

Understanding Myanmar's Peace Process: Ceasefire Agreements

Min Zaw Oo

Catalyzing Reflection

2/2014



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Cover Photo

Bagan, Myanmar 2013

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Printed in Yangon, Myanmar

swisspeace

Sonnenbergstrasse 17

PO Box, 3000 Bern 7

www.swisspeace.org

info@swisspeace.ch

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Catalyzing Reflection Series

Understanding Myanmar's Peace Process: Ceasefire Agreements is the second paper in a series of publications in which local actors involved in the ongoing peace processes in Myanmar step back and reflect on different dimensions of the ongoing process. Each of the publications in the series provides a deep analysis of different dimensions of the peace process: the importance of a gender analysis, the complexity of the ceasefire process, and the necessity of public participation in current peace efforts.

With the government of Myanmar and multiple armed groups now engaging in peace talks after more than 60 years of conflict, this series, aptly titled Catalyzing Reflection on Dialogue Processes among Parties in Myanmar, addresses the urgent need to document these dimensions in order to better understand the country's complex and rapidly shifting peace process.

The authors are Myanmar nationals, whose expertise in the respective topics is based on their direct involvement on the ground. Their research and analyses speak directly to other actors in the process, the larger Myanmar community, and international actors in supporting roles. We hope that this series catalyzes more discussions and reflection to support current local, national and international peace efforts.

Disclaimer

This essay was prepared by Min Zaw Oo in his personal capacity. The opinions expressed in this article are the author's own and do not reflect the view of the Myanmar Peace Center or the Government of Myanmar.

Acronyms

AA	Arakan Army
ABSDF	All Burma Student's Democratic Front
ALP	Arakan Liberation Party
AMRDP	All Mon Region Democracy Party
ANC	Arakan National Council
BGF	Border Guard Force
BSPP	Burma Socialist Party Program
CAN	Chin National Army
CBOs	Community Based Organizations
CNF	Chin National Front
CSOs	Civil Society Organizations
DAB	Democratic Alliance of Burma
DDR	Disarmament, Demobilization & Reintegration
DKBA	Democratic Karen Buddhist Army
DKBA-5	DKBA 5/Klo Htoo Baw Battalion (Democratic Karen Benevolent Army)
DPA	Democratic Party for Arakan
DPNS	Democratic Party for New Society
EBO	Euro-Burma Office
ENC	Ethnic Nationalities Council
GOC	Government Of Chinland
HRP	Hangsawati Restoration Party
IDP	Internally Displaced Persons
IPSG	International Peace Support Group
KDA	Kachin Defense Army
KIA/KIO	Kachin Independence Army/Organization
KKO	Klo Htoo Baw Karen Organization
KNDP/A	Karenni National Development Party/Army
KNDO	Karen National Defense Army
KNG	Kayan National Guard
KNLA	Karen National Liberation Army
KNLP	Kayan New Land Party
KNO	Kachin National Organization
KNPLF	Karenni State Nationalities Peoples' Liberation Front
KNPP	Karenni National Progressive Party
KNU	Karen National Union
KNU	KNU Special Region Group Toungoo

Acronyms

GNU/KNLA (PC)	Karen National Union/Karen National Liberation Army (Peace Council)
KNUSO	Karenni National Unity & Solidarity Organization
KPF	Karen Peace Force
KSDDP	Kayin State Democracy & Development Party
LDF	Shan Nationalities League for Democracy
LDU	Lahu Democratic Union
MNDA	Mon National Defence Army
MNDAA	Myanmar National Democratic Alliance Army
MPC	Myanmar Peace Center
MSA	Military Security Affairs
MPSI	Myanmar Peace Support Initiative
NCCT	Nationwide Ceasefire Coordination Team
NDA	National Democratic Army
NDA	National Democratic Alliance Army
NDA-K	New Democratic Army (Kachin)
NDF	National Democratic Front
NLD	National League for Democracy
NMSP	New Mon State Party
NNCNaga	National Council
NCSN(K)	The National Socialist Council of Nagaland (Khaplang)
NUPA	National United Party of Arakan
PDSG	Peace Donor Support Group
PMG/PMF	People's Militia Group/People's Militia Force
PNLO	Pa-Oh National Liberation Organization
PNO	Pa-O National Organization
PSLA	Palaung State Liberation Army
PSLF	Palaung State Liberation Front
RCSS/SSA	Restoration Council of the Shan State/Shan State Army

SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council
SNLD	Shan Nationalities League for Democracy
SSNA	Shan State National Army
SSPP/SSA	Shan State Progressive Party/ Shan State Army
SSR	Security Sector Reform
TNLA	Ta'ang National Liberation Army
TNP	Ta'ang (Palaung) National Party
UNFC	United Nationalities Federal Council
UNLF	United National Liberation Front
UPCC	Union Peace Central Committee
UPWC	Union Peace Work Committee
UWSA	United Wa State Army
WGEC	Working Group for Ethnic Coordination
WNO	Wa National Organization
ZRO	Zomi Reunification Organization

Understanding Myanmar's Peace Process: Ceasefire Agreements

Since the new government came to power in early 2011, Myanmar's peace process has become a pivotal element of political reform in the country's new political epoch. In less than two years after the government initiated a "new peace process," it has secured ceasefire agreements with 14 armed groups. While critics caution that the current 14 ceasefires in Myanmar are still fragile, the media's highlighting of armed clashes magnifies the extent of ceasefire violations. The current peace process in Myanmar is still new to most analysts and observers of Myanmar affairs. This paper attempts to demystify Myanmar's peace process and assess the current ceasefire status, including challenges associated with ceasefire implementation.

The first part of the paper explains how ceasefire deals were implemented by the previous military government from 1989 to 2010. This part argues that the way ceasefires were implemented in the past became institutional memory for both the Myanmar Armed Forces (Tatmadaw) and ethnic armed groups. The second part of the paper outlines how the new peace process emerges as a part of the reform initiated by the new government. It argues that the current peace process is diametrically different from the pre-2011 ceasefires, and the process requires all stakeholders to adjust their roles in the new structure of the peace process. The third part explains how new ceasefire agreements were made, arguing that confidence building was a pivotal element of the ceasefire process. The fourth part assesses the challenges associated with implementing ceasefire agreements. Finally, the last part of the paper highlights the post-ceasefire steps in the on-going peace process in Myanmar.

1 Brief Background of Ceasefires in Myanmar's Armed Conflict

Ceasefire agreements are not a new exercise in Myanmar. Successive governments have pursued a plethora of peace initiatives in different forms since the fighting flared up in the beginning of the country's independence from the British in 1948, which heralded sixty years of ethnic armed conflict. Prior to 1988, all peace efforts had resulted in limited success. Short periods of ceasefires fell apart as combatants resumed fighting under the rule of the Burmese Socialist Program Party (BSPP). However, a new initiative for peace emerged after the military regime came to power in 1988. The State Law and Order Restoration Council (SLORC), a military regime known later as the State Peace and Development Council (SPDC), replaced the BSPP after the military cracked down against the nationwide mass uprising in September 1988.

From 1989, the military regime pursued a new era of ceasefire agreements with armed ethnic groups. The Military Intelligence (MI), led by Gen. Khin Nyunt, negotiated ceasefire deals¹ with armed ethnic groups one after another, one year after the coup. The government reached ceasefire deals with a total of 40 groups prior to 2010 in different sets of unwritten 'gentleman agreements'. During that period, the government did not officially sign any ceasefire agreements except in the case of the Kachin Independent Organization (KIO).² At that time, the regime reasoned that an official signing of any ceasefire agreement was unnecessary between the government and non-state armed groups in an intra-state conflict since ceasefire agreements were signed only between two states. Although that reasoning might sound implausible to many observers, many leaders of the Tatmadaw in that period embraced that perception. Actually, some Tatmadaw leaders still try to distinguish between civil wars and internal armed conflicts in the present peace process. Nevertheless, unwritten ceasefire deals allowed the armed groups to retain weapons and some extent of territorial control. While the government restricted the groups from recruiting and expanding armament in verbal agreements, it rewarded them with business privileges, especially in natural resource extraction industries, such as

jade mines, mineral extraction and logging. In return, ethnic armed groups agreed not to discuss political settlements with the regime which it claimed was merely a 'transitional government'. The regime argued that only the next 'political' government would be appropriate to discuss a political settlement.

