EU-Myanmar relations

The European Union (EU) has been at the forefront of the international community's re-engagement with Myanmar as the country has advanced in making significant reforms and opened up to the world. The EU is firmly committed to supporting Myanmar and its people on its path to democracy, peace and prosperity, thereby also strengthening the Association of South-East Asian Nations (ASEAN), the EU's natural partner in South-East Asia.

Myanmar's democratic transition

In 2011 Myanmar's then quasi civilian government embarked on a substantial process of reform by taking the first steps towards democratisation, peace with the country's ethnic armed groups, and socio-economic recovery. The holding of credible and competitive elections in November 2015 marked an important milestone in the transition process and provided the National League for Democracy (NLD), led by Daw Aung San Suu Kyi, with an absolute majority in parliament. The new NLD-led government took office in April 2016 with the first civilian President in more than half a century.

The EU as a partner in transition

The EU is a partner of Myanmar in its transition, having rapidly responded to political changes in the country and provided strong support for democratic and economic reforms and peacebuilding from the outset. Trade preferences under the Everything But Arms (EBA) scheme, which allows duty free and quota free access to the EU market, were restored and a full-fledged EU Delegation was opened in 2013. In the same year, an EU-Myanmar Task Force meeting with the participation of four Commissioners, the European Parliament and the European Investment Bank took place in Yangon and Nay Pyi Taw, combining all instruments the EU has at its disposal to support democratisation. In October 2015, the EU signed the Nationwide Ceasefire Agreement as an international witness, reflecting its key role in supporting the peace process. The EU deployed the largest international Election Observation Mission with some 100 observers to the 2015 general election, on the invitation of the Union Election Commission. An Election Expert Mission followed the 2017 by-elections on the ground, confirming the importance the EU attaches to electoral reform in the country.

A Joint Communication, entitled "Elements for an EU strategy vis-à-vis Myanmar/Burma: A Special Partnership for Democracy, Peace and Prosperity" (1 June 2016) set out a vision for an ambitious and forward-looking EU engagement with the country in the following areas: 1) democracy, rule of law and
good governance; 2) the peace process; 3) human rights; 4) poverty reduction and sustainable development; 5) economic engagement; and 6) working together with Myanmar in ASEAN and the region. EU Foreign Ministers endorsed this strategy in Council conclusions on 22 June 2016.

**Political dialogue**

In 2014 the EU and Myanmar also started to engage in a regular Human Rights Dialogue, which is co-chaired by the EU Special Representative for Human Rights. Its latest session was held on 5 March 2018. This engagement underscores the particular attention the EU places on democratic transition and human rights in the country, not least the protection of the rights of persons belonging to ethnic and religious minorities, including the Rohingya.

The EU has been reaching out to the Myanmar military (Tatmadaw), which remains a key political player, on the role of the military in a modern democracy. The Chairman of the EU Military Committee and the Commander-in-Chief of the Myanmar Armed Forces paid reciprocal visits in Brussels and Nay Pyi Taw in June and November 2016 respectively. In light of the disproportionate use of force carried out by the security forces in the current crisis in Rakhine State, the EU and its Member States decided on 16 October 2017 to suspend invitations to the Commander-in-Chief of the Myanmar armed forces and other senior military officers and to review all practical defence cooperation. Council Conclusions of 26 February condemned the widespread and systematic human rights abuses committed by the Myanmar military and security forces against the Rohingya community following the 25 August 2017 attacks by the Arakan Rohingya Salvation Army (ARSA) and stated that the EU and its Member States intended to reduce practical defense cooperation with Myanmar to the strict minimum with the sole purpose of strengthening democratic principles, the respect of human rights and the rule of law.

The EU has condemned the attacks of 25 August 2017 by the Arakan Rohingya Salvation Army, as well as the violence that followed in northern Rakhine State. Tens of thousands of people have been internally displaced and some 700,000 Rohingya have fled to Bangladesh. In light of these developments, the EU called for an immediate stop of violence against unarmed civilians and a de-escalation of tensions, respect for human rights and a particular duty of the security forces to refrain from any violence against unarmed civilians. The EU has also been insisting on the restoration of full access for all humanitarian actors and the media to northern Rakhine State. (See, for reference, Speech by the High Representative/Vice-President Federica Mogherini at the European Parliament urgency debate on Myanmar, 14 September 2017; Statements by the HR/VP on 6 September and 11 September 2017; Foreign Affairs Council Conclusions of 16 October 2017; Speech by the HR/VP at the European Parliament on 12 December 2017, Foreign Affairs Council Conclusions of 26 February 2018.)

The High Representative/Vice-President, Federica Mogherini, visited the Kutupalong refugee camp in Cox's Bazar in Bangladesh and met with Prime Minister Sheikh Hasina on 19 November 2017, and also met with the Foreign Minister on 2 March 2018 in Brussels.

