Myanmar's Peace Process: Getting to a Political Dialogue

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I. Overview

The current government term may be the best chance for a negotiated political settlement to almost 70 years of armed conflict that has devastated the lives of minority communities and held back Myanmar as a whole. Aung San Suu Kyi and her administration have made the peace process a top priority. While the previous government did the same, she has a number of advantages, such as her domestic political stature, huge election mandate and strong international backing, including qualified support on the issue from China. These contributed to participation by nearly all armed groups – something the former government had been unable to achieve – in the Panglong-21 peace conference that commenced on 31 August. But if real progress is to be made, both the government and armed groups need to adjust their approach so they can start a substantive political dialogue as soon as possible.

Pangalong-21 was important for its broad inclusion of armed groups, not for its content, and the challenges going forward should not be underestimated. Many groups attended not out of support for the process, but because they considered they had no alternative. Many felt that they were treated poorly and the conference was badly organised. The largest opposition armed group, the United Wa State Party (UWSP), sent only a junior delegation that walked out on the second day. An escalation of fighting in recent months, including use of air power and long-range artillery by the Myanmar military, has further eroded trust.

Such issues are not unexpected; what matters is the resilience of the process to deal with them. The announced scheduling of further Panglong-21 conferences every six months (the next for February 2017) imposes an artificially rigid timeframe that limits the flexibility required to overcome obstacles. Weak capacity in the government's peace secretariat, the National Reconciliation and Peace Centre (NRPC), is another challenge. It will take difficult negotiations to convince most groups to sign the Nationwide Ceasefire Agreement (NCA), a sine qua non for participation in the upcoming political dialogue process – future Panglong-21 conferences and the discussions feeding into them – that has been clearly articulated by both the government and military. This will be even harder if the military continues its forceful posture on the ground.

Eight groups signed the NCA in October 2015, but at least ten other armed groups have reservations. Some, like the UWSP, have better de facto self-governance arrangements already and worry their status would be undermined by signing. Others are concerned that the new government has a more unilateral approach to the peace

process and that if they sign, political solutions are more likely to be imposed than negotiated. Three groups without bilateral ceasefires are resisting government demands to issue statements renouncing armed struggle in principle.

The government should consider adopting a more flexible timeframe for the peace conferences and reassure armed groups by demonstrating a less unilateral approach to the process in general. It needs to ensure that civil society, women and youth have a stronger voice in the process. It should also take steps to ensure that it has the necessary support capacity in place at the NRPC.

Armed groups need to recognise that though they have legitimate concerns about the process, they are unlikely to get a better chance to achieve a negotiated political settlement. Aung San Suu Kyi has expressed firm support for a federal, democratic solution and has unparalleled political authority to deliver it, particularly with the Burman majority. Now is the time to start discussing the contours of that deal, rather than continuing to focus on preliminaries.

The alternative is not attractive. Time is not on the side of the armed groups. Unless both sides grasp the current opportunity, the prospect of a negotiated solution will recede, likely to be replaced by a messy, drawn-out endgame that fails to address the underlying grievances of the minority communities, including their demands for a federal system and greater equality. This would be to the detriment of peace and stability in the borderlands and to Myanmar's future as a prosperous, tolerant and democratic country.

II. Peace Legacy from the Previous Government

A. *Peace Process with Armed Groups*

The administration that took power on 30 March 2016 inherited a peace process that had been in stasis during the lame-duck period leading up to the November 2015 elections and the lengthy handover period afterwards.[1] The previous government had had considerable early success, agreeing bilateral ceasefires with fifteen armed groups between 2011 and 2013 (see Appendix B and the acronyms in Appendix C). There was much optimism on 31 March 2015, when the government and armed group negotiating teams initialled the NCA. However, concerns over the lack of inclusivity (the government did not allow the three groups without bilateral ceasefires – AA, TNLA and MNDAA – to sign) as well as about giving the government of then-President Thein Sein a major victory just ahead of elections, stalled the process. Eventually, eight armed groups signed the NCA at a ceremony on 15 October 2015; the remaining ten involved in the formal peace process did not. This led to some tensions between signatory and non-signatory groups. [2]

[1] For recent Crisis Group reporting on Myanmar, see Asia Briefings N°s 147, *The Myanmar Elections: Results and Implications*, 9 December 2015; 146, *Myanmar's Peace Process: A Nationwide Ceasefire Remains Elusive*, 16 September 2015; 144, *Counting the Costs: Myanmar's Problematic Census*, 15 May 2014; 143, *Myanmar's Military: Back to the Barracks?*, 22 April 2014; also Reports N°s 282, *Myanmar's New Government: Finding Its Feet?*, 29 July 2016; 266 *Myanmar's Electoral Landscape*, 28 April 2015; 261, *Myanmar: The Politics of Rakhine State*, 22 October 2014; and, for more detailed historical background on the armed conflict, 214, *Myanmar: A New Peace Initiative*, 30 November 2011.

[2] For all armed group acronyms, see Appendix B.

The NCA contains basic principles recognising the territorial integrity of the state (making clear that separatism or irredentism is unacceptable), committing to "principles of democracy and federalism" and embracing the diversity of the peoples and cultures in "a secular state". A military code of conduct prohibits certain conduct by all parties in ceasefire areas (attacks, reinforcement, recruitment, new bases, laying landmines, etc.) and sets out troop deployment provisions to avoid clashes. There is provision for a joint ceasefire monitoring body, and "interim arrangements" endorse armed groups' de facto authority in their areas of control for a transitional period. The NCA is to be followed by a "political dialogue", consisting of a Union Peace Conference to reach a comprehensive peace agreement that would be "the basis for amending, repealing and adding provisions to the constitution and laws, in line with agreed procedures" – that is, through the legislature – along with armed group disarmament and security sector reform.[3]

Finalisation of the NCA was thus only the first step in a long, difficult process needed to reach a comprehensive peace agreement. Many of the most challenging issues, including a possible form of federalism, how revenue would be shared, future status of the armed groups and their possible integration into the military, were deferred to the political dialogue, as were some technical military issues on ceasefire monitoring and code of conduct. It is thus neither a classic ceasefire agreement – many military issues, such as force separation, demarcation and verification, are vague, not included or need further agreement to come into force – nor a full political agreement, as it references many political issues but defers detailed discussion. This hybrid status reflects its genesis, the diverse actors and priorities around the table and political constraints.

