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This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Annual Action Programme 2017 part 1 in favour of Myanmar/Burma

Action Document for EU Peace Support in Myanmar/Burma – PEACE III

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following section concerning calls for proposals: 5.3.1 – Grants – call for proposals “Support to the conflict affected territories and the peace process in Myanmar/Burma” (direct management).

1. Title/basic act/ CRIS number	EU Peace Support in Myanmar/Burma – PEACE III ACA/2017/039-980 Financed under the Development Cooperation Instrument
2. Zone benefiting from the action/location	Myanmar/Burma The action shall be carried out at the following location: Yangon, Nay Pyi Taw and the ethnic states of Myanmar/Burma
3. Programming document	Multiannual Indicative Programme (2014-2020) for Myanmar/Burma
4. Sector of concentration/ thematic area	Peace-building support
5. Amounts concerned	Total estimated cost: EUR 107 278 626 Total amount of EU budget contribution: EUR 25 000 000 This action is co-financed in joint co-financing by EU and other donors contributing to the Joint Peace Fund for the amount of EUR 81 383 889 (previous EU contributions totalling EUR 20 823 687) This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 894 737
6. Aid modality(ies) and implementation modality(ies)	Project modality – Direct management – grants – call for proposals – Indirect management with an International Organisation (UNOPS)
7. a) DAC code(s)	15220 – Civilian peace-building, conflict prevention and resolution; 15230 – Post conflict – peace-building

b) Main Delivery Channel	41000 - United Nations agency, fund or commission (UN) 41502 - United Nations Office for Project Services 20000 – Non Governmental Organisations and Civil Society			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10. Sustainable Development Goals (SDGs)	Main SDG 16: Promote just, peaceful and inclusive societies; Secondary SDG 1: End poverty in all its forms everywhere; SDG 5: Gender Equality			

SUMMARY

From August 2011, the former government engaged in negotiations towards ending Myanmar's six decade civil war by signing bilateral ceasefire agreements with 14 of the 16 Ethnic Armed Organisations (EAOs). In addition, multilateral negotiations were undertaken with the aim of bringing all EAOs under one comprehensive text called the Nationwide Ceasefire Agreement (NCA) - signed in October 2015 by the Myanmar Armed Forces (Tatmadaw) and eight EAOs. In the following month, democratic elections saw the National League for Democracy (NLD), led by Daw Aung San Suu Kyi (DASSK), sweep to victory. She reiterated that the peace process and national reconciliation are top priorities of her government. However, her administration faces significant challenges in finding a lasting settlement of ethnic and intercommunal conflicts in the country, undermined by continued fighting in several ethnic states.

In certain areas of Kachin and Northern Shan States, many communities are facing protracted forced displacement due to ongoing conflict, violence and human rights violations. 2016 has also seen significant contextual developments with regards to the conflictive situation in Rakhine State. Tension has been high with ensuing skirmishes in the region.

The overall objective of this action is to contribute to lasting peace, security, stability and sustainable development in Myanmar/Burma. The action aims to provide support to peace process parties in order to continue peace negotiations and progress on the formal implementation of the NCA, including the ceasefire monitoring mechanism and the national political dialogue. Additionally, this action aims at providing support to displaced populations

and hosting communities by linking relief with rehabilitation and socio-economic recovery (LRRD) in conflict-affected areas and protracted situations of displacement.

The EU intends to increase aid effectiveness in the area of peace by contributing further to the Joint Peace Fund (JPF¹), delivering coordinated international financial and technical assistance to the Myanmar/Burma peace processes.

As part of the support for socio-economic recovery in conflict-affected areas, particular emphasis will be given to Rakhine State, which alongside intercommunal tensions and serious human rights concerns, remains the most impoverished area of the country. Simultaneously, attention will be paid to the precarious situation of IDPs in the ethnic states of Myanmar/Burma. The action will aim at maximising the positive impacts of women's participation and gender perspectives on making the peace process more inclusive and peace agreements and outcomes more sustainable.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Political, economic and social situation

Following 50 years of authoritarian military rule, since 2011 Myanmar/Burma has embarked upon a remarkable transition, as demonstrated by the historic democratic elections in November 2015 and the accession to power of the NLD-led Government in April 2016.

The EU, along with other major development partners, is providing support to the multi-dimensional transition in a spirit of cooperation and partnership. However, Myanmar/Burma still faces major challenges, not least the need to secure sustainable peace with its numerous ethnic groups and to address serious intercommunal violence.

Sector context: policies and challenges in the peace process

Myanmar/Burma is one of the world's most heterogeneous countries in terms of ethnicity and religion with 135 officially recognized ethno-linguistic groups. Since the earliest years of independence, it has faced widespread ethnic insurgencies. Post-colonial Myanmar/Burma has never been at peace or entirely under central Government control. During the 1960s-1980s, several EAOs were able to carve out effectively independent micro-states with their own governments, service provision and foreign policies, and this remains the case in certain areas. Myanmar/Burma's transition necessarily involves simultaneous comprehensive legal, economic and democratic reforms. Should they continue to be effectively implemented, change may be profound.

The previous government had engaged in peace negotiations with all EAOs since 2011. In March 2015, a final draft of the NCA was agreed by all negotiating parties. However, the Agreement was signed in October 2015 by the previous Government, the Tatmadaw and only eight EAOs, not including some of the most militarily significant ones. EAOs' reasons for not signing have varied, with some disallowed from signing by the Myanmar military without first surrendering their arms, and others insisting on the inclusivity of all EAOs before advancing the process.

In January 2016, a five-day Union Peace Conference (UPC) took place in Nay Pyi Taw, bringing together representatives from EAOs, the (outgoing) Government, and the Tatmadaw,

¹ Implemented by UNOPS, the JPF was set up in December 2015. For more details see sections 1.1 and 3.2 - <https://www.jointpeacefund.org/>.

and thereby marking the commencement of the political dialogue process envisioned in the NCA.

NLD's strategy for implementing the peace process has been characterised by a relative lack of clarity. The State Counsellor's Ministry has taken strong leadership of the peace process and declared peace and national reconciliation as the top priorities of the new administration. The Myanmar Peace Centre (MPC²) was dismantled and replaced by the National Reconciliation and Peace Centre (NRPC), with headquarters in Nay Pyi Taw and a branch office in Yangon. The NRPC is a wholly governmental institution under the State Counsellor's ministry. It serves as a Secretariat to the Government's Peace Commission. In many ways, however the NRPC is a new institution with new staff and premises. Its capacity is therefore extremely weak.

Between May 24 and 29 2017, a third UPC, informally the 21st Century Panglong Conference (UPC-21CPC), took place in Nay Pyi Taw. This was attended by signatory and many non-signatory EAOs³, Government, Military, Political Parties, CSO actors and members of the international community. The conference resulted in agreement on 37 "principles" that are to form part of a future peace agreement, including a provision on federalism. Despite this progress, evolving ethnic alliances have produced an increasingly fragmented landscape of ethnic armed actors bound together in shifting alliances with agendas seemingly irreconcilable with the Government's and army's current stated position that the NCA remains the only path into the process and cannot be changed. Although 15 out of 20 EAOs attended the conference, five groups from the United Nationalities Federal Council (UNFC⁴) non-signatory bloc decided not attend as their request for equal status despite being non-signatories to the NCA had been turned down. On the other hand, seven EAOs of the rival non-signatory alliance led by the United Wa State Army (UWSA)⁵, including the outlawed Northern Alliance of four EAOs currently engaged in active conflict with the Tatmadaw, did attend but with a different agenda. Lastly, there is disillusionment on the part of a number of signatory groups who have so far carried the process forward. They see a unilateral approach from the government and military rather than the joint process to which they signed up. Without careful handling, these simmering inter-ethnic and intra-divisions threaten to jeopardise future negotiations.