The High Representative/Vice-President and other Foreign Ministers present at the Asia Europe Foreign Ministers' Meeting (ASEM) on 20-21 November 2017 in Nay Pyi Taw (Myanmar) held a special meeting with State Counsellor Daw Aung San Suu Kyi, to discuss the situation in northern Rakhine State and of the Rohingya refugees. During this meeting, the High Representative discussed with the State Counsellor the importance of concluding with Bangladesh a bilateral agreement on the return of refugees and to implement the recommendations of the final report of the Advisory Commission on Rakhine State. An "Arrangement on return of displaced persons from Rakhine State" was signed by the two governments on 23 November 2017. This arrangement was followed by the "Physical agreement on implementation" on 16 January 2018 and of a trilateral memorandum of understanding with UNHCR and UNDP on 6 June 2018 to involve these organisations in the return process.
In order to create conditions conducive to safe, voluntary and dignified return of refugees, steps need to be taken by the Myanmar government to tackle without delay the root causes of the situation in Rakhine State, including the elimination of statelessness, discrimination and under-development as outlined in the recommendations of the Advisory Commission on Rakhine State.

**Multilateral and regional fora**

For many years, the EU tabled resolutions on the human rights situation in Myanmar in the United Nations General Assembly and Human Rights Council. In September 2016, the EU took the decision not to table a human rights resolution in the UN General Assembly Third Committee any longer, but continued to lead a resolution on Myanmar in the UN Human Rights Council (HRC), in view of the remaining serious human rights concerns.

The HRC Resolution of March 2017 put in place an independent Fact-Finding Mission (FFM) to establish the facts and circumstances of the alleged human rights violations by military and security forces and abuses, in Myanmar, in particular in Rakhine State. The Fact-Finding Mission is yet to obtain access to Myanmar and the EU is consistently advocating for this to happen in its contacts with the Myanmar authorities. The EU supported the decision of the HRC in September 2017 to extend the mandate of the Fact-Finding Mission until September 2018, and related subsequent resolutions at the UN Human Rights Council (5 December 2017 and 20 March 2018) and at the UN General Assembly (24 December 2017). Myanmar decided in December 2017 to discontinue its cooperation with the UN Special Rapporteur on the situation of human rights in Myanmar.

Myanmar’s first ASEAN chairmanship in 2014 provided the opportunity for the EU to step up engagement with the country at the regional level and work towards implementing the "Bandar Seri Begawan Plan of Action to strengthen the ASEAN-EU Enhanced Partnership (2013-2017)” and promoting EU strategic interests in the Asia Pacific as set out later on in the EU Joint Communication ‘The EU and ASEAN: a partnership with a strategic purpose’ and the ensuing Council Conclusions. The EU will continue to do so as regards the implementation of the recently adopted EU-ASEAN-Plan, which will cover the period 2018-2022. The EU and Myanmar also cooperate in the ASEAN Regional Forum (ARF) as well as the Asia-Europe Meeting (ASEM).

**Restrictive measures**

In 2012, the EU suspended sanctions and opened an office in Myanmar/Burma. The following year, all EU sanctions, with the exception of an embargo on arms and equipment that can be used for internal repression, were lifted. In light of the situation in Rakhine State, however, the Council on 26 April 2018 expanded the restrictive measures in place as well as adopted a framework for targeted measures against officials responsible for serious human rights violations.

The restrictive measures in place now consist of an embargo on arms and equipment that can be used for internal repression, a prohibition to export dual-use goods for use by the military and border guard police and restrictions on the export of equipment for monitoring communications that might be used for internal repression. The Council also prohibited the provision of military training to and military cooperation with the Myanmar Armed Forces (Tatmadaw). Moreover, the Council adopted a legal framework for targeted restrictive measures against certain persons from the Myanmar Armed and the border guard police.

This framework makes it possible to impose a travel ban and an asset freeze on individuals responsible for:

- serious human rights violations, for example inciting violence, for discrimination and acts of
violence against persons belonging to minorities in Rakhine State but also in Kachin and Shan States and for obstructing the voluntary and safe return process of displaced persons from Rakhine State to their place of origin;
• obstructing the conduct of independent investigations into alleged serious human violations or abuses;
• obstructing the rapid and unimpeded passage of humanitarian assistance for civilians in need.

On 25 June 2018 the Foreign Affairs Council designated seven senior military, border guard and police officials responsible for or associated with serious human rights violations against the Rohingya population.

**Development Cooperation**

Myanmar has **an indicative allocation of €688 million** under the Multi-annual Indicative Programme 2014-2020. The EU's support for the country’s reform process focuses on four focal sectors:

- Rural development, agriculture and food and nutrition security (€241 million)
- Education (€241 million)
- Governance, Rule of Law, State capacity building (€96 million)
- Peacebuilding support (€103 million)

The EU accompanies and supports the democratic transition process in Myanmar through development cooperation programmes, underpinning the implementation of reforms. In addition, Myanmar benefits from the EU’s **thematic and regional development cooperation programmes and instruments**. The EU has around €40 million worth of on-going projects targeting, for example, livelihoods, education and resilience in Rakhine State.