Following the partial signing, the previous government took formal steps to implement the NCA, specifically:

- A first session of the Joint Implementation Coordination Meeting, the body mandated to oversee NCA implementation, was held 15-17 October 2015. It established the committees set out in the NCA to take the process forward: the Joint Monitoring Committee (JMC) for military and ceasefire matters and Union Peace Dialogue Joint Committee (UPDJC) for political dialogue. The JMC contains ten representatives of NCA-signatory armed groups, ten of government (including military), and four independent civilians; there are also subnational committees. The UPDJC initially had sixteen representatives each of NCA-signatory armed groups, government (including military and legislature) and political parties and was chaired by then-Vice-President Sai Mauk Kham.
- A joint legislative session ratified the NCA on 8 December, giving it legal status.
- A Framework for Political Dialogue was agreed on 15 December, including the mandate, agenda, working methods and proportions of representatives to be included in the dialogue.
- The first Union Peace Conference was held 12 to 16 January 2016, with opening addresses by the president, commander-in-chief, Aung San Suu Kyi and Mutu Say Poe, the head of the Karen National Union armed group. The conference had 700 participants but, occurring in the lame-duck period after the elections, was

[3] For a detailed summary of the NCA, see Crisis Group Briefing, *Myanmar's Peace Process*, op. cit., Section IV.

largely symbolic, intended only to launch the process and keep to the NCA's ambitious political roadmap. Armed groups that did not sign the NCA were invited to observe, but nearly all declined.[4]

B. *Armed Conflict*

Notwithstanding these important procedural developments, the peace process essentially was in stasis between the NCA signing and the new government taking up the issue in April 2016. Meanwhile, the situation on the ground remained volatile, with fighting continuing to break out sporadically, and often unexpectedly, in many different parts of the country.

Most groups that signed the NCA are based near the Thai border in southern Shan State and the south-east. Their signing consolidated a fragile local peace, or at least absence of war, that had prevailed for some time. Groups based near the Chinese border did not sign, and the situation in many of those areas continued to be unstable, with regular, sometimes intense fighting, including between ethnic armed groups. The geographic split reflects very different political-economic realities between the areas, including access to funding and weapons and the distinct policies and approaches of China and Thailand.

Serious bouts of conflict since early 2015 include:

- in Shan State, resumed major fighting between Myanmar National Democratic Alliance Army (MNDAA) troops and government forces in the Kokang Self-Administered Zone since February 2015, which was particularly intense from February to June that year and again in October 2015. Elsewhere in Shan State, there have been sporadic clashes between government forces and the Ta'ang National Liberation Army (TNLA) and between that group and the Shan State Army-South (SSA-South). There have also been clashes between government forces and the SSA-North, of particular intensity from October to November 2015 and in August 2016;
- in Kachin State, between government forces and the Kachin Independence Organisation (KIO) throughout the period, and in particular from July to November 2015, and again from April to August 2016;
- in Rakhine State and southern Chin State, occasional, sometimes heavy clashes between government forces and the Arakan Army, in particular in April 2015, January 2016 and from April to June 2016; and
- in Kayin State, clashes in July 2015 and again from August to September 2016 between a renegade faction of the Democratic Karen Buddhist Army (DKBA) and government troops together with Border Guard Force soldiers.

[4] In accordance with the Framework for Political Dialogue, the 700 seats were divided 75 each for government and legislature, 150 for military, 150 each for ethnic armed groups and registered political parties, 50 each for ethnic representatives and other relevant persons. The roadmap required the Framework for Political Dialogue to be agreed within 60 days of the NCA signing and the dialogue to commence within 90 days. One non-signatory group, the National Socialist Council of Nagaland-Khaplang, did accept the invitation. Three non-signatory armed groups without bilateral ceasefires (Arakan Army, Ta'ang National Liberation Army, Myanmar National Democratic Alliance Army) were not invited.

Such conflicts are usually accompanied by grave violations of human rights by all belligerents.[5] They undermine stability and trust in the peace process and severely impact lives and livelihoods – particularly of those most at risk, including women and children – often causing internal displacements.[6] Some 100,000 people remain displaced in Kachin and northern Shan states as a result of fighting following the 2011 breakdown of the KIO ceasefire. Fighting in the Kokang Self-Administered Zone displaced around 80,000 in February 2015, the majority to China, though most have now returned. At least 12,000 were displaced in northern Shan State in the first half of 2016 in the complex conflicts that included government forces, the TNLA and the SSA-South; most have returned home, but some 3,000 remain displaced. The fighting in Rakhine State in March-April 2016 displaced approximately 1,900, who have yet to return home. Most recently, fighting in Kayin State displaced some 4,000 in September 2016.[7]

III. The New Government's Approach

A. *First Steps*

During the previous government's tenure, the National League for Democracy (NLD) was invited, with other political parties, to participate in the peace process. Though it sent representatives, their engagement was limited. Aung San Suu Kyi kept her distance and was at times critical of the process. Her speech to the inaugural Union Peace Conference in January 2016 (above) was thus significant.

Suu Kyi had indicated that achieving peace would be a top priority for her government, and the NLD's election manifesto addressed this as its first item, promising to "hold political dialogue based on the Panglong spirit in order to address the roots of internal armed conflict" – referring to the pre-independence Panglong Conference, convened by her father in 1947.[8] In her first major speech after the transfer of power, a Myanmar New Year's message to the nation on 18 April, Suu Kyi stated that the government would aim to bring remaining organisations into the NCA, and "through peace conferences, we'll continue to be able to build up a genuine, federal democratic union".[9] She indicated that she would personally lead the process.

She gave the first concrete indication of her plans at a 27 April JMC meeting, announcing that a new 21st Century Panglong (Panglong-21) peace conference would be held within two months. This caused consternation among ethnic leaders due to both form and substance. There had been no prior consultation with ethnic armed

[5] See, for example, "Report of the Special Rapporteur on the situation of human rights in Myanmar", UN OHCHR A/HRC/31/71, 18 March 2016.

