

**Critical Ecosystem Partnership Fund
39th Meeting of the CEPF Donor Council
Virtual Meeting
Wednesday 15 December 2021
8:00 a.m. – 11:00 a.m. Eastern Standard Time (EST)**

Granting in Myanmar in the Current Political Context

Recommended Action Item:

The Donor Council is asked to consider the current context for CEPF grant-making in Myanmar, and advise the CEPF Secretariat on whether it can resume and, if so, under what conditions.

Background

CEPF has been making grants in the Indo-Burma Hotspot since 2008. The current (third) phase of investment began in 2020 and will continue until 2025. The investment is guided by an ecosystem profile, which was approved by the Donor Council in 2020.

Following the approval of the ecosystem profile, a new grant was awarded to the IUCN Asia Regional Office to continue as the Regional Implementation Team (RIT), and a call for proposals was issued on 8 January 2021, which generated high quality applications, including some from Myanmar.

Myanmar is an integral part of the Indo-Burma Hotspot. It contains one of the five priority corridors, 25 of the 90 priority sites and 50 of the 136 priority species for CEPF investment identified in the ecosystem profile. During the previous phase (2013-2020), Myanmar received 33 grants, totaling US\$2.1 million. These grants supported 15 local and seven international civil society organizations and delivered important results, including demonstrating community-based models for site conservation, establishing community co-managed fish conservation zones, and preventing the extinction of highly threatened species. All grants from the previous phase are closed, all funds have been released to the grantees, and there are no active CEPF grants in Myanmar.

On 1 February 2021, a military coup took place, removing the democratically elected government. In consultation with the RIT, the CEPF Secretariat decided to suspend all grant-making and other activities in Myanmar. By that point, applications for four large grants and nine small grants in Myanmar had been shortlisted for further review. The Secretariat and RIT wrote to these applicants to inform them that the review process was being suspended. Through informal communication, some of these applicants have let the Secretariat and RIT know that they are still able to operate safely in Myanmar, except in parts of the country where there is armed conflict between the military and

ethnic armed groups (these areas are well known, and many have been “off limits” to conservation for years).

The prognosis is for a prolonged stalemate between the military regime and the opposition, which has established a self-declared parallel government. The status quo could persist for years, during which time the country’s natural resources will be exploited at an accelerating rate, and the capacity for conservation that has been built among civil society organizations will diminish. In this context, CEPF has the opportunity to channel funding directly to civil society organizations for community-level activities that will reinforce conservation outcomes achieved under the previous investment phase. Absent this support, these outcomes are at high risk of being eroded rapidly.

In terms of compliance with U.S. Treasury Department restrictions, there is a general OFAC license in place for conservation activities (General License No. 3). CI’s general counsel’s office has confirmed that the license is in place and would allow CEPF grant-making. Moreover, CEPF grants cannot be awarded to government entities, or used to pay government staff salaries or salary supplements.

CEPF Secretariat staff are unable to travel to Myanmar at present, which prevents them from conducting monitoring and supervision missions directly. Due to the COVID pandemic, this has been the de facto situation for the past 20 months in all countries where CEPF operates. IUCN has staff based in Myanmar who may be able to undertake financial and programmatic site visits, provided the security situation allows. In any case, the Secretariat recommends restricting grant-making to former CEPF grantees who have demonstrated their ability to manage funds responsibly.

In summary, there would be significant conservation benefits from resuming CEPF grant-making in Myanmar, and the financial and compliance risks are manageable. Nevertheless, the issue of providing development assistance to Myanmar is a sensitive one.