



Conflict Sensitivity Monitoring in Myanmar

Findings for OECD-DAC INCAF

January 2016

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About this initiative

This report is the work of consultants commissioned by the PeaceNexus Foundation, and is part of a broader conflict sensitivity initiative. Phase One of this initiative involved a feasibility study for a conflict sensitivity scorecard for the evaluation of donor practice. Phase Two, of which this report is one part, involves the production of two case studies – on South Sudan and Myanmar – to more closely examine options for the piloting of alternative approaches to collective donor monitoring on conflict sensitivity. For further information, including related research products, please contact peter.cross@peacenexus.org

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Executive Summary

What is the need for conflict sensitivity in Myanmar?

Myanmar presents a highly challenging conflict sensitivity context, and there are strong incentives militating against conflict sensitive practice. The country currently faces multiple distinct armed conflicts, and a simultaneous risk of inter-communal violence. At the same time, peace is not the central political imperative in the country, given the tremendous political and economic transitions underway. The complexity of this country context, coupled with most donors' limited access to knowledge and expertise on the country's conflict-affected areas, creates a clear risk of doing harm in the provision of development assistance.

Furthermore, the international community has few opportunities and motivations to act collectively on the peace process or when operating in conflict-affected areas. The peace process is nationally-led, and while there are periodic meetings of diplomats and donors on peace based in Yangon, there is little evidence of information sharing or common strategy. There is no UN mission with field presence around which member states might negotiate common positions. Although there are expected to be changes to the peace architecture in Myanmar when the new government assumes power in March 2016, it is likely many of these conditions will remain.

Donors also feel pressure to rapidly expand disbursement in support of the transition, and to reach the vast numbers of Myanmar's poor. These dynamics may worsen following the partial signing of the Nationwide Ceasefire Agreement in October 2015, and the landslide victory of the National League for Democracy in the November elections. While these events do not change the fundamental conflict challenges facing Myanmar, they will encourage donors to increase spending and to work increasingly in conflict-affected areas. There is a serious risk these actions may be done in a way that threatens the peace process and national reconciliation.

What conflict sensitivity initiatives already exist?

There are a number of existing initiatives which promote, at least in part, conflict sensitivity among donors in Myanmar. To start with the internal practices of individual donors, it was found that though donors have engaged conflict advisors, there are serious questions about the extent to which they have genuine leverage within their organizations. The relegation of conflict advisors to project-level decision-making, and the triumph of political imperatives over conflict concerns, were repeatedly reported by interviewees.

At a collective level, though different coordination forums have mobilized some action on conflict sensitive practice, indications are that these are not generating a unified understanding of conflict sensitivity challenges or how to manage them. With the closure of the Myanmar Peace Support Initiative, and awaiting the launch of the Joint Peace Fund, there is no clear focal point for the accumulation of conflict knowledge and the provision of advice to the international community. At the same time, the Peace Support Group appears unable to develop common positions or strategies, given strong differences in attitudes and conflict expertise between different donors.

Multi-donor trust funds are an important vehicle for development assistance in Myanmar, and these can be an important tool in subjecting funding to common conflict sensitivity scrutiny. Though the

different funds are all instituting some conflict sensitivity provisions, not all are currently making full use of this potential. The most robust measures at present appear to be those taken by the Three Millennium Development Goals (3MDG) fund, which incorporates both high-level strategic advice and project-level guidance. The Joint Peace Fund (JPF) may serve a critical role in the promotion of conflict sensitive practice in Myanmar in the future.

What potential is there for monitoring donor conflict sensitivity?

Several donors expressed enthusiasm about monitoring as a means of improving practice. Given varying degrees of conflict sensitivity expertise among donors, and different perceptions about what conflict sensitivity requires in practice, it is clear that not all donors can be required to commit to a common national standard at present, but attempts at consensus-building and collective action are essential.

Multiple donors expressed a willingness to open their own procedures to external scrutiny, believing that their practice would improve as a result. Options for such process assessment suggested by donors included a randomised audit of projects, or the cradle-to-grave accompaniment of a specific programme.

To ensure monitoring goes beyond simple checks on procedures, there can be measurement of the outcomes of donors' actions. These outcomes can be evaluated against a set of principles for conflict sensitive donor behaviour. Interviewees indicated that the current principles developed by the Peace Support Group are not specific enough to form the basis for monitoring, and that it would be promising to develop principles at a sub-national level.

There was broad support for the collection of feedback from a variety of external stakeholders on donors' practices. There were different suggestions for ways this could be done, including through light-touch online tools, or through a more thorough multi-stakeholder consultation approach. There was a clear assertion that though external feedback would be useful, it needs to be collected and shared in a way that maintains the buy-in of key donors.

In light of these findings, there is high potential in:

1. Formulating joint conflict sensitivity principles to form the basis for monitoring, through engagement with non-state actors, and at a sub-national level; and
2. Encouraging multi-stakeholder evaluation of conflict sensitivity outcomes, with feedback similarly collected at a sub-national level and with close collaboration with non-state actors.

These findings, and the full range of more nuanced claims developed in the body of this report, should form the basis of an ongoing discussion on conflict sensitivity monitoring that incorporates a broader range of stakeholders, including national actors.

Introduction

The concept of monitoring donor conflict sensitivity emerged at a Conflict Sensitivity Expert Retreat held in Oberhofen, Switzerland, in October 2014, which was organized by Swisspeace and attended by leading international experts from think tanks, NGOs, universities and donors. It is based on the recognition, including by donor governments themselves, that policy commitments to conflict sensitivity at headquarters are not being adequately applied in the field. A donor monitoring mechanism in the form of a scorecard was proposed at this retreat, on the assumption that external feedback and pressure would create incentives to improve and implement policy. A study was commissioned by PeaceNexus to develop this concept and assess its feasibility. Interviews to determine interest in such a mechanism were held with donors at a headquarters level, as well as in South Sudan and Myanmar.

