee for Shan State Unity (CSSU)

Perceived as strongest ethnic Shan EAO, but minimal activity since coup

Shan State Army-South (SSA-S) (aka RCSS)

Estimated 4,000-14,000 troops

Another large ethnic Shan EAO, but beaten back from Northern Shan by SSPP and TNLA

Pa-O National Liberation Army (PNLA)

Estimated <1,000 troops

Briefly seized towns and other territory within Pa-O SAZ in 2024

Pa-O National Army (PNA)**

**Functions as SAC auxiliary force

Estimated 3,000-10,000 troops

Engaging in counterinsurgency operations and expansion of presence in Southern Shan

Karenni Nationalities Defence Force (KNDF)

Estimated 5,000-8,000 troops

Primarily active (and headquartered) in Karenni State, but operates in Southern Shan State’s Pekon and Pinlaung townships

Frequently collaborates with other local resistance groups and EAOs

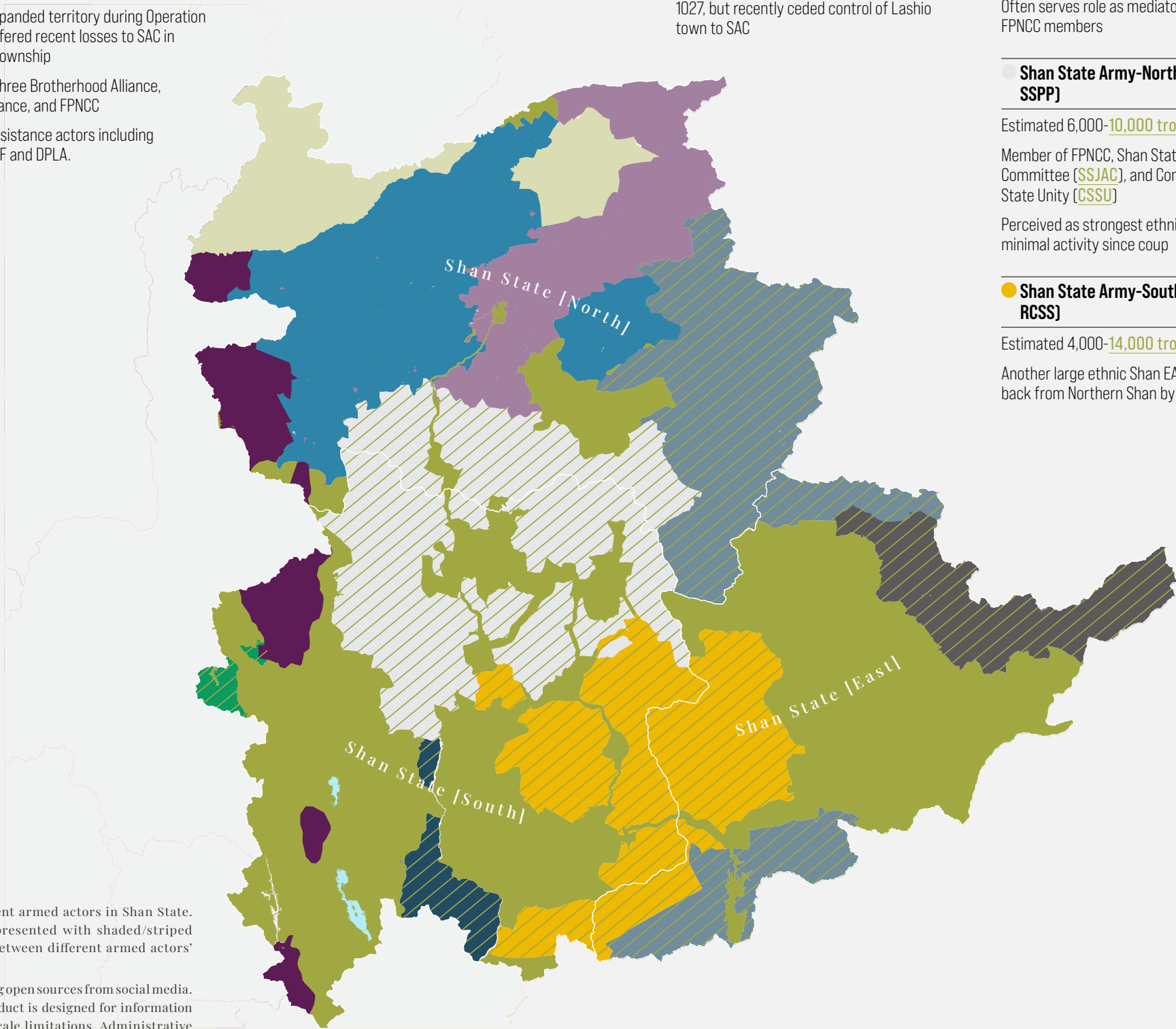
ARMED ACTOR PRESENCE

APRIL 2025

Major lake, reservoir

Disclaimer: This map is intended to show the presence of different armed actors in Shan State. Where both the SAC and another actor are present, this is represented with shaded/striped colouration. In reality, there is a fair degree of overlap between different armed actors’ presence.

The information on this graphic is from various open sources including open sources from social media. The information should not be considered comprehensive. This product is designed for information purposes only, and may not show all topographical areas due to scale limitations. Administrative boundaries are indicative only and provided by MIMU (copyrighted to MIMU at https://themimu.info/mimu-terms-conditions).



KEY VARIABLES AND LIKELY IMPACTS

<div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	TNLA-SAC tensions			
	Location: Northern Shan State			
	More fighting in Nawnghkio township, possible spread to Kyaukme, Hsipaw			
	Increased displacement and protection concerns			
	Burden on host communities Barriers to humanitarian response TNLA loses more territory			
<div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	TNLA and/or MNDAA give up territory amid China pressure	TNLA and/or MNDAA refuse to give up further territory	Airstrikes, heavy weapon use by SAC	Inclement weather (e.g. flooding)
	Location: Northern Shan State	Location: Northern Shan State	Location: Southern Shan State	Location: Southern Shan State