In 2016 and 2017, the conflict in Kachin and Northern Shan States escalated both in terms of intensity and frequency of fighting with the Tatmadaw taking a number of major Kachin Independence Army (KIA) outposts. In Shan State, major fighting resumed between Myanmar National Democratic Alliance Army (MNDAA) troops and government forces in the Kokang Self-Administered Zone. There have also been sporadic clashes between government forces and the Ta'ang National Liberation Army (TNLA), and between the

² The MPC, funded by the EU since inception with a total amount of EUR 8.5 million, was a quasi-governmental institution that acted as a Secretariat to the previous Union Peace-making Working Committee (UPWC). Support was provided to formal and informal negotiations, and meetings with diverse stakeholders. Between 2012 and 2016, the MPC supported on average 75 dialogues/meetings per month.

³ Following a deal brokered by China on the eve of the conference, many more armed groups came to Nay Pyi Taw than had been expected. From now on, China's role will be extremely pivotal to the progress of the peace process.

⁴ Founded in 2011, the UNFC is an umbrella various non-signatory groups. The UNFC has started to disintegrate after months of internal tensions over whether to sign the NCA. The KIA and Wa National Organisation (WNO) have formally withdrawn, and it is anticipated that others may follow, leaving only the Karenni National Progressive Party (KNPP) and New Mon State Party (NMSP) of the formerly seven-member alliance.

⁵ The seven northern groups are operating under the umbrella of the Federal Political Negotiation and Consultation Committee (FPNCC). Originally, the FPNCC made it clear that it pursues a different ceasefire and political process but will not sign the NCA. Later on they have softened their position expecting to have some amendments introduced at the NCA text.

TNLA and the Shan State Army-South (SSA-South). In November 2016 combined forces of the KIA, TNLA and MNDAA launched synchronised attacks on government military and police outposts in Northern Shan State. These three groups and the Arakan Army (AA) have formed a coalition known as the 'Northern Alliance'. All these armed clashes have caused a great number of newly displaced people in these regions and the situation continues to be very unstable, as demonstrated by the new offensive conducted by the Tatmadaw in Tanai Township in northwest Kachin State since early June which has displaced up to 5,000 civilians.

The NCA remains a significant opportunity to establish a comprehensive and robust mechanism, including joint ceasefire monitoring mechanisms at national, state and local levels. Despite progress since the establishment of key structures and committees, numerous technical and operational challenges remain, and assistance continues to be required by major peace process parties for their ongoing substantive participation. Meanwhile the political dialogue process is expected to last many years, with a broader spectrum of stakeholders that were involved in NCA negotiations and a much broader breadth and depth of discussion on key issues. In addition to greatly complicating the pursuit of consensus on key issues, this will require substantial investment in capacity-development of participants and the groups they represent (including achieving a 30% gender quota agreed to at the First UPC) as well as international technical and financial assistance to establish effective supporting institutions, provide logistics and explore appropriate solutions to outstanding issues.

Major political dialogue issues include further devolution of power and the transformation of the country into a federal union of semi-autonomous states; revenue-sharing between the central government and ethnic states where much of the country's immense natural resources are located; collective ethnic rights relating to language, education and culture; security sector reform; and transitional arrangements for the delivery of security, justice, health, education and other public services in areas currently controlled by EAOs.

Rakhine State

The situation in Rakhine State poses one of the greatest challenges to Myanmar/Burma's democratic transition. Intercommunal violence, which broke out between Buddhist Rakhine and Muslim Rohingya communities in 2012 left some 240 people dead and 140,000 people displaced and living in IDP camps. Violence targeting other Muslim citizens spread to other parts of the country in 2013 and tensions further increased in 2014 after the alleged killing of 48 Rohingya by security forces. Serious concerns remain about the rise of hate speech, often instigated and led by radical nationalist Buddhists.

Full citizenship for the stateless Rohingya remains highly controversial. This population is called 'Bengali' by the Government to stress their alleged foreign origin and is not included among the country's 135 distinct ethnic groups officially recognised. The 2014 census, the first exercise in 31 years, did not allow the Rohingya to self-identify. Many Rohingya carry no form of national identification and face continued erosion of citizenship rights. There have been increased consultations and information being provided to the stateless Muslim population in Rakhine State and the international community on the citizenship verification process including the issuance of Identity Cards for National Verification (ICNV, or NVC). These consultations aim at informing communities of the requirements to obtain the ICNV and the related benefits. Despite this progress, the grievances of the Muslim community regarding the citizenship verification and the terminology (use of the term Bengali) have not been addressed

The plight of the Rohingya population has been the focus of renewed international attention. Following attacks on Border Guard Police (BGP) posts in Maungdaw and Rathedaung townships in Northern Rakhine State in October 2016, tensions have been high with ensuing

skirmishes in the region. State security operations in several townships with large Rohingya populations have reportedly been accompanied by widespread arbitrary arrest, destruction of property and sexual violence. Some 75,000 Rohingya fled violence to Bangladesh and further 20,000 people were displaced in northern Rakhine State. Some 1,000 people have reportedly been killed during security clearance operations. Following the initial attacks, humanitarian access was suspended and it has only gradually resumed following intensive international advocacy, including by the EU. Many of those who were internally displaced have now returned to their villages of origin, but they have not been permitted to rebuild their houses on their original plots.

A number of committees have been established to address conditions in Rakhine State. In May 2016, the Government established a 'Rakhine State Peace, Stability and Development Committee' chaired by DASSK with a mandate to work on issues related to security and citizenship. In August 2016, an 'Advisory Commission on Rakhine State', chaired by former UN Secretary-General Kofi Annan and composed of six national and three international experts was set up. The Advisory Committee released its interim report and recommendations in March 2017⁶, endorsed by Government, and aims to release its final report and recommendations in August or September 2017.

In December 2016, the Government announced the establishment of a Union-level Commission of Inquiry into alleged human rights violations and abuses by the military and security forces, chaired by Vice President U Myint Swe. The first report of the Commission of Inquiry stated that there was no evidence to verify reports of human rights abuses. Continued lack of access has prevented any independent verification but satellite imagery analysis, alongside eyewitness interviews collected by international rights groups, suggest systematic state-instigated destruction of property in villages.

The Office of the High Commissioner for Human Rights (OHCHR) released a report in February 2017⁷ detailing allegations of unprecedented serious human rights abuses committed by Myanmar security forces against Rohingya communities in Rakhine State, including rapes, killings, beatings and disappearances. The Government has publicly accepted the seriousness of the allegations. Both military and police have announced their own internal investigations into the allegations. The EU-tabled UN Human Rights Council of March 2017⁸ decided to dispatch an independent and impartial international fact-finding mission to establish the facts and circumstances of alleged grave human rights violations by military and security forces in particular in Rakhine State.

Sector context: development in the ethnic areas

The security-development nexus acknowledges that peace cannot hold without development and vice versa. This action seeks to deliver basic services and implement trust-building and peace-building activities in ethnic areas, provided that meaningful consultations with local communities and other relevant key stakeholders are held in advance to ensure 'no harm' to the peace process.

Despite the bilateral ceasefire agreements and the NCA, conflict remains an everyday feature of many peoples' lives, and estimates suggest that as of December 2016 there are 644,000 IDPs due to armed conflict and intercommunal violence in the ethnic states, as well as 479,706 refugees in neighbouring countries, many of whom remain to be resettled, integrated or voluntarily returned to Myanmar. The need for broader development is also pressing, not

⁶ <http://www.rakhinecommission.org/app/uploads/2017/03/Advisory-Commission-Interim-Report.pdf>

⁷ <http://www.ohchr.org/Documents/Countries/MM/FlashReport3Feb2017.pdf>

⁸ <https://documents-dds-ny.un.org/doc/UNDOC/LTD/G17/073/88/PDF/G1707388.pdf?OpenElement>

least to address long-held grievances regarding inequality between central Myanmar and more remote areas mainly inhabited by ethnic nationalities.