This research confirmed that donor policy commitments were not being realised in the field, and identified a range of blockages, including the tendency to view conflict sensitivity as a non-political technical fix, and the insufficient integration of conflict sensitivity into the New Deal¹. Though interviewees indicated that a scorecard approach was not the best way to change donor behaviour, many confirmed the need for additional efforts to address these fundamental challenges. The research concluded that conflict sensitivity monitoring would be most effective if it were donor-led, had high level buy-in, and were anchored somewhere with high-level donor representation, both globally and in-country, to achieve visibility and traction.

This report is one component of the second phase of this research. Building upon the findings of phase one, the focus is on further developing the details of a mechanism for monitoring the conflict sensitivity of donors at the country-level. It is one of two case studies – the other being on South Sudan – produced to better understand what this might look like in different country contexts, and explore appetite for establishing such a mechanism.

The report is structured in three sections. The first outlines the need for, and challenges of, conflict sensitive practice in Myanmar. The second reviews existing initiatives to promote conflict sensitivity among donors, including reflections on individual donor practices, the efforts of different coordination forums, and the measures implemented in different multi-donor trust funds. The final section reviews findings on how conflict sensitivity monitoring could be put into practice.

Methodology

This case study builds on Phase One of PeaceNexus' research on donor conflict sensitivity monitoring, which involved interviews with donors and conflict experts based in Myanmar². Phase Two of the research is based on a further nineteen key informant interviews with independent Myanmar conflict experts and representatives of donors based in Yangon. Donor interviewees included both Conflict Advisors and Heads of Mission. These interviews were conducted in Yangon in November and December 2015. As the ambition of this project was primarily to identify donor attitudes to

¹ For further information on the New Deal, see: http://www.pbsdialogue.org/media/filer_public/07/69/07692de0-3557-494e-918e-18df00e9ef73/the_new_deal.pdf

² For further information on the previous components of this research, or to obtain copies of the initial feasibility study, please contact peter.cross@peacenexus.org

conflict sensitivity monitoring in Myanmar, interviewees were all internationals, and further research is required to elicit the views of different national actors, including communities in conflict-affected areas.

1. Conflict, Peace and Aid in Myanmar

1.1. Myanmar's Transitions, Conflicts, and Peace Process

Myanmar presents a uniquely challenging environment for donor conflict sensitivity. In terms of the central political context, two broad transitions are taking place under the government of President U Thein Sein. First, there is central political reform, which involves a shift from military to predominantly civilian rule, as well as significant social and media liberalisation. This involves attempts at reconciliation within the majority Bamar ethnic group, and improved relations between the ruling Union Solidarity and Development Party (USDP) and armed forces (the Tatmadaw) on one side, and Daw Aung San Suu Kyi's National League for Democracy (NLD) on the other. At the same time, there is economic reform— opening from a socialist economy to liberal and international markets. There has been some fear that established business interests, particularly those linked to the military, would be threatened by and hence try to undermine this process, but this does not seem to have been the case thus far³.

In this context, the U Thein Sein government has also reinvigorated the peace process. This peace process, and the conflicts that underpin it, are markedly more complex than most international analogues. They have a legacy of being some of the longest and most intractable armed conflicts in the world. The peace process arguably has the most separate or distinct armed conflicts to solve, with up to 18 ethnic armed organizations (EOs), each with their own grievances and war economies, with an array of successful and failed bilateral ceasefires with the central government⁴. Furthermore, many of these groups maintain parallel governance structures and administration (security, justice, health, education) over territory that they control. A recent expert survey estimated these parallel systems may stay in place informally for a further five to ten years, or formally as “interim arrangements”,⁵ elements of which have already been spelled out in the Nationwide Ceasefire Agreement (NCA) in October 2015.⁶ Finally, in addition to conflict with these ethnic armed organizations, there is the risk of inter-communal or inter-religious violence, which over the past several years has re-emerged as a separate and serious threat, mostly but not exclusively in Rakhine State.⁷

The international community is also not well-positioned to understand these challenges. Donor conflict knowledge is low in a setting where many townships are inaccessible, and they have little or no presence outside Yangon and Nay Pyi Taw. Few internationals have a deep understanding of more

³ International Crisis Group. 2012. *Myanmar: The Politics of Economic Reform*. Asia Report No. 236, Jakarta/Brussels.

⁴ Myanmar Peace Monitor/Burma News International. 2015. *Deciphering Myanmar's Peace Process: A reference guide 2015*. <http://mmpeacemonitor.org/images/2015/august/dec-myan-peace-process-2015-eng.pdf>, “Table 1 –EO ceasefire agreement status in 2014”. Note that several EOs are not recognized as combatants by the current government.

⁵ Myanmar Peace Support Initiative, Survey Report. 2015. *Survey of the donor community in Myanmar: Sub-national engagement and interim arrangements*. Yangon, May 2015, Question 10

⁶ Myanmar, The Nationwide Ceasefire Agreement Between The Government of the Republic of the Union of Myanmar and Ethnic Armed Organizations, 15 October 2015, <http://peacemaker.unlb.org>

⁷ International Crisis Group. 2014. *Myanmar: The politics of Rakhine State, 2014*. Asia Report No. 261.

than a handful of the ethnic conflicts, and few speak Myanmar, let alone an ethnic language. The peace process may be one of the most nationally-led peace processes, with conflict resolution not backed by a third party mediator, but rather by the government's Myanmar Peace Centre. This leaves no international actor with a comprehensive understanding of progress in the peace process.

