

MYANMAR:
THE POLITICS OF HUMANITARIAN AID

2 April 2002



TABLE OF CONTENTS

EXECUTIVE SUMMARY AND RECOMMENDATIONS.....	i
I. INTRODUCTION.....	1
II. THE POLITICS OF AID	2
A. THE NATIONAL GOVERNMENT.....	2
B. THE PRO-DEMOCRACY OPPOSITION	4
C. INTERNATIONAL DONORS	5
D. COUNTER-ARGUMENTS AND SHIFTING POSITIONS.....	7
III. THE HUMANITARIAN IMPERATIVE.....	9
A. SOCIO-ECONOMIC INDICATORS	9
B. IMMEDIATE CAUSES	10
C. REGIONAL AND DEMOGRAPHIC DIFFERENCES.....	10
IV. TECHNICAL IMPERATIVES	11
A. POLICY AND PLANNING	12
B. MANAGEMENT	12
C. IMPLEMENTATION	13
D. DATA COLLECTION AND ANALYSIS	13
V. POLITICAL IMPERATIVES	14
A. POLITICAL COSTS OF ENGAGEMENT.....	14
B. POLITICAL BENEFITS	17
VI. IMPLEMENTING HUMANITARIAN ASSISTANCE	18
A. DEFINING ‘HUMANITARIAN’ ASSISTANCE.....	18
B. OVERSIGHT	19
C. NATIONAL OVERSIGHT STRUCTURES	19
1. Government	19
2. The NLD.....	20
3. Joint Committee on International Assistance.....	20
4. Council of Respected Persons	20
D. INTERNATIONAL OVERSIGHT STRUCTURES	21
E. DISTRIBUTION.....	22
1. The Government.....	22
2. The UN System And INGOs.....	22
3. National development partners.....	23
VII. CONCLUSION.....	26
A. THE NATIONAL GOVERNMENT.....	26
B. THE PRO-DEMOCRATIC OPPOSITION	27
C. INTERNATIONAL DONORS.....	28
D. INTERNATIONAL AID ORGANISATIONS.....	29
APPENDICES	
A. SOCIO-ECONOMIC INDICATORS, MYANMAR AND SOUTHEAST ASIA	30
B. GENERAL TYPOLOGY OF INTERNATIONAL ASSISTANCE	31
C. INTERNATIONAL ASSISTANCE TO MYANMAR (1990-1999)	32
D. INGOs OPERATING IN MYANMAR.....	33
E. IMPLEMENTING AGENCIES AND NATIONAL DEVELOPMENT PARTNERS	34
F. MAP OF MYANMAR.....	35
G. ABOUT THE INTERNATIONAL CRISIS GROUP	36
H. ICG REPORTS AND BRIEFING PAPERS.....	37
I. ICG BOARD MEMBERS	41



MYANMAR: THE POLITICS OF HUMANITARIAN AID

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Since the 1988 uprising and 1990 election in Burma/Myanmar, foreign governments and international organisations have promoted democratisation as the solution to the country's manifold problems, including ethnic conflict, endemic social instability, and general underdevelopment. Over time, however, as the political stalemate has continued and data on the socio-economic conditions in the country have improved, there has been a growing recognition that the political crisis is paralleled by a humanitarian crisis that requires more immediate and direct international attention. Donors face a dilemma. On the one hand, the humanitarian imperative raises difficult questions about the sustainability of international strategies based on coercive diplomacy and economic isolation, which have greatly limited international assistance to Myanmar. On the other hand, there is widespread concern that re-engagement, even in the form of limited humanitarian assistance, could undermine the quest for political change and long-term improvements.

This policy dilemma raises two basic questions: Should international assistance to Myanmar be increased? And, if so, how can this be done in a responsible and effective way? This report answers the first of these questions with an unequivocal 'yes'. There should be more international assistance in Myanmar, more resources, more agencies, and more programs in a wider number of sectors. The human costs of social deprivation in Myanmar are simply too large to be ignored until some indefinite democratic future, which could be years, or even decades, away. In the meantime, international development agencies are making a significant difference bringing relief and new opportunities to vulnerable groups, building local capacities, even helping to rationalise policy-

making and planning – and they could do a lot more. Importantly, so far at least, there are no indications that these efforts are having significant political costs, whether in terms of strengthening the regime or undermining the movement for change.