The situation in the south-east (Kayah, Kayin, Mon and Tanintharyi) is quite stable. This is the region from where the majority of the Myanmar/Burma refugees in Thailand originate. Currently, an increasing number of international and national NGOs are implementing community-level activities and livelihood and rehabilitation support in the areas of return. As a signal of positive socio-political and security developments within Myanmar/Burma spontaneous returns began in October 2016, although numbers are still very low.

As of December 2016, an estimated 98,000 people remained displaced in Kachin and northern Shan States, with many of the displaced residing in areas outside of Government control with limited humanitarian access. During 2016 the UN reported a significant deterioration in access of international humanitarian organizations to IDPs and other vulnerable conflict-affected people, particularly in areas beyond Government control. The situation has become protracted and remains tense and volatile and continuing conflict has triggered further displacement in other areas of Kachin State.

The proximity of armed personnel to civilians also creates serious continued protection concerns. These include lack of access to humanitarian services, gender-based violence, forced recruitment including of children, forced labour, lack of documentation, land occupation, human trafficking, and risks associated with landmines. A mix of initiatives on emergency and development in these ethnic regions are needed across all sectors in areas both within and beyond Government control.

There is currently no formal Government, EAOs or donor strategy for peace, recovery and development in ethnic areas. In January 2013, the previous government requested support for undertaking a Joint Peacebuilding Needs Assessment (JPNA) in conflict-affected areas. The core objective was to build a shared understanding among stakeholders (Government, EAOs, communities and donors) of the needs and priorities of communities emerging from armed conflict and provide small grants to these areas. In the absence of a NCA, the JPNA was not able to move forward. In November 2015, the Joint Peace Fund (JPF) was established as a multi-donor platform to provide coordinated support to the peace process. During this period, the JPF has funded multiple activities such as the UPC-21CPC, technical assistance to the Joint Ceasefire Monitoring Mechanism (JMC⁹) and launched a Call for Concept Notes that has appraised a significant amount of proposals whose operational activities have started recently or will start soon.

1.1.1 Public Policy Assessment and EU Policy Framework

The Council conclusions on EU strategy with Myanmar/Burma, adopted in June 2016¹⁰, sets out the framework for EU policy and support to the ongoing reforms in Myanmar/Burma. The EU has pledged to support the peace process on all sides and has established a regular political dialogue involving all concerned stakeholders to a) achieve sustainable peace in Myanmar/Burma by addressing longstanding differences in an inclusive way; b) to consolidate democratic achievements, including gender equality; c) to strengthen human rights and the rule of law; and d) to adhere to international agreements.

⁹ The UN has set-up a Myanmar-based UN platform to serve as a conduit for international assistance to the JMC and provide coordinated financial, institutional and technical capacity building in support of the JMC's mandate and functions vis-à-vis the NCA. This local project structure is currently managed by UNDP Myanmar.

¹⁰ <http://data.consilium.europa.eu/doc/document/ST-10482-2016-INIT/en/pdf>

1.1.2 Stakeholder analysis

The main parties to ceasefire negotiations and implementation are the Government, the Tatmadaw and the EAOs. The national political dialogue includes a wider range of stakeholders, including political parties and some civil society organisations. Signatory and non-signatory EAOs currently have differentiated roles and participation requirements in the peace process, conferred by their NCA-signatory status. The main beneficiaries include the population as a whole, but with particular attention to the specific needs and interests of vulnerable groups, such as ethnic communities and women.

- In the beginning of its term, NLD's strategy on the peace process has been marked by a relative lack of clarity. DASSK has taken overall responsibility for the peace process. The new NRPC lacks a formal structure and know-how for conducting credible negotiations with all EAOs. In late-2016, the Government gave clear signals that it wanted to play a strong role in establishing nationally owned priorities for the peace process. To this end the Government established a Joint Coordination Body (JCB) in late 2016 for peace process funding, to which EAOs have been invited with the objective of ensuring efficiency, fairness and transparency with regard to peace process funding. Functioning of the JCB is quite weak. While a 'JCB ToR' exists and has been shared with all relevant stakeholders and members of the international community, this is not yet a complete ToR and many elements of the JCB mandate, structure and process remain to be refined and jointly agreed by the parties. This will necessarily take time. Until now, this body has replaced the High Level Committee (HLC) that was foreseen under the JPF.
- The Tatmadaw is a key actor in the peace process. They continue to hold 25% of Parliamentary seats, three critical Government ministries and several key powers under the 2008 Constitution. Myanmar's military is not under civilian control. Local commanders have been closely involved in the negotiation of bilateral ceasefires in their areas, and senior generals were part of the negotiations of the NCA. Traditionally, the Tatmadaw has perceived itself as the sole guarantor of national unity and sovereignty, and has historically been adamantly opposed to any discussion on federalism, which it perceives as a threat to Myanmar/Burma's territorial integrity. The Commander-in-Chief signed the NCA in October 2015. It nevertheless remains unclear exactly what degree of authority, if any, the Government has over the Tatmadaw.
- There are 16 major EAOs (excluding a significant number of small splinter groups), 8 of which signed the NCA. The EAOs' goals vary greatly, as does their strength and local support. During the two years of NCA negotiations, important progress was made in shaping a common negotiating position, working through groups such as the United Nationalities Federal Council (UNFC) and the Nationwide Ceasefire Coordination Team (NCCT). However, the previous mobilization by 16+ EAOs to negotiate as a block has been compromised by division over strategy, and thereby fostering an environment of reduced trust between groups, and creating different levels of participation requirements and eligibility. Signatory and non-signatory EAOs have different status. NCA signatory groups now participate as part of the Coordination Team (CT) and many non-signatory groups are part of the Delegation for Political Negotiation (DPN), which is closely linked to the UNFC. Meanwhile, some non-signatory EAOs have engaged in separate bilateral peace negotiations with the Government and in April 2017, the Federal Political Negotiation and Consultative Committee (FPNCC) was formed following a Wa-convened ethnic summit in Pangkham, Wa State in February 2017. The FPNCC represents seven EAOs and is led by the United Wa State Army (UWSA). This has been a challenging dynamic that continues to be navigated through relations between individual EAO leaders. An important parallel issue is the war economies that currently sustain many EAOs, like

the powerful UWSA, considered as the largest and wealthiest player in Myanmar narcotics trade. EAOs are united in their demands for greater local autonomy under a genuine federal system.

- Political parties have so far had limited formal involvement in the peace process. They were largely absent from the negotiations. The first two UPC in January and August 2016 both had political party delegations present, although both events were largely symbolic and did not result in decisions. Some of the ethnic political parties have close links to EAOs, however ethnic political party victory during the November 2015 elections were relatively small. On top of that, the political party composition of the Union Peace Dialogue Joint Committee (UPDJC) was amended in May 2016, giving greater emphasis to parties which won parliamentary seats in November 2015. However, they do not necessarily represent NCA-signatory EAOs.
- Like the ethnic political parties, many ethnic civil society organisations are working with EAOs, particularly in support of social service delivery and other support for local communities. Meanwhile they often challenge the top-down, authoritarian structures of EAOs and, in this respect, play a critical role in local democratisation processes. This is particularly the case for a number of well-established and effective ethnic women's organisations, such as those included in the Alliance for Gender Inclusion in the Peace Process (AGIPP).
- Local ethnic communities have suffered immensely from the armed conflicts and are a major driver of the push for peace. In some areas, EAOs enjoy significant popular legitimacy; yet in others local communities generally resent all armed groups.

1.1.3 Priority areas for support/problem analysis

The NLD Government has pronounced peace a priority. However, despite the NCA and other bilateral agreements, a high degree of ethnic-religious tension persists. Implementation of the NCA has resulted in the establishment of the JMC to which international financial and technical assistance has already been requested. Support to the JMC is currently being delivered through the UN platform indicated above. Peace process parties, including EAOs, political parties and civil society also require financial and technical support for the ongoing and increasing participation in the process, including the national political dialogue at the national and subnational level (mainly through the UPDJC) which will require significant support at least over the next five years.