The military government settled these ceasefire deals with individual armed groups and refused to talk to the coalitions of groups to negotiate collectively. The regime, for that reason, was accused of applying 'divide and rule' tactics with the various armed ethnic groups. On the other hand, power politics among ethnic armed groups in alliance was also the bane of disunity. Despite ethnic alliances, such as the National Democratic Front (NDF) and the Democratic Alliance of Burma (DAB) in the early-1990s, individual members of ethnic armed alliances decided to pursue bilateral ceasefire deals with the regime one after another. Leadership struggles within the DAB between the Karen National Union (KNU) and KIO resulted in KIO's unilateral withdrawal from the alliance. Consequentially, the KIO signed a ceasefire agreement with the military government in 1994. The KNU, which stood in firm solidarity with border-based pro-democracy opposition groups, and the Restoration Council for Shan State (RCSS) became the only remaining major armed groups continuing their fight with the regime by the late-1990s. Historically, these ethnic alliances did not solidify their military and political influence in Myanmar's opposition movement since armed rebellion erupted in 1948. Factional characteristics of alliance politics among ethnic armed groups was one of the predicaments preventing armed groups from establishing more cohesive and effective alliances.

Despite the legitimacy crisis of the military regime, an emerging pattern of ceasefire deals between the government and armed ethnic groups brought about a new dimension of cooperation between the government and non-state armed groups. When the MI took charge of the ceasefire processes with armed ethnic groups, it

1 Some groups have agreed to disarm since the beginning of the process and others remained armed over a decade as armed groups that agreed to a ceasefire with the government.

2 Both the government and KIO kept the formal agreement secret from the general public for a decade after it was signed. The KIO initially did not even show the agreement to some Central Committee members.

3 Interview with a senior officer who was familiar with ceasefire processes during that period.

nurtured considerable confidence with the armed rebel groups not necessarily because they considered Gen. Khin Nyunt a moderate. But the MI was able to maintain a good relationship with the groups. The MI was the primary institution that connected with ceasefire groups and was empowered to make critical decisions in relation to the ceasefire groups. Those decisions ranged from offering business concessions to exempting those groups from prosecution for criminal violations in some cases. The MI was the only primary institution that armed groups were required to deal with. Prior to the downfall of Gen. Khin Nyunt's MI in 2005, the Karenni National Progressive Party (KNPP)⁴ was the only group that broke the ceasefire and returned to fighting under the deal brokered and implemented by the MI. All other groups maintained their respective ceasefires with the government over two decades with a relatively small number of ceasefire violations. Compared to ceasefire processes in other intra-state conflicts, such as Sri Lanka and the Democratic Republic of Congo, Myanmar's ceasefire deals under the military junta were relatively stable with far fewer violation incidents. Notably, ceasefire deals under the military government were implemented without clear codes of conduct endorsed by both parties. Nor was any form of ceasefire monitoring established. Both sides, however, set up liaison offices to resolve disputes between two parties. Both sides were able to more or less clearly demarcate the borders of controlled territories. Technically, liaison and demarcation became two critical pillars to implement ceasefires under the Tatmadaw government. Moreover, most ceasefire groups established business companies inside the country and became large tycoons dominating the country's economic landscape. Especially for the groups that were involved in narcotic trades and natural resource extraction industries, setting up business companies inside the country was a way to launder illegal money. Business interests of ceasefire groups also became a critical underlying reason not to break ties with the regime despite distrust. Myanmar became the only country in modern history that maintained such an extensive period

4 The ceasefire broke down within a few months since the Tatmadaw and KNPP could not settle on logging issues.

of ceasefire - over twenty years - between the government and non-state armed groups. In other words, the previous ceasefire was the longest period of 'negative peace'⁵ in any modern intra-state conflict.

The ceasefire dynamic shifted in around 2007, especially after the downfall of Gen. Khin Nyunt and the MI. Intra-factional conflict within the military regime removed Gen. Khin Nyunt and his associates from power in October 2005. The purge also destroyed the whole apparatus of the MI and consequently hampered the ceasefire mechanism established between the government and armed ethnic groups. The debacle of the MI also paralyzed well-developed liaison communication between two parties meant for resolving crises. In the meantime, some ethnic armed groups were worried that the removal of the MI would jeopardize the existing equilibrium of the ceasefire arrangements. Growing distrust led some groups, including the United Wa State Army (UWSA), to accelerate recruitment and re-armament in 2007. Military Security Affairs (MSA), which replaced the MI, assigned a few senior staff to reach out to the ethnic armed groups to try to maintain friendly relationships. However, the newcomers needed time to build up their relations with ethnic armed groups and could not restore confidence to the previous level despite their attempt. Mistrust and concerns from both sides gradually escalated in the period from 2006 to 2010.

Another underlying element of this escalation was the introduction of a constitution approved in a questionable referendum in 2008. The regime was in preparation for a transition in 2010 and its leaders thought the existing armed groups under the current ceasefire deals would not be constitutionally legal. The government at this time considered that non-state armed groups should be transformed into the Border Guard Force (BGF) to become a part of Tatmadaw. By extension, these groups would be constitutionally legal. The BGF was a form of an armed unit that was neither militia nor part of the regular army. Some ethnic armed groups criticized that the government's plan to

5 Johan Galtung defined negative peace as a condition where physical violence may be absent but political oppression still persists (Galtung, J. (1964). An Editorial. Journal of Peace Research, 1 (1), 1-4).

form the BGF was intended for undermining the command and control of existing commanders of ethnic armed groups.⁶

Contrary to conventional wisdom, the military government did not anticipate the total disarmament of ethnic armed groups under ceasefire deals. Nor did the regime expect the BGF to be fully incorporated into the Tatmadaw. The military already understood that most ethnic armed groups would refuse disarmament. For the military leaders at that time, the BGF was a way to resolve the discontent between the reality and the constitutional requirement. The structure of the BGF did not exclude ethnic commanders. In all the BGF battalions, even up to the present, all commanders, including company commanders, are ethnic-minority leaders from previous ceasefire groups. Only three junior officers and 27 non-commissioned officers from the Tatmadaw were included to handle administrative functions in each BGF battalion. However, some groups, understandably, did not want to be integrated into the Tatmadaw without a proper political settlement. The government, nonetheless, considered that the BGF was a legal transformation of non-state armed groups into a military unit that was not in contrast with the provisions of the 2008 Constitution. For the Tatmadaw government, the BGF was an answer to accommodate the constitutional constraints and the intent of ethnic armed groups to maintain their weapons.

As Table 1 illustrates, there were 40 groups involved with some forms of a ceasefire or disarmament from 1998 to 2010. Out of 40, only 25 groups remained as armed groups that agreed to a ceasefire with the government by 2009. The rest of armed groups that joined the process were either disarmed or incorporated into 'People's Militia'—paramilitary units composed of armed local civilians under the control of the Tatmadaw. The representatives of the Tatmadaw approached the remaining 25 ceasefire groups that had joined the ceasefire process. Out of 25 groups, five groups agreed to transform into BGFs and

6 One provision of the BGF excluded individuals over the age of 50 in the formation. The military officials said BGF officers over the age of 50 at the time of joining the BGF would not qualify for a pension, according to existing pension requirements. But ethnic armed groups initially felt that this arrangement excluded their leaders from command and control. The military agreed to maintain informal command structures for some BGF, such as Steering Committee for former DKBA members, to include those ethnic leaders who were over 50 years old at the time of the BGF formation.