Those who oppose international assistance, or at least are cautious about it, point out that Myanmar's development for a long time has been hostage to political interests and that any sustainable, long-term solutions would have to involve fundamental changes in the system of government. They are also concerned that the current government will reject international advice and maintain development policies and priorities that are partly responsible for the current problems.

However, these obstacles should be actively addressed rather than left for some future democratic government to tackle. Instead of placing absolute constraints on international assistance, the focus should be on improving monitoring and distribution to minimise existing problems and facilitate more aid reaching people in need. If properly applied, international assistance could in fact serve to promote political reconciliation and build the social capital necessary for a successful democratic transition.

Foreign governments and donors do not face a choice between promoting political change or supporting social development in Myanmar. Both strategies would have to be integral parts of any genuine effort to help this country and promote stability and welfare for its 50 million people, as well as the broader region. In order to facilitate responsible and effective delivery of more international assistance, all the main protagonists, inside and outside the country, need to reassess

their positions and do their part to generate the kind of cooperation and synergy that has so far been lacking.

RECOMMENDATIONS

TO INTERNATIONAL DONORS:

1. Accept that it is not necessary to choose between promoting political change and supporting social development in Myanmar: both strategies need to be part of an integral effort to create stability and improve social welfare.
2. Provide more aid to tackle poverty, illness and the shortfall in education.
3. Work with both local civil society organisations and government bodies to help develop overall capacities for aid management.
4. Strengthen current oversight mechanisms, in particular by setting up an inter-governmental aid consortium with monitoring functions to liaise with UN and international non-governmental development organisations (INGO) inter-agency groups in Myanmar.
5. Use aid to attract increased government funding, for example, by 'matching' government expenditure in priority sectors and encouraging specific 'joint-venture' development projects.
6. Take care that other political tools are wielded with due consideration to their humanitarian and human rights impact – and, for that purpose, commission an impact assessment of all existing and potential future sanctions by a neutral body of economic and development experts.

TO THE GOVERNMENT OF MYANMAR:

7. Place a greater emphasis on human development by:
 - (a) cutting back defence spending and moving more resources to health and education; and

- (b) reconsidering the current top-down approach to development, which fails to activate all the country's resources.

8. Facilitate increased international assistance by:

- (c) demonstrating clearer commitment to resolving the country's socio-economic problems by providing more resources and changing policies that do not produce results;
 - (d) minimising the obstructions currently placed on foreign aid organisations in the country; and,
 - (e) increasing the scope for international actors to work with local NGOs.
9. Take more advantage of the wealth of knowledge and development experience outside the country, including in neighbouring countries and among fellow members of ASEAN.

TO THE NATIONAL LEAGUE FOR DEMOCRACY:

10. Formulate a public plan for international assistance that recognises needs and priorities for expanded humanitarian assistance.
11. Support efforts to strengthen the state's capacity to formulate and implement policy, in preparation for a smooth political transition.
12. Encourage donors and aid organisations to fund local development NGOs and work with community groups.

TO INTERNATIONAL AID ORGANISATIONS IN MYANMAR:

13. Expand the UNDP's mandate in Myanmar to allow it broader involvement in policy issues and administrative capacity building.
14. Use the significant leverage of the UN system with the government to negotiate a framework more conducive to the effective functioning of all aid organisations in the country, including the INGOs and local civil society organisations.

15. Do more to challenge inaccurate official figures and other data, whether overly pessimistic or optimistic, which distort the situation in the country.
16. Work to maintain current standards of accountability of NGOs as their numbers expand and funding increases, for example, by formalising the INGO Joint Operation Principles and establishing an NGO Council, which could service individual organisations and liaise with donors and the national government.
17. Be prepared to lower standards of transparency and accountability in exceptional circumstances, viz. where needed in order to reach people in sensitive areas and sectors where security requires full confidentiality.
18. Strengthen coordination to avoid duplication of projects and pool information and ideas.

