

Concerns and Recommendations **Regarding Peace Funds**

We, Burma's ethnic community and civil society organizations,¹ would like to express our concerns and recommendations on the governance of peace funds flowing into Burma.²

While the Burma government has announced a few steps to pursue a peace process, they are fragile and are at best just a beginning. A comprehensive peace process requires good-faith political dialogue and multi-sectoral efforts. Burma is not there yet.

However, official aid agencies of Norway, the European Union, United Kingdom, Australia and the United Nations, as well as the World Bank, have recently formed the Peace Donor Support Group (PDSG) with the purpose of incentivizing peace-building and development via peace funds. Norway leads the Myanmar Peace Support Initiative (MPSI) while the World Bank has formally announced the provision of Community Driven Development (CDD) Program using the State and Peace-Building Fund (SPF).

While peace funds are well intentioned, we find the governance of them has some shortcomings. We are concerned that they have the potential to undermine the agenda for a comprehensive peace process and engender more harm than the projected benefits.

This statement outlines our collective message to PDSG, especially to Norway and the World Bank given that they are moving ahead with their peace fund initiatives, as well as other proponents including the Burma government and its concerned agencies, the implementing NGOs, private firms and consultants.

1. Peace funds must support, not undermine, the agenda for comprehensive peace process.

¹ Burma's civil society includes groups operating in many locations, including on the border. We feel, however, that by inadvertently dichotomizing between 'inside' and 'border' groups, this can have damaging effects and create division. All of Burma's civil society has role to play in national reconciliation process.

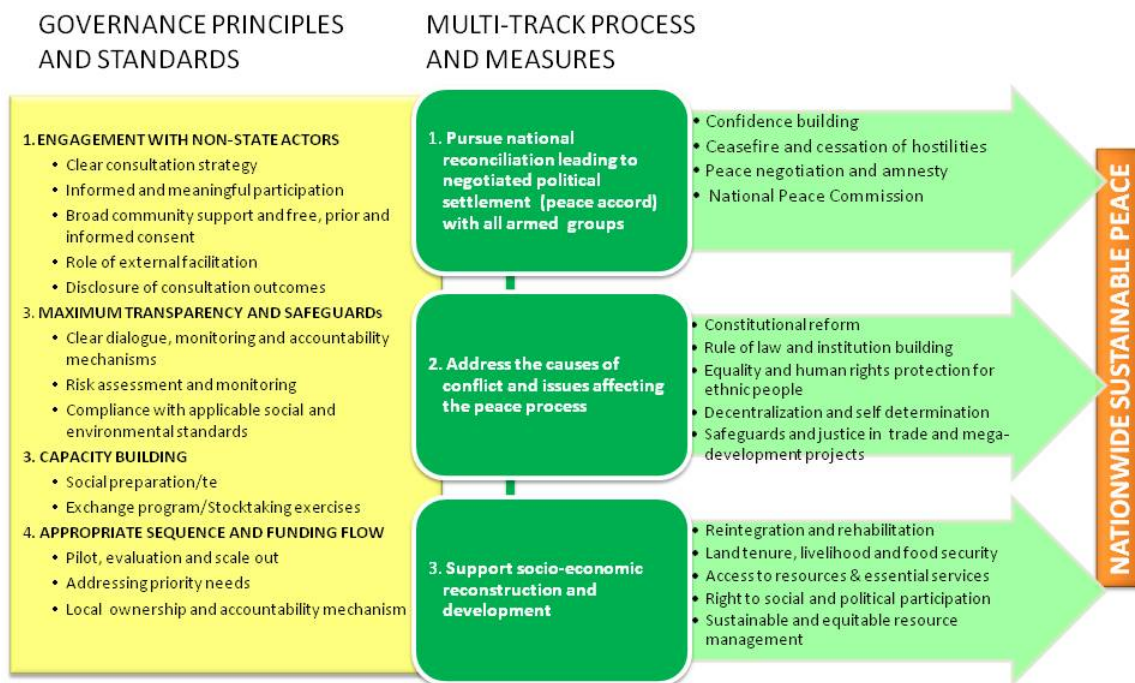
² This position paper is a product of (1) several strategy meetings and exchanges with Burma groups since the first quarter of 2012; (2) statements on peace funds such as 'Burma Peace Funds Must Do no Harm' by Karen Environmental and Social Action Network (<http://bit.ly/SxCyae>), 'Karen Community Based Organisations' Position on Peace Funds,' by Karen Community Based Organizations (<http://bit.ly/VteGVW>) and 'Joint Statement on Current Political Situation and Peace Processes' by Community Based Organizations from Shan State (<http://bit.ly/WiqyK9>); (3) equally relevant documents on peace and human rights such as those published by Karenni CBOs (<http://bit.ly/UbijlK>), 'Statement on Peace and Development in Burma' by Ethnic Community Development Fund (<http://bit.ly/QEtTPx>), 'Statement of Kachin Organizations to Halt the Burmese Government Troops Offensive Against KIO/KIA and Human Rights Abuses of Kachin Civilians' (<http://bit.ly/QHxKyk>); and (4) discussions on peace process and peace funds initiated by networks such as Women's League of Burma, among others.