	Improved border trade	Continued threat of attacks, instability	Higher civilian casualties/trauma	Damage to crops, shelters (esp. temporary)
	Decreased concerns around SAC bombing, attacks	Continued burdens on host communities	Destruction of houses, disrupted access to fields, food insecurity	Delayed recovery post-earthquake
	Increased return and recovery	Continued displacement and poor productivity, particularly in farming	Local humanitarian response activity	Access restrictions
	Increased financial stability	Unstable market prices	Location: Southern Shan State	Location: Southern Shan State
	Uncertain or reduced access for local responders	Local responders subject to less SAC scrutiny but greater unpredictability	Immediate needs partly met	Blocked humanitarian corridors
	SAC operations in southwest Shan	Inter-EAO tensions	Increases longer-term community resilience	Trapped civilians, higher needs
	Location: Northern Shan State	Location: Northern Shan State		Local CSOs keep response burden
	Increased displacement, needs	Increased fighting, instability		Aid workers exposed to risk
<div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	New tax and market rules under TNLA and MNDAA	Limited access and/or resources of local responders	RCSS-SSPP tension increase	SNLD boycott of SAC-held election
	Location: Northern Shan State	Location: Northern Shan State	Location: Southern Shan State	Location: Southern Shan State
	Scale, type, and coverage of taxes increase, burdening local communities and traders	Increased local coping mechanisms	More communities affected	Undermines legitimacy of process
	Greater regularity/consistency to taxes	Difficulty conducting activities amid perceptions of affiliation with particular EAOs	New displacement	Limits SNLD visibility, ability to support humanitarian relief
	Greater revenue for these EAOs, which could increase military capacity and/or reduce military activity as means of securing resources	Poor data on humanitarian needs	RCSS-SSPP tension decrease	Weakens trusted local networks used in humanitarian response
			Location: Southern Shan State	SAC potentially dissolves SNLD or removes its registration, leaving Shan communities politically abandoned
			Greater trust in Shan community	
			Opening for political dialogue	

