



# EU MYANMAR RELATIONS



The European Union 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 U Htin Kyaw becoming the first civilian President in more than half a century. Daw Aung San Suu Kyi assumes a key role in the new administration as State Counsellor, Minister of Foreign Affairs, and Minister of the President's Office. She also leads the peace process and chairs the Central Committee for the Implementation of Peace, Stability and Development in Rakhine State and the [Union Enterprise for Humanitarian Assistance, Resettlement and Development in Rakhine](#).

## 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. The EU suspended sanctions and opened an office in 2012. In the following year all EU sanctions, with the exception of an arms embargo, were lifted. The arms embargo is currently in place until [30 April 2018](#). Trade preferences under the [Everything But Arms](#) (EBA) scheme, which allows duty free and quota free access to the EU market, were restored. 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 2013, a high-level political dialogue was launched and 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 and was last held on 22 November 2016. 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.

The EU and Myanmar also **co-operate in multilateral fora**. For many years, the EU has tabled resolutions on the human rights situation in Myanmar in the United Nations General Assembly and Human Rights Council. In recognition of the country's progress on democratic transition, the reinvigoration of the peace process and the positive steps taken by the new government to improve human rights, in September 2016 the EU took the decision not to table a human rights resolution in the UN General Assembly Third Committee. In view of the remaining human rights concerns, in particular the violence in Rakhine State following the 9 October 2016 attacks on three border guard posts, the EU led a Resolution in the UN Human Rights Council (HRC) in March 2017.

The HRC [Resolution](#) 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 European Union is consistently advocating for this to happen in its contacts with the Myanmar authorities. The European Union supported the decision of the HRC in September 2017 to extend the mandate of the Fact-Finding Mission until September 2018, and related resolutions at the UNGA Third Committee (16 November 2016) and the HRC (5 December 2017).

The European Union 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. The security operations conducted by Myanmar's security forces have led to a serious refugee crisis. Tens of thousands of people have been internally displaced with no or limited access to humanitarian assistance and some 650,000 Rohingya have fled to Bangladesh. In the light of these developments, the European Union has been calling 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 European Union has also been, insisting on the restoration of 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](#).)

The European Commission announced on 12 September an [additional €3 million in humanitarian assistance](#) to Bangladesh and Myanmar as a result of the crisis (for more information, see "Humanitarian Aid" section). The High Representative/Vice-President, Federica Mogherini, [visited Bangladesh on 19 November 2017](#). She visited Kutupalong refugee camp in Cox's Bazar where [she met](#) with representatives of humanitarian organisations and with a group of Rohingya women who recently fled Myanmar, and met with the Prime Minister of Bangladesh, Mrs Sheikh Hasina.

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 and received assurances from her in this regard. That an arrangement on return of displaced persons from Rakhine State was signed three days later, on 23 November 2017, is [an important and welcome step](#) towards addressing the crisis and the European Union will help to accompany and monitor the implementation of this arrangement.

In addition to addressing the immediate situation, 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**.

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)**.

### 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 transformative agenda 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 European Union 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

Continued fighting is causing further **population displacement** in Kachin, Shan and Rakhine States. Since the attacks of the Arakan Rohingya Salvation Army (ARSA) on 25 August 2017 and subsequent security operations by the Myanmar security forces

some **650,000 Rohingya refugees have crossed into the Cox's Bazar area** in Bangladesh, in addition to the 87,000 who had fled after the October 2016 violence. Prior to that, some 400,000 Rohingya refugees had already been living in Bangladesh, of whom only 33,000 registered and some 150,000 of those who are not registered living in makeshift, unofficial camps. Altogether, over 1 million Rohingya are estimated to have taken refuge in Bangladesh to date. Due to a lack of access, it is not known how many Rohingya remain in northern Rakhine State, but estimates range between 150,000 and 180,000.

The European Union has allocated over €51 million in total support to Rohingya and host communities in Bangladesh and Myanmar in 2017. The EU is funding projects throughout Myanmar's Rakhine State to address some of the most urgent needs, including food and nutrition, basic health services, water, sanitation, protection and shelter for affected communities displaced by subsequent outbreaks since 2012. The European Commissioner for Humanitarian Aid and Crisis Response, Christos Stylianides, [visited](#) northern Rakhine State in May 2017 and Cox's Bazar on 30-31 October 2017.

The European Union co-hosted a [Pledging Conference on the Rohingya Refugee Crisis](#) on 23 October 2017 in Geneva, whereby the EU and its Member States [pledged](#) almost half of the total amount. The European Union has been funding humanitarian programmes in Cox's Bazar since 1994 through international NGOs and the UN. Since 2007, the EU has allocated about €157 million to Bangladesh; of which close to €38 million has been allocated for basic health care, water, sanitation, shelter, nutrition, protection and psychological support to the Rohingya. Since 2010, the EU has provided more than €76.5 million in humanitarian aid to vulnerable people in Rakhine State, including in remote northern areas. Since 1994, the EU has provided €229 million in **humanitarian aid** to Myanmar, including €145 million in response to conflict situations, €84 million in response to natural disasters and epidemics, and to build resilience. Myanmar is also prone to natural disasters, notably cyclones, floods and earthquakes. The impact of climate change is expected to further increase the vulnerability of populations in need. Since 2010, €9.7 million has been dedicated to disaster risk reduction in coastal flood-prone areas and in urban agglomerations facing earthquake risks.

The EU is also a lead donor to **Burmese refugee camps in Thailand**, where it has provided €171.4 million since 1995 (70% through its humanitarian aid department and 30% through its instrument for Aid for Uprooted People).

### **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 reached €1.55 billion in 2016** up from €404 million in 2012. **Myanmar exports to the EU reached €830 million**. Major exports from Myanmar to the EU were garments (more than 69% of total exports), rice (8%), and footwear (6%). According to Myanmar's official statistics (as of January 2017), the **EU was the 4<sup>th</sup> largest foreign investor in 2016**. According to Myanmar's official figures (end January 2017), cumulated existing investments originating from the EU amounted to USD 4.8 billion (or 8.2%), behind China (USD 18.4 billion or 31% of total), Singapore (USD 15.7 billion or 27%) and Hong Kong (USD 7.4 billion or 13% of total).

Both parties have engaged in negotiations for an **EU-Myanmar Investment Protection Agreement** to enable European businesses to realise the full potential offered by the country's economy, while complying with the highest standards of corporate social responsibility and responsible investment.

The EU demonstrated its commitment to work with the government, the International Labour Organization 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 will take 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.