1.2. Uncertainty and Change in Donor Activity

In response to the liberalization initiated in 2011, there has been an increasing presence of donor and development agencies on the ground, accompanied by significantly increased funding. Even if needs across Myanmar's conflict areas remain far greater than current aid levels can address⁸, aid has already increased substantially. For example, the OECD reports that official development assistance (ODA) commitments more than doubled between 2007 and 2012, climbing from US\$192 million to US\$515 million.⁹ Key amongst OECD engagement in Myanmar has been a dramatic increase in Japanese assistance.¹⁰ Indications are that expansion has continued through to 2015. The November NLD landslide is expected to mean relations with the west 'accelerate'¹¹ further, though precisely how this will occur remains unknown.

To track these aid flows, the government maintains the Aid Information Management (AIMS) system 'Mohinga', which is intended to track both ODA and non-ODA funding.¹² However, this system only records funding that is reported by some donors to Nay Pyi Taw and approved by the government. Donors are not expected to report peacebuilding programming that goes directly to EAOs and civil society organizations (CSOs) in conflict-affected areas, or across borders from neighbouring countries.

Furthermore, though both are active in Myanmar, neither India nor China are DAC donors. It is widely understood China has for decades been the largest donor to the regime in the form of investments, concessional loans and support projects.¹³ In 2010 their foreign direct investment (FDI) was estimated to be over US\$8 billion, dwarfing ODA from all other donors in the same timeframe. Although there has been volatility year-to-year in China's FDI, of the amounts 'approved' in recent years, "58 per cent was destined for the extractive natural resources industries and 41 per cent for

⁸ The scale of the changes foreseen are truly transformational: For example, the Myanmar Police Force, a key institution in the transition, and for peace specifically at the sub-national level, is planning to double in size from 75,000 men and women to 155,000 by 2020. The projections no doubt include plans for phased deployment into areas currently controlled by EAOs. This is predicted to 'demand a massive injection of resources.' Recent expert analysis concludes the MPF deserves strong support from the international community, the 'support has been slow in coming', in these early days it already has seven or more assistance providers, but more will be needed to match MPF needs; Selth, 'Myanmar police force needs more foreign help to reform', Lowy Interpreter, 3 December 2014

⁹ OECD, Development Pathways, Multi-dimensional review of Myanmar: Volume 2, in-depth analysis and recommendations, 2014, <http://www.oecd-ilibrary.org/myanmar>, Figure 4.1, ODA Commitments to Myanmar are picking up, p. 152

¹⁰ Hong, Zhao, Japan and China compete for good relations with Myanmar, Institute of Southeast Asian Studies, ISEAS Perspective #38, 2 July 2014, <http://www.iseas.edu.sg/country-studies/country-studies-programme/myanmar-studies>

¹¹ International Crisis Group. 2015. *The Myanmar elections: Results and implications*. Asia Briefing No. 147, p.7

¹² See <http://mohinga.info/en/>

¹³ OECD, Development Pathways, Multi-dimensional review of Myanmar: Volume 2, in-depth analysis and recommendations, 2014, <http://www.oecd-ilibrary.org/myanmar>, p. 153

power generation, mainly several large dams.”¹⁴ Many EAOs are directly affected by decision-making around those projects.

Finally, it should be noted that though this research focuses on the conflict sensitivity of donor agencies, the private sector will be key strategic actors for EAOs and ethnic communities emerging from conflict. Current levels of business investment in conflict-affected areas of Myanmar almost certainly far outstrip ODA. Interviewees highlighted three concerns in this domain: the relative strength of the business sector compared to aid, the high risk that investments are not conflict sensitive, and the absence of clear oversight of this sector.

1.3. Challenges in Donor Coordination

For donor coordination on assistance more broadly, the key meeting is the annual Myanmar Donor Coordination Forum (MDCF). Following the first of these forums in 2013, the government and a number of donors signed the *Nay Pyi Taw Accord for Effective Development Cooperation*. They now meet annually to outline the expectations of each signatory in terms of the development support that will be provided. However, this forum has not had the legitimacy to deliberate on terms of engagement in conflict-affected areas, and none of their agreements have any meaningful text guiding how to provide conflict sensitive aid.¹⁵

Myanmar actors thus provide minimal direction on the support and functions they want internationals to provide regarding the peace process and aid to territory under the control of EAOs. This is perhaps not surprising given the complex political subnational geography in Myanmar, but it creates significant risk for donor funding to inadvertently do harm or be wasteful in conflict areas. For the last three years, some formal and informal guidance has been provided by the Myanmar Peace Centre, but in many cases donors are required to conduct ad hoc parallel negotiations with the government and EAOs. The 15 October NCA was witnessed by some internationals supporting peace, but no further international role is stipulated moving forward. Although the eight NCA signatories are now “legal” to meet with and support, the rest are still theoretically subject to punitive measures under article 17/1 of the 1908 Unlawful Associations Act. With no comprehensive peace agreement in Myanmar, there have also been no subordinate agreements that could frame the terms for international support and aid to a peace process, termed “transition compacts” in other settings.¹⁶

In addition, the UN is not playing the coordination role that Member States ask it to perform in many countries. Myanmar is not on the agenda of the UN Security Council, and there have been limited venues to moderate geo-political interests and coalesce around a common vision on the peace process and international assistance.¹⁷ A consequence that flows from this is that, perhaps more

¹⁴ Lee, John, Myanmar pivots awkwardly away from China, Institute of Southeast Asian Studies, ISEAS Perspective #64, 12 December 2013, <http://www.iseas.edu.sg/country-studies/country-studies-programme/myanmar-studies>

¹⁵ Nay Pyi Taw Accord for Effective Development Cooperation, accessed 08.01.2016, http://mohinga.info/static/docs/NPTA_Effective_Development_Cooperation.pdf

¹⁶ Bennett, Christina. 2012. “Aid Effectiveness in Fragile States: Lessons from the First Generation of Transition Compacts”. International Peace Institute.