Status Quo

In this scenario, the SAC continues to reassert its presence in Lashio town, while maintaining an uneasy peace with the MNDAA. At the same time, it continues to push into Nawnghkio Township from the south and west, and to bomb parts of the township in its efforts to wrest territory it previously lost to the TNLA. As the rains begin, some people are able to sow (and eventually harvest) their paddy and other crops, but barriers to trade between Northern Shan State and both China and the rest of Myanmar mean that prices of goods remain high. Movement of civilians and local responders is possible within TNLA- and MNDAA-controlled areas, but is threatened by possible SAC airstrikes. The TNLA and MNDAA make efforts to improve administration and service delivery but are hampered by resource shortages and the allocation of resources to defence efforts. In Southern Shan State, fighting continues to ramp up in areas contested by the DPLA, PNLA, KNDF, and smaller resistance actors, driving displacement, economic losses, and instability for civilians in areas that are also challenging for humanitarian responders to access. ■

IMPACT

IN THE 'STATUS QUO' SCENARIO, DISPLACEMENT AND HUMANITARIAN NEEDS CONTINUE TO RISE, IF SLOWLY, ACROSS THE WESTERN PARTS OF BOTH NORTHERN AND SOUTHERN SHAN STATE. MEANWHILE HUMANITARIAN ACCESS REMAINS POOR, BUT MARKETS REMAIN FUNCTIONAL.

LIKELIHOOD: ■■■■□

There is little indication that the SAC will stop trying to regain territory in Northern Shan State or change its tactics in Southern Shan State. China-brokered negotiations have allowed it to reenter Lashio Township from the south, and it is likely to be rebuilding its military capacity there. Negotiations with the TNLA have borne nothing; the SAC reportedly demanded that the TNLA withdraw from five larger towns — Hsipaw, Nawnghkio, Kyaukme, Mongmit, and Mogoke — that the latter seized during Operation 1027, but ceding these would contradict everything that the TNLA fought for over the past 1.5 years. In Southern Shan State, resistance actors have increased their coordination and parlayed training from larger EAOs, and will likely seek to remove the SAC from larger areas. For its part, the SAC is likely to respond to resistance activity here with the same playbook that it has used elsewhere in the country and throughout the Myanmar military's history; it will likely increase aerial strikes and, by virtue of its control to both the east and west of contested areas, move troops in and conduct raids.

HUMANITARIAN NEEDS

DISPLACEMENT remains high across areas of NSS affected by Operation 1027, although many people are able to return, and there is new displacement in Nawnghkio Township. Displacement rises in the western part of SSS.

FOOD SECURITY worsens slowly. In areas where fighting continues and areas to which it spreads, displaced people can be expected to struggle in conducting livelihood activities and procuring food. Barriers to transport, including the closure of border trade ports, may hinder food availability.

PROTECTION concerns remain. In areas with fighting, arms fire and armed personnel increase the threats to civilians. In areas where fighting is stopped, these threats may decrease, but recruitment and other threats from EAOs remain, as do the hazards of explosive ordnance.

LIVELIHOODS, and sources of income, worsen in areas where fighting continues or spreads; fighting and insecurity displace people and disrupt agricultural and other work, pushing more people into debt. In areas where fighting has stopped, it may take time to redevelop livelihood activities.

HEALTH outcomes, and access to healthcare, remain poor. In areas with fighting, the burden on healthcare providers and the challenges to effective provision of services both increase. However, there may be improvement of service provision in SAC-controlled Lashio and areas under the MNDAA.

HUMANITARIAN SUPPORT

SAC **PERMISSIONS** remain unchanged, with minimal access granted to areas not firmly under the control of the SAC.

ADMINISTRATIVE RISK does not change, as long as the Organisation Registration Law (and SAC-imposed martial law) remain in place and SAC personnel do not allow the operation of international responders. However, administrative risk for local groups may improve within 3BA control areas.

PHYSICAL ACCESS remains poor, as even more areas (particularly in Southern Shan State) become difficult to reach, and as the distance grows between humanitarian responders' (especially international responders') bases of operation and populations in need of assistance.

MARKET FUNCTIONALITY suffers in areas of Shan State affected by continued fighting, and this may also disrupt transportation of goods to markets in other parts of the state, including Lashio. However, improved trade between China and MNDAA-controlled areas means greater availability of goods.