2. Peace funds must strengthen, not weaken, peace-building initiatives by ethnic nationalities and civil society, which have been in existence before the donor-driven peace initiatives.
3. To avoid creating harm and exacerbating conflict and poverty in ethnic areas, the governance of peace funds must guarantee cautious management, maximum transparency, meaningful consultations with all relevant civil society groups, project risk assessment and adherence to safeguards and accountability standards.

Peace funds are now moving ahead without guarantee that the above principles and standards are being adhered to. Peace-building projects in the past provide many hard lessons and such mistakes should be heeded when projects are applied to Burma. We call on the donors and other proponents to improve the governance of peace funds by not rushing their process, addressing our concerns and recommendations, and engaging with us in informed and constructive consultations.

WHAT IS OUR AGENDA FOR A COMPREHENSIVE PEACE PROCESS?

Proposed framework for a comprehensive peace process



Any peace plan or external peace funds must support a multi-track process towards long-term peace in Burma. These processes are:

First, pursue national reconciliation that will lead to a negotiated political settlement or a binding peace accord between the government and all the armed groups. As a

country that has been in conflict for decades, national reconciliation has been called for over many decades by ethnic parties, the democratic opposition, and civil society. With urgency and utmost importance, national reconciliation requires the establishment of confidence building measures, ceasefires and cessation of hostilities, good-faith negotiations and an amnesty for political prisoners and political exiles, including those who participated in non-international armed conflict.

We are beginning to see the government partly addressing this process. The government negotiation team led by U Aung Min has a three step plan, outlined by President Thein Sein in his State of the Union address on 1 March 2012:

- **Step one:** State-level dialogue. A ceasefire agreement is signed, and liaison offices opened.
- **Step two:** Union-level dialogue. Economic cooperation, narcotics eradication programs, establishment of political parties to participate in the parliamentary process, and the unification of the armed forces. The ethnic groups must also pledge to abide by the three national causes which are: (i) non-disintegration of the Union, (ii) non-disintegration of national solidarity and (iii) perpetuation of sovereignty.
- **Step three:** Formal signing of a peace agreement in the parliament.

This three-step plan remains a one-sided proposal that lacks broad buy-in from ethnic parties, fails to address long-standing grievances and structural causes of conflict and lacks good-faith political dialogue. The government's peace agenda is also marred with the continued presence of business representatives and their investment proposals.³

Even when ceasefires have been signed, these are only the first step towards peace. Some have been broken already.⁴ Meanwhile, intensive fighting has been on-going in Kachin State with the Kachin Independence Army (KIA) since 9 June 2011. There are up to 100,000 displaced persons, many casualties and fatalities on both sides, and documented cases of human rights abuses committed by the armed groups, particularly the Burma Army.

³ In May, the Karen National Union (KNU) complained of the presence at peace talks of the Dawei Princess Company, who have a concession to log in KNU-controlled territory, and Egress, an NGO with close ties to the government. Meanwhile in Mon State, shortly after the ceasefire was brokered, the Minister for Mon State met with the Tala Mon Company to discuss a US\$1 billion seaport at Kalegawk Island.