Most of the ethnic minority areas are extremely poor and economically underdeveloped whilst having an abundance of high value natural resources such as teak, gemstones and gas. In many ethnic areas 'war economies' have developed in the last decades making settlement of conflicts even more challenging. Drug cartels, which often have alliances with the EAOs, the Tatmadaw and/or the Government, exploit the lack of stable state structures. Interventions in conflict affected areas are very complex, as the contested spaces remain politically contentious. Due to the difficulty of ascertaining who has 'rightful' authority over these contested spaces, any approach should take great care to respect the welfare of the conflict-affected communities.

Furthermore, should ethnic groups seek to play a key role in the institutional architecture of the country, their transition to legal political entities is vital. A first step towards this is secured in the NCA which exempts all signatories from the Unlawful Associations Act. Strengthening EAOs administrative capacities remains necessary, and a comprehensive review of the security sector of both Government and the EAOs is required if a political settlement is to be reached.

The national peace architecture has limited participation of women in the various committees foreseen in the NCA. This action specifically targets women's rights in the peace process in Myanmar, carefully taking into consideration their priorities. Some of these will be tackled by the project, such as the inclusion of gender equality and women’s rights; prohibition of sexual violence and an end to impunity for perpetration by parties to the conflict; treatment of sexual violence committed after the ceasefire agreement as a breach; attention to gender issues in IDP camps and in reintegration; women’s equal representation with men on conflict monitoring, early warning, and early response mechanisms; and equal representation with men on mechanisms to develop the framework for political dialogue and in the dialogue.

In addition, intercommunal tensions remain high and interfaith dialogue faces many challenges. This is most serious in Rakhine State. The denial of any wrongdoing by the military and security forces and the government's resistance to independent international verification of alleged human rights abuses is particularly worrying. Meanwhile many vulnerable communities in northern Rakhine State have limited access to humanitarian supplies or development aid. One of the key drivers of conflict is Buddhist nationalist discourse. A transformation of this discourse has to come from within. This can be supported through carefully constructed dialogue within the Buddhist community where fears and concerns can be frankly discussed and new, constructive ways for addressing them found. There is awareness that interfaith work has been too focused on the elite level. If joint statements and actions by religious leaders are to have any impact they need to be disseminated and followed-up at grassroots and community level. This is starting to happen and needs to be driven by local actors. Such work is delicate and not without risk. It can only be done by insiders with enough credibility and trust to convene and facilitate such conversations.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Escalating fighting or other political shifts, results in complete rejection of the NCA text by ethnic group leaders (particularly non-signatory EAOs) and negotiations for a comprehensive peace settlement must be revised or even restarted.	M	In the case of failure of the NCA, it is anticipated that another inclusive process would be envisioned by the Government and/or that the current bilateral ceasefires will remain in place and should be 'revitalised' and promoted.
Further division between EAOs: The advantages associated with signing the NCA in terms of donor support, training, etc., but also the possibility of going forward with the political dialogue process, may further increase the divide between signatory and non-signatory groups. There is also a risk that this may create pressure for non-signatory groups to sign, and prematurely soften their stance on all-inclusiveness of the agreement.	H	Under this scenario, a dual approach of strengthening existing bilateral ceasefires and their accompanying monitoring mechanisms for non-NCA signatories, while promoting a fully inclusive national political dialogue process would be necessary. Mediation measures could be also explored.
A federal system is rejected by the Government, the Parliament and the Tatmadaw.	M	A commitment to the federal concept is part of the NCA. Nevertheless the form, and extent, of any federal system is likely to be highly contentious and will require Constitutional change (an area where the

		Tatmadaw holds veto power).
The peace process fails and has serious repercussions on the Government, particularly on the decentralisation process.	M	Momentum in the peace process will be maintained through mediation measures and conflict mitigation measures. A wide range of stakeholders will need to be involved in case this is required.
The Government's approach to peace is dominated by fostering the expansion of economic development and service delivery to areas that are not under their control.	H	Aid and donor support should not get ahead of the political process. International projects will include the widest possible consultations with all relevant stakeholders.
The Government exerts too much pressure and disproportionate micro-management through the JCB so that the funds for the peace process and conflict affected areas do not fulfil the original mission for which they were conceived. This dynamic leads to a lack of trust between the conflict parties, including for the international assistance to the peace process.	M	Discreet (or even direct) assistance to critical actors who can eventually play a positive and constructive role in the peace process could be set into motion in order to mitigate potential tensions among JCB members. This can be done only and as long as this does not endanger relationships between all parties in conflict.
Weak, conflictual or ineffective dynamics between the Government and the Tatmadaw could have a major impact on the entire peace and reconciliation process.	M	These two players, who have previously regarded each other as archenemies, are still establishing working methods. Clear separation is emerging between the ceasefire monitoring aspects of NCA implementation (in which the Tatmadaw is heavily involved) and the national political dialogue (where the NLD is leading). With the international and local support these two actors will continue working on their relationship.
Lack of commitment to gender inclusion and gender-sensitive outcomes further marginalizes women in Myanmar, and leads to agreements that do not factor in the needs and realities of half the population.	H	Given that leadership in Government, EAOs and Myanmar society in general is dominated by men, few women have been elevated to decision-making positions. Possible mitigating measures include, alongside the JPF commitment to 15% of all its funding being directed towards actions and activities focussed on gender, systematically setting gender inclusion targets across all EU peace funding. International diplomacy may be able to play a role in helping to further advocate with key stakeholders.
Weak capacity of local groups, including the Government, EAOs, political parties and CSOs results in major constraints for the implementation of the peace process.	M	Careful attention should be paid when selecting implementing partners, as well as flexibility in funding modalities. It requires accompanying implementing partner with capacity development.
Continued or renewed armed conflict and/or intercommunal violence in some areas could make it impossible to deliver the kind of peace-support envisioned by this action.	M	Renewed efforts may be required to deliver traditional humanitarian assistance to the affected areas, as well as to any new IDPs or refugees. These actions should be conducted in close consultation with ECHO.

International actors continue to be perceived as being biased towards Muslim communities in Rakhine State. Consequently, international interventions that are considered as marginalising Buddhist communities or as favouring Muslim communities carry with them the risk of strengthening rather than banishing ideological justifications for conflict.	H	The Government should be held accountable for respecting international human rights principles it has committed to and meet its responsibilities to the Rohingya population. The EU and other international actors can also demonstrate the impartiality of development assistance to all communities regardless of their ethnicity. Conflict sensitivity measures will be applied at all stages of project implementation.
International actors inadvertently fuel tensions and possibly cause violent conflict to erupt/escalate through (the perception of) their actions and the way they are implemented and communicated (by themselves or implementers funded by them).	M	The EU itself is fully committed to good practice on conflict sensitivity to avoid the risk of doing harm. It will promote this principle in donor coordination. Conflict sensitivity measures will be applied at all stages of project implementation through analysis conducted by the EU or the JPF, as well as being integrated into the activities of all bilaterally funded EU projects.
Assumptions		
<ul style="list-style-type: none"> • The on-going process of economic and political transition continues. • Progress in the national peace process will continue, culminating in an agreement that will allow the relevant structures and processes for sustaining peace to be put into place. • The Government will continue to cooperate constructively with development partners allowing the reforms to progress effectively and efficiently with international funding to support a peaceful transition. • Both Government and development partners continue to apply the principles of the Nay Pyi Taw Accord for Effective Development Cooperation. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

- **Be realistic about what international aid can accomplish.** External actors can support but should not lead transitions to peace and intercommunal reconciliation, as these processes must be locally owned. This global lesson is all the more relevant in Myanmar/Burma since the Government rejects international mediation or peacekeeping.
- **Ensure adequate (and up to date) understanding of the (conflict) context through adequate conflict analysis and continued monitoring of developments.** Without a sound understanding of specific dynamics in each of the conflict areas, experience elsewhere points at the risk of doing harm or of failing to support opportunities for peace in the right way or at the right time.
- **Recognise the critical role of gender in addressing fragility.** Better analysis of women's engagement in the peace process as well as documentation of the impact of conflict on women can help to address the attention required for various gender issues.
- **Do not let development assistance get ahead of the political process.** For local actors, negotiating peace is an extremely sensitive endeavour, which involves engaging with former enemies to identify a workable compromise, often without wholehearted or united support from their own groups. It is critically important that international support does not undermine those committed to finding common ground by engaging in activities that are perceived as threatening by others less inclined to negotiate. The peace process is still at

an uncertain stage, characterised by a lack of confidence on the part of many ethnic communities that existing ceasefires are sustainable and genuine peace possible. International actors must be careful not to engage in state-building or development activities in ethnic areas unless or until there is broad local support for such activities.