Bangkok/Brussels, 2 April 2002



MYANMAR: THE POLITICS OF HUMANITARIAN AID

I. INTRODUCTION

Since the popular uprising in 1988, most donors have suspended international assistance to Myanmar (formerly Burma)¹ as part of a broader strategy of promoting a move to democracy by applying coercive diplomacy and economic sanctions. The rationale has been that aid would have little positive impact under the existing political system; on the contrary, it would reinforce the military regime and undercut the struggle for democracy. It would simply do more harm than good.

However, a shift in this attitude is underway. There are signs of a growing recognition both inside and outside the country that international aid is needed to alleviate the day-to-day suffering of the Myanmar people and counter problems such as HIV infection and drug use that are threatening to spin out of control. As part of this shift, there appears to be a new willingness to consider an expansion of certain kinds of assistance – more specifically, ‘humanitarian assistance’. Yet, many donors still harbour concerns going back to 1988 and subsequent political developments, which hinder a decisive change in policy.

¹ A note on terminology. This report uses the official English names for the country, as applied by the UN, most countries outside the U.S. and Europe, and the national government – that is, ‘Burma’ for the period before 1989 and ‘Myanmar’ after 1989. The same criteria are used for other place names such as Rangoon (now Yangon). This should not be perceived as a political statement, or a judgement on the right of the military regime to change the names. In Burma/Myanmar, ‘Bamah’ and ‘Myanma’ have both been used for centuries, being respectively the colloquial and the more formal names for the country in the national language.

Social and political development must be treated as interrelated and mutually reinforcing processes. Events in Afghanistan and elsewhere illustrate that the collapse of the social and political infrastructure of a country threatens the security of people everywhere. Social deprivation breeds extremism and instability – rarely, if ever, political progress. This report, therefore, is an attempt to address the political issues surrounding international assistance to Myanmar and help pave the way for a responsible expansion of such assistance. The purpose is neither to attach blame for the current situation in the country, nor to tell politicians how to do politics or development agencies how to do development. Rather the aim is to elucidate the paradoxes and dilemmas involved in the twin processes of social and political development in Myanmar, and to suggest constructive ways of addressing the increasingly untenable distinction between them.

The discussion falls in six further parts, the initial element of which (Part II) examines the political interests, values and strategies that have shaped international assistance to Myanmar since 1988, emphasising the obstacles that remain to increased aid. The following three parts (III-V) consider respectively the humanitarian, technical and political imperatives for extending or withholding aid. Part VI addresses issues regarding the actual implementation of aid in Myanmar. Finally, specific conclusions are drawn with respect to each of the four main protagonists on the foreign aid stage: the national government, the pro-democratic opposition, international donors, and development agencies active in the country today.

The focus is on ‘humanitarian assistance’. This reflects the political priorities of most donors, as well as a judgement that comprehensive development programs would be inappropriate and ineffective under current circumstances. Yet, as

will be argued, for international assistance to address the needs of the people satisfactorily and fully exploit the space for aid activities in the country, there is a need to broaden the conventional definition of humanitarian assistance to include measures beyond emergency relief and small-scale service delivery at the grassroots. Contrary to the perception in some circles abroad, Myanmar is not a 'black hole', that simply absorbs every aid dollar without changing. Instead of placing absolute constraints on international assistance, the focus should be on improving monitoring and distribution methodologies to minimise existing problems and facilitate broader efforts.

II. THE POLITICS OF AID

For most of the 1990s, the debates over international assistance to Myanmar were dominated by the national government, the pro-democratic opposition, and the international donors. The past few years, however, have seen a growing influence of international aid organisations working in Myanmar and, to a lesser extent, ethnic minority groups who now have their own development departments and local development NGOs. While the national level actors have taken fundamentally political positions, the development agencies have focused more on basic human needs, arguing for a depoliticisation of international, and particularly humanitarian, assistance.

A. THE NATIONAL GOVERNMENT

Soon after the State, Law and Order Restoration Council (SLORC) took power in 1988, the junta made known that its new 'open door' economic policy extended to international development agencies, which would be allowed to increase their activities in Myanmar. In the beginning, this opening was effectively limited to central parts of the country. However, since a series of cease-fires with former insurgent groups in the early 1990s, aid organisations have been given access also to previously war-torn areas in ethnic minority regions in support of the government's new Border Areas Development Program.² Today, only a few areas remain absolutely 'out of bounds', due to continued fighting or other sensitivities.