15 transformed into the People Militia. Five organizations refused transformation either to BGF or militia. These five organizations were the Kachin Independent Organization (KIO), the New Mon State Party (NMSP), the United Wa State Army (UWSA), the Karen Peace Council (KPC), and the National Democratic Alliance Army (also known as Meila Special Region 4). Despite their refusal, the KIO was the only group which saw a return to open conflict with the military. The other four groups rarely experienced even minor clashes with the Tatmadaw after the ceasefire broke down in 2010. Despite the tension around 2009 and 2010, both the Tatmadaw and these ceasefire groups tried to avoid major clashes to maintain the status quo except in the case of the KIO where a series of minor incidents escalated to major fighting in June 2011 which became particularly intense in December 2012.

In the perspective of the Tatmadaw government, the past ceasefire process was to some extent a success. Out of 40 armed groups that joined the ceasefire process, only five groups refused to be integrated into some form of Disarmament, Demobilization and Rehabilitation (DDR) in the last 23 years. Only two ceasefires with the KNPP and the MNDAA collapsed in over two decades. The rest were either disarmed or integrated into the Tatmadaw's command structure. It was numerically significant. On the other hand, ethnic armed groups, including some of those who agreed to disarm, felt the previous ceasefire process did not engender a political solution to resolve ethnic problems in Myanmar. Some of them regret being disarmed. In some cases, new armed groups emerged to replace disarmed groups. Nevertheless, the previous ceasefire process imprinted an institutional memory for both the Tatmadaw and ethnic armed groups to measure against the current one. The Tatmadaw especially has had to adjust itself to meet new challenges under a new ceasefire process implemented by the new 'political' government that came to power in 2011.

7 Kokang armed group, also known as the Myanmar National Democratic Alliance Army, was forcibly disbanded after the ceasefire broke down in August 2009. A larger part of DKBA agreed to transform to BGF battalions while a faction defected and later signed a ceasefire agreement with the government in November 2011. A faction of the Shan State Progressive Party (SSPP) transformed to a militia group under the Tatmadaw's command structure while the other faction continued fighting. However, SSPP also signed a ceasefire agreement with the new government in January 2012.

2 Understanding the Current Peace Process in Myanmar

The following table summarizes the number of armed groups which had joined the ceasefire process under the previous government, and the number of groups currently in the peace process:

Total Number of armed groups that joined the ceasefire process under the Tatmadaw government	40
Groups that were disarmed or transformed into the People Militia before 2009	15
Number of remaining ceasefire groups by 2009	25
Number of ceasefire groups that joined the BGF	5
Number of ceasefire groups that transformed into the People Militia	15
Number of ceasefire groups that refused to join the BGF and People Militia	5
Number of Armed groups that the government currently agreed to discuss ceasefires with	16 ⁸

Table 1: Summary of armed groups in previous and new ceasefire processes

A total of 40 groups were involved in a ceasefire process under the military government. Fifteen of them were disarmed or transformed into People Militia prior to 2009. By the time the constitution was enshrined, 25 groups remained as ceasefire armed groups. Among them, five groups agreed to transform into BGF. Fifteen groups were transformed into People Militia. The rest five refused to be transformed into any part of the Tatmadaw. Basically, the ceasefire collapsed between the government and these five groups. By the time the new government came to power in 2011, 11 groups continued fighting, in addition to the five groups that refused to be transformed. Although there are a few other smaller groups that claim to be fighting the regime, the new government recognized 16 groups in total to be a part of the new ceasefire process.

8 The government also recognizes UNFC as a dialogue partner but not as a ceasefire group or coalition.

One needs to understand the characteristics and nature of the political transition in Myanmar in order to understand the peace process initiated by the new government. The democratic transition in Myanmar is an elite-driven process. The process has been driven by senior officials of the previous military regime after the new government came to power via the controversial 2010 election following the much-criticized 2008 constitution, crafted by the very same military regime. Therefore, the new government inherited a legitimacy crisis from the previous military rule when it came to power in March 2011. Both the opposition and international community were suspicious of the new administration, and fearful that it would be an extension of the previous military rule.

It was critical for the new government to restore the legitimacy among both the Myanmar public and the international community. President U Thein Sein and his reformist ministers, especially U Aung Min and U Soe Thein, decided to initiate a series of liberalization efforts six months after the president had come to office. On the other hand, this six month period of merely inactivity in the government also indicated that the government did not have a clear strategy of reform when it came to power in the beginning. How the government decided to make a bold step remains unanswered to most observers. Some information is still too early and sensitive to emerge in this transition.

The first significant step of the new government was the president's meeting with Daw Aung San Suu Kyi in August 2011. The event was followed by the suspension of the construction of the Chinese-funded Myitson Dam, which was criticized for its potential environmental impact on the country's main river, the Irrawaddy. Both the Myanmar public and the international community welcomed the government's steps to address public concerns. Some political prisoners were subsequently released in November 2011. In the same month, Daw Aung San Suu Kyi announced that her party, the National League for Democracy (NLD), would stand in by-elections scheduled for April 2012. The NLD's decision to participate in the elections, which the party had boycotted in 2010, was one of the most significant political

developments under President U Thein Sein's government. In December 2011, Hillary Clinton became the first United States Secretary of State to visit Myanmar, indicating the United States' willingness to support the current reform. In January 2012, the government released famous student leader U Min Ko Naing, U Ko Ko Gyi, Shan ethnic leader U Hkun Htun Oo and other prominent student leaders who had been imprisoned for their roles in the 2007 protests.

The pattern of current reform indicates an extent of liberalization, rather than a complete phase of transition to democracy. This measured approach to reform implies that the government wants this transition to be a gradual and controlled process. At the same time, positive appraisal by the international community and the Myanmar public encouraged the government to move forward with its reform agenda. This reform process is reinforced by success in each step. The government has been expanding the political space, based upon the success of previous actions it had initiated. Positive reinforcement is a crucial ingredient of the current elite-driven reform in Myanmar's political opening. Further steps of political maneuver are nurtured by the success of previous policy decisions in the reform agenda. This incremental pattern of reform also reflects how the government approaches the peace process which became an integral part of the reform.

The new government made its first reconciliatory announcement on the peace process on 18 August 2011, to invite ethnic armed groups "to secure lasting peace" in the country. It was the first official overture announced nationwide to initiate a peace process to all armed groups since Gen. Ne Win had made a similar call in 1963.⁹ However, the announcement did not trigger any immediate response or outreach from the ethnic armed groups. The groups were undoubtedly still questioning the government's true intention to engage in a genuine peace process.

To invigorate its peace call, the government assigned two teams (A & B) to reach out to ethnic armed groups. Team A comprised U Thein Zaw, Central Executive Member of the ruling Union Solidarity and Development Party (USDP),

and U Aung Thaung, one of the patrons of the USDP. Team B was headed by Minister U Aung Min who is now the government's chief negotiator. U Aung Min's Team B had a unique characteristic that did not exist previously in Myanmar's peace-making history. U Aung Min enlisted a group of individuals from the Myanmar Egress, a non-governmental capacity-building organization and think-tank. Basically, U Aung Min was the only government official in his team. U Thein Zaw and U Aung Thaung reached out to the UWSA, NDAA, NSCK-K, SSPP, DKBA, Peace Council, KIO and ABSDF while U Aung Min's team contacted KNU, MNSP, RCSS, KNPP, PNLO, CNF and ALP at an initial stage. In general, Team A contacted those groups which had previously agreed to a ceasefire with the government under the Tatmadaw regime. Team B's initial contact focused on groups that had not reached a ceasefire agreement previously. Both teams achieved early success and a new raft of secured ceasefire agreements. This success impelled the government to move forward wider reconciliatory measures.

The UWSA, the largest ethnic armed group in Myanmar, and the NDAA were the first groups to join the new peace process in September 2011. Both the UWSA and NDAA were among the five remaining groups from the previous ceasefire process. Two other major groups, the Restoration Council for Shan State (RCSS) and the Karen National Union (KNU), signed ceasefire agreements in December 2011 and January 2012, respectively. The RCSS and the KNU were not part of the previous ceasefire process. Their participation in the peace process accelerated other groups' signatures towards a new round of ceasefires. By mid-2012, 13 groups had signed ceasefire agreements with the government bilaterally across the country.