- **Work for transformative outcomes.** Peace-building is fundamentally a political project. The primary aim must be to build the confidence of key actors (including all vulnerable groups such as women) in the transition to peace and transform institutions that are directly related to conflict. Such transformational outcomes require aid strategies that are different from the vast majority of development assistance models. The process is often as important as the output, and there is a primary need to work flexibly with all significant stakeholders across conflict lines to counter negative mind-sets and established patterns of behaviour in order to forge new common ground.
- **Diplomatic/political engagement is necessary to complement/reinforce development assistance.** The EU will need to act not just in the role of donor, but also in the role of a political partner of Myanmar in its peace process, and accompany work by implementers with political engagement that goes beyond monitoring and donor dialogue.
- **Do not assume that development is conducive to peace.** The relationship between peace and development in subnational conflicts is highly complex. Development cooperation can support peace by building bridges between former hostile or estranged groups by explicitly targeting communities that are marginalised and suffering discrimination. But it can equally as easily exacerbate tensions. In Myanmar/Burma, consultations show that many local ethnic communities prioritise security over development and are deeply suspicious of development delivered by the Government, which in the past has often had strongly negative effects on the welfare of local communities.
- **Consult.** Consultations with all stakeholders affected by international interventions are necessary, not only to identify local needs and appropriate methodologies, but also to ensure that projects enjoy broad legitimacy in situations of deeply contested authority and local communities have a sense of ownership. To achieve this, consultations must be meaningful and properly resourced, addressing where, how, if and what kind of interventions are needed.
- **Recognize an intractable situation.** There are no easy or quick fixes to the situation in Rakhine State and other protracted situations. Changing the politics and governance will be difficult and will take a long time. The role of humanitarian assistance and development agencies is to support vulnerable communities during this process, not to create the necessary changes themselves. Most critical at the present moment is the provision of health care and education, creating and/or strengthening livelihood opportunities, and building resilience for vulnerable populations through disaster risk reduction and promotion of intercommunal reconciliation.
- **Grievances must be better understood and acknowledged.** Rakhine communities have many of the same concerns and aspirations as other ethnic communities, and a similar legacy of discrimination and oppression. This can be overlooked in the debate over the status of the Muslim population and highlights the need to foster inclusive and sustainable peace dividends. This need to understand grievances and issues on all sides applies to other areas as well.
- **Be flexible.** Like all transitions, peace processes are inherently uncertain and tend to move in fits and starts according to no particular timetable. Donors and implementing agencies alike must ensure that projects can be easily adapted to changing political circumstances. They must be able to respond quickly at key political moments to fill spaces while other

structures are negotiated, and to revise objectives and methodologies as the peace process evolves. Programming to address a peace process, and the budgets that support it, will need to remain flexible enough to adapt or abandon initiatives if they are not working, and/or to be scaled up when showing signs of success.

- **Do not put all your eggs in one basket.** In line with OECD best practice in Transition Financing, various possible tools and aid modalities will have to co-exist until all relevant donors and others stakeholders take a decision. The JPF cannot respond to all challenges faced by the peace process and the intercommunal violence. Under very justified reasons bilateral projects can sometimes be more efficient than collective efforts.

3.2 Complementarity, synergy and donor coordination

International support for the peace process to date has mainly taken two forms: 1) support for negotiations between the Governments and EAOs; and 2) humanitarian and development assistance in ceasefire and, to a lesser extent, conflict-affected areas. This support includes assistance to both IDPs and hosting communities. The EU is a major provider of peace and conflict resolution support in Myanmar/Burma with a package of ongoing projects over EUR 85 million. In this context, the EU provided substantial financial support and expertise to the MPC in the past, and more recently to the reformed NRPC. In parallel the EU has supported the EAO political leadership in their peace process participation and ongoing negotiations with the Government.

This action will build on and complement previous peacebuilding actions under AAP 2013, 2014, 2015 and EU support for socio-economic recovery and development in ethnic areas under Aid to Uprooted People and Non State Actors, as well as on-going support through multi-donor trust funds for health, education and livelihoods.

The main goal of the **Joint Peace Fund** – which is the main ongoing mechanism for comprehensive support to the peace process – is to provide long-term support to national efforts in order to achieve a final and sustainable settlement to ethnic armed conflict. With more than USD 100 million pledged by ten donors and USD 93.9 million committed so far, the JPF is supporting the participation of the national parties to the NCA, working through the agreements, structures and processes determined by them. The JPF is coordinating and channelling international support to the country's peace process based on mutually agreed priorities and within nationally led processes and structures, including the UN platform for the JMC. It seeks to facilitate support where there is demonstrated value added, strengthen institutions and the capacity of national stakeholders as part of an inclusive process and coordinate activities with other national and international programmes and funds. The JPF is highly adaptable and flexible, serving as a platform for action and coordination rather than a rigid programme.

Another important contribution to the peace process is the **Peace Support Fund** (funded by the United Kingdom, Sweden and Australia). The goal of this fund is to increase the likelihood of sustainable peace by supporting demand-driven, small-scale, tailored initiatives that increase trust, confidence, engagement and participation in the peace process and which reduce intercommunal tensions. Other prominent donors supporting peace are Norway, Japan, United States, Australia and Switzerland.

A **new national peace fund** was established by the Government in December 2016 which, in principle, will be administered by the NRPC. Contributions were made by national companies and some private donors. It is unclear how these financial resources will be allocated by the Government. The role of the JCB for the management of this fund is also very uncertain.

There are two main groups seeking to coordinate international support for the peace process in Myanmar/Burma:

- The **Peace Support Group (PSG)** was initiated in 2012 at the request of the previous government to provide a common platform for dialogue between the Government and the donor community, and to better coordinate international support for the peace process. The PSG includes development partners active in supporting peace in Myanmar/Burma, as well as the UN and the World Bank. Most of the PSG Members are active contributors to the JPF. The EU is a very active member of this group. Nonetheless under the administration the role of the PSG has decreased;
- The **International Peace Support Group (IPSG)** is an informal coordination network of over 20 international NGOs (many of them funded by the EU), most of which provide expert analysis and/or capacity development in support of the peace process. It meets monthly, followed by a briefing to interested donors.

All EU interventions are also closely coordinated with ECHO¹¹ and other relevant humanitarian actors (UK, US, AU, CH) in order to address the existing protracted displacement and to gradually end dependence on humanitarian assistance by fostering self-reliance and enabling the displaced to live in dignity as contributors to their host societies, until voluntary return or resettlement options become possible.

The Government has taken some measures towards the implementation of a number of recommendations established in the Rakhine Advisory Commission (i.e. closure of some IDP camps and humanitarian access) but there is no clear government plan to follow up on the implementation.

3.3 Cross-cutting issues

As in many peace processes gender equality is one of the most prominent cross-cutting issues. A strong effort will be made both to encourage and support increased participation of women in peace negotiations and in decision-making bodies, and to ensure that gender issues, including violence against women, are properly addressed and in line with UN Security Council Resolution 1325 and subsequent resolutions on Women, Peace and Security. One practical way of doing this is to require implementing partners to demonstrate their proven track-record on incorporating gender aspects in peace support programmes. Additionally, the JPF made a commitment to invest 15% of all funding towards actions and activities focused on gender. The EU will also set gender inclusion targets across all peace funding. This action will be consistent with the National Strategic Plan for the Advancement of Women (NSPAW) 2013-2022, as well as the EU Gender Action Plan (GAP) 2016-2020.