Despite these steps, the junta – renamed the State, Peace and Development Council (SPDC) in 1997 – remains ambivalent about foreign assistance. Military leaders openly call for a resumption of large-scale multilateral and bilateral assistance for general economic reconstruction, which they

² The Border Areas Development Programme was initiated in 1989, with the aim of helping remote areas catch up with the rest of the country. It is run by the Ministry of Border Areas, National Races and Development Affairs, but like most other sectors suffers from a lack of resources. So far, only about 22 billion kyat (U.S.\$31 million at the current exchange rate) have been spent, mainly on infrastructure, including roads, bridges, dams, TV relay stations, hospitals, and schools. Xinhua, 8 January 2002.

appear to perceive as an 'entitlement', a just repayment for colonial plunder and the unfairness of the global economy.³ They have also recently begun to encourage the UN to increase its aid to developing countries in general and Myanmar more specifically.⁴ However, international non-governmental development organisations (henceforth referred to as INGOs) are viewed with suspicion and usually face a host of obstacles in setting up and implementing their projects, particularly in the first few years of operation in the country.⁵ Generally speaking, these attitudes reflect four traditional values or characteristics of military rule in Myanmar:

Ownership. The current government, like its predecessors, strongly favours national ownership of international aid and associated development initiatives. This reflects concerns over national sovereignty and extreme sensitivity to dictation from the outside. Moreover, many officials see aid as little more than a financial resource that should be used to off-set government budget shortfalls.

³ See, for example, statements by the Governor of the Central Bank of Myanmar at the annual IMF-World Bank board meetings: "We are combating unemployment, drug abuse, HIV/AIDS, environmental destruction, and social distress mostly on a self-reliance basis...I would like to exhort the Bank to assist all members on an equal footing...I would also like to urge the Bank to assist Myanmar with concrete and tangible support for its economic development based only on economic considerations" (quote from 1998).

⁴ This call was repeated by Senior General Than Shwe on UN Day last year: "Myanmar regards the cooperation of the UN in development projects as being of great importance...Without adequate financial resources and cooperation, Myanmar will not be able to make the right to development a reality". Quoted in *Myanmar Times*, 29 October-4 November 2001.

⁵ The government, for example, has attempted to vet national staff hired by INGOs and demanded to receive detailed budget information and work plans. It has also placed restrictions on internal travel and now requires that aid organisations bring (and pay for) a government official to accompany them on all trips. Most of these restrictions have never been fully implemented. However, they do reflect a constant reassessment of the roles of INGOs in Myanmar. As one aid worker emphasises, "any organisation operating in the country must therefore be adaptive and have a high tolerance for ambiguity". Quoted in Marc Purcell, 'Axehandles or Willing Minions? International NGOs in Burma', in Burma Centre Netherlands (eds), *Strengthening Civil Society in Burma. Possibilities and Dilemmas for International NGOs* (Chiang Mai, Silksworm Books, 1999).

Control. The military system has always placed a high value on control through rigid hierarchies and top-down decision-making. In the case of foreigners, this is reinforced by a high level of suspicion of their motives for operating in Myanmar. The extent and nature of international pressure for political change over the last thirteen years has raised fears that aid organisations may serve as a Trojan horse and abuse their access for political purposes.⁶

National pride. Government officials are generally strongly nationalistic and concerned about Myanmar's international image. They often take affront at any questioning of the 'perfection' of the nation or the ability of the state to take care of its own people. Among the top leaders, this attitude is reinforced by concerns over domestic legitimacy and social stability, which has led the junta to impose a near total ban on 'bad news' in the domestic media.⁷

Top-down development. Many people in Myanmar, both inside and outside the government, perceive development primarily as a 'physical' thing. The government's development efforts and aid preferences centre on infrastructure, such as roads, bridges, hospitals, and schools. There is also a widespread belief that development is 'delivered' by the benevolent state (or other actors) to the people. The overall approach is thus decidedly top-down. State leaders travel around the country to give 'necessary instructions', and government officials rarely include beneficiaries in planning or implementing projects.