Nevertheless, the process commenced amid much uncertainty. Despite these initial ceasefires, neither the government nor ethnic armed groups were exactly sure of how the process would unfold. From the government's initial perspective, ending the 60-year-old civil war was essential to shore up political and economic reforms. Despite its political will, the government did not lay out a clear strategy to

⁹ Sakhong, Lian. (2013). Peace Process Wanted by Ethnic Nationalities: Yangon. 15.

articulate how the peace process would end ethnic armed conflict. From the perspectives of ethnic armed groups, they were doubtful if the new government was serious enough to pursue a genuine peace process that addressed issues of self-determination and equal rights for minorities. On the other hand, the groups cautiously recognized that the overture of U Thein Sein's government opened up a new opportunity and political space that had never existed in the history of Myanmar. Despite distrust, most groups understand the need for a political, not military, solution, to end the armed conflict. How this political resolution could be achieved, however, remains an open question for most groups.

While the peace process gained momentum, the government attempted to better institutionalize the process by forming two critical committees on 3 May 2012. The aim was to consolidate the government's side of the peacemaking process. As Figure 1 shows, the Union Peace Central Committee (UPCC), led by the president, was established with eleven members, in which nine were members of the National Defense and Security Council (NDSC). Since the NDSC is constitutionally sanctioned to make the highest-level of security-related policies, the UPCC is essentially a replica of the NDSC especially in crafting policies on the peace process. The government also formed a 52-member-strong Union Peace Work Committee (UPWC), led by Vice President Sai Mauk Kham. U Aung Min, who had become the Minister of the President's Office No. 4, was assigned as one of four vice-chairpersons of the UPWC. At the implementation level, the UPWC's U Aung Min became the government's chief negotiator supported by the newly established Myanmar Peace Center (MPC) in October 2012. The MPC is a hybrid organization decreed by the president, but run as a NGO funded by the European Union. The unique part of the MPC is its composition. From the government side, 13 ministers and senior officials are part of the MPC's senior executive which is chaired by U Aung Min. The MPC, on the other hand, is operated by technocrats, many of whom returned from over two decades of exile—some of them were ex-rebels. Returnees, who are not civil servants, serve as a secretariat body to

the MPC to facilitate technical aspects of the peace process.

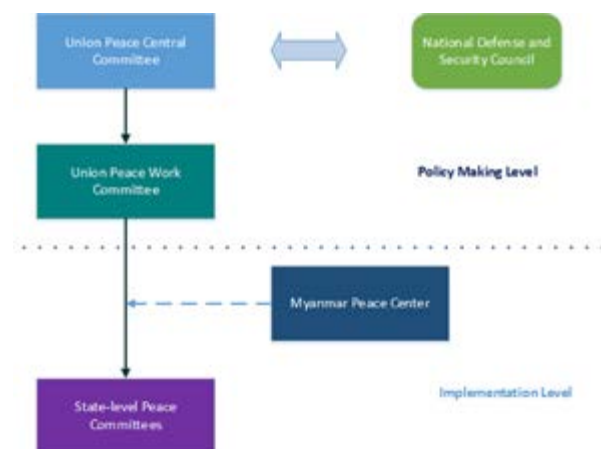
Soon after the UPWC and UPCC were formed, the government announced a three-tiered approach towards the peace process: state-level, union-level and parliamentary-level talks. It was the first time the government outlined its policy on the peace process. The state-level negotiations were intended to discuss preliminary ceasefires. Union and parliamentary-level talks were concentrated around eight-point principles that were announced in May 2012. These eight points called for ethnic armed groups to transform into political parties, and then contest in the coming elections to participate in the parliament and amend the constitution within the parameters of the parliament. These eight points were the initial position of the presidential directive initiated in mid-2012. In contrast, ethnic armed groups wanted to negotiate a political settlement "outside the parliament". In other words, they hoped to hold a political dialogue and seek settlements first before they disarm and form political parties. Despite the fundamental differences in perspectives in the beginning, all parties had to take political risks to embark in the new peace process. On the other hand, the government retracted the eight points and reiterated political dialogue as the primary means to seek political settlement before disarmament.

One major difference between the current and pre-2011 peace process is the diversification of power among key government institutions. During the earlier process, the MI, supported by the military's chain of command, was solely responsible to manage the ceasefire process. In contrast, the current peace process requires multiple institutions to coordinate from the very top decision-making level to the implementation on the ground. The executive branch, the Tatmadaw and the Parliament, in which the Tatmadaw holds 25 per cent of seats, are all major players in the peace process. Even among line ministries in the government, inter-agency coordination is essential to implement non-military issues mentioned in peace agreements.

- 10 The eight-point process includes (1) Not to secede from the union; (2) To agree on the principles of unity and sovereignty; (3) To cooperate in economic and development process legally; (4) To cooperate in counter narcotic operations; (5) To form political parties to contest in elections; (6) To accept the constitution and amendment should be implemented in the parliament accordingly with the consent of the majority; (7) To enter legal fold accordingly with the constitution; and (8) To integrate ethnic armed groups into only one armed institution accordingly with the constitution.

As Figure 1 displays, beneath the UPCC and UPWC, State-level Peace Committees (SPC) play a critical role in implementing ceasefires and coordinating liaison activities between the government and ethnic armed groups. SPCs comprise representatives from state governments and Tatmadaw officials under regional command. Generally, Ministers of Border Security Affairs and Colonel-level officers from Military Security Affairs, which replaced MI after the purge of Gen. Khin Nyunt, directly liaise with liaison officers from armed groups. These individuals from the ten conflict-affected states and regions play critical roles in reducing potential military clashes on the ground. In other words, liaison implementation is currently the only technical process that helps the groups implement the ceasefire.

Figure 1: Myanmar Government's Peace Process Organizational Structure



11 State-level Peace Committees include the State Chief Minister, State Minister of Defense and Border Affairs, Chief Administrative Official, State Attorney General and Chief officer from the Ministry of Border Affairs. The State Minister of Defense and Border Affairs is a colonel assigned by the Tatmadaw and serves as a bridge between state-level civilian administration and the military.

While the government is struggling to institutionalize the peace process among its major stakeholders, ethnic armed groups are also trying to coordinate among themselves to collectively negotiate with the government. Ethnic armed groups recently formed the Nationwide Ceasefire Coordination Team (NCCT) to collectively negotiate with the government towards a nationwide ceasefire agreement. The establishment of the NCCT occurred after the government agreed to the KIO's proposal¹² to hold an ethnic-leader meeting in its headquarters in Laiza in early November 2013. The formation of the NCCT, to some extent, also helps overcome the alliance's politics, which saw some ethnic groups reject United Nationalities Federal Council's (UNFC) leadership, the latest coalition of ethnic armed organizations, to represent all ethnic armed groups in negotiation with the government. The Laiza meeting brought together a team of representatives from 12 ethnic armed groups which the government recognized as 'dialogue partners', and four other groups which are part of the UNFC.¹³ Although this first meeting between the government and the NCCT did not yield an agreement, both sides have now established a process to continue negotiating. The collective talk between the government and NCCT is another historic milestone, unprecedented in Myanmar's ethnic armed conflict.

The following table summarizes the key differences between the earlier and current peace processes. The difference shows that the current peace process is more transparent and leading towards political dialogue which ethnic armed groups demanded in the last 25 years.

12 During the peace talks in Myitkyina in October 2013, when KIO's Gen. Gwan Maw proposed a meeting to include all ethnic armed groups, government chief negotiator U Aung Min agreed with the proposal right away without hesitation.