[6] For a detailed risk analysis, see "Kachin and northern Shan protection concerns and risk analysis", Protection Sector, October 2015.

[7] Figures from UN Office for the Coordination of Humanitarian Affairs, except Kayin State displacements, from "Tatmadaw launch operations against KKO splinter group in Wah Boh Taung-Kyonhtaw, Methawaw regions", *Global New Light of Myanmar*, 17 September 2016.

[8] "2015 Election Manifesto", NLD, official translation, p. 5. For details on the 1947 Panglong Conference, see Crisis Group Report, *Myanmar: A New Peace Initiative*, op. cit., Section I. The 1947 Panglong Agreement was not a peace deal – there was then no insurgency – but an agreement by some ethnic areas (Shan, Kachin and Chin) to join an independent Burma in return for promises of full autonomy in internal administration and an equal share in national wealth.

[9] "State Counsellor offers New Year message", *Global New Light of Myanmar*, 18 April 2016.

groups or political leaders; and no details were provided on the initiative, which was seen as potentially signalling a unilateral shift in approach in a process with a legally-binding framework that had required months of detailed negotiation. The venue for the announcement compounded these concerns, as the JMC is tasked with military or ceasefire matters, not the political dialogue, for which the UPDJC is the mandated body.[10]

In a 26-28 May meeting of the UPDJC, which she chairs, Suu Kyi sought to allay some concerns. She confirmed she would continue to follow the NCA framework, and Panglong-21 was only a different name for the Union Peace Conferences that framework envisaged. While this reassured ethnic leaders, other comments raised new concerns, notably her stated intention to narrow the scope of discussions in the political dialogue from the five thematic areas agreed in the UPDJC to federalism and security.[11] This would leave out some key areas of concern and missed an opportunity to build confidence by addressing easier issues, such as language policy. With armed group leaders strongly opposed, the matter was not settled before the Panglong-21 conference, and discussions are ongoing. It is likely armed group concerns will be accommodated, and the dialogue's scope will remain unchanged, though with some effort to focus on priority issues.[12] There has to date been little outreach to civil society, and few efforts to engage a wider range of voices in the peace process, particularly women and youth.

The government also announced a new peace architecture on 31 May, with three sets of structures:

- the NCA-mandated JMC and UPDJC, the latter now chaired by Suu Kyi and with party membership limited to those that won seats in the last elections;
- a committee to transform the previous government's Myanmar Peace Centre into a National Reconciliation and Peace Centre (NRPC). This new centre, launched on 11 July, is headed by Suu Kyi. Under it is a new Peace Commission, chaired by Dr Tin Myo Win, her personal physician and newly-designated chief peace negotiator.[13] Unlike its predecessor, a semi-government body staffed mainly by non-government experts, it is a government institution under Suu Kyi's State Counsellor Office, staffed by civil servants and governed by civil service laws and financial rules; and
- a Panglong-21 preparatory committee also chaired by Dr Tin Myo Win and sub-committees to liaise respectively with NCA-signatories and non-signatories.

[10] Crisis Group interviews, ethnic party and armed group leaders, Yangon, May-July 2016. For example, a month later the leader of the Shan State Army-South, a major armed group that signed the NCA, expressed concern on both aspects. "Lt-Gen Yawd Serk: If this conference is wrong, it will affect the future of the union", Shan Herald Agency for News, 26 May 2016.

[11] Ibid. "NCA to guide 21st Century Panglong Conference", *Global New Light of Myanmar*, 28 May 2016. The previously-agreed five areas are set out in the Framework for Political Dialogue, which is being amended. The three thematic areas proposed to be dropped were: social issues (including culture, language, gender, resettlement, human rights, drugs), economic issues (including foreign investment, tax and revenue distribution and regional development) and issues around land and natural resources (including resource management and revenue sharing).

[12] Crisis Group interview, member of UPDJC, Yangon, September 2016.

[13] Established by President Office Orders 50/2016 and 51/2016, 11 July 2016.

B. *Peace Conference Preparations*

Though the date for Panglong-21 slipped from her initial late-June proposal, Suu Kyi appeared determined to avoid major delays. This seems to stem from two considerations: not wanting to repeat the experience of the previous government, when negotiations bogged down over process, particularly which armed groups would be included; and a sense that her leverage would be at its greatest early in her term, due to the election landslide. Some observers also believed she wanted the conference before her September meetings with President Obama in Washington DC and at the UN General Assembly. Thus, at her urging, there was agreement with the NCA signatories for Panglong-21 to begin no later than 31 August, a very ambitious timeframe both logistically and for obtaining buy-in of non-signatory armed groups.[14]

The intention to make Panglong-21 inclusive of all armed groups, stated from the outset, was positively received. This has long been a demand of the non-signatories. On 3 June, as a first step to secure their participation, Dr Tin Myo Win met the United Nationalities Federal Council (UNFC), the main umbrella organisation of non-signatories. He then met separately on 17-19 June with the UWSP and NDAA, non-signatories that are not UNFC members. Under the previous government, non-signatories were only invited as observers; the new government got around this by indicating that since the first Panglong-21 conference would be symbolic, with presentations but no negotiations or decisions, all armed groups would be "attendees" (*tet-yauk-thu*). The government position remained, however, that only signatories could participate in the future political dialogue.[15]

There were also negotiations with the three previously-excluded groups: AA, TNLA and MNDAA. Since these lack bilateral ceasefires, they are not eligible to sign the NCA, and the military previously insisted they must disarm, something the groups equated with surrender. The commander-in-chief subsequently proposed that it would be sufficient to put their arms beyond use in some verifiable way, along the lines of formulas used in Aceh, Nepal and Northern Ireland, but this was rejected.[16] Negotiations then focused on a statement committing the groups to renounce armed struggle in principle. Considerable progress was made, with the only sticking point being the Burmese-language term for "armed struggle" versus "violence".[17] However, no agreement was reached, the three issued no statement, and they were not invited to Panglong-21. Crucially, however, that did not lead to the UNFC and other non-signatories boycotting, though lack of inclusion had been a key reason cited by groups for not signing the NCA.[18]