IN THIS SCENARIO, INTERNATIONAL RESPONDERS IN SHAN STATE SHOULD:

- Prepare to respond to sporadic and cyclical displacement due to ongoing armed violence in rural areas, understanding that durable solutions remain out of reach;
- Strengthen relationships with local partners and civil society actors that have greater ability to reach populations in affected areas (particularly in Southern Shan State), in order to mitigate access challenges, including interruptions to travel and transportation;
- Facilitate the transfer of alternative power and communications systems, such as solar cells and radios, respectively, in areas that have been cut off from existing infrastructure;
- Increase engagement with 3BA and other EAO actors, especially with respect to program approvals and coordination, as well as minimising favouritism and perceptions of affiliation for local responders, and develop strategies to navigate tensions that may arise as multiple actors compete for control; and
- Continue working through local partners in order to provide assistance across areas under 3BA control, and assess the feasibility of direct implementation elsewhere (particularly in Southern Shan State).

TNLA / SAC Ceasefire

In this scenario, the TNLA reaches a ceasefire with the SAC, likely after significant brokering by China. Because the MNDAA has already reached at least a temporary agreement with the SAC, the stoppage of the SAC's fighting against the TNLA means that Northern Shan State is largely free of large-scale violence such as airstrikes and regular artillery shelling. The terms of a ceasefire agreement here likely include improved SAC access to the Mandalay–Muse highway and the reintroduction of SAC personnel in towns along the way (as seen in Lashio). In return, the SAC stops bombing TNLA-controlled territory and allows freer movement of goods throughout Northern Shan State, and China likewise loosens its restrictions of trade across its border. However, a return to normalcy for civilians is slowed

by the presence of explosive ordnance and armed actors, threats of coercive recruitment, and fighting between EAOs.

Also in this scenario, resistance actors in Southern Shan State continue to fight, but receive more limited support from the TNLA. While these actors continue to launch attacks in areas of Southern Shan State (e.g. Pekon, Pinlaung, Nyaungshwe, and Ywangan townships), they face increased difficulties in doing so; besides their limited capacity, the SAC has greater bandwidth to launch attacks against them — also impacting civilian communities — as its resources and attention are freed from efforts in Northern Shan State. In addition, the ability of the SAC to move troops in both directions between Lawksawk and Nawnghkio means that it is more resilient to attacks along this corridor. ■

LIKELIHOOD: ■■■■■

Pressure from the SAC and China was enough to push the MNDAA into a ceasefire agreement, and the TNLA appears ready to enter one as well. It has all but stopped fighting the SAC (except for defending positions in Nawnghkio Township), and has stated publicly that it was open to dialogue. Pressure from China, the form of closed or restricted trade gates, remains high. The MNDAA — the TNLA's crucial partner in opposing the SAC in Northern Shan State — has cast its lot already. On the SAC's side, there is clearly interest in regaining control of lost territory in Northern Shan State, and particularly use of the entire Mandalay–Muse highway, and a temporary ceasefire agreement that allows it to do so could also let it make inroads into reestablishing a presence in this part of the state.

At the same time, the SAC's confidence may undercut a deal. The terms that it has proposed to the TNLA up to now — essentially the TNLA losing most of what it captured during Operation 1027 — are unlikely to be accepted. Furthermore, as the SAC makes gains — even if only incremental — in Nawnghkio Township, coming closer and closer to retaking Nawnghkio town, it may only grow in confidence that it can get what it wants without making concessions. Thus, the progress of its current offensive in that township is likely to steer the progress and outcome of ongoing dialogue in China. As well, the success of that dialogue is likely to be impacted by its relationship with the MNDAA; if that fragile relationship breaks down, it would almost certainly change the SAC's calculus vis-a-vis the TNLA.

TRIGGERS AND INDICATORS

CHANGES THAT WOULD LIKELY DRIVE OR LEAD TO THIS SCENARIO INCLUDE:

- Discussions involving the SAC and TNLA in China
- The SAC seeking greater income and flow of goods from China
- The TNLA seeking to ease the financial pain of trade restrictions
- Perception, from the TNLA, that the peace between the MNDAA and SAC will hold

ACCORDINGLY, KEY INDICATORS FOR THE ONSET OF THIS SCENARIO INCLUDE:

- Additional presence of the SAC and TNLA at discussions in China
- Indications that the SAC and/or TNLA are starved of resources
- A lack of fighting between the SAC and MNDAA around Lashio (and between the SAC and TNLA around Nawnghkio)

IMPACT:

HIGH AND POSITIVE*

KEY TAKEAWAY: THE CHANGES IN THIS SCENARIO WOULD HAVE A HIGH IMPACT, RESULTING IN MAJOR IMPROVEMENT IN TERMS OF HUMANITARIAN NEEDS, PHYSICAL ACCESS FOR RESPONDERS, AND MARKET FUNCTIONALITY.