¹⁷ The UN New York convened Group of Friends, now the Partnership Group for Myanmar, seldom meets, and doesn’t seek to be a forum for strategic coordination. On the most recent gathering see: United Nations,

than any case in the last 20 years, Myanmar sits on the fence between being a UN “mission setting” with a UN Envoy, and a “non-mission setting” where Resident Coordinators have limited authority to support political and peace processes.¹⁸ These factors have fractured and weakened the UN system in Myanmar, meaning its own Member States are not getting it to provide a central focal point for international engagement on these discussions, including as effective aid norm advocate.

There is some attempt to coordinate responses to the peace process through the Peace Support Group (PSG). This Yangon-based coordination forum, with regular meetings of heads of diplomatic missions and a working level of conflict advisers, has expanded its members, but is still perceived by a number of donors to be too much of a ‘Western Club’. Their perspective was to try and find ways to bring other voices into the donor coordination and conflict sensitivity arena, particularly the voices of the Japanese, Chinese and Korean missions, given their much larger volumes of assistance.

In conclusion, with no clear leadership from any international actor, there is only a fraction of the information sharing and coordination mechanisms available to internationals supporting peace in Myanmar than those available in other countries.¹⁹

1.4. The Risks of State-Centric Aid

There is an important fragmentation between different international assistance agencies active in Myanmar. First, there is the ‘development sector’ building bilateral and multilateral agreements with Nay Pyi Taw across the 17 sectors designated by government for development assistance, guided by Busan New Deal principles that preference state government partnerships as “national ownership”²⁰. At the same time, there is the ‘humanitarian and conflict sector’ operating between government, EAOs, NGOs and communities, guided predominantly by humanitarian principles and a “do no harm” approach.

Secretary-General, Readout of the meeting of the Secretary-General’s Partnership Group on Myanmar, New York, 29 September 2015, <http://www.un.org/sg/offthecuff/index.asp?nid=4158>

For references to international functions in other peace processes see United Nations, Field Mission Security Council Mandates Table, Security Council Practices and Charter Research Branch, Security Council Affairs Division, Department of Political Affairs, at 1 November 2014, <http://www.un.org/en/sc/programme/>

The most recent data shows that 20/26 deployed missions worldwide have extensive explicit mandates detailing “international cooperation and coordination” (UN, regional and other organizations, individual Member States); United Nations, Field Mission Security Council Mandates Table, Security Council Practices and Charter Research Branch, Security Council Affairs Division, Department of Political Affairs, at 1 August 2015, <http://www.un.org/en/sc/programme/>, row 26

¹⁸ For discussion on the structural weaknesses of both special political missions and of non-mission settings, see: Petrie, Charles and Adrian Morrice, “Scrambling and pulling together the UN’s civilian capacities in conflict-prone states,” in *Peacebuilding Challenges for the UN Development System*, ed. S. Browne and T. G. Weiss, Future United Nations Development System, June 2015, <http://futureun.org/en/Publications-Surveys/Article?newsid=73&teaserId=4>

¹⁹ There is coordination in certain states/regions or other sub-national areas, for example in the south-east (Karen, Mon and Thanintharyi) and on Rakhine, but not across peace process issues, and it is often exclusively related to certain thematic areas. For largely humanitarian and some development coordination between internationals (less nationals) see the map ‘MIMU: Overview of Coordination Teams in Myanmar’, at July 2015, <http://www.themimu.info>

²⁰ For the list of sectors see - Ministry of National Planning and Economic Development, *Guide to International Assistance in Myanmar*. 2014, p. 11; The guide goes on to say ‘For the time being, therefore, [sub-national] coordination will have to be somewhat ad hoc’, p. 12

The delivery of aid through close partnership with the government is an important conflict sensitivity issue in Myanmar. Though the ‘development sector’ is only partially applying the principles of the Busan New Deal, before the elections there were serious questions about whether these are appropriate given the current Myanmar reality of continued contested legitimacy, “interim arrangements” and significant sub-national administration by EAOs. The NLD landslide – including over most ethnic parties that contested in many EAO areas – changes this contested legitimacy in ways not yet understood.²¹

The desire to uphold New Deal principles, coupled with pressure from donor capitals scrambling to access Myanmar’s resources and markets has led many donors to slip into a state-based or Nay Pyi Taw-centric approach to aid. The Nay Pyi Taw Accord itself outlines a somewhat contradictory paragraph on conflict sensitivity – simultaneously stressing the need for sensitivity and inclusivity while specifying the need to strengthen government institutions in the very conflict-affected areas where their legitimacy would be questioned.

Without a new national vision for aid asserted by Myanmar political and civic leaders, these trends will continue. Analysts have observed that ignoring the authority of EAOs risks weakening them politically. This could affect EAO’s capacity and willingness to negotiate peace, both NCA signatories and non-signatories. Yet there is a real risk that the legitimately elected NLD government will expect donor capitals to demonstrate their support as soon as they are in power, likely further weakening a sub-national approach. Donors may then direct more of their funding into Nay Pyi Taw decision-making processes and less to peace programming, in order to maintain their aid brand.