13 WNO, LDU, AA and ANC are UNFC members who are not included in the government's list of ethnic armed groups.

3 Ceasefire Agreements under the Current Peace Process

Pre-2011 Ceasefire under the Military Government	Current Peace Process under U Thein Sein's Government
Ceasefires were bilateral with individual groups; no nationwide ceasefire was pursued. The government refused to talk with any coalition.	Ceasefires were embarked on bilaterally with individual groups, but developed into a multilateral attempt to secure a nationwide ceasefire.
Ceasefires achieved, but the government refused political dialogue.	Political dialogue is pivotal and called for by both sides. The government guarantees political dialogue in numerous statements.
Military Intelligence was the major player which made critical decisions on the peace process.	Multiple government institutions are involved. Implementation of agreement requires inter-agency coordination.
Only the military handled the ceasefire process.	Former exiles and civilians play key roles in facilitating the peace process.
Ceasefire agreements were not signed officially. Deals were not revealed.	The government has signed ceasefire agreements with all groups. Agreements are circulated publicly.
No involvement from the international community.	UN and China representatives were allowed as observers in the peace negotiations.
No international humanitarian agencies were allowed to render assistance to IDPs.	UN agencies and other CSOs are allowed to provide assistance to war-affected civilians.
No international assistance was offered to support the ceasefire process.	International donors funded the on-going peace process. The EU funds the MPC and other organizations that support ethnic armed groups in the peace process.

Table 2: Major differences between the pre-2011 and current peace process

Ceasefire agreements are negotiated in a two-step template in accordance with the government's initial peace plan. The first step is a state-level peace talk, followed by union-level agreements. The first step aims to stop the shooting. The second step intends to foster broader dialogue, especially issues not included in state-level talks. Usually, interlocutors went back and forth between the two parties prior to state-level talks. In almost all cases, except two, parties signed ceasefire agreements at the first official state-level talk. The items agreed in state-level talks included five elements: (1) to hold a ceasefire; (2) not to carry weapons outside designated areas; (3) to remain in mutually designated areas; (4) to open liaison offices in mutually designated areas; and (5) to set a date for a union-level peace talk. These five points were almost identical as a template in state-level agreements in which the primary signatory from the government side was the minister of Defense and Border Affairs of the respected state. A leader with similar rank from ethnic armed groups also signed the agreement.

State-level agreements might appear simple and exclusive of critical political issues. However, most ethnic armed groups would not have signed a ceasefire agreement at state-level if the government did not assure them of political discussions in the future. Most state-level peace talks, especially those organized by U Aung Min's negotiation team, were primed by a number of informal discussions prior to official peace talks. Informal 'pre-talk' discussions addressed concerns from ethnic armed groups and helped parties feel confident enough to join the peace process. Most groups which did not join the previous ceasefire process under the Tatmadaw regime asked the government to assure them that the current peace process would include political dialogue to address the underlying issues causing the ethnic armed conflicts. In the meantime, ethnic armed groups raised a plethora of issues that they wanted the government to address during the ceasefire process prior to political dialogue. The current union-level ceasefire talks actually aims to build confidence among parties by addressing some concerns prior to political dialogue. For example, some of the discussions at union-level talks in

clude environmental issues related to mega infrastructure projects.

As Table 3 shows, Union-level peace talks aimed to address multiple types of issues beyond ceasefires. Usually, senior leaders from both sides participated in union-level talks and treated the event as a form of political dialogue to address immediate issues, such as political prisoners, immigration, human rights, development and issues specific to particular groups. Union-level talks have been characterized by a quasi-dialogue forum where the government demonstrated its ability to listen and address concerns raised by ethnic armed groups. For some major groups, they wanted the government to guarantee that the current peace process fosters political dialogue to settle ethnic conflicts. At the same time, armed groups utilized union-level peace talks as a bargaining opportunity expecting the government to accommodate their demands. As a result, over 90 percent of elements in union-level agreements to date were proposed by ethnic armed groups. The government's response to union-level peace talks was more accommodating than negotiating for the other side. Such unprecedented complaisance, ironically, also raised suspicion among ethnic armed groups and led them to perceive that the government's pursuance of ceasefires was triggered by its desire for foreign aid and political legitimacy. On the other hand, some elements in the government and the parliament criticized Chief Negotiator U Aung Min for his leniency towards ethnic armed groups. Nevertheless, after two years of consistent interaction between the government and the ethnic armed groups, they have begun to view U Aung Min as a critical stakeholder with whom they can partner to settle ethnic armed conflicts. Currently, ethnic armed groups find no better alternative than U Aung Min in the government to partner in the peace process.

The government and 14 armed groups have already signed 34 ceasefire agreements at both state and union levels. The KIO signed two agreements with the government, calling them short of 'ceasefire agreements' despite the fact that elements included in these agreements were more comprehensive than most state-level ceasefire agree-

¹⁴ Arakan Liberation Party (ALP) and the National Socialist Council of Nagaland (Khaplang) were the only two groups that did not have union-level peace talks.

ments signed between the government and other armed groups. Unlike the previous ceasefire agreements, most of the current talks were finalized in front of observers in public settings. Agreements were shared with the media and made public. Unprecedentedly, representatives from the UN and China were allowed to observe the peace talks held between KIO and the government. Compared to the past, the peace talks were transparent and widely reported to the general public. Nevertheless, the implementation of all agreements is still a challenging task.

Table 3: Summary of Ceasefire Agreement Review in Myanmar's New Peace Process

No.	Group	Process Phase	Date	Military	DMZ	Carrying Weapons	Military Zone	Recruiting Troops	Weapon Procurement	Buffer Zone	Tax	
1	ABSDF	SL	5.8.13	1	0	1	0	0	0	0	0	
		UL	10.8.13	1	0	0	0	0	0	0	0	
2	ALP	SL	5.4.12	1	0	1	0	0	0	0	0	
3	CNF	SL	6.1.12	1	0	1	1	1	0	0	0	
		1st UL	7.5.12	1	0	1	1	0	0	0	0	
		2nd UL	9.12.12	1	0	1	1	0	0	0	0	
4	DKBA	SL	3.11.11	1	0	1	1	0	0	0	0	
		Pre UL	11.12.11	1	0	0	1	0	0	0	0	
		UL	26.2.12	1	0	1	1	0	0	0	0	
5	KNPP	SL	7.3.12	1	0	0	0	0	0	0	0	
		UL	9.6.12	1	0	0	0	0	0	0	0	
		2nd UL	20.6.13	1	0	0	0	0	0	0	0	
		3rd UL	23.10.13	1	0	0	0	0	0	0	0	
6	KNU	Pre SL	12.1.12	1	0	1	1	1	0	0	0	
		Pre UL	12.1.12	1	0	0	0	0	0	0	1	
		2nd UL	4.9.12	1	0	1	1	1	1	0	1	
7	KNU/ KNLA (PC)	SL	7.2.12	1	0	1	1	1	0	0	0	
8		NDAA	Pre SL	7.9.12	1	0	1	0	0	0	0	0
			Pre UL	9.10.11	1	0	0	0	0	0	0	0
	UL		27.12.11	1	0	0	0	0	0	0	0	
9	NMSP	SL	25.2.12	1	0	1	1	0	0	0	0	
		Pre UL	25.2.13	1	0	0	0	1	1	0	0	
10	NSCN-K	SL	9.4.12	1	0	1	0	0	0	0	0	
11	PNLO	SL	25.8.12	1	0	1	1	0	0	0	0	
		UL	23.3.13	1	0	0	0	0	0	0	0	
12	RCSS	SL	2.12.11	1	0	1	1	0	0	0	0	
		1st UL	16.1.12	1	0	1	1	0	0	0	0	
		2nd UL	19.5.12	0	0	0	1	0	0	0	0	
13	SSPP	SL	28.1.12	1	0	1	1	0	0	0	0	
		UL	28.1.12	1	0	0	0	0	0	0	0	
		UL	11.5.13	1	0	0	0	0	0	0	0	
14	UWSA	Pre SL	6.9.11	1	0	1	1	0	0	0	0	
		Pre UL	1.10.11	1	0	0	0	0	0	0	0	
		UL	26.12.12	1	0	0	0	0	0	0	0	
		UL	12.7.13	1	0	0	0	0	0	0	0	
15	KIA	pre-CS	30.5.13	1	0	0	0	0	0	0	0	
		pre-CS	10.10.13	1	0	1	1	1	1	0	1	