⁴ Sporadic clashes between the Shan State Army – North (SSA-N), the Shan State Army – South (SSA-S), the Democratic Karen Benevolent Army (DKBA) and the Karenni National Progressive Party (KNPP) continue despite the ceasefires.

Second, address the causes of conflict and issues affecting the peace process. This involves:

- **Equality and human rights for ethnic people of Burma:** This equality lies in the right to self-determination that has been continually denied by successive military regimes. Since the signing of the Panglong Agreement in 1947, whereby Daw Aung San Suu Kyi's father General Aung San, and leaders of the Shan, Chin, and Kachin people agreed for Burma to function as a federal union, successive leaders have ignored the settlement, thus setting the tone of inequality and restricted political and civil rights for ethnic people. This needs to change.
- **The end to human rights abuses:** The decades long presence and subsequent litany of human rights abuses by the Burma Army has established a pervasive fear among ethnic communities. Such abuses include forced labor, land confiscations, coercion into being porters for the Burma Army, abduction, sexual assault, rape, torture and murder. While human rights abuses have also been committed by members of ethnic armed groups, most of the abuses documented have been at the hands of the Burma Army soldiers. The presence of soldiers in ethnic communities reinforces fear and mistrust. Soldiers have to leave the communities.
- **Restorative justice:** Victims of military violence and human rights abuses need justice. They need restorative justice, which will provide an avenue for repairing broken relationships, acknowledging the truth of previous wrongdoing, redressing grievances and focusing on the recovery of victims. It is essential to rebuilding communities and supporting a culture of peace. Without such a process, solving grievances and achieving reconciliation will be very difficult.
- **Rule of law:** The state and its institutions should be accountable to laws that are adopted democratically, not the other way round. Right now the state is above the law. There is no independent judiciary, corruption is rampant, and justice is personal and arbitrary. For national reconciliation, the rule of law needs to be established to build trust in the state that has left the people of Burma vulnerable for so long.
- **Annulling or amending the 2008 Constitution:** The Constitution entrenches military power, stipulating that 25% of parliamentary seats are reserved for the military. Key ministry posts are reserved for military members, as is the position of one of the two vice-presidents. The military can also assume complete control at any point they deem the country to be in an emergency situation. There is no civilian control over the military. The aforementioned human rights abuses have been, and are being, committed with impunity. This culture is even enshrined in the Constitution that states that any military personnel cannot be prosecuted in a civilian court. There are excessively broad limitations on fundamental freedoms. Unless the Constitution is amended or annulled, a true democratization where ethnic people have their rights restored and justice achieved will not be possible, as the Burma Army will continue to act with impunity, exacerbating the conflict.

Third, support socio-economic reconstruction with sustainable development. This will entail solving problems of:

- **Land confiscations** by Burma Army, state officials and powerful elite businessmen. Around three quarters of the population of Burma live in rural areas, especially in the ethnic states and regions and due to the imminent gold-rush, land grabbing is increasing rapidly. The current laws do not protect the farmers who are losing the land that has been in their family for generations and those who protest are often intimidated into submission or arrested. It does not help that MPs for the military-backed Union Solidarity and Development Party (USDP) are sometimes the owners of the companies taking over their land. People need to be protected by law, as a foundation for the market economy is to flourish. Additionally, if peace is achieved refugees and internally displaced persons (IDPs) will be returning to their land. Their rights must be clearly established prior to land being sold or confiscated for development.
- **Environmental degradation** from large-scale development projects. Dams, gas and oil extraction, deforestation through logging, and large-scale monoculture plantations has destroyed ecosystems, reduced biodiversity, caused flooding, reduced soil fertility and had many other environmental impacts. Not only this, but local participation in economic activity on Burma's land has been minimal, with local livelihoods lost. To prevent further environmental damage and destruction of sustainable local livelihood practices, reconstruction must implement environmental safeguards.
- **Health and education** spending is a fraction of the government's military budget. Even with the announcement of increased public spending on such essential social services earlier this year, the combined public expenditure on health and education is still just one fifth of their spending on the military. This huge imbalance needs to be addressed as part of a wider reconstruction process that will contribute towards sustainable peace.