In the lead-up to Panglong-21, representatives of seventeen armed groups held a major strategy meeting in the KIO-controlled town of Maijayang, 26-30 July, to coordinate positions on key issues; the UN and China attended as international observers. Four armed groups did not attend (UWSP, MNDAA, TNLA and NSCN-

[14] Crisis Group interviews, armed group leaders and international peace-process adviser, Yangon, July-August 2016. "Gov't, NCA signatories agree to hold UPC no later than 31 August", *Global New Light of Myanmar*, 29 June 2016.
[15] Crisis Group interview, member of the Peace Commission, Yangon, August 2016.
[16] Ibid. Also, commander-in-chief meeting with press, 13 May 2016, reported in "Tatmadaw sets out peace conference conditions", *Myanmar Times*, 16 May 2016.
[17] Crisis Group interview, member of the Peace Commission, Yangon, August 2016.
[18] See Crisis Group Briefing, *Myanmar's Peace Process* op. cit., Section III.B.

Khaplang). The UWSP, together with its NDAA ally, went to Naypyitaw to meet on 29 July with Suu Kyi and then the commander-in-chief.[19]

C. *The Panglong-21 Conference*

The conference, officially the "Union Peace Conference – 21st Century Panglong", was held in Naypyitaw from 31 August to 3 September. Suu Kyi's opening address was followed by plenary speeches from the lower and upper house speakers, the commander-in-chief, the KNU chairman, NLD patron Tin Oo (an ex-commander-in-chief), the KIO vice chairman and UN Secretary-General Ban Ki-moon.[20]

Representatives of nearly all armed groups attended, except the AA, TNLA, MNDAA and NSCN-Khaplang.[21] Some 850 attendees participated over the four days. In a move armed group representatives welcomed for its transparency, the 72 ten-minute speeches were carried live on national television, "the first time in more than 50 years that they [were] able to express their desires and pent up aspirations to a national audience without fear of being arrested and put in prison".[22]

The attendance of most non-signatories was an important step forward. However, it does not necessarily indicate significantly greater trust in the new government on the part of armed group leaders. It more reflects the very different political landscape – in particular, the domestic and international legitimacy of Suu Kyi. Many armed group leaders felt they had little alternative but to participate, despite reservations or concerns; some came under pressure from China to attend (see below).[23] A prominent ethnic politician, Khun Tun Oo, who chairs the Shan Nationalities League for Democracy, did boycott on the basis that the conference was not fully inclusive of armed groups (though the decision was undoubtedly influenced by political tensions between his party and the NLD).[24]

Several groups felt the conference had been hastily convened, and there was considerable unhappiness at flawed arrangements. Armed group delegations were not met at the Naypyitaw airport and had to find their own way to their accommodation; delegations, including some senior leaders, were housed dormitory-style by the government; written documents and nameplates did not give military ranks of armed group representatives or other honorifics (failure to use the equivalent of "Mr" or "Ms" before a name is culturally very impolite in Myanmar). A major group, the UWSP, walked out after the first day, saying it felt discriminated against, though this was at least as much a reflection of its ambivalence about the NCA as it was over a specific issue; it had sent only a low-level delegation.[25] Some of these issues arose from the

[19] The NDAA participated in both the Maijayang meeting and the Naypyitaw visit.
[20] The KIO vice chairman's talk was a last-minute concession; there was initially no speaking slot for the non-signatory groups (Major-General N'Ban La also chairs the UNFC).
[21] The first three were not invited; the NSCN-Khaplang, though invited, had long made clear it would not attend, as it is committed to the creation of an independent Naga homeland out of parts of Myanmar and India, which is politically inconsistent with the NCA and the peace process.
[22] Crisis Group interviews, armed group representatives, Yangon, September 2016. Quote from "Political Monitor No. 20", Euro-Burma Office, 20 August-2 September 2016.
[23] Ibid.
[24] Crisis Group interviews, armed group representatives and analysts, Yangon, September 2016. "Khun Tun Oo absent from peace talks", Shan Herald Agency for News, 31 August 2016. For details on the tensions, see Crisis Group Report, *Myanmar's New Government*, op. cit., Section III.C.
[25] The UWSP delegation had booked itself into a prominent hotel, rather than stay at the government-assigned accommodation. Since groups were not met at the airport, the delegation did

tight timeframe for convening the conference, but others appear to have been the deliberate result of the government's approach to organising it.

IV. Huge Challenges Remain

The government has indicated that it plans to hold such Panglong-21 peace conferences every six months.[26] This would impose an artificially rigid set of deadlines on a process that must achieve the buy-in of diverse stakeholders on very contentious issues. Challenges lie in the preliminary matters that must be settled before the next session, the content of future political discussions and the political and security context.

A. *Preparations for the Next Conference*

Achieving broad participation by armed groups at the recent conference hinged on three things:

- Suu Kyi, who won an electoral landslide, including in many ethnic areas, and enjoys strong international support as well, has great political capital and legitimacy. Most armed group leaders accordingly felt politically compelled to attend, unlike in the past. This was reinforced by the military's support for the conference and the clear convergence of views between the soldiers and government on the peace process. China's backing was also critical. The combination gave Suu Kyi a large advantage over the previous government, which had military support but far less legitimacy and no backing – indeed, sometimes obstruction – from China. (It also amplified the power asymmetry between the government/military and the armed groups, making the latter nervous.)
- Decisions on difficult issues were postponed until after the conference. In particular, discussions on a revised Framework for Political Dialogue continue, and there is not yet agreement on topics to be included and how a series of "national dialogues" to feed into the next Panglong-21 will be conducted. Non-signatory groups declined to attend a September framework review meeting.[27]
- Perhaps most importantly, the requirement that armed groups must sign the NCA to participate was not enforced. This was possible because the conference was billed as a symbolic launch, without discussions or decisions. But it remains firm government policy and a red line for the military that armed groups wishing to participate in the political dialogue must first sign the NCA. This message was reinforced by Suu Kyi and Commander-in-Chief Min Aung Hlaing, who made the NCA a key focus of their opening speeches.[28]

not collect its conference passes, and on the opening day a government organiser arranged temporary "observer" badges so the delegation could attend the plenary. Since these were not valid for the following day session, when the UWSP was to give its presentation, security barred the delegation, which then walked out in protest before organisers could remedy the problem. Crisis Group interview, organising committee member, Yangon, September 2016.