REF: 0 = NO, 1 = YES; SL = State Level; UL = Union Level; CS = ceasefire; DMZ = Demilitarized Zone;

Child Sold -iers	Forced Labour	Human Rights	Eco.	Prisoners	Dev	Drugs	Ethnic Dialects Culture	Political Dialogue	NGOs	De-mining	Mon-itor -ing	IDP/ Refu-gee	Le gal
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	1	1	0	0	1	1	0	1	0	1
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	1	1	0	1	1	0	0	1	0	0	0	0
0	0	1	0	1	1	1	0	1	1	0	1	1	1
0	0	1	1	0	1	0	1	1	1	0	0	0	1
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	1	1	0	1	0	0	0	1	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	1	1	1	1	1	0	0	1	0	1	1	0
0	0	0	0	0	1	0	0	1	1	1	1	1	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1	0	1	1	0	0	0	0	0	1	0	0
1	1	1	0	1	0	0	1	0	1	1	1	1	0
0	0	1	1	0	0	0	0	0	0	0	0	1	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	1	1	0	1	0	0	0	0	0
0	0	0	1	0	1	0	0	1	0	0	0	0	0
0	0	0	1	0	1	0	0	1	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1	0	1	1	1	0	1	1	0	0	0	1
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	1	1	1	1	1	1	0	1	0	1	1	1
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	1	1	0	1	1	0	0	0	0
0	0	0	1	0	1	1	0	1	1	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	1	1	0
0	0	1	0	0	0	0	0	0	1	1	1	1	0

Eco=Economic; Legal = Land/17(1)/Citizenship; Dev = Health, Education, Social Welfare

4 Implementing Ceasefire Agreements and Addressing Challenges

Ceasefire agreements in general are broken down into two types, state and union-level agreements. As discussed previously, state-level agreements are similar to one another. Union-level agreements, however, vary from one group to another depending on the issues brought up by the armed groups.

Some critics pointed out that most elements in union-level agreements were not implemented. Such criticism is not unwarranted. But there are different underlying reasons why some agreements are not implemented. As Table 3 shows, various issues were discussed in union-level agreements. But these agreements were made ‘in principle’ rather than in a set of concrete terms. For example, in a union-level agreement between the government and KNPP, both sides agreed “to cooperate in regional development initiatives”.¹⁵ Such an agreement was made in a vague description in principle and did not outline any specific follow-up activities. In general, agreements made in principle are too vague to implement. Even in such agreements in principle, the government was able to fulfill a few issues, such as the release of prisoners associated with ethnic armed groups. Some agreements are not implemented because of the lack of resources. For example, RCSS, KIO, KNPP, KNU, CNF and ABSDF agreed to set up joint ceasefire monitoring groups in union-level agreements. But the implementation of ceasefire monitoring requires significant resources. Neither international donors nor the government have committed resources to bilateral monitoring. The European Union funded some extent of ‘independent’ monitoring activities that are not related to the joint monitoring agreed by the parties. This means resources committed to third-party monitoring are not supportive of the bilateral monitoring. Since the independent monitoring is not agreed between the government and the armed groups, the third party cannot effectively implement a ceasefire monitoring which requires access to information and restricted conflict areas. Another problem is the confusion in the mandate and the division of labor between the union and state governments to implement union-level ceasefire agreements. In the same example, state governments are not clear about their role in implementing bilateral joint monitoring

in respected agreements. No clear budget from the central government was allocated to state governments to support peace process either. The pace of follow-up from the state governments vary from one state to another. Some of the state governments, such as Chin, Kayah and Mon states, may be more active in the implementation of ceasefire agreements related to the states than the others. In general, the central government still plays a key role in the implementation of the agreements.

Contrary to media reports and pessimistic outlooks from some observers, ceasefire violations in Myanmar are not widespread nationwide—Table 4 demonstrates the detailed number of clashes in previously conflict-affected ten states and regions. Since the peace process began in late 2011, military clashes erupted between the Tatmadaw and ceasefire armed groups exclusively in two out of ten states and regions previously affected by armed conflict. Even in cases of clashes, major fighting was very rare between the Tatmadaw and armed groups that agreed to the ceasefire. Geographically, small clashes have continued only in northern Shan State in the last two years while the number of clashes reduced to 8 incidents in the last three months of 2013. The number of clashes reduced significantly in Kachin state after the government and KIO signed an agreement on 30 May 2013. While clashes broke out five to ten times a day on average between the Tatmadaw and KIO at the peak of the conflict, the number of incidents has been reduced by at least 15 times after the May agreement between the two parties. Approximately 250 small clashes occurred between the Tatmadaw and the RCSS, SSPP, TNLA and KIO units in Shan State, according to these groups. Most clashes in Shan State were related to the RCSS and SSPP—both of whom are ceasefire groups. However, almost no clashes occurred in mutually designated military areas or bases. Most clashes were small encounters lasting a few minutes of firefight or hit-and-run engagements in contested areas outside mutually designated military areas. Regardless of clashes on the ground, both RCSS and SSPP remain committed to the peace process and never threatened to pull out from their respective ceasefires. Indeed, RCSS’s leader Gen. Yawd Sark is the

15 Second Union-level Agreement between the Government and KNPP dated 20 June 2013.

second ethnic group leader to meet President U Thein Sein bilaterally after KNU's Gen. Mutu Say Paw.

The KNU, one of the largest armed groups, operates in Kayin, Mon, Bago and Tanintharyi states and regions. However, the units between the Tatmadaw and KNU rarely engaged in clashes. In all four geographical areas, only two small clashes occurred between the two forces. Most clashes in Kayin State were the result of the fighting between BGF and DKBA triggered by old internal grudges. As Table 4 illustrates, Mon, Chin, Rakhine, Sagaing and Bago were free of armed clashes between the Tatmadaw and ethnic armed groups. Only one clash each in Tanintharyi and Kayah demonstrated that ceasefires are holding well in these two areas as well. In summary, Shan state is the only region where small clashes continue to occur, albeit without escalating to political crisis. Even in the case of RCSS and SSPP, the number of clashes reduced from 25 per month on average to less than three after MPC held a liaison coordination meeting in Taunggyi, Shan state, in October 2013.

The following is the breakdown of the number of clashes in ten conflict-affected states and region after ceasefire period up to early October 2013:

1	Kachin State (June-October 2013) ¹⁶	29
2	Shan State (January 2012-October 2013) ¹⁷	250
3	Kayin State (January 2012-October 2013) ¹⁸	12
4	Kayah State (January 2012-October 2013) ¹⁹	1
5	Tanintharyi Region (January 2012-October 2013) ²⁰	1
6	Mon State (January 2012-October 2013)	0
7	Chin State (January 2012-October 2013)	0
8	Bago Region (January 2012-October 2013)	0
9	Rakhine State (January 2012-October 2013) ²¹	0
10	Sagaing Region (January 2012-October 2013)	0

Table 4: Summary of the number of clashes during ceasefires in conflict-affected states and regions

As Table 4 illustrates, ceasefire implementation in Myanmar's current peace process is progressing well, despite the lack of other ceasefire mechanisms such as a mutually accepted Code of Conduct or ceasefire monitoring instruments. Code of Conduct consists of mutually agreed guidelines both sides need to follow. Ceasefire monitoring ensures that all parties do not violate the terms of ceasefire, and incidents are properly investigated to prevent further escalation. However, it does not mean that these mechanisms are unnecessary. They need to be developed gradually over time. Myanmar's ceasefire implementation is going relatively well when compared to similar international case studies, such as Sri Lanka and Democratic Republic of Congo. Liaison officers from both sides play a pivotal role in maintaining the ceasefires and defusing potential clashes. From the Tatmadaw side, colonel-level officers from respected regional commands link up directly with commanders from ethnic armed groups at the state-level. In addition, junior field commanders communicate directly with commanders from ethnic armed groups operating in small units in conflict zones. However, that practice is not universal across all ten states and regions. Fewer armed clashes occurred in areas where liaison at field commander-level is permitted by both sides than where such field-level liaison is not allowed. The fact that field liaison was not widely implemented was one of the reasons for frequent clashes in Shan State where the largest number of armed groups, including non-ceasefire groups, operate at the same time.