A reduction in fighting could improve the displacement situation and lessen food security, protection, livelihood, and health concerns. While permissions and administrative risk are unlikely to change, greater roadway access and less concern about attacks could allow for improved access and market functionality. However, administrative risk would likely suffer where the SAC's reach increases, and the situation may continue to degrade in Southern Shan State — though to a far lower degree than seen during Operation 1027 in Northern Shan State.

*"Impact" refers to impact on humanitarian conditions and humanitarian access.

It does not refer to the wider political situation, which should be considered separately (and may not be construed as positive here).

HUMANITARIAN NEEDS

The **DISPLACEMENT** situation is likely to improve in this scenario, as a reduction in fighting allows IDPs to return home. However, such returns should not be considered sustainable, and they are likely to be impeded by past destruction, the **trauma** of iterative displacement, and fears of explosive ordnance and further attacks. Furthermore, displacement may continue to rise in Southern Shan State.

FOOD SECURITY is likely to improve in this scenario, as more roads — and particularly the Mandalay-Muse highway — become usable again and a reduction in fighting allows more markets to function. Decreased fighting would also increase people's ability to engage in crop cultivation and other income-generating activities.

PROTECTION concerns would likely abate in this scenario, as fewer people are impacted by fighting and there is less movement of armed actors. As travel and transport become easier, it would also become more feasible for international and local actors to carry out protection activities over a wider territory. As with displacement, however, protection concerns may remain or grow in Southern Shan State.

LIVELIHOODS would likely improve in this scenario, albeit with delays and continued barriers. Displacement and insecurity have led to crop lands being untended, meaning that future cultivation will be more resource-intensive and take time to yield benefits. The same applies — if to a lesser extent — to other livelihood activities where people have seen the loss of assets or investment funds.

HEALTH outcomes would likely improve in this scenario, as a reduction in fighting allows hospitals and clinics to resume functioning, and as greater ability to travel expands access to healthcare. In addition, humanitarian actors would likely be able to access more communities, and critical caseloads may go down, freeing up health resources for other issues.

In this scenario, **PERMISSIONS** may improve, but would likely remain restricted. Permissions within much of Northern Shan State are no longer dictated by the SAC, though the towns along the Mandalay-Muse highway may be exceptions in this scenario. At the same time, the MNDAA and TNLA may allow for a more permissive response landscape. For INGOs with operations based outside of 3BA control areas, crossing between there and 3BA control areas is likely to remain a challenge.

ADMINISTRATIVE RISK is unlikely to change substantially in this scenario, though it may degrade where SAC presence expands. The SAC would likely continue to block the registration and movement of international responders through regulations, physical roadblocks, and overall securitisation. For local organisations working in 3BA control areas, administrative questions would fall to the TNLA or MNDAA, and it is unlikely that the SAC would coordinate with these actors in mixed control areas.

While **PHYSICAL ACCESS** to some areas — under SAC control — could improve in this scenario, areas under the control of EAOs would likely remain inaccessible for groups based in SAC-controlled areas. Within 3BA control areas, physical access is likely to improve for aligned local actors but nonetheless be impeded by armed actors' presences, explosive ordnance, and the movement of people in need.

MARKET FUNCTIONALITY is likely to improve in this scenario, as a reduction in violence allows for greater civilian travel and transport, as well as greater security for urban marketplaces. If peace holds, it may become possible to transport goods along the larger highways through Northern Shan State, including goods originating in China. However, a full resumption in pre-1027 market activity would be contingent on the reconstruction of physical infrastructure.