DOES THE CURRENT, GOVERNMENT-LED PEACE PROCESS PROVIDE CONFIDENCE FOR SUSTAINABLE PEACE?

In the current state of play the government has yet to demonstrate that they are serious about addressing the structural roots of armed conflict. On one hand, the quasi-civilian government initiated some lauded reforms including the release of some political prisoners, the release from house arrest and subsequent participation of Daw Aung San Suu Kyi and her party, the National League for Democracy, in by-elections in April, ceasefires being signed with many ethnic armed groups as well as the loosening of certain media restrictions. It is in this context that the international community has eased most long-held sanctions against the Burma government.

On the other hand, genuine political dialogue has not started while the government's negotiation team has included a number of development and business projects in their discussion with some ethnic leaders. This raises issues of transparency, integrity and legitimacy.

In addition, the Burma Army has maintained a large presence in many ethnic areas and has even increased troops in others. The Army is defiant against presidential orders. When President Thein Sein ordered the military to stop attacks in Kachin State twice, on 10 December 2011 and 13 January 2012, the military ignored these orders and continued their offensive.

We recognize that Burma is still in the initial stages of peace-building yet if these historical grievances, causes of conflict and flaws in initial political dialogues continue, it is difficult to pursue the third track of socio-economic reconstruction and sustainable development.

Yet it appears that development projects are already being planned and started while political dialogue, an essential tool to *lasting peace accords, self-determination, ending human rights abuses, achieving justice, and amending the 2008 Constitution*, has not yet occurred. For the people of Kachin State, who experienced 17 years of a fragile ceasefire that other ethnic states are experiencing now, the lack of political dialogue is the main obstacle to a genuine and lasting ceasefire. During their previous ceasefire period, Kachin State faced the kind of development projects being discussed for current ceasefire regions such as logging, mining and large dams. The consequences were huge environmental damage, economic exploitation and the advent and exacerbation of social problems. This is why political dialogue and a political settlement are so important but yet, so far we have seen very little dialogue that addresses root problems. Again, this emphasizes the fragility of the current ceasefires and how early we are in the peace process.

It is in this context that peace funds have started to emerge. While we welcome the good intentions of these peace funds we also have some concerns. The remainder of this paper will outline these concerns and present our recommendations for how such peace funds should be implemented.

WHAT ARE OUR CONCERNS WITH PEACE FUNDS?

- **Everything is moving too quickly** – Community-based organizations (CBOs) are left reacting to events rather than helping to shape more effective work as donors are rushing into Burma since the lifting of sanctions.
- **Consultation has not been done properly** – A consistent complaint from civil society groups is that a broad and inclusive consultation has not yet occurred, and much of the information is only in English. An example is the concept document from Norway for their MPSI. This was leaked, not officially released, while a

two-hour session conducted by Norway in Chiang Mai was seen to be used as a public relations exercise rather than listening to and addressing concerns. It was also cut to just over an hour.

- **Members of ethnic armed groups have been approached individually, rather than as an organization** – While ethnic armed groups have been consulted, it has been individuals, rather than the entire governing bodies. As such there is a division of opinion as certain leaders are shown only the benefits while others have more exposure to those groups that have concerns. This division deliberately weakens the position of ethnic armed groups.
- **The elephant in the room** – The peace funds have the noble aim of raising people out of poverty, producing economic benefits; ‘peace dividends’ for those in the rural community who have suffered the most. They do not, however, address the fact that economic power is completely unbalanced; it is concentrated in the hands of the military backed government and its cronies. This is a root cause of conflict that has not been addressed.
- **Coercion into accepting the Constitution** – People feel that the newly found legitimacy that the government has achieved in the eyes of the international community and the subsequent donor money, is forcing them to accept the deeply undemocratic 2008 Constitution. This is an obstacle to peace and should therefore be addressed in any peace fund.
- **No mention of natural resources** – Natural resource management is a root cause of the conflict. From the Shwe Gas pipeline stretching across the country to goldmines in Kachin State; where there is natural resource extraction there is or has been conflict. Yet peace fund proponents have made no mention of how these issues should be addressed.
- **No mention is made of the role of women in peace building** – This is despite Norwegian commitment to this issue and UN Security Council Resolution 1325. We also find that the documents we have seen are weak on protection, and lacks gender analysis despite the fact that rape and other forms of sexual violence have been reported widely in connection with the armed conflicts in Burma. There is also very little information about what steps the peace fund initiatives intend to take to ensure the safety and security of civilians, including IDPs, women, children, men, the elderly and disabled in areas where soldiers continue to be present.
- **Model villages** – We have heard that the government wants to develop model villages and that this will be part of IDP and/or refugee repatriation. Due to extremely negative past experiences with these projects, many people are opposed to them.