Few of the anticipated activities are likely to have significant environmental consequences, but this will be assessed on a case-by-case basis. Still, development as aimed for by this programme includes economic development which will raise challenges in relation to environmental consequences as well as the management of and control over natural resources. Concerns of indigenous peoples and ethnic populations are considered through inclusive participatory planning. Ethnic communities will have the opportunity to design and develop proposals for interventions addressing their specific concerns.

Governance and human rights are overarching concerns while addressing ethnic grievances. The action will consider the status of the target groups as well as the concerns of the different ethnicities in the areas of intervention. Control over abundant natural resources and weak governance are among the root causes of the conflict.

¹¹ Joint analysis, situational updates, assessments and interventions with ECHO (searching for LRRD connections) are being explored in most conflict-affected areas of the country.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective of the action is to contribute to lasting peace, security, stability and sustainable development in Myanmar/Burma.

The specific objectives are:

1. Successive milestones of the peace process are reached ensuring the National Ceasefire Agreement is conducive for an inclusive national political dialogue process and a transition to sustainable peace in the country.
2. Improved socio-economic recovery in conflict-affected areas and areas affected by intercommunal violence.

Expected results:

Result 1.1: the Nationwide Ceasefire Agreement (NCA) is concluded, honoured and effectively monitored by the Joint Ceasefire Monitoring Coordination Mechanism (JMC), leading to increased confidence between the Government, the Tatmadaw and EAOs, and increased security for local communities.

Result 1.2: An inclusive national political dialogue reached a broad consensus on the key principles and elements of a comprehensive peace accord establishing a democratic federal union, thus creating the political basis for sustainable peace and a new political settlement.

Result 2.1: Prompt, effective and efficient delivery of assistance for recovery and development in conflict-affected areas or areas affected by intercommunal tensions and violence, using appropriate peace-building methodologies.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 16, but also promotes progress towards Goal 1. This does not imply a commitment by the country benefiting from this programme.

4.2 Main activities¹²

Indicative activities for Result 1.1: (i) support for establishing new institutions or strengthening existing institutions required to monitor and sustain the ceasefires (JMC); (ii) support for the activities of these institutions, including training of staff, monitoring, liaising, conflict analysis and dispute resolution; (iii) provision of expert advice on the organisation and conduct of ceasefire monitoring; (iv) provision of international monitors/observers (as requested by relevant authorities); (v) conflict analysis (e.g. research on causes of conflict, but also stakeholders, dynamics, scenarios at national level but also the different conflicts in the different conflict areas); (vi) collation and communication of relevant information to the public; (vii) provision of mine action activities; (viii) additional ad-hoc activities to facilitate confidence building.

Indicative activities for Result 1.2: (i) support, including technical, for new or existing institutions required to guide, manage and support the national political dialogue (UPDJC); (ii) support for activities of these institutions, including training of staff, meetings, research and consultations with constituencies; (iii) training in gender sensitive approach, gender responsive budgeting and gender mainstreaming; (iv) training and broader capacity development of participants in the dialogue; (v) provision of expert advice on the organisation

¹² All activities mentioned below are indicative and will be eligible for Overseas Development Assistance (ODA) reporting.

of national dialogue processes and solutions to substantive issues; (vi) provision of international observers; (vii) research supporting identification of solutions to substantive issues; (viii) facilitation of broader confidence-building between the Government, the Tatmadaw, EAOs, political parties and civil society groups; (ix) collation and communication of relevant information to the public; (x) support for inclusion and empowerment of women in the dialogue process.

Indicative activities for Result 2.1: (i) support for the establishment of new structures to manage needs assessments; (ii) support for pre-assessment consultations with local stakeholders (EAOs and ethnic communities), data collection (including sex desegregated and gender sensitive), analysis and validation, and the formulation of recovery strategies; (iii) training of data collectors; (iv) establishment of a funding mechanism to facilitate rapid implementation of priority projects identified by needs assessments, including in conflict-affected areas in the ethnic States; (v) projects in Rakhine State promoting intercommunal dialogue and interfaith cooperation; (vi) funding of priority projects, including assistance on resilience to the most vulnerable populations, support for transitional governance arrangements in former conflict-affected areas, return of refugees and IDPs, reconciliation, protection from sexual and gender-based violence, empowerment of women, and oversight of development projects to ensure that negative social or environmental impacts are minimal.

4.3 Intervention logic

External support can play an important role in the peace process by providing technical knowledge and financial resources, in combination with diplomatic/political outreach to support a peace agreement that is durable. The ultimate goal of this action is to support national efforts to achieve a final and sustainable settlement to ethnic armed conflict, including intercommunal violence. The activities and results in section 4.1 reflect the vision and roadmap agreed by all relevant stakeholders, having a direct relationship with the NCA, and the participation of the national parties to the agreement. By implementing the range of activities illustrated under results 1 and 2, the action should be able to provide the main expected outcomes. It is implicitly assumed that the Government and the signatories will continue with the implementation of the NCA, increasing the confidence on all sides in order to move forward with an inclusive National Political Dialogue. It is further assumed that some non-signatories could possibly join the NCA at some stage. These two processes will expand the understanding and space for delivering aid into ethnic areas. Importantly though, neither the rationale for this action nor the relevance of the broad kinds of support proposed are dependent on the peace process unfolding in this precise way. In case the NCA is not signed by the non-signatories, the existing bilateral ceasefires should be respected and reinforced. This would delay and complicate but not necessarily inhibit the continuation of the National Political Dialogue, which in turn may be carried out in any number of different frameworks and with different constellations of actors participating. Similarly, aid to former conflict-affected areas and to IDPs and hosting communities can be delivered through specific needs assessments, with information sharing and local ownership.

Considering the complexities and uncertainties, no single aid instrument can cover all the areas and priorities of the peace process. A mix of implementation modalities (call for proposals and indirect management with an international organisation) will allow coherent and effective aid to the emerging needs of the peace process, plus rapid and flexible delivery. The ultimate aim should be to support the peace process and a transition towards the use of the country's own systems for aid delivery in the future. The proposed mix is based on the successful implementation of similar actions in the past and on the need to provide both rapid and sustainable delivery, with particular focus on specific grants and pooled funds that will allow addressing the main needs described above. Additionally, this will enable rapid release of assistance to the peace process while promoting coherence and coordination with other

funding flows and mechanisms, such as the existing multi-donor trust funds on health, education and livelihoods.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Budget Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Grants: call for proposals 'Support to the conflict affected territories and the Peace Process in Myanmar/Burma' (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The objectives and expected results of the grants will be peace, reconciliation, reintegration, rehabilitation and sustainable development of Myanmar/Burma, as described in sections 4.1 and 4.2.

(b) Eligibility conditions

In order to be eligible for a grant, the applicant must:

- be a legal person,
- be a specific type of organisation such as: non-governmental organisation, public sector operator, local authority, international (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation;
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.
- be established in¹³ a Member State of the European Union or in an eligible country for funding under the DCI Regulation, as stipulated in Article 9 of the Common Implementing Regulation (CIR). This obligation does not apply to international organisations.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is ranging from EUR 600 000 to EUR 8 000 000 and the grants

¹³ To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 48 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 95% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

First trimester of the year 2018.

5.3.2 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the United Nations Office for Project Services (UNOPS) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the whole contract management cycle of the multi-donor trust fund called Joint Peace Fund (JPF) that the EU and other donors (Australia, Canada, Denmark, Finland, Italy, Japan, Norway, Switzerland, United Kingdom, United States) are already funding for the implementation of the peace process described above. Japan will join the JPF soon. Indirect Management with UNOPS is the best option to ensure a fully integrated and coherent implementation of the action.