[26] "Union Peace Conference to be held every six months", State Counsellor Office statement, 15 August 2016.

[27] Crisis Group interview, UPDJC member, Yangon, September 2016.

[28] Reproduced in *Global New Light of Myanmar*, 1 and 2 September 2016, respectively.

The timeframe is extremely tight. The next conference is due in February and may be timed to coincide with the 70th anniversary on 12 February of the 1947 Panglong agreement, celebrated annually as Union Day. Before this, there is need for negotiations to secure signing of the NCA by non-signatories and agreement on a revised Framework for Political Dialogue (targeted for end of October), followed by national dialogues in each state and region. All these steps are difficult, time-consuming or both, particularly getting more groups to sign the NCA. The largest armed group, the UWSP, is very reluctant to sign, because it is a de facto mini-state with far more autonomy than anything the NCA offers. The closely-allied NDAA is likely to follow its lead.

The seven UNFC groups (see Appendix B), particularly the larger ones, desire to reach a political settlement on the grievances driving decades of conflict – fundamentally, lack of autonomy and equality. They recognise the current moment may be the best opportunity they will ever get, but exclusion of the AA, TNLA and MNDAA makes the NCA politically problematic for them and a ceasefire militarily unfeasible. They also have not yet been offered any concessions – not even of the face-saving kind – for signing,[29] and will be reluctant to do so if the only reason is to gain access to a process they view as driven unilaterally by the government and insufficiently sensitive to their concerns. They worry that conforming to an artificial, government-imposed timeframe would set a precedent for unilateral imposition of any subsequent political solutions.

Some UNFC members may also want to delay major decisions until the KNU holds its congress in November.[30] If a more hardline leadership results, they believe it could pave the way for this influential armed group to rejoin the alliance, enhancing its power and bargaining position. However, if the UNFC tries to prolong the process too much, it risks being marginalised, for example not being eligible to participate in the national dialogues, thereby giving government and political parties a stronger role in defining the peace process agenda.[31]

The issue of the three groups, AA, TNLA and MNDAA, without bilateral ceasefires is even more difficult. Including them in the next conference requires, at a minimum, agreement on a statement renouncing violence in principle; even then, they could likely attend only as observers. Having declined that for the last conference, it is far from clear whether they will do so ahead of the next; the TNLA sent an open letter to Panglong-21 stating it would "never lay down arms or renounce arms, at any time or under any circumstance".[32] This not only matters for inclusivity, but also has on-the-ground consequences. These groups are to various degrees allied with or supported by the UWSP and KIO, and they fight together in joint patrols and in some cases together with the KIO and SSPP. All operate in adjacent or overlapping

[29] In particular, the UNFC has put forward an eight-point proposal for amending/supplementing the NCA. It will be very difficult for the government to accept any changes now that it is signed by the former president, commander-in-chief and legislative speakers, as well as eight armed groups, and been ratified by the legislature. Some of the specific proposals are also quite difficult, but a compromise must be found. See also, Sai Wansai, "Framework for Political Dialogue: UNFC's boycott leads to peace process deterioration", Shan Herald Agency for News, 21 September 2016.
[30] Crisis Group interview, senior armed group representative, Yangon, September 2016.
[31] Crisis Group interviews, armed group leaders, members of government peace bodies and analysts, Yangon, July-October 2016.
[32] TNLA open letter to the Panglong-21 conference, 31 August 2016.

territory, and it is hard to imagine any ceasefire being sustainable without the three non-ceasefire groups.[33]

A huge amount of procedural work and negotiation is required before the next peace conference. In addition to the inherent challenges, the peace architecture has quite limited capacity. Lead negotiator Dr Tin Myo Win works extremely hard but has no chief of staff for the process and continues his medical work for Suu Kyi and as a surgeon at a philanthropic hospital. The NRPC, tasked with the day-to-day work, has only a handful of staff, compared with 120 under its predecessor. Because Suu Kyi decided to establish it as a fully government entity under her office (its predecessor was semi-independent, at least administratively), it must follow civil service staffing and budgeting regulations. Scaling up will take considerable time, and it will be difficult to draw on outside expertise.[34] There is thus a worrying lack of institutional capacity to support peace-process mechanics, and the armed groups also have little support capacity.

B. *Questions of Content*

Now that the peace process set out in the NCA has been launched symbolically on two occasions – the Union Peace Conference in January 2016 and Panglong-21 in August – the next conference will have to start addressing the substantive issues. Assuming that a revised Framework for Political Dialogue can be agreed and reasonable inclusivity of armed groups can be achieved through an expansion in NCA signatories, participants will then need to start grappling with the substance. All agree this will be very challenging, and it will likely be many years before a comprehensive peace agreement can be reached. Three key questions arise:

- *Is a negotiated federal solution possible?* This is the main demand of armed groups and ethnic leaders, and Suu Kyi has strongly committed to achieving "the democratic federal union of our dreams". The military is far more cautious. The commander-in-chief did not use the term "federal" in his opening speech at Panglong-21, emphasising "peace and unity" and that armed struggle is inconsistent with democracy. However, the military is not rejecting federalism; the commander-in-chief signed the NCA, whose first point is to "establish a union based on the principles of democracy and federalism", and a senior military officer used the term at Panglong-21.[35] The potential deal is federalism in return for disarmament of armed groups. However, this will be complicated given the number of armed groups and their divergent interests, and the extent of federal powers that military and government are ready to devolve is not yet clear. There are also hundreds of armed militias, some of which have ethno-nationalist positions, but most are primarily economic actors.[36]

[33] See "Military confrontation or political dialogue: Consequences of the Kokang crisis for peace and democracy in Myanmar", Transnational Institute, July 2015.
[34] Crisis Group interviews, individuals with direct knowledge, Yangon, June-September 2016. The new multi-donor Joint Peace Fund is an initiative that can provide significant resources, but it cannot necessarily overcome the regulatory restrictions the NRPC operates under.
[35] Aung San Suu Kyi, opening speech, Panglong-21, Naypyitaw, 31 August 2016. NCA Section 1(a); speech of Lt. General Yar Pyae, JMC chair, at Panglong-21, reported in "21st Century Panglong commences in Nay Pyi Taw", *Global New Light of Myanmar*, 1 September 2016.
[36] For details, see John Buchanan, "Militias in Myanmar", The Asia Foundation, July 2016.