- **IDPs and refugees** – To date there has been no extensive consultation with IDPs and refugees or a clear repatriation plan yet anxiety in the camps is building. Pre-conditions, as articulated by community groups that represent the camps, need to be met while refugees and IDPs must be consulted before any project that involves their repatriation is planned.

RECOMMENDATIONS

Before peace fund pilot projects begin, PDSG members must secure broad support from ethnic communities. For the World Bank, a *CDD* design document must be publicly disclosed and consultations held to feed into the final version. This document must inform the way the World Bank will use the *State Peace-Building Fund* and other funding that will support the *CDD* Program. It must go to the World Bank’s Board of Directors for approval before implementation. This document will be used a common reference point for peace fund activities. The same disclosure of policy documents applies to any PDSG peace fund project.

BROAD, MEANINGFUL AND SECURE CONSULTATION

There needs to be fully inclusive and transparent consultation process where people can freely express their views. By consultation, we mean meeting with and listening to a broad range of people and communities, providing them with all relevant information and including them in open discussions and decision making processes from planning through implementation and monitoring. Materials need to be provided in advance and in the native languages of the group. Meetings must be held in locations where people feel comfortable and not intimidated so open discussions are ensured. Consultations are not trainings, simply making announcements or sharing information. It is a space for critical debate and to seek inputs from the communities, including vulnerable groups within those communities.

With who? PDSG members must engage in a wide range of relevant actors, including:

- **Civil Society** – Consult with community-based organizations that represent issues as diverse as faith, ethnicity, youth, women, and the environment among others. They need to have a say in the transformation of their own country from one in conflict to one in peace. They represent the voices of the people on the ground for whom these projects will affect the most. Specialists from legal groups, think tanks, academia, and other support groups should also be engaged. **Registered organizations** as well as **unregistered organizations** must be included. One of the main issues is that many civil society organizations are unregistered and will therefore not be consulted. Often they feel like once they register, their activities will be closely monitored by the government. Registered organizations are required to function according to regulations that stipulate that registered NGOs cannot working on politics or human rights, thus restricting their ability to have a dissenting voice. There do exist some powerful NGOs in Burma that are aligned

with the government. Some of their members include ex-military personnel or academics that previously advised the military regime or the current government. Peace fund donors should be aware of these actors. This is not to say that there aren't registered NGOs in Burma who will play a vital role in peace fund projects. PDSG members must also consult with **border groups**. The role of border groups has been three pronged: (a) service provision for displaced communities, (b) empowerment and capacity building, and (c) advocacy on the regional and international level to raise awareness about the situation people have faced. There exist many non-Burman groups based on the border that have members and projects in local communities in conflict-affected areas who have, and continue to, work for these communities. They have helped to form a civil society base within Burma and should be consulted.

- **Ethnic political parties** – Engage with the political parties that represent the area where peace fund projects will be implemented. If the catalysts for peace fund initiatives are the political changes in Burma, then these elected parties must be seen as part of that change.
- **Ethnic armed groups** – Involve non-state ethnic armed groups in a transparent process involving official leadership bodies, not just individuals. Corners should not be cut because they are a non-state group. They are a major player in ethnic areas and dialogue should be conducted properly and respectfully. The United Nationalities Federal Council (UNFC) represents both armed and non-armed ethnic groups in Burma and provides a platform to work for peace that will be much more balanced. It is also important to remember that non-state armed groups are not the only ethnic stakeholder and some villagers do not necessarily agree with the armed groups' position. They are primarily military organizations and should not be assumed to be fully representative of the area they are fighting in. Nevertheless they are a major player in their respective areas and should be treated as such.
- **Women** – Ensure women's participation in all peace-building activities. United Nations Security Council Resolution 1325 outlines the importance and necessity of women's participation and perspective in all aspects of conflict prevention, management and resolution (including organizing for peace, rehabilitation, reintegration and reconstruction). It demands that women are in positions of power in order to activate change, and for governments to end impunity for those responsible for committing sexual violence against women and girls.
- **IDPs and refugees** – Include the voices of the many refugees and IDPs who will be returning to conflict affected areas as their return presents a whole set of problems. Their reintegration is vital, not just physically, but also psychologically, and socially. Therefore, they need to be consulted even if they are not in the project area at the time of planning and consultation.