IN THIS SCENARIO, INTERNATIONAL RESPONDERS IN SHAN STATE SHOULD:

- Increase engagement with 3BA and other EAO actors, especially with respect to program approvals and coordination and develop strategies to navigate tensions that may arise as multiple actors compete for control;
- Support the construction and operation of healthcare centres to address the needs of large numbers of people injured by previous fighting, among other health concerns;
- Consider increasing livelihood programming where possible, especially to facilitate a return to agricultural production;
- Develop programmatic streams dedicated to supporting returnees, with the explicit understanding that these are not durable solutions and repeated displacement is likely;
- Continue working through local partners in order to provide assistance across areas under 3BA control, and assess the feasibility of direct implementation in areas under SAC control (including in Lashio town); and
- Provide technical and financial support to emergent actors' governance, coordination, and cooperation efforts, as well as their efforts to comply with IHL and IHRL norms.

Operation 1027 Part 3

In this scenario, the situation in Northern Shan State again devolves into large-scale fighting. Despite past entreaties from China, the TNLA and MNDAA decide that they cannot maintain secure control of their territory without removing the SAC entirely from it and establishing a greater buffer zone around it. They thus launch new attacks in parts of Northern Shan State still under SAC or mixed control, including in Muse, Mongyai, and Tangyan townships, and possibly push farther south (into Southern Shan State) and west (into Mandalay Region). The SAC increases its airstrikes across numerous areas — although with a predictable lull during the rainy season — and makes further efforts to choke off movement of goods and people at the borders of TNLA- and MNDAA-controlled areas. Meanwhile, the ever-expanding presence (and armed activity) of the TNLA and MNDAA means that these groups come into increasing

tensions with other EAOs, leading to multiple pockets of fighting between diverse actors. Insecurity for civilians in Northern Shan State again rises to unprecedented levels.

Also in this scenario, fighting continues in Southern Shan State, where resistance actors try to take advantage of the SAC's preoccupation in Northern Shan State to seize control of more territory. These actors increasingly work in tandem with the TNLA at the borders of the latter's territory and benefit from training and other support from the group. This means both a short-term increase and a longer-term prospect of fighting in the south, as resistance actors there become better equipped. As insecurity rises in the western part of Southern Shan State, civilians — including those previously displaced from Karenni State — increasingly seek safety elsewhere, but struggle to relocate because of fighting north, south, and east of them. ■

LIKELIHOOD: ■■■■■

Talks between the TNLA and SAC have been unsuccessful thus far, the SAC continues to bomb and attack TNLA positions despite the TNLA desisting from its own attacks, and relations between the SAC and MNDAA remain fragile. While the TNLA may have largely stood down over the past few months, it could shift its position in light of continued SAC attacks; it cited the continuation of these (despite the Haigeng Agreement) in commencing Operation 1027 part 2, and thus may view its only viable option — in order to hold the territory it has seized — as continuing to fight the SAC. While the MNDAA has reached a fragile peace agreement with the SAC, it has [suggested](#) that it was not inclined to do so, it may perceive (or construe) SAC actions as violating that agreement, and it is allied with the TNLA; if it senses that the TNLA is ready to resume fighting, it might be pushed to join.

Nonetheless, there are reasons to doubt that the TNLA (and MNDAA) are inclined to return to a full-scale fighting posture. The first part of Operation 1027 appears to have been planned far in advance, and the second part may essentially have been a part of that plan that was cut short the first time by external pressure; the Haigeng Agreement abruptly brought the operation to a halt, and it may have been inevitable that the operation resumed. By contrast, the TNLA and MNDAA largely desisted from fighting at the end of Operation 1027 part 2 even before either party reached a peace agreement, suggesting that they may have reached the limit of planned operations. Framed differently: the TNLA and MNDAA may have essentially reached the limits of territory they are interested in capturing and governing.