- *Can the concerns of sub-minorities be accommodated?* One of the more intractable issues is likely to be their status. Federalism has tended to be conceived, in geographic terms, as devolution of powers to the existing seven ethnic states.[37] This alarms smaller minority groups within these states, who fear that political domination at the state level will replace domination by Naypyitaw. This was already clear from the speeches at Panglong-21, where specific claims for new states were made by the Wa, Ta'ang and Pao (all currently having self-administered areas within Shan State) and the Red Shan (in Kachin State and Sagaing Region, where they have no territorial designation). Many other potential claims can be anticipated.[38] Shan and Kachin political and armed group leaders in general oppose these proposals.
- *Will any negotiated solution be regarded as legitimate and be implemented?* Even if a reasonably inclusive process can be achieved and consensus reached on the complex substantive issues, many constituencies may feel marginalised by the process. Minority ethnic representation is limited to those that have armed groups or political parties that won seats (in a recent change Suu Kyi initiated, those that did not win legislative seats in 2015 have only a token number at the peace conference and no UPDJC representation).[39] Many influential ethnic parties won nothing in the NLD landslide and will have a minimal voice in the process; some minority groups are not represented by an armed group; and questions can be asked about how representative armed groups are of communities in their areas.

  There is a fundamental doubt about whether state-based federal solutions can appropriately be negotiated between armed groups and government, in particular when civil society voices, women and youth feel marginalised in the process.[40] That process should be adjusted to ensure that it has broader legitimacy. Even where representation has strong legitimacy – for example, the NLD government's support from the majority Burman group (and many others) – the population at large has had little engagement with the peace process and may oppose solutions that devolve too much political authority and economic control to minority areas. Minority communities will not necessarily see the NLD as representing their interests, even if they voted for it, because that vote was in many ways a referendum on military rule, reflecting determination to vote out the military-backed party.[41]

While Suu Kyi's focus has been on federalism and security – she initially proposed that the political dialogue deal directly with only those issues – minority commu-

[37] Chin, Kachin, Kayah, Kayin, Mon, Rakhine and Shan.
[38] See comments of Sai Htay Aung (Red Shan), Khun Myint Tun (Pao) and U Yan Kyaw (Wa), *Global New Light of Myanmar*, 3 September 2016; and TNLA open letter, op. cit., which specifically calls for creation of a Ta'ang (Palaung) State.
[39] See "Kayah political parties boycott Panglong Conference", *Myanmar Times*, 22 August 2016.
[40] "CSOs pine for seat at table", *Myanmar Times*, 26 August 2016; statement by Alliance for Gender Inclusion in the Peace Process on Panglong-21, September 2016; "No women, no peace: Gender equality, conflict and peace in Myanmar", Transnational Institute, 13 January 2016; "Youth ethnic alliance emerges after summit", *Myanmar Times*, 3 August 2016.
[41] For discussion of the election outcome in ethnic areas and its interpretation, see Crisis Group Briefing, *The Myanmar Elections*, op. cit., Section IV.C; and "The 2015 general election in Myanmar: What now for ethnic politics?", Transnational Institute, December 2015.

nities have many other concerns. These include rights and discrimination, revenue sharing, natural resource management and language policy.[42] Whether these are dealt with upfront as potentially more tractable confidence building measures or sidelined by more fundamental issues can have a big impact on the dynamics of the peace process. Overlooking them would likely be a mistake.

C. *The Political and Security Environment*

Since the peace process was launched in 2011, it has had to face significant external and domestic challenges. Serious armed conflict on the ground and China's role have been particularly important and are to some degree interlinked.

The most significant outbreak of conflict in recent years was the collapse of the KIO ceasefire in 2011, the seeds of which were sown prior to the 2010 election. Fighting resumed ahead of the formal launch of the peace process in August 2011, and a serious escalation in December 2012 threatened to derail it, but China's intervention, prompted in part by fighting spilling over its border, pushed the sides back to the negotiating table.[43] Another major test came in April 2014, when serious clashes displaced some 5,000 civilians and eroded the trust of all parties in the NCA negotiations. The crisis deepened in November 2014, when an army mortar attack on a military training centre at KIO headquarters almost caused the talks to collapse. Serious fighting in the Kokang Self-Administered Zone between government forces and the MNDAA from February 2015 hardened opposing positions of the military and several armed groups over inclusivity, part of the reason why a number of groups were unwilling to sign the NCA that year.[44]

With a fragile peace holding in parts of the borderlands and clashes ongoing in many others (Section II.B above), the peace process is likely to continue to be buffeted. Rigid timelines for Panglong-21 conferences risk becoming an obvious target for spoilers and an unsatisfactory framework for adjusting to unpredictable but inevitable escalations in the conflict. The military may feel less constrained by the peace process than under the previous government; given the power asymmetries, it is likely to continue pressing its ground advantage, especially with NCA non-signatories and in particular if the peace process moves slowly or it feels that armed groups are being obstructive.

China's influence can have a big impact on ground dynamics and the peace process, given its considerable leverage over the groups on its border. It has regularly intervened, positively and negatively. Relations with the Thein Sein administration were often strained, starting with suspension of the Myitsone dam project in 2011 and difficulties with the Letpadaung copper mine – both major China-backed projects – and long delays in announcing that a Chinese company had won the tender for the Kyaukpyu deep-sea port and special economic zone, a major Chinese strategic interest.[45] Myanmar's markedly improved relations with the U.S. intensified

[42] For detailed discussion, see Crisis Group Report, *Myanmar: A New Peace Initiative*, op. cit., Section IV.
[43] See Crisis Group Asia Briefing N°140, *A Tentative Peace in Myanmar's Kachin Conflict*, 12 June 2013.
[44] Crisis Group Briefing, *Myanmar's Peace Process*, op. cit., Section II.D.
[45] See Yun Sun, "Aung San Suu Kyi's visit to Beijing: Recalibrating Myanmar's China policy", Transnational Institute, 16 August 2016.