- **Experts and academics** – Utilize both local and international expertise. International expertise can help projects learn from past mistakes and successes from other peace funds such as in Sri Lanka and Aceh while local expertise can give valuable information on the local context and influential actors.

We recommend that all relevant non-state groups, both inside and outside the country are consulted and not strategically ignored in favor of the government or government-aligned groups. Such consultations should not be limited to major urban centers but must also be conducted in communities where people will be affected and must ensure women's participation.

How? Ensure basic standards of peace fund governance. This includes gender sensitivity, transparency and availability of information, participation of vulnerable groups, consideration towards local cultural norms and resources, addressing security fears, and not rushing.

- **Transparency and availability of information** – Ensure information is easily accessible and presented in a clear and understandable way to communities and all stakeholders before any consultation begins. Prior information and reference materials translated into appropriate local languages are needed while workshops in communities should be undertaken to engage participation. Lengthy English language documents using technical terms are not useful. Such consultations should also be posted publicly, as should any new documents or announcements. While posting information on the internet is useful to some, most people in Burma do not have regular access to the internet, and as such, an appropriate outreach strategy based on the capacity of the consultation attendees should be developed. Any indication of secrecy or of non-disclosure of facts or plans undermines any trust building that a peace fund should seek to develop. The official information should also be presented straight from the donor as opposed to a third party.
- **Consideration of gender sensitivity** – Ensure that women play a major role in all aspects of peace fund projects. The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) details the specific measures that should be taken to ensure women's full involvement in political processes, such as peace negotiations, and in formulation and implementation of policy, including during the resolution of conflict. As Burma is a signatory to CEDAW, the Burma government is bound by international law to ensure participation of women at all levels of the country's peace-building process. In addition, CEDAW accounts for particular problems faced by rural women, including the significant roles they play in the economic survival of their families and concludes that they must be included in decisions that affect them and their families.
- **Participation of vulnerable groups** – Provide mechanisms to include socially marginalized and/or vulnerable groups, including but not limited to the unemployed, the poorest, religious minorities, and disabled people, thus making the consultations a more participatory process. A simple village-level meeting is

not enough as the most dominant groups tend to be the most outspoken, thus monopolizing village consultations. There are various participatory techniques of conducting research and these should be utilized to get a more comprehensive body of the opinions of those affected by projects. This may take some time but a project must prioritize a fully participatory and inclusive process over hastily conducted research to fast track action plans.

- **Consideration towards local cultural norms and resources** – Be culturally sensitive and use local resources wherever possible. A Western, donor-led intervention has the potential to misunderstand or lack awareness of local customs that can undermine projects. A proliferation of third-party highly paid consultants can alienate those affected from the process, reducing self-ownership and creating tension. As such local resources should be utilized when at all possible, and a ceiling of 15% of project funds should be spent on overhead.
- **Security** – Ensure the safety of those who are consulted. Many villagers simply want to live without fear and for that they need the Burma Army to leave their area. It is not difficult for project sponsors to receive a yes answer for a project from a community if the implementers arrive with government officials, or members of the ethnic armed group offering a ready-made plan. Fear is still prevalent and may well dictate answers to a ready-designed top-down led project or idea. For example, a local community may feel that a demining project is less important than Burma Army troops leaving their area, yet people are unlikely to say ‘no’ to such a project. Development should be grassroots-led and there needs to be a space for people to say ‘no’ without fear.
- **Human rights protection** – Human rights are and should be a governance principle and standard. A human rights protection policy lays the foundation for good governance by providing a set of values to inform and shape the work of any peace fund initiative.