2. Existing Conflict Sensitivity Initiatives

There are a number of initiatives in place intended, at least in part, to advance the cause of conflict sensitivity among the donor community in Myanmar. The following section reviews these initiatives, at the individual level, in coordination forums, and through multi-donor trust funds (MDTFs), to determine the contribution that could be made by the introduction of further conflict sensitivity monitoring, and how it could be best positioned.

It should be noted that in accordance with the findings of phase one of this research, the focus below is specifically on donor-led initiatives, or those premised on close engagement with donors. Yet monitoring can be conducted by other actors, and in Myanmar multiple donors and trade partners have been criticised in the press and by local civil society organizations for poor practice in conflict-affected areas²². Incidents like these provide donors further impetus to embrace robust monitoring of their own conflict sensitivity.

²¹For example, “most state assemblies are now controlled by a national party that ethnic leaders view, rightly or wrongly, as representing the interests of the majority Burman ethnic group.” International Crisis Group. 2015., *The Myanmar elections: Results and implications*, Asia Briefing No. 147, p. 4

²²Karen Peace Support Network. 2014. *Critique of Japan International Cooperation Agency’s Blueprint for Development in Southeastern Burma/Myanmar*. <http://www.theborderconsortium.org/media/52396/2014-09-19-kpsn-report-en.pdf>

2.1. Individual Donor Practices

Though a detailed accounting of conflict sensitive policies and practices among all of the donors currently in Myanmar was beyond the scope of the research, several findings emerged. There was broad agreement among respondents that donor agencies in Myanmar employ a greater number of conflict advisors than in many comparable conflict settings, and it was suggested that this may have been a risk-management decision taken due to the contested legitimacy of the USDP government. Given the change to an NLD government and consequent diminished reputational risks of engagement, it is not clear if conflict advisors will continue to attract the same investment from donors.

The extent to which conflict advisors have been able to inform donor policies and programming is disputed. All respondents interviewed reported having internal principles of conflict sensitivity in place and noted that they 'take them seriously', but they were frequently critical of others. Different measures were reported for the institutionalisation of conflict sensitive practice, such as regular self-assessment processes and reporting requirements for partners. At the same time, there were indications that there may be a tendency to relegate conflict advisors to technical support roles for programming, rather than informing strategic decisions. A recurrent example of questionable conflict sensitivity was the support provided by donors to the Myanmar census, despite strong indications that this involved considerable conflict risks²³. One respondent indicated that in this instance, several conflict advisors adopted a strong confrontational stance within their donor agencies, and hence came to be seen as 'obstructionist' or 'missing the bigger picture'. This ultimately undermined their influence on the decision-making process.

While interviewees reported varying levels of commitment to conflict sensitive practice, there was no indication of systematic conflict sensitivity monitoring by any donor.

2.2. Coordination Forums

Almost all international coordination on peace in Myanmar takes place in Yangon or Nay Pyi Taw, not sub-nationally. The key coordination forum set up by the outgoing government for international assistance in general is the annual Myanmar Donor Coordination Forum. This forum is effectively the Nay Pyi Taw, and therefore state-centric, collective that has allowed Myanmar to move towards normalizing its international status and admit access to development funding and the legitimacy that follows. The forum has related bimonthly Development Partners Working Committee and Development Partners Group meetings. Yet these forums are not positioned to be, nor have they served as, champions of conflict sensitive practice. There are also a range of smaller coordination forums, commonly at the sector level, but none appear to advance a robust conflict sensitivity agenda.²⁴

²³ International Crisis Group. 2014. *Counting the Costs: Myanmar's Problematic Census*. Asia Briefing No. 144

²⁴ This meets with the government every two months, to discuss the coordination agenda agreed at the yearly Myanmar Donor Coordination Forums. There is a wide range of smaller working groups and coordination forum that remain poorly understood by the PeaceNexus team. The thorough overview of these can be found in the Myanmar Information Management Unit (MIMU) map of coordination teams http://www.themimu.info/sites/themimu.info/files/documents/Ref_Doc_Joint_Coordination_Structure_Overview.pdf

Between March 2012 and early 2015, a focal point for donor assistance to the peace process was the Myanmar Peace Support Initiative (MPSI). This was a Norwegian-sponsored project, led by former UN Resident Coordinator Charles Petrie, which aimed to build trust in the peace process following the signing of bilateral ceasefires in 2012.²⁵ The MPSI ran a number of projects in territory controlled by ethnic armed groups, with funding solicited from a range of donors. It had provided periodic analysis and feedback to the Peace Donor Support Group (later renamed the Peace Support Group). The initiative learnt a number of lessons how ceasefires were holding up (or not), the orientation of many of the ethnic armed groups through the period of opening and trust-building, and how international can help or hinder reconciliation at the local level. However, there was no follow-on entity to MPSI and its recommendations had nowhere to be implemented, and no champion to continue the work.

The Peace Support Group is the primary forum for international coordination on the peace process in Yangon. It includes the majority of Western donors, as well as Japan, but neither China nor India. Interviewees generally noted that the PSG fails to live up to this coordination role. Several interviewees reported that there appeared to be too much heterogeneity within the PSG in understanding what conflict sensitivity requires, making the group an effective champion of conflict sensitive practice. One interviewee indicated that the majority of PSG members adhere to the state-centric vision of aid articulated in section 1.3, and do not appear to be adequately critical of the conflict sensitivity implications of this.