Recent developments concerning access and the deteriorating situation on the ground, in particular in northern Rakhine State, have had a **negative impact on the delivery of assistance to beneficiary communities**. The EU is committed to supporting the people of Myanmar and sustainable development across the country, for the benefit of all.

In order to promote **aid effectiveness**, the EU and its Member States have since 2013 been engaged in the **joint programming of development cooperation**.

**EU-supported flagship projects**

- **LIFT** (Livelihoods and Food Security Trust Fund) is a multi-donor trust fund improving the lives and prospects of smallholder farmers and landless people in rural Myanmar;
- **STEP Democracy** supports Myanmar's diverse political and civil actors to seize opportunities to build inclusive, democratic institutions and appeal to the active, informed participation of society;
- **My Justice** improves access to justice and legal aid for the poor and vulnerable, develops legal capacity of justice sector professionals and strengthens selected rule of law institutions to better fulfil their mandates;
- The **Joint Peace Fund** supports nationally-led efforts to achieve a lasting settlement of ethnic armed conflict in Myanmar;
- **SMART Myanmar**: actively promotes sustainable consumption and production of garments “Made in Myanmar”, a concept with emphasis on resource efficiency and social responsibility.
Humanitarian Aid

Since the attacks of the Arakan Rohingya Salvation Army (ARSA) on 25 August 2017 and subsequent security operations by the Myanmar security forces some 700,000 Rohingya refugees have crossed into the Cox's Bazar area in Bangladesh, bringing the total refugee population in the country to over 1 million. In May 2018, the EU released €40 million to provide life-saving support to vulnerable Rohingya civilians and host communities in Bangladesh and across Rakhine State. This support, which will help to deliver food, nutritional support, clean water and sanitation facilities, access to health care services, as well as increased protection for the most vulnerable groups among refugees and host communities, comes on top of the €51 million mobilised by the European Commission in 2017. Part of the support has been used to scale up preparedness measures for the rainy season, which is triggering floods and landslides in what is currently the most densely populated refugee camp in the world.

The EU also provides humanitarian aid to those affected or displaced by conflict in Kachin and northern Shan States. In addition to providing food, health and shelter support to populations living in IDP camps, the EU has also contributed to mine-awareness projects and to the rehabilitation needs of victims of anti-personnel mines, as well as supporting the Myanmar Indigenous Network for Education.

Another priority of EU humanitarian assistance in Myanmar is disaster risk reduction which increases the resilience of the most vulnerable communities facing recurrent natural hazards. In line with the EU's international commitments, the European Commission humanitarian aid department ensures that all its relevant actions lead to the reduction of disaster risks and to the improvement of communities' resources for better preparedness to natural hazards.

Trade and Economic Cooperation

Myanmar's efforts in combating forced labour, acknowledged by the International Labour Organisation, have opened the way for the EU to reinstate preferential market access under the Everything But Arms (EBA) scheme in 2013. As a result bilateral trade exceeded €2 billion in 2017 up from €404 million in 2012. Myanmar exports to the EU reached €540 million. Major exports from Myanmar to the EU were garments (more than 72% of total exports), rice (9%), and footwear (6%). According to Myanmar's official statistics (as of May 2018), the EU was the 4th largest foreign investor in 2017 and where cumulated existing investments originating from the EU amounted to $5.5 billion (or 8.8%).

Council Conclusions of 26 February 2018 recalled that the respect of human rights and fundamental freedoms was a crucial part of the EU's trade policy underpinning the granting of trade preferences to Myanmar under the EBA. In this context, the Commission was invited to continue monitoring the situation and to step up engagement with Myanmar.

Both parties have engaged in negotiations for an EU-Myanmar Investment Protection Agreement to enable our respective investors to benefit from the necessary guarantees and promote responsible investments from the EU to contribute to Myanmar's sustainable development. The respect of human rights and fundamental freedoms is a central element of the EU's trade policy and underpins our trade preferences. The most recent (5th) round of negotiations on the agreement took place on 26-27 April 2017 but following the events in Rakhine State negotiations have been paused.

The EU demonstrated its commitment to work with the government, the International Labour Organisation and other partners (Denmark, the United States and Japan) on labour rights when
joining the Initiative to Promote Fundamental Labour Rights and Practices in Myanmar in May 2015. The objective of the initiative is to strengthen labour rights across Myanmar as a precursor to responsible international trade and for the promotion of human rights. The third stakeholder forum under the initiative took place on 17-19 January 2018. The EU is also actively promoting responsible business conduct and is funding a €9 million ILO/OECD project in this area in a number of Asian countries, including Myanmar.

In order to help European businesses to better tap Myanmar's vast economic and investment potential, Myanmar has been selected as a European Economic Diplomacy case study country. The Eurochamber plays an important role in representing EU business interests in the country.

Steps have been taken to prepare for negotiations on a Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA). Progress is however dependent on the outcome of the peace process since vast forest areas are located in ethnic areas. The EU attaches particular importance to the preservation of environment and biodiversity.

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