One of the main themes of the consultation is the importance of **not rushing**. The peace process is still in its early stages, as is Burma’s transition. Most donors have not spent much time in the country and need time to do a thorough diagnosis of the current situation before implementing projects. A thorough understanding using the guidelines above will reduce the risk of potentially negative effects of peace funds.

We recommend that consultations be carried out in a culturally-sensitive, gender-balanced manner that allows people to express their needs freely in a safe environment, making sure that vulnerable groups are given the space to participate.

SEQUENCING

Proper sequencing in this context requires a clear peace fund design document, clear goals, indicators, pilot projects, establishing an independent monitoring and grievance mechanism, risk management plan and proportionate scaling up.

A clear strategy

For the World Bank, the consultation process, and a diagnosis of the peace-building process should form the basis of their *Community Driven Development* strategy. By the World Bank's own admission, their knowledge of Burma is limited as they have only had minimal engagement for over two decades. Such limitations should be addressed before funds are released. A thorough consultation plus commissioned research into the current context can help shape a more coherent and effective strategy for Burma. This strategy, or policy document needs to be disclosed before any donor involved in peace fund projects spends any money.

We recommend that any peace fund implementer publish a clear consultation plan ahead of consultations, including timeline, location, consultation materials, and guide questions in Burmese, English and other relevant ethnic languages with sufficient time before consultation.

Define goals

Peace funds need to define what sustainable peace is in Burma, and as stated earlier, this should be in accordance with national reconciliation and social, economic and environmental justice. If sustainable peace is not defined, the timeframe for scaling up a pilot project will be non-existent. Factors such as how successful a pilot project has been with regards to its contribution to peace will determine if the project will be continued and/or scaled up.

We recommend that the goals of any peace fund are always to support national reconciliation, achieving justice, addressing the root causes of the conflict and socio-economic reconstruction and sustainable, equitable development.

Indicators

A clear definition of peace can then help to form indicators for the success of peace fund projects. These indicators must reflect how the project has contributed towards reconciliation and a political settlement of armed conflict as well as a reduction in conflict incidents and feelings of fear. There needs to be a sense of justice for the deep underlying grievances and as such, indicators of success should represent how far transitional justice is being achieved. If peace funds are to help the long-term peace process, they need to go hand in hand with justice issues and political grievances, not just economic development.

We recommend that the indicators for scaling up a project and determining its relative success or failure are published and readily available before projects begin.

Once these goals and indicators have been formed:

Pilot projects

Pilot projects should be initiated based on the broad, meaningful and secure consultations outlined earlier. Implementation should use local resources and be carried out by local CBOs as much as possible, thus keeping control and ownership within the community. Consent from the whole leadership body of the ethnic armed group(s) active in the area is also needed before a project is started.

We recommend that local groups implement pilot projects with community ownership as far as possible. Any work carried out by outsiders of the community needs to be explained in a clear manner and such information published and readily available.

The success of these pilot projects will be measured by:

Independent monitoring mechanism and grievance mechanism

This should be third party implemented and include existing CBOs as well as outside assessors. The monitoring process should be on a constant basis and fully transparent, with its findings available in English, Burmese, and any local, ethnic languages. Information and access to the project should be full, therefore making sure that the implementing donors of the project and the government do not have a monopoly on information. There should also be a grievance mechanism established for members of local communities to safely access justice and/or compensation if peace fund projects harm them in any way.

We recommend that an independent monitoring mechanism and grievance mechanism is set up before a project is initiated and its make-up and mandate published and readily available in relevant languages.

Risk management

What happens if the government halts or even reverses the steps towards democracy? By intervening in the peace process the donors of a peace fund are taking a certain amount of responsibility for the prevention of conflict outbreaks. How will donors pressure the government or armed group if it reneges on its promises made in the ceasefire agreements?

We recommend that a risk management strategy be established before any project begins.

Scaling up

Based on the evaluation of the independent monitors and with constant consultation with affected communities, successful projects could be scaled up. Again, the key here is not to rush, while the monitoring should remain throughout the scaling up process.