One of the major strains for ethnic armed groups under the current peace process is to provide logistical support for their soldiers under ceasefire. Most armed groups are comprised of regional units led by locally influential military commanders. Most local units are geographically dispersed into small enclaves of population centers across conflict zones. One of the reasons is logistical supply. For many groups, it is difficult to deploy their scattered units into one location or cantonment as it is too difficult to provide logistical assistance - even if they want to do so to support the ceasefire process. This situation leads to many dispersed units traversing large contested areas, enhancing the chance of accidental encounters. The probability of mili-

16 From December 2012 to February 2013, the Tatmadaw and KIO engaged in 5 to 10 clashes a day on average, including major fighting incidents. Since the May 30th agreement was signed, the total number of clashes was reduced to 29 during the period of three and a half months.

17 This estimate number comes from the statements issued by RCSS and SSPP. Among all clashes were less than 10 major fighting incidents. Most clashes were short encounters lasting for a few minutes.

18 Only two were the clashes between the Tatmadaw and KNU. The rest were the clashes between BGF and DKBA while trying to settle a score from the past.

19 KNPP thought one of the passing Tatmadaw columns was responsible for the disappearance of a village woman. KNPP troops attacked this Tatmadaw patrol with an IED. But the woman returned to her village later since she had visited another village without informing her family. The KNPP commander in chief himself came to the hospital and apologized to Tatmadaw soldiers who were wounded in the attack.

20 The clash broke out between a NMSP breakaway group and the Tatmadaw.

21 No fighting reported between the ALP and the Tatmadaw after the ceasefire was signed.

tary clashes increases if a field-level liaison is not properly executed in such contested areas. Moreover, scattered units rely on local populations for logistical support during war time. However, many people begin to question their obligation to provide assistance to armed groups during the peace process, arguing that they are no longer fighting the government, and therefore, the groups should support their own troops.

Another obstacle in the peace process is the entrenched war economy. Over 60 years of armed conflict has inevitably become intertwined with Myanmar's rich natural resources, given the prevalence of drug production, smuggling and business establishment in conflict zones. The ceasefire period observes a spike in illicit drug trade and production. The seizure of Methamphetamine pills by the authorities increased by 728 per cent in Myanmar from 2010 to 2012.²² Similarly, heroin seizures jumped by 270 per cent in the same period.²³ In estimate, the revenue from illicit drugs may reach up to 15 billion US dollars in Myanmar²⁴—over 28 per cent of the country's GDP. Even under the previous ceasefire period, the war economy became an informal deal of resource sharing between both sides in conflict zones. Major business enterprises operating in conflict-affected areas learn to make deals with both parties in conflict to protect their business interests. Businessmen pay informal protection tax to non-state armed groups, in many cases, directly to local commanders who provide logistical assistance to their subordinates. In the absence of both government and international assistance to ethnic armed groups during the peace process so far, the issues associated with the war economy are unlikely to be resolved anytime soon. Such international assistance to provide cantonment will also require non-state armed groups to register their headcounts - the practice some groups feel hesitant to follow as it symbolizes a form of early DDR. Regardless of this fact, some local commanders are reluctant to give up the benefits rendered by the war economy. Some corrupted government officials in conflict-affected areas are also implicated in business transactions related to the war economy. Business communities in the bordering regions of the neighboring countries also carry significant

22 UNODC. 2013. Patterns and Trends of Amphetamine-Type Stimulants and Other Drugs: Challenges for Asia and the Pacific.

23 Ibid.

24 Interview with a UNODC official who is familiar with the data.

interest in Myanmar's conflict-driven economy. They become a part of the problem in Myanmar's conflict-affected economy. Some of them provide weapons and ammunition to armed groups in exchange for natural resources. No quick fix is possible to address such complexities. The recent clashes in Kachin state in 2014 are largely tied to the conflict affected economy and natural resources.

Intra-minority conflict is another concern that may potentially undermine the ceasefire process, especially in Shan State where multiple armed groups operate. These groups in conflict are concerned not only with the government, but also with other armed groups who might take advantage of ceasefires to undermine their interest. Multiple armed groups in one geographical location intensify overlapped territorial claims that are often linked to the war economy. Another form of intra-minority conflict is some tension between the 'People Militia' groups, former ceasefire groups under the military government and current ceasefire groups. The government formed 'People Militia' groups as a pivotal counterinsurgency measure to undermine ethnic and communist rebellion since the early days of the armed conflict. At present, a total of 5023 militia groups exist nationwide and their total strength may reach up to 180,000. Although they are officially under the command of the Tatmadaw, the parliament has provided no separate budget for the 'people militia'. Consequently, a number of militia groups finance themselves through illicit activities, deepening the pervasiveness of the war economy in post-conflict areas.

The government is currently negotiating a nationwide ceasefire agreement with 16 ethnic armed groups. With the 14 groups who have already signed ceasefire agreements bilaterally, one may wonder why the government does not pursue two more bilateral ceasefires to move forward. First of all, the idea of a nationwide ceasefire did not originate in the government's proposal. Since the military government pursued bilateral ceasefires in the late 1980s, the successive coalitions of ethnic armed groups, including the UNFC, called for a nationwide ceasefire. Ethnic armed groups argued that the government should have pursued a ceasefire nationwide if it were genuine about making peace with all ethnic armed groups. The current government feels that it is now able to accommodate this demand from ethnic minorities. From the government's perspective, the nationwide ceasefire will somewhat restore confidence between the government and ethnic armed groups. In the meantime, the nationwide ceasefire will facilitate the KIO's entry to the peace process since it is reluctant to sign a bilateral ceasefire agreement after the previous ceasefire had broken down. It was not a coincidence that government's chief negotiator U Aung Min proposed that the government is interested to pursue a nationwide ceasefire agreement for the first time in public during the first Myitkyina peace talk with the KIO in late May 2013. Another underlying thinking of the nationwide ceasefire aims to set a historical milestone in this peace process. This milestone will encourage all parties not to backtrack during the lengthy course of the peace process. The government understands that it is inevitable for the ethnic armed groups to negotiate collectively in order to implement the whole peace process. U Aung Min, for this reason, quickly agreed to the request from the KIO's delegation to hold a talk in Laiza with other armed groups. This collective negotiation is unprecedented in the country's history of armed conflict. The nationwide ceasefire agreement, moreover, aims to solidify more comprehensive terms, such as a nationwide ceasefire monitoring system and more detailed codes of conducts, in order to maintain a ceasefire during the peace process, while parties negotiate a political settlement. In essence, this agreement also demonstrates the commitment of all parties to pursue a peaceful political

settlement to end the ethnic armed conflicts in Myanmar. This agreement will anchor a historic milestone, rendering it more challenging for all parties to regress from the peace process.

²⁵ President U Thein Sein outlined these steps in his radio speech broadcasted on October 1, 2013.

Once the nationwide ceasefire is achieved, representatives from the government, including the parliament, the Tatmadaw, ethnic armed groups, political parties and other stakeholders will hold a meeting to discuss a framework for political dialogue.²⁵ The framework meeting will likely outline the list of participants, dialogue agenda, decision making procedures, timeframe and procedures for implementation. This framework will serve as a road map to the overall peace process. Once the framework is agreed upon, an all-inclusive national dialogue forum will be convened to pursue the national accord to settle ethnic conflict. The president articulated these three steps several times in recent speeches – overriding the previous three steps that required ethnic armed groups to transform into political parties to discuss their concern in the parliament. So far, ethnic armed groups neither rejected nor endorsed the government's new three steps towards political settlement.