The Peace Support Group has developed principles for operating in Myanmar that do not explicitly address conflict sensitivity, but which include a large number of relevant recommendations, particularly those on understanding the context, conducting thorough consultation, and ensuring inclusivity. Interviewees indicated broad satisfaction with these principles as high-level guidance, but consistently acknowledged that they had limited immediate relevance for funding decisions or program design. They were deemed too abstract to effectively inform donor behaviour.

The donor community also receives monthly briefings from the International Peace Support Group (IPSG), a separate forum in which independent consultants and NGO workers can meet in their personal capacity to discuss developments in the peace process. Following IPSG meetings, representatives from the group provide a briefing to the donor community which outline the group's concerns for the peace process and development assistance. These meetings attract different attendees, with several ambassadors and a mixture of senior and junior donor staff. Within the IPSG, there have been recent attempts to re-establish the 'Aid and Conflict' working group which met twice in 2015, including meeting once with donors, but failed to maintain momentum. Attempts to re-invigorate the forum are expected in the next month and would be an important further platform for engaging donors on conflict sensitivity.

Some interviewees suggested there has been a shift of influence from these formal avenues to the informal. The IPSG and PSG have been displaced as 'influencers' more by discussions about conflict-sensitive approaches between like-minded donors and resident conflict experts. In any case, all

²⁵ Myanmar Peace Support Initiative, Lessons Learned from MPSI's work supporting the Myanmar peace process: March 2012-March 2014, Yangon, March 2014, http://www.burmalibrary.org/docs17/MPSI_Lessons_Learned_Paper-March_2014-en-red.pdf

international actors are in wait-and-see mode, until an NLD vision for peace and development in Myanmar – and related international assistance – are revealed.

2.3. Multi-Donor Trust Funds

Multi-donor trust funds (MDTFs) are important vehicles for the delivery of development assistance in Myanmar. These funds can be useful tools for improving conflict sensitive practice, and a platform for tripartite coordination and some collective decision-making between the government, EAOs and internationals. Funding a common technical secretariat allows the concentration and accumulation of technical expertise, including on specific EAO areas. Several interviewees indicated that in the past, MDTFs have been seen as useful mechanisms to distance donors from the political risk of being seen to be too close to the current government (and vice-versa). The change in government may result in diminished interest in their use.

The different MDTFs have adopted different approaches to conflict sensitivity. Two of the smaller funds are the Myanmar Education Consortium (MEC) and the still new Peace Support Fund (PSF). The MEC receives funds from DFAT, DFID and DANIDA. Although there don't appear to be public numbers on the endowment, it does not seem to reach the funding levels of LIFT and 3MDG²⁶. The MEC has provisions in place for conflict sensitivity, and this is important, given the contested nature of education provision by EAOs and the government in Myanmar's mixed-control territories²⁷. The PSF, though smaller again, appears intent to be a conflict sensitivity champion through its grants to organizations working on the peace process. The PSF also incorporates conflict sensitivity reporting requirements for implementing organizations, and generating relevant knowledge for research-directed grants.

- The Livelihoods and Food Security Trust Fund (LIFT)

The LIFT fund was started in 2009, and has received a total of over US\$300 million throughout its operation²⁸. The primary mechanism within LIFT for which conflict sensitivity is crucial is the 'Uplands Programme' – specifically designed to support projects that improve the livelihoods of food security of populations living in Myanmar's conflict-affected areas.

The scoping study for this programme, which was formally supported by a well-respected expert on the politics and conflict of Myanmar, contains a thorough analysis of the peace process and of conflict issues in areas where the Uplands Programme might work. In addition, the Programme Framework for the Uplands Programme specifies 12 conflict sensitivity principles to provide guidance in project design and implementation²⁹. LIFT has not yet recruited a specific member of

²⁶ DFAT and DFID initially committed \$22 million: <http://www.mmtimes.com/index.php/national-news/3975-aid-agencies-commit-to-new-education-fund.html>

²⁷ Lenkova, Polina. 2016. *Conflict Sensitivity in Education Provision in Myanmar's Karen State*. Thabyay Education Foundation: Yangon.

²⁸ For an overview of LIFT, see the fund strategy, available at: <http://www.lift-fund.org/sites/lift-fund.org/files/uploads/documents/LIFT%20strategy%20%282014-18%29.pdf>

²⁹ Principles are outlined in Annex 3 of the Programme Framework: http://www.lift-fund.org/sites/liftfund.org/files/uploads/Uplands/Upland%20Programme%20Framework_150701_FinalwithLink.pdf

staff to support and guide their conflict sensitivity, though this was in process as of December 2015. There is at present no monitoring of conflict sensitivity within LIFT.

- The Three Millennium Development Goals Trust Fund (3MDG)

The 3MDG Fund was established in 2012, and has US\$271 million in funding for the period through 2017, with the express purposes of reducing child mortality, improving maternal health and combating HIV, tuberculosis and malaria³⁰. In order to effectively pursue these goals in conflict-affected areas, 3MDG has adopted a robust conflict sensitivity strategy.

There are two levels of conflict sensitivity guidance within 3MDG. At the strategic level, 3MDG has on its board a recognised Myanmar conflict expert, who was responsible for the production of the MDTF's strategy for operating in conflict-affected areas³¹. This includes a conflict analysis of the country, including specific analysis of issues in the health sector, as well as state-level analysis, principles for engagement, and guidance on operational matters, such as the design of calls for proposals. To complement this, 3MDG has employed a further conflict advisor to provide technical assistance in the implementation of the strategy, who supports such needs as capacity-development on conflict sensitivity, and the review of guidelines and tools. This role may involve the monitoring of conflict sensitivity in 2016.