China's angst that it had lost its "traditional advantage".[46] The poor relations, combined with specific irritants such as Myanmar's intrusion into Chinese airspace in 2015 to attack the MNDAA, a flood of refugees into China and Naypyitaw's invitation to Japan and the West to become involved in the peace process, produced a negative stance toward the NCA, to the point that persistent allegations emerged that China was lobbying armed groups in 2015 not to sign.[47]

The situation has shifted significantly under the new government. China feels Suu Kyi gives more priority to the bilateral relationship, and it supports her peace overtures. At the July summit of armed group leaders hosted by the KIO, the Chinese special envoy publicly called on all groups to attend Panglong-21, and Beijing successfully put considerable pressure on several to do so. China has also given several million dollars to fund the JMC but remains uncertain about the trajectory of relations, the chances for success in the peace process and how many years that would take; it is thus likely to continue to balance support for Naypyitaw and maintaining ties with armed groups along its border.[48]

V. Conclusion

The Panglong-21 conference encapsulated both the significant advantages Suu Kyi has for forging peace and the enormous challenges she must surmount. The broad attendance of armed groups gives hope of a more inclusive, successful peace process, but it would be a mistake to think that the fundamental problems have become easier to solve. It will take difficult negotiations to convince most groups to sign the NCA, a sine qua non the government and military have each expressed. The announced scheduling of Panglong-21 conferences every six months artificially limits the flexibility required to secure signatures. Weak capacity in the government's NRPC peace secretariat makes the job more difficult.

The government should consider adopting a less rigid timeframe and less unilateral approach and take steps to ensure it has the necessary support capacity in place. Armed groups need to recognise that, though they have legitimate concerns about the process, they may never get a better chance to negotiate a settlement. Aung San Suu Kyi has expressed firm support for a federal, democratic solution and has the political authority to deliver. Now is the time to start discussing the contours of that deal, rather than continuing to focus on preliminaries.

Yangon/Brussels, 19 October 2016

[46] "China's engagement in Myanmar: From Malacca Dilemma to Transition Dilemma", Transnational Institute, July 2016.

[47] China has denied the allegations, which were made publicly by a member of the Myanmar Peace Centre and subsequently retracted, and privately to Crisis Group and others by a wide range of people connected to the peace process. Whether true or not, it is clear from talk with armed group leaders at the time that there was no Chinese pressure to sign the NCA and massive private financial support from China that the authorities must have been aware of. See "Fraud probe alleges Chinese firm sent money to Myanmar insurgents", *Frontier Myanmar*, 3 February 2016.

[48] Yun Sun, "Aung San Suu Kyi visit to Beijing", op. cit. Crisis Group interview, Myanmar expert on China, Yangon, September 2016.

Appendix A: Map of Myanmar

International Crisis Group/KO/Dec 2015. Based on UN map no. 4168 Rev. 3 (June 2012).

Appendix B: The Main Ethnic Armed Groups and their Ceasefire Status

	Group	Bilateral ceasefire	NCA-signatory?
1	United Wa State Party (UWSP)	6 Sept 2011	No
2	National Democratic Alliance Army (NDAA, "Mongla group")	7 Sept 2011	No
3	Democratic Kayin Benevolent Army (DKBA)	3 Nov 2011	Yes
4	Restoration Council of Shan State/Shan State Army-South (RCSS/SSA-South)	2 Dec 2011	Yes
5	Chin National Front (CNF)	6 Jan 2012	Yes
6	Karen National Union (KNU)	12 Jan 2012	Yes
7	Shan State Progress Party/Shan State Army-North (SSPP/SSA-North)	28 Jan 2012	No
8	New Mon State Party (NMSP)	1 Feb 2012	No
9	Karen National Liberation Army Peace Council	7 Feb 2012	Yes
10	Karenni National Progressive Party (KNPP)	7 Mar 2012	No
11	Arakan Liberation Party (ALP)	5 Apr 2012	Yes
12	National Socialist Council of Nagaland-Khaplang	9 Apr 2012	No
13	Pao National Liberation Organisation (PNLO)	25 Aug 2012	Yes
14	All Burma Students Democratic Front (ABSDF)	5 Aug 2013	Yes
15	Kachin Independence Organisation (KIO)	(30 May 2012)*	No
16	Ta'ang National Liberation Army (TNLA)	No	No
17	Myanmar National Democratic Alliance Army (MNDAA, "Kokang group")	No†	No
18	Arakan Army (AA)	No	No

* An agreement was signed on 30 May 2012. It was not a formal ceasefire, but contained inter alia a commitment to "efforts to achieve de-escalation and cessation of hostilities".

† The MNDAA's 1989 ceasefire ended after an army attack in 2009, with one faction being routed (and its leaders fleeing to China) and the other agreeing to become a Border Guard Force unit under partial army control. The routed faction subsequently reactivated, with support from other groups.

The United Nationalities Federal Council (UNFC) is an armed group umbrella organisation, whose seven members have not signed the NCA: SSPP/SSA-North, NMSP, KNPP, KIO, Lahu Democratic Union, Arakan National Council, Wa National Organisation. The last three do not have significant armed forces, so have not been directly included in the ceasefire process.

Appendix C: List of Acronyms

AA	Arakan Army
ABSDF	All Burma Students Democratic Front
ALP	Arakan Liberation Party
CNF	Chin National Front
DKBA	Democratic Kayin Benevolent Army Democratic Kayin Buddhist Army
JMC	Joint Monitoring Committee
KIO	Kachin Independence Organisation
KNPP	Karenni National Progressive Party
KNU	Karen National Union
MNDAA	Myanmar National Democratic Alliance Army (Kokang)
NCA	Nationwide Ceasefire Agreement
NDAA	National Democratic Alliance Army ("Mongla group")
NMSP	New Mon State Party
NRPC	National Reconciliation and Peace Centre
NSCN-Khaplang	National Socialist Council of Nagaland-Khaplang
PNLO	Pao National Liberation Organisation
RCSS	Restoration Council of Shan State
SSA-North	Shan State Army-North
SSA-South	Shan State Army-South
SSPP	Shan State Progress Party
TNLA	Ta'ang National Liberation Army
UNFC	United Nationalities Federal Council
UPDJC	Union Peace Dialogue Joint Committee
UWSP	United Wa State Party

Appendix D: Reports and Briefings on Asia since 2013

As of 1 October 2013, Central Asia publications are listed under the Europe and Central Asia program.