Timing is another issue, whereby the peace process is linked to the transition of the new administration in 2016. The next government will inherit the peace process cultivated by this administration. Election campaigns targeting 2015 will also more or less impact on the current peace process since the votes from the minority areas will become increasingly critical to decide who will be the next president of Myanmar. Some ethnic groups see this election as an opportunity to negotiate with the Burman majority. Since all presidential candidates will require votes from elected representatives from minority areas in the parliament to be the next president in early 2016, some ethnic groups see the year 2015 as the best window of opportunity to negotiate with the government and other stakeholders. However, some ethnic groups simply think that negotiation with the next government may be more fruitful since the next government tends to be more representative of the voters than the present one. Despite the recent exercise of collective bargaining among armed ethnic groups, they still do not have a mutually consolidated timeframe to move this peace process forward. Nor do they have a shared strategic goal they want to achieve in the peace process during this administration prior to 2016. Many ethnic armed groups are unsure to what extent

the peace process can be implemented under the current government. Nor do they appear to have a concrete strategy on how they want the process to continue to the next government after 2015. All parties in conflict understand that this peace process is likely to be prolonged but find no better alternative to settle the country's long-winding ethnic conflicts. Nor do they want regression from the current progress. In the meantime, strengthening the ceasefire will be critical until all parties confidently implement the national peace accord envisioned in a near future.


The recent four-day meeting in April 2014 between the government and the NCCT resulted in a single-text first draft which identifies commonalities and differences between the two parties. This first step is critical for both parties as they need to bring unsettled issues to their decision makers for further negotiation. Although the parties agree in principle on many issues, they can't settle on terminologies and word choices. This meeting allows the parties to understand how the other side sees unsettled issues from different perspectives. This exercise facilitates the parties to envision potential solutions to narrow the differences.


Despite uncertainty and delay in the process of negotiating the nationwide ceasefire agreement, all parties agree that political dialogue is indispensable to resolve Myanmar's protracted ethnic conflict. If all stakeholders are able to reach a set of agreements to lay out the road map of the peace process during the upcoming framework meeting, Myanmar's peace process will cement a foundation to move forward beyond 2015.

6 Recommendations

- Both the government and ethnic armed groups should overcome the differences to sign the nationwide ceasefire agreement to move forward.
- Both parties should agree a clear timeline to embark on political dialogue before the end of 2014.
- Both parties should implement a nationwide joint ceasefire monitoring as quickly as possible once the nationwide ceasefire agreement is signed.
- Both parties should complete the demarcation of controlled areas clearly as soon as possible after the nationwide ceasefire agreement is signed.
- Liaison activities should be strengthened with a set of communication procedures that allow liaison and field commanders to communicate effectively.
- A conflict early warning system should be set up to strengthen preventive measures during the peace process.
- Even before the official initiation of the national dialogue, all parties should actively involve in consultative dialogue sessions on different major issues related to the topics designated for discussion at the national dialogue.
- The international community should come up with a clear strategy to support strengthening ceasefire implementation and political dialogue once the parties agree to sign the nationwide ceasefire agreement.
- All parties and stakeholders, including the international community, should envision a plan to effectively minimize the impact of the war economy on the peace process in Myanmar.

Annex 1

	United Nationalities Federation Council (UNFC)
Name and Logo	
Established Year	16 Feb 2011
Office Location	Chiang Mai, Thailand
Background	The UNFC is the latest coalition of ethnic armed groups. The UNFC is a transformation of the former Committee for the Emergence of Federal Union (CEFU) founded in November 2010. Currently, the UNFC are advocating for talks with the government as a united ethnic front.
Member Organizations	Kachin Independence Organization (KIO) New Mon State Party (NMSP) Shan State Army-North (SSPP/SSA-N) Karen National Union (KNU) Karenni National Progressive Party (KNPP) Chin National Front (CNF) Lahu Democratic Union (LDU) Arakan National Council (ANC) Pa-Oh National Liberation Organization (PNLO) Ta-ang National Liberation Army (TNLA/PSLF) Wa National Organization (WNO)

National Ceasefire Coordination Team (NCCT)	Working Group for Ethnic Coordination (WGEC)	
		
30 October 2013	June 2012	
First Conference was held at Laiza, Kachin state, Myanmar (October 30- November 2, 2014) and Second Conference was held at Lawkheelar, Kayin State, Myanmar in (20-25 January 2014)	Chiang Mai, Thailand	
Formed on October 30, 2013 in Laiza, Kachin State, to collectively negotiate with Government on Nationwide Ceasefire Agreement. NCCT was once again given responsibilities to continue achieving the same objectives in a conference held in Law Kee Lar, Kayin State, in January, 2014.	The WGEC was conceived at a conference attended by ethnic armed groups that took place between Feb. 26-28, 2012; 6 months after President Thein Sein issued a formal invitation for peace talks. Leaders of 17 armed groups were gathered at the meeting, 9 of which had already made positive responses to the President's call.	
Arakan Liberation Party (ALP) Arakan National Council (ANC) Arakan Army (AA) Chin National Front (CNF) Democratic Karen Benevolent Army (DKBA) Kachin Independence Organization (KIO) Karenni National Progressive Party (KNPP) Karen National Union (KNU) KNU/KNLA (Peace Council) Lahu Democratic Union (LDU) Myanmar National Democratic Alliance Army (MNDAA) New Mon State Party (NMSP) Pa-Oh National Liberation Organization (PNLO) PaLaung State Liberation Front (PSLF/TNLA) Shan State Progressive Party (SSPP/SSA-N) Wa National Organization (WNO)	Kachin Independence Organization (KIO) New Mon State Party (NMSP) Shan State Army-North (SSPP/SSA-N) Karen National Union (KNU) Karenni National Progressive Party (KNPP) Chin National Front (CNF) Lahu Democratic Union (LDU) Arakan National Council (ANC) Pa-Oh National Liberation Organization (PNLO) Ta-ang National Liberation Army (TNLA/PSLF) Wa National Organization (WNO)	UNFC Members
	Restoration Council of Shan State (RCSS/SSA-s) Democratic Karen Benevolent Army (DKBA) KNU/KNLA (Peace Council) Myanmar National Democratic Alliance Army(MNDAA) Kayan New Land Party (KNLP) Karenni Nationalities's People Liberation Front (KNPLF-BGF)	Non-UNFC Members

About the Author

Min Zaw Oo

Min Zaw Oo is currently the Director of the Ceasefire Negotiation and Implementation Program at the Myanmar Peace Center. He facilitates a process to negotiate over 30 ceasefire talks between the government and armed ethnic groups and is currently involved in negotiations to draft the Nationwide Ceasefire Agreement with 16 armed ethnic groups. His professional background is grounded in early warning political and security risk assessment, working in projects funded by the US government. Min was also in Afghanistan implementing a portion of the US military's Human Terrain System and USAID's election projects. He was in exile for 21 years until he was invited by the new government to return to Myanmar to support the peace process. He received a Ph.D. in Conflict Analysis and Resolution from George Mason University in 2010. Min also holds a M.A. in Security Studies from Georgetown University, a M.S. in Conflict Analysis and Resolution from George Mason University, and a B.A., double-majoring in Public Relations, and Government and Politics from the University of Maryland.

About swisspeace

swisspeace is an action-oriented peace research institute with headquarters in Bern, Switzerland. It aims to prevent the outbreak of violent conflicts and to enable sustainable conflict transformation.

swisspeace sees itself as a center of excellence and an information platform in the areas of conflict analysis and peacebuilding. We conduct research on the causes of war and violent conflict, develop tools for early recognition of tensions, and formulate conflict mitigation and peacebuilding strategies. swisspeace contributes to information exchange and networking on current issues of peace and security policy through its analyses and reports as well as meetings and conferences.

swisspeace was founded in 1988 as the "Swiss Peace Foundation" with the goal of promoting independent peace research in Switzerland. Today swisspeace engages about 40 staff members. Its most important clients include the Swiss Federal Department of Foreign Affairs (FDFA) and the Swiss National Science Foundation. Its activities are further assisted by contributions from its Support Association. The supreme swisspeace body is the Foundation Council, which is comprised of representatives from politics, science, and the government.

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