Note that unlike the LIFT fund, 3MDG has a government representative on its board – the Ministry of Health. While recognising that the government is not one homogenous entity, this inclusion of one of the parties to the conflict raises its own conflict sensitivity concerns. At this stage however, there is no indication that this has caused problems, or impeded the application of the strategy for conflict-affected areas.

- The Joint Peace Fund (JPF)

A third major MDTF is under development, and set to launch in early 2016 – the Joint Peace Fund (JPF). The JPF is intended to help coordinate the international community's response to the peace process, with several layers of governance that go to subnational levels and combine tripartite actors – the government, EAOs and donors – along with other experts and peace specialists in a Secretariat. The JPF donors will not, however, encompass all interested countries, China and India in particular, and the UN and World Bank will be observers but with no decision-making authority. The JPF negotiation with the current government and with EAOs is not yet complete, and most expect the NLD's overall policies and plans for the peace process (and peace architecture) to impact the JPF. All countries might be expected to preserve more of their aid for direct bilateral assistance than the funds they pool in the JPF.

Notwithstanding, a large number of donor interviewees expressed high expectations that the JPF would embrace and champion very strong conflict sensitivity practices. One respondent indicated

³⁰ For more on the 3MDG fund see the 2012-2016 Description of Action:

http://www.3mdg.org/library/item/download/7_ba017b7db1a2845acb4b64bfbad73ef0

³¹ The 3MDG strategy for conflict-affected areas is available online: <http://www.3mdg.org/library/item/778-3mdg-strategy-to-operate-in-conflict-affected-areas-october-2015>

that this would enable them to delegate some of the most difficult tasks from a conflict sensitivity perspective, such as the selection of implementing partners in conflict-affected areas.

Several interviewees expressed concerns about the risks inherent in the JPF's design, in which the government and EAOs are incorporated in high-level governance of the fund. This risk was highlighted when the NCA only attracted eight signatories from the sixteen or more involved groups. This raised questions about which groups could be engaged by the fund: ultimately, the principle of inclusivity was cited as a basis for engaging all armed groups. The governance arrangements have significant potential to bolster the legitimacy of the fund and forge meaningful connections between these different actors, but any politicization of the fund, and subsequent rejection by either government or the EAOs, could become a divisive issue in the peace process.

The JPF is considered an important opportunity for donor consistency and coordination on common conflict sensitivity principles, but also for national actors to directly influence those decisions, and to hold donors accountable to a common standard. Given the resources available to the JPF, it will likely become a key technical body in supporting the peace process in Myanmar, and may ultimately assist the Peace Support Group.

3. What could a conflict sensitivity monitoring mechanism look like in Myanmar?

In this conflict and donor context, the monitoring of donor conflict sensitivity could provide an important incentive for international actors to adopt best practice, and the opportunity for feedback and learning in support of this goal. The sections below summarise key findings from the interviews with implications for the establishment of a monitoring mechanism.

3.1. Appetite and Perspectives

There was strong support for the idea that conflict sensitivity monitoring is timely in Myanmar. Several interviewees noted that while some donors appeared to believe conflict sensitivity risks would decline with the new government, in fact they believed the risk would only increase.

Interviewees provided mixed responses on how best to approach conflict sensitivity monitoring. There was clear affirmation for the findings of phase one; that a judgmental scorecard approach would not gain traction, with little buy-in from donors. Several interviewees expressed the idea that monitoring alone would not be the best means of producing change, and some donors needed more fundamental assistance in developing their understanding and capacity on conflict sensitivity.

Several interviewees indicated that the JPF would be a natural pilot for this kind of monitoring. An MDTF like the JPF could provide an easier access point for the monitoring of programs that multiple donors fund and oversee. Furthermore, a multi-donor trust fund with an influential technical secretariat can become a platform for the dissemination of best practice among donors, and can be a useful starting point in this regard. Yet there are limitations in the extent to which this may influence broader donor behaviour, as contributions to an MDTF may ultimately be a relatively small component of a donor's portfolio. Furthermore, the goal of generating collective findings on donor practice – either on collective impact on conflict outcomes in one area, or in the form of cross-donor comparisons – would not be achieved through monitoring an MDTF.

3.2. Principles for Monitoring

Principles for donor engagement could form the basis of a monitoring mechanism by providing a standard against which donor behaviour can be assessed. There were a range of views expressed by interviewees concerning the utility of principles as a way to monitor conflict sensitivity outcomes. Though there was universal agreement that conflict sensitivity principles were needed as a starting point for accountability, several interviewees believed that it would be difficult to define principles that were specific enough to warrant monitoring, or that the process of implementing conflict sensitive work is too idiosyncratic or personality-driven to be measurable.

At present, the only cross-donor principles in place outside the Nay Pyi Taw Accord discussions are those adopted by the Peace Support Group. These were established through iterative negotiation, and are perceived to have normative weight. Nonetheless, they serve as guidance only, and are not binding on PSG members. They are broadly considered to be a good starting point for conflict sensitive practice, but interviewees stressed that the challenges lie in tailoring these to local context, and in determining precisely how they translated into practice. Several interviewees noted that though the principles exist as a reference point, no one seems to make practical use of them. Others suggested that these principles remain too general to form the basis for monitoring.

When pushed on different ways of generating more specific principles, few participants held firm opinions. There was broad support for the development of principles at a sub-national level, and through close engagement with national actors, though some participants were unclear about whether these would differ significantly between the regions. There was little enthusiasm expressed for the development of sector-specific principles.