Special Reports

Exploiting Disorder: al-Qaeda and the Islamic State, Special Report, 14 March 2016 (also available in Arabic).

Seizing the Moment: From Early Warning to Early Action, Special Report N°2, 22 June 2016.

North East Asia

China's Central Asia Problem, Asia Report N°244, 27 February 2013 (also available in Chinese).

Dangerous Waters: China-Japan Relations on the Rocks, Asia Report N°245, 8 April 2013 (also available in Chinese).

Fire on the City Gate: Why China Keeps North Korea Close, Asia Report N°254, 9 December 2013 (also available in Chinese).

Old Scores and New Grudges: Evolving Sino-Japanese Tensions, Asia Report N°258, 24 July 2014 (also available in Chinese).

Risks of Intelligence Pathologies in South Korea, Asia Report N°259, 5 August 2014.

Stirring up the South China Sea (III): A Fleeting Opportunity for Calm, Asia Report N°267, 7 May 2015 (also available in Chinese).

North Korea: Beyond the Six-Party Talks, Asia Report N°269, 16 June 2015.

Stirring up the South China Sea (IV): Oil in Troubled Waters, Asia Report N°275, 26 January 2016 (also available in Chinese).

East China Sea: Preventing Clashes from Becoming Crises, Asia Report N°280, 30 June 2016.

South Asia

Pakistan: Countering Militancy in PATA, Asia Report N°242, 15 January 2013.

Sri Lanka's Authoritarian Turn: The Need for International Action, Asia Report N°243, 20 February 2013.

Drones: Myths and Reality in Pakistan, Asia Report N°247, 21 May 2013.

Afghanistan's Parties in Transition, Asia Briefing N°141, 26 June 2013.

Parliament's Role in Pakistan's Democratic Transition, Asia Report N°249, 18 September 2013.

Women and Conflict in Afghanistan, Asia Report N°252, 14 October 2013.

Sri Lanka's Potemkin Peace: Democracy under Fire, Asia Report N°253, 13 November 2013.

Policing Urban Violence in Pakistan, Asia Report N°255, 23 January 2014.

Afghanistan's Insurgency after the Transition, Asia Report N°256, 12 May 2014.

Education Reform in Pakistan, Asia Report N°257, 23 June 2014.

Afghanistan's Political Transition, Asia Report N°260, 16 October 2014.

Resetting Pakistan's Relations with Afghanistan, Asia Report N°262, 28 October 2014.

Sri Lanka's Presidential Election: Risks and Opportunities, Asia Briefing N°145, 9 December 2014.

Mapping Bangladesh's Political Crisis, Asia Report N°264, 9 February 2015.

Women, Violence and Conflict in Pakistan, Asia Report, N°265, 8 April 2015.

The Future of the Afghan Local Police, Asia Report N°268, 4 June 2015.

Revisiting Counter-terrorism Strategies in Pakistan: Opportunities and Pitfalls, Asia Report N°271, 22 July 2015.

Sri Lanka Between Elections, Asia Report N°272, 12 August 2015.

Winning the War on Polio in Pakistan, Asia Report N°273, 23 October 2015.

Nepal's Divisive New Constitution: An Existential Crisis, Asia Report N°276, 4 April 2016.

Political Conflict, Extremism and Criminal Justice in Bangladesh, Asia Report N°277, 11 April 2016.

Sri Lanka: Jumpstarting the Reform Process, Asia Report N°278, 18 May 2016.

Pakistan's Jihadist Heartland: Southern Punjab, Asia Report N°279, 30 May 2016.

South East Asia

Indonesia: Tensions Over Aceh's Flag, Asia Briefing N°139, 7 May 2013.

Timor-Leste: Stability At What Cost?, Asia Report N°246, 8 May 2013.

A Tentative Peace in Myanmar's Kachin Conflict, Asia Briefing N°140, 12 June 2013 (also available in Burmese and Chinese).

The Philippines: Dismantling Rebel Groups, Asia Report N°248, 19 June 2013.

The Dark Side of Transition: Violence Against Muslims in Myanmar, Asia Report N°251, 1 October 2013 (also available in Burmese and Chinese).

Not a Rubber Stamp: Myanmar's Legislature in a Time of Transition, Asia Briefing N°142, 13 December 2013 (also available in Burmese and Chinese).

Myanmar's Military: Back to the Barracks?, Asia Briefing N°143, 22 April 2014 (also available in Burmese).

Counting the Costs: Myanmar's Problematic Census, Asia Briefing N°144, 15 May 2014 (also available in Burmese).

Myanmar: The Politics of Rakhine State, Asia Report N°261, 22 October 2014 (also available in Burmese).

A Coup Ordained? Thailand's Prospects for Stability, Asia Report N°263, 3 December 2014.

Myanmar's Electoral Landscape, Asia Report N°266, 28 April 2015 (also available in Burmese).

Southern Thailand: Dialogue in Doubt, Asia Report N°270, 8 July 2015.

Myanmar's Peace Process: A Nationwide Ceasefire Remains Elusive, Asia Briefing N°146, 16 September 2015 (also available in Burmese).

The Myanmar Elections: Results and Implications, Asia Briefing N°147, 9 December 2015 (also available in Burmese).

Thailand's Lengthening Roadmap to Elections, Asia Report N°274, 10 December 2015.

The Philippines: Renewing Prospects for Peace in Mindanao, Asia Report N°281, 6 July 2016.

Myanmar's New Government: Finding Its Feet?, Asia Report N°282, 29 July 2016 (also available in Burmese).

Southern Thailand's Peace Dialogue: No Traction, Asia Briefing N°148, 21 September 2016.

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