This implementation is justified because UNOPS has an established presence and extensive experience in the management of multi-donor trust funds co-financed by the EU and other donors in Myanmar/Burma. UNOPS is in charge of the implementation of the JPF since 2015 and it brings important advantages: it permits joint ownership among the Government, the EAOs, donors and other relevant stakeholders through an inclusive high level committee or via the JCB; it facilitates stronger coordination (including joint analysis, planning and distribution of funds) among donors, which is very much needed; it helps secure timeliness, flexibility and certainty of financial support for priority projects; it allows the pooling of financial and human resources, thus strengthening the capacity to meet the high demands for proper planning, oversight and evaluations of projects supporting a highly complex, fluid and sensitive peace process; and it reduces the already very high transaction costs for donors and the different Government ministries and agencies. UNOPS provides services to peace support initiatives in Myanmar and globally, and UNOPS funds already various initiatives inside of contested areas. Finally, the JPF avoids an excessive proliferation of instruments in the same sector.

The entrusted entity would carry out the following budget-implementation tasks: procurement and grant award procedures, signing and executing the resulting procurement contracts and grant contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly paid.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provision.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.5 Indicative budget

Implementation modality	EU contribution (amount in EUR)	Indicative third party contribution, (in EUR)
5.3.1 – Call for proposals "Support to the conflict affected territories and the peace process in Myanmar/Burma" (direct management)	16 950 000	894 737
5.3.2 – Indirect management with UNOPS	7 950 000	81 383 889
5.8 - Evaluation, 5.9 - Audit	will be covered by another decision	N.A.
5.10 – Communication and visibility	100 000	N.A.
Total	25 000 000	82 278 626

5.6 Organisational set-up and responsibilities

For the JPF, it is foreseen that a High Level Committee (HLC) would be set up to provide strategic direction and review overall progress. This committee would have three co-chairs, each appointed from within the respective stakeholder constituencies: Government, EAOs and contributing donors. In the absence of a HLC, all of the roles and authorities of the Committee would be delegated to the Fund Board on an interim basis, until the joint governance structures are established. Additionally and as indicated in Section 1.1.2, the new JCB is temporarily fulfilling some of the functions originally foreseen under the HLC. Since it is unclear whether the HLC will be finally established, the JPF is for the time being operating in close consultations with the JCB and with all parties and stakeholders involved in the peace process in order to ensure proper coordination, transparency and efficiency.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the different implementing partner's responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of

its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, mid-term and final evaluations will be carried out for the various components via implementing partners.

Mid-term evaluations will be carried out for problem solving and learning purposes, in particular with respect to the chosen implementing modality and its efficiency and effectiveness in supporting the peace process in the right way.

Final evaluations will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the volatile peace process in Myanmar/Burma.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)¹⁴

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To contribute to lasting peace, security, stability and sustainable development in Myanmar/Burma	1. Status of National Peace Accord.* 2. State of security in local communities 3. Level of inter-faith and intercommunal relations, especially in Rakhine State. 4. Economic development / growth indicators in ethnic areas.	1.1 On-going negotiations with 11 EAOs non-signatories of the NCA, code of conduct and framework for political dialogue [EU RF Level 2 #5] 1.2 Ongoing negotiations for amending structure of governance but no agreement as yet (Deed of Commitment 12 th February 2015 committed Government and military to the federal concept). 2.1 Number of violent deaths per 100.000 – TBD 2.2 Armed clashes in year 2016: 287 – Myanmar Peace Monitor. 3.1 Changes in levels of interaction with members of another religion in 2016 – see Rakhine Needs Assessment II from the Centre for Diversity	1.1 At least 8 new signatories to the NCA by end of 2018. 1.2 Full implementation of the political dialogue process between 2017 and 2020. Amendments to the Constitution and other legal reforms based on final conclusions adopted by the UPDJC 2.1 75% reduction of number of violent deaths per 100.000 by end of year 2021 2.2 75% reduction of armed and intercommunal clashes by end of year 2021 3.1 Interactions with members of another religion in Rakhine State have increased by 25% by the end of 2021.	1. Reports by the Joint Implementation Coordination Meeting (JICM) 1.2. Reports by the UPDJC. Constitutional and legal reforms on various topics related to the political dialogue. 2.1 Reports by JMC, National Police and Myanmar Peace Monitor. 3 Reports by Myanmar Peace Monitor and the Centre for Diversity and National Harmony.	

¹⁴ Indicators aligned with the relevant programming document are marked with '*' and indicators aligned to the EU Results Framework with '**'

			and National Harmony. 4 Employment and Investment in the ethnic areas in 2016 / 17 – TBD.	4. Improved economic development/growth indicators across all states and regions year on year from 2017/21 – especially focusing on employment and investment rates.	4. 1 National registered employment and investments figures. 4.2 Reports by projects of specialised organisations such as the ADB, WB and the IEU.	
Specific objective(s): Outcome(s)	1. Successive milestones of the peace process are reached ensuring the National Ceasefire Agreement is conducive for a national political dialogue process and a transition to sustainable peace in the country. 2. Improved socio-economic recovery in conflict-affected areas and areas affected by the intercommunal violence	1.1 Status of peace process – Number and scope of bilateral ceasefire agreements and functional codes of conduct and monitoring mechanisms. * 1.2 Number of signatories to the NCA. 1.3 Number of IDPs and refugees.* 1.4 Level of reintegration of returnees into local communities. 2. Stability and economic development/growth indicators in conflict-affected areas.	1.1 14 out of 19 bilateral ceasefire agreements signed. Code of conduct under discussion. 1.2 8 out of 19 EAOs signed the NCA. 1.3 By Dec 2016 UNHCR estimated that there were 644,000 IDPs in Myanmar and 102,607 refugees in Thailand. 1.4 By Dec 2016, there are 2238 returnees from Thailand to their original places in the Southeast. As per Rakhine, Kachin and Shan, baselines need to be. 2. Economic development/growth indicators especially in conflict-affected areas - TBD.	1.1 Cooperation between Government, Tatmadaw and EAOs in implementation of peace agreements. 1.2 At least sixteen EAOs sign the NCA. 1.3 80% less IDPs by 2021. 1.4 Successful recognition of multiple cases of effective reintegration of returnees in their communities having durable solutions achieved. 2. Improved economic development/growth indicators year on year in conflict-affected areas.	1. Agreed and signed NCA, Code of Conducts and joint ceasefire monitoring mechanisms by EAOs. - Reports by recipient institutions on NCA implementation. - Reports by implementing partners. - UNHCR Country reports. - Thai Border Consortium reports. - Population movement profiles. - National Political Dialogue Secretariat reports (UPDJC). - Project surveys conducted by JPF and other EU-funded implementing agencies. - Independent project evaluations. 2. Specialised reports by the ADB, WB and other well	Peace will contribute positively to other development objectives, including democratisation, broad-based economic development and human security. De-escalation and cessation of armed hostilities will build the confidence needed on all sides to start negotiations of a national peace accord, dealing with the underlying causes of armed conflict, as well as to scale up efforts to promote recovery and development