3.3. Data for Monitoring

Different forms of data would be required for different approaches to monitoring conflict sensitivity. To conduct 'process monitoring' – the assessment of whether donors have instituted procedures conducive to conflict sensitive practice – data can only come from the donors themselves. In order to go further however, and conduct 'outcome monitoring' – the assessment of the quality and consequences of these procedures' implementation – a range of sources need to be consulted.

Data for process monitoring is relatively easy to access, providing that donors open themselves up to scrutiny. Several donor interviewees indicated that they believe an audit of their own processes would be a useful contribution to their practice. One interviewee suggested that it may be more palatable to suggest taking a random selection of projects from within a donor's portfolio. One also suggested that the kind of process understanding necessary for thorough monitoring could be better achieved through cradle-to-grave accompaniment of a program, with greater learning for the donor as well.

As for outcome monitoring, there seemed to be consensus that leveraging a range of data sources would be the best way to generate useful feedback. There was no indication that this data is currently being collected. In particular, there was no indication that there is a nationwide perception survey planned that could be able to capture the kind of data needed for this project, though there may be a survey component in the planning of the JPF. To collect novel data, interviewees expressed interest in a range of approaches, including community surveys, the establishment of a hotline

operated by a third party, and engaging in focus group discussions with the full range of people involved in specific projects. One interviewee stressed that it is important to ensure feedback is solicited from non-beneficiaries in programming areas, not solely those who benefited from the project. Another stressed that a light approach may be most effective – useful data can be collected through simple online surveys, and rapidly distributed through a common online platform such as a dropbox. This interviewee suggested that civil society may push back on a heavy consultation process.

Several interviewees expressed enthusiasm for ‘external’ monitoring – in which feedback would be gathered by an independent third party rather than as part of the donor’s monitoring and evaluation activities. Several donors suggested that this could be a good way to encourage those donors that do not place a high emphasis on conflict sensitivity to improve their practice. The challenge with this approach would be retaining some kind of anchor with the donor community, to ensure the findings are considered credible. When asked whether this balance of independence and donor buy-in could be politically feasible, interviewees were generally uncertain and suggested learning through trial and error.

When prompted to specify which data would increase the leverage of conflict advisors within their organizations, several interviewees reported that the most useful data in this regard would be on effectiveness. The explanation provided for this claim was that donor agencies are primarily interested in knowing how peace and conflict outcomes can affect the achievement of their development objectives. An alternative suggestion was the collection of data on who project beneficiaries believed to be the legitimate authorities in their region – highlighting the contested nature of governance in areas under the mixed administration of government and EAOs, and presumably allowing conflict advisors to challenge state-centric approaches to aid disbursement. It was acknowledged that the collection of this data posed its own conflict sensitivity risks however.

3.4. Delivery of Feedback

There were different suggestions on how best to feed the results of the monitoring process back to donors. Different interviewees suggested feeding the results back to the future board and secretariat of the JPF, or through meetings with the PSG.

Different interviewees voiced support for some sort of distinct ‘learning platform’ that would enable participants to understand and discuss common approaches, what worked and what does not, through structured reflection. One participant stressed that the direct involvement of non-donor actors, such as well-positioned civil society organizations, would be necessary for the process to be meaningful. It was suggested that this could work effectively through state-level working groups.

4. Conclusions

Myanmar is both a difficult context in which to ensure conflict sensitive practice, and one where there are a number of acute conflict sensitivity risks in the near future. In particular, it is essential to recognize that the election of a new government and the signing of the NCA will not reduce current conflict sensitivity challenges, and indeed may present novel issues. There is a clear risk that donors may take these events, or the desire to be seen to support progress, as license to diminish caution in planning development assistance.

In this context, this report highlights a number of important considerations for the donor community in Myanmar. Specifically, in the coming year there appears to be a need for efforts to ensure continued support for conflict advisors embedded within development agencies and political missions, including ensuring they are engaged in strategic decisions and not solely at the project level. In engaging with multi-donor trust funds, particularly the imminent Joint Peace Fund, donors should push to institutionalise high standards of conflict sensitivity, and ensure established conflict expertise is fully utilised within high-level fund governance. There were also indications that greater consensus-building on conflict sensitivity needs to take place in collective forums, given reported differences in how donors perceive conflict sensitivity.

To work toward the monitoring of conflict sensitivity in Myanmar, there are a number of steps that can be taken:

- Formulating joint conflict sensitivity principles to form the basis for monitoring.
 - This should be done through engagement with non-state actors. Taking guidance on engagement solely from the state perpetuates many of the conflict sensitivity challenges faced by donors in Myanmar.
 - These principles should be defined at a sub-national level. Consistent with prior recommendations for donor engagement in Myanmar, it is crucial that attempts to define and monitor principles for conflict sensitive practice reflect the great sub-national diversity of the country.
- Encouraging multi-stakeholder evaluation of conflict sensitivity outcomes.
 - Soliciting external feedback on the application of conflict sensitivity principles provides a means of ensuring commitment to these principles goes beyond weak or easily-marginalized internal procedures.
 - As with the formulation of principles for action, feedback should be collected at a sub-national level.
 - Non-state actors, including ethnic armed groups and civil society organizations, should be closely consulted in the design of these feedback procedures, and empowered to provide their own perspective on donor behaviour.

There is a high potential, and high need, for the development of donor conflict sensitivity monitoring in Myanmar, but this report only provides an initial insight into the appetite and options available. To put these findings into practice, it is crucial that those driving this agenda consult further within Myanmar, especially with national actors. As for conflict sensitive practice itself, it is essential that monitoring reflects an inclusive vision of how to behave in Myanmar's challenging contexts.