We recommend that scaling up a project must only occur if the independent monitoring mechanism finds that it has met the indicators clearly defined before the pilot project begins.

SELECTION CRITERIA

PDSG members must have careful and appropriate selection criteria in prioritizing the use of peace funds. There must be additional space created to allow people affected by the conflict to express their concerns. People have lived through decades of violence. Their needs outlined in a meaningful consultation process should dictate the peace funds, rather than needs being explained to them. Areas of focus may include, demining, rehabilitation for IDPs and refugees, housing, trauma healing, micro-finance, land tenure reform, provision for the disabled, clean water, transportation, and electricity. These form part of the process of socio-economic reconstruction and sustainable development yet there also needs to be work on negotiating a political settlement and addressing the root causes of the conflict for the peace process to be sustainable.

- **Ensure the safety and security of IDPs and refugees** – Prevent forced and/or involuntary repatriation as it clearly undermines universal human rights standards and will put IDPs and refugees in jeopardy. A project that directly or indirectly pressures IDPs and refugees to return before fundamental political problems are addressed will damage trust building that peace funds are supposed to strengthen. There must also be a process for reconstruction and development to support refugees and IDPs when they do return.
- **Capacity building** – This should be a priority and implemented from day one. Not only does it give people the ability to ‘do’, it increases their ability to make informed decisions on how the peace funds are used. Civil society groups that represent their communities where peace funds will be deployed should be targeted for this capacity building.
- **Clearly articulate the role of the Myanmar Peace Center** – This body must include participation by ethnic armed groups, a wide range of civil society actors as well as the government, thus aiding transparency, accountability independence and effectiveness.
- **Peace in the whole state** – Ensure that risk assessments consider the security situation of the entire State/Region and not limited to a certain village/township.
- **Refrain from engaging in model village projects** – Model villages suffer from an image problem in Burma and are associated with negative economic, social, and environmental impacts. Most people living in model villages are not there by choice, having been forcibly relocated from illegal settlements. In Arakan State, Buddhist villages have been created to ‘adjust the balance’ between Muslims and Buddhists. Peace fund projects would be wise not to associate themselves with this kind of policy, particularly in the wake of recent violence in Arakan State.

- **Avoid engagement in the extractive sector** – As articulated earlier, natural resource governance is a root cause of the conflict. A participatory natural resource management strategy needs to be structured as part of the peace-building process based on participatory consultation by the government. Until this management strategy is established, involvement in the extractive sector will exacerbate conflict.

TO CONCLUDE

We welcome peace initiatives but would like to reiterate that the alternative to war is not only ceasefire or the cessation of violent conflicts. A more lasting and desirable alternative is a political process for national reconciliation and justice, and this should be at the forefront of all peace fund initiatives. Economic gains cannot be a substitute for political settlement and social, economic and environmental justice.

Meanwhile we would like to stress again the need for a truly grassroots consultation process where all the relevant stakeholders who will be impacted by peace funds can participate in the research, planning, implementation, monitoring and evaluation of development projects.

Peace negotiations are not merely about ending hostilities and disarmament. They also involve elements of planning for post-conflict reconstruction. As such, they present unique opportunities to effect the transformation of society and ensure that it is undertaken in a way that promotes women's equality and empowerment. Therefore, peace funds in Burma must include the importance of the role of women, ensuring the prevention, protection and participation of women in every level of the process.

We hope PDSG members will commit to incorporating our recommendations in any peace fund initiative. Key members of the PDSG are in different stages of peace fund projects, hence we urge them to enrich and improve the implementation of peace funds to ensure that the intended communities benefit.

The following is an initial list of organizations that have endorsed this position paper as of 7 October 2012:

All Kachin Students and Youth Union
Arakan Human Rights and Development Organization
ASEAN Inter-Parliamentary Myanmar Caucus
Back Pack Health Worker Team
Burma Environmental Working Group
Burma Partnership
Forum for Democracy in Burma
Human Rights Education Institute of Burma
Kachin Women's Association - Thailand
Karen Environmental and Social Action Network
Karen Women Organization
Mae Tao Clinic
Shwe Gas Movement
Students and Youth Congress of Burma
Tavoy Women's Union
Women's League of Burma