					respected think tanks and institutions.	in former conflict-affected areas.
Outputs	<p>1.1 The Nationwide Ceasefire Agreement is concluded, honoured and effectively monitored by the Joint Ceasefire Monitoring Coordination Mechanism (JMC), leading to increased confidence between the Government, the Tatmadaw and EAOs, and increased security for local communities.</p>	<p>1.1.1 Status of the joint ceasefire monitoring mechanism (JMC).*</p> <p>1.1.2 Status of an appropriate dispute resolution mechanism that documents and reports armed clashes to the relevant authorities and stakeholders, in designated areas.*</p> <p>1.1.3 Level of effectiveness of Government/Tatmadaw-EAO liaison mechanisms.</p> <p>1.1.4 Number of armed clashes between Tatmadaw and EAOs.*</p> <p>1.1.5 Number of victims of armed clashes.* [EU RF Level 1 #7]**</p> <p>1.1.6 Number of children recruited by the Tatmadaw or any EAO.</p>	<p>1.1.1 JMC launched at the National level. 4 Regional JMC Committees established. Local JMC to be established (final numbers undefined yet).</p> <p>1.1.2 Standard Operating Procedures and Dispute Resolution Mechanisms approved by the JMC need TBD.</p> <p>1.1.3 EAOs have 30 Liaison Offices functioning. Final number needs TBD.</p> <p>1.1.4 36 armed clashes in October 2016, according to the last briefing provided by experts working at the JMC (Note: data source is considered weak). TBD</p> <p>1.1.5 40 people were killed and 70 wounded according to the last briefing provided by experts working at the JMC (Note: data source is considered weak). TBD.</p> <p>1.1.6 TBD in inception period with the Task Force in charge of CAAC.</p>	<p>1.1.1 All JMC at Regional and local level are established (final target to be determined by the JMC).</p> <p>1.1.2 Effective resolution of 90% of armed clashes via established mechanisms by 2018.</p> <p>1.1.3 Effective liaison offices and liaison mechanisms between the Government, Tatmadaw and EAOs in place by 2018.</p> <p>1.1.4 50% reduction in number of armed clashes by 2021.</p> <p>1.1.5 90% reduction in victims of armed clashes by 2020.</p> <p>1.1.6 No more children recruited by the Tatmadaw or any EAO after 2020.</p>	<p>1.1.1 NCA implementation reports and briefing by the JMC.</p> <p>1.1.2 Reports by JMC and civilian ceasefire monitoring organisations.</p> <p>1.1.3 Governments/EAOs reports, documents and press releases.</p> <p>1.1.4 Reports by the JMC, civilian ceasefire monitoring organisations and the Myanmar Peace Monitor (mmpeacemonitor.org)</p> <p>1.1.5 Same as previous indicator.</p> <p>1.1.6 Reports by the Country Task Force on Monitoring and Reporting on grave child rights violations (led by UNICEF and ILO).</p>	<p>Sustained high-level commitment of Government, Tatmadaw and EAOs to end armed hostilities.</p> <p>Minimal use of violence by local armed groups for economic purposes.</p>

	<p>1.2 An inclusive national political dialogue reached a broad consensus on the key principles and elements of a comprehensive peace accord establishing a democratic federal union, thus creating the political basis for sustainable peace and a new political settlement.</p>	<p>1.2.1 Creation and effectively functioning of the UPDJC.</p> <p>1.2.2 Level of satisfaction and extent to which minorities (ethnic groups and women) are involved in the national political dialogue process.</p> <p>1.2.3 Diversity of representation of minorities (ethnic groups and women) in the national dialogue process.</p> <p>1.2.4 Number of constitutional amendments, laws and policy changes.</p>	<p>1.2.1 Two Union Peace Conferences and 3 Subnational conferences organised by February 2016.</p> <p>1.2.2 Little knowledge of the minorities' opinion on their involvement in the national dialogue process – TBD</p> <p>1.2.3 Women's participation in the national dialogue process is less than 30%.</p> <p>1.2.4 On-going negotiations for amending structure of governance but no agreement as yet (Deed of Commitment 12th February 2015 committed Government and military to the federal concept).</p>	<p>1.2.1 UPDJC is working effectively at the National and sub-national levels. Suggestions are made to the UPDJC Committee to be adopted at the end of the political dialogue.</p> <p>1.2.2 At least 70% of participants are satisfied with the functioning of the UPDJC by end of 2020</p> <p>1.2.3 At least 30% of women are participating effectively at the UPDJC and at the political dialogue by 2018.</p> <p>1.2.4 Constitutional amendments enshrining mutually agreed structure of governance (including a system for sharing natural resources) are proposed by end of 2020.</p>	<p>1.2.1 UPDJC reports.</p> <p>1.2.2 National and sub-national surveys.</p> <p>1.2.3 UPDJC and AGIPP reports.</p> <p>1.2.4 Constitutional and legal reforms.</p>	<p>Sustained high-level commitment to resolve differences through political means.</p> <p>Sufficient symbolic and substantive concessions are made to allow compromise solutions.</p> <p>Sufficient political will in Parliament – and, in case of solutions requiring constitutional amendments, in the broader population – to reach a national peace accord.</p>
	<p>1.3 Prompt, effective and efficient delivery of assistance for recovery and development in former conflict-affected areas or areas affected by intercommunal tensions and violence, using appropriate peace-</p>	<p>1.3.1 Volume of aid delivered promptly and effectively in conflict-affected areas in ways that support longer term peacebuilding.</p> <p>1.3.2 Status of peacebuilding needs assessments carried out in former conflict-affected areas, using appropriate methodology and with results shared among all relevant stakeholders.</p>	<p>1.3.1 TBD during inception period.</p> <p>1.3.1.2 Interim arrangements and convergence agreements to be discussed in national political dialogue.</p> <p>1.3.2 Joint needs assessment currently being negotiated amongst donors.</p> <p>1.3.3 TBD in inception period.</p>	<p>1.3.1 TBD during inception period.</p> <p>1.3.2 Joint Needs Assessment completed and results shared with all the involved stakeholders by end of 2019.</p> <p>1.3.3 Local communities are fully involved in the assistance provided to their communities by end of 2020.</p>	<p>1.3.1 TBD during inception period.</p> <p>1.3.2.1 Joint Needs Assessments are conducted by end of 2020 in ceasefire areas. Action plans that will emerge from the Joint Needs Assessments. Donor reports.</p> <p>1.3.3 Surveys conducted with local communities.</p>	<p>Government does not limit access to former conflict-affected areas and facilitates partners in conducting all funded operations.</p>

	<p>building methodologies.</p>	<p>1.3.3 Level of participation of local communities in development management committees.</p> <p>1.3.4 Status of formal and/or informal mechanisms to promote, facilitate and sustain inter-faith and inter-communal dialogue.*</p> <p>1.3.5 Number of clashes resulting from interfaith and inter-communal violence.*</p> <p>1.3.6 Status of arrangements for formal and/or informal transitional mechanisms.*</p> <p>1.3.7 Ratio of areas certified mine free over total mined area.</p> <p>1.3.8 Number of new victims of landmines.</p> <p>[EU RF Level 1 #7]**</p>	<p>1.3.4 TBD in inception period.</p> <p>1.3.5 36 armed clashes in October 2016 (including Rakhine State), according to the last briefing provided by experts working at the JMC This baseline will have to be improved and customised for inter-communal violence during the inception period.</p> <p>1.3.6 There are no formal or informal transitional mechanisms adopted by February 2017.</p> <p>1.3.7 There are no areas certified as mine free, by February 2017.</p> <p>1.3.8 All known casualties by end 2015: 3,693 (419 killed; 3,156 injured; 118 unknown) since 1999. ICBL Report from Nov 2016.</p>	<p>1.3.4 Formal and informal mechanisms that promote, facilitate and sustain inter-faith and inter-communal dialogue are established by end of 2020.</p> <p>1.3.5 90% reduction in clashes resulting from inter-faith and inter-communal violence by 2020.</p> <p>1.3.6 Formal and/or informal transitional mechanisms have been successfully established by end of 2021.</p> <p>1.3.7 At least 5 pilot Non-technical surveys are established and certificate land release areas by end of 2020.</p> <p>1.3.8 A proper Information Management System for Mine Action is (IMSMA) established in Myanmar and a 75% reduction in new victims of landmines is reached by 2021.</p>	<p>1.3.4 Reports by implementing partners.</p> <p>1.3.5 Reports by the JMC, civilian ceasefire monitoring organisations and the Myanmar Peace Monitor</p> <p>1.3.6 Agreed, signed and implemented informal and/or formal mechanisms that act as forums for regular discussion.</p> <p>1.3.7 ICBL Reports</p>	
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