TRIGGERS AND INDICATORS

CHANGES THAT WOULD LIKELY DRIVE OR LEAD TO THIS SCENARIO INCLUDE:

- Failure of dialogue between the TNLA and SAC in China
- Frictions between the MNDAA and SAC in Lashio or elsewhere
- Continued SAC gains and SAC airstrikes in TNLA territory
- Negotiations between the AA and China and/or the SAC that support the belief, among other 3BA actors, that greater power would serve them well

ACCORDINGLY, KEY INDICATORS FOR THE ONSET OF THIS SCENARIO INCLUDE:

- Low-level skirmishes between the SAC and MNDAA
- News of incompatible demands or other failure in TNLA/SAC dialogue
- SAC progress and/or particularly destructive attacks in Nawnghkio Township
- An official deal with the AA that is favorable to the group

IMPACT:

HIGH AND NEGATIVE*

KEY TAKEAWAY: THE CHANGES IN THIS SCENARIO WOULD LIKELY HAVE A HIGH IMPACT, RESULTING IN A MAJOR WORSENING OF HUMANITARIAN NEEDS, PHYSICAL ACCESS FOR HUMANITARIAN RESPONDERS, AND MARKET FUNCTIONALITY.

As the geographical range of fighting expands, along with SAC airstrikes across much of the state, humanitarian needs can be expected to rise across the board — and physical access for responders can be expected to drop. At the same time, permissions and administrative risk are unlikely to change, and barriers to the movement of goods — and to the security of markets themselves — are likely to impede market functionality.

HUMANITARIAN NEEDS

DISPLACEMENT is likely to increase, in this scenario. Even in areas where fighting has stopped, people may begin to return, but such returns should not be considered sustainable, and this is unlikely to take place where residents fear that there could be further SAC attacks.

FOOD SECURITY is likely to worsen in this scenario: by undermining the movement of foodstuffs; by reducing agricultural productivity through displacement and damage; and by undermining the availability of agricultural inputs.

PROTECTION concerns are likely to increase in this scenario because of the increased proximity of armed actors to civilians, the threat of fighting in civilian areas, and the likelihood of increased [coercive] recruitment.

LIVELIHOODS, and sources of income, are likely to worsen in areas where fighting continues or spreads as fighting and insecurity displace people and disrupt agricultural and other work. Even where fighting has stopped, it may take time to redevelop livelihood activities. Throughout non-SAC areas, barriers to trade are likely to disrupt livelihoods.

HEALTH outcomes, and access to healthcare, are likely to worsen in this scenario. In areas with fighting, the burden on healthcare providers and the challenges to effective provision of services both increase. In areas not under SAC control, a lack of healthcare infrastructure and personnel turnover would likely make services scarce.

PERMISSIONS from the SAC are unlikely to change in this scenario, because they have not been relaxed since Operation 1027 began, and they were already poor before that. However, in 3BA-controlled areas, permissions may improve for local response actors.

ADMINISTRATIVE RISK is unlikely to change in this scenario, for so long as the Organisation Registration Law (and SAC-imposed martial law) remains in place and SAC personnel do not allow the operation of international responders. However, administrative risk for local groups may improve within 3BA control areas.

PHYSICAL ACCESS is likely to worsen in this scenario, as even more areas (including densely-populated Muse town) become difficult to reach, and as the distance grows between humanitarian responders' (especially international responders') bases of operation and populations in need of assistance.

MARKET FUNCTIONALITY is likely to diminish in parts of Shan State affected by continued fighting, and this may also disrupt transportation of goods to markets in other parts of the state. In particular, disruption of markets and trade in hubs such as Lashio and Muse towns could have significant consequences for residents and markets elsewhere.

IN THIS SCENARIO, INTERNATIONAL RESPONDERS IN SHAN STATE SHOULD:

- Support local partners in conducting iterative, localised needs assessments with IDPs and other communities, in order to gauge the changing scope of needs;
- Closely monitor contextual developments and consult frequently with local staff and partners to ensure conflict sensitivity best practices are adapted to shifting realities;
- Scale up funding, and increase cash-based programmes to offset the rising costs of goods and destruction of livelihoods, as well as to maintain efficiency and flexibility in a context that may change rapidly;
- Prepare for displacement to urban areas such as Taunggyi and Mandalay, by strengthening local partnerships in these locations and ensuring that assistance materials — and the secure housing for such materials — are present there;
- Plan to source supplies from local markets, but be aware that budgets and/or targets may need to be adjusted to respond to high and increasing cost of goods; and
- Strengthen relationships with local partners and civil society actors that have greater ability to reach populations in affected areas, in order to mitigate access challenges, including interruptions to travel and transportation related to restrictions, armed violence, poor infrastructure, and weather.

Scenario Plan

SHAN STATE

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