⁶ David I. Steinberg quotes a Director-General in the Myanmar Foreign Ministry, who expresses fear that INGOs may ship guns into the country under the guise of medical supplies (in Masashi Nishihara, *Crisis in Myanmar and East Timor: The Case for Japanese-American Cooperation*, 'Asian Voices: Promoting Dialogue Between the U.S. and Asia' Seminar Program, Washington, DC, Sasakawa Peace Foundation USA, 1999, p. 18).

⁷ This form of censorship, which affects all natural or man-made disasters, failures of government, and general issues of underdevelopment alike, is greatly detrimental to the cause of development. It is worth noting though, that what may seem paranoid from the outside has at least some rationale in a country, where superstition is widespread and 'bad omens' often influence the thinking and behaviour of people.

There is little doubt that the military leadership would prefer international donors to simply hand over the money 'at the border' and let the government implement its own programs as it sees fit. They welcome UN programs, which tend to be request-based and implemented through government departments or government-organised non-governmental organisations (GONGOs).⁸ However, there is reluctance to embrace the INGOs, whose grassroots approach, emphasising local organisation and empowerment to build social capital and ensure project sustainability, is not only not widely understood, but puts them directly at odds with a government bent on control. There is probably also a fear that aid workers, through their close association with local people, will spread foreign values and ideas that go against government orthodoxy as well as reveal the true state of development to the media.

Overall, the conditions for development assistance in Myanmar have improved somewhat since the early 1990s. The military leaders seem to recognise that the state has neither the resources nor the technical capacity to respond to Myanmar's development needs and have gradually provided greater access for aid organisations.⁹ They have also slowly begun to acknowledge problems, such as poverty, forced labour, and HIV/AIDS, which were previously ignored or denied. Donors, however, complain about a continued unwillingness on the part of top government officials to discuss the country's needs sincerely and look for cooperative solutions. The government lacks a vision for international development activities and has also yet to establish a legal and administrative framework conducive to their effective implementation. Aid organisations in Myanmar face an ever fluid environment with new 'windows' opening and closing from year to year, or even month to month. In the absence of clear central

directives, what can and cannot be done often depends on the interpretations and personal vagaries of individual officials in counterpart ministries or at the local level. These factors, coupled with the government's broader economic policies and development priorities, have done much to increase the reluctance of donors to provide aid.

B. THE PRO-DEMOCRACY OPPOSITION

The National League for Democracy (NLD) and its supporters overseas have called for sanctions on international trade, aid, and investment in support of the campaign for democracy. Economic engagement, they argue, only benefits the regime and therefore impedes progress towards 'real development'. Their position on humanitarian aid has been ambiguous but it has never been clearly separated from the general call for isolation of the military government and the imperatives of the political struggle.

In the early 1990s, the government-in-exile, the National Coalition Government of Burma (NCGUB), called for a total aid boycott. It was adamant that no international aid organisations, including UN agencies, should be in Myanmar.¹⁰ Their presence, it argued, merely served to legitimise an illegitimate regime, was manipulated by the government for political purposes, and thus was unable to help intended beneficiaries. They should focus instead on helping Myanmar refugees in neighbouring countries and developing cross-border programs in areas outside government control.¹¹ This position was embraced by exile groups and pro-democracy activists around the world, who have accused – and in some cases still accuse – aid organisations working in Myanmar of not understanding 'the real situation' in the country.¹² Some have even argued, somewhat

⁸ The one exception to this is the UNDP, which since 1993 has operated under a mandate requiring it to avoid the government and work directly with the grassroots to promote basic human needs (see below).

⁹ The greater openness is evident also in the fact that the government last year allowed two organisations (SwissAid and Aide Medicale Internationale), which had previously worked on the Thai-Myanmar border, to start up projects inside Myanmar. Officials have been particularly suspicious of such organisations due to the alleged presence of ethnic insurgents in refugee camps on the border.

¹⁰ During the six years from 1989 to 1995, while the party's leader Aung San Suu Kyi was under house arrest, the NLD in Myanmar kept a very low profile, and the NCGUB was generally considered to speak on behalf of the entire pro-democracy movement.

¹¹ See, for example, NCGUB Council of Foreign Relations, Statement on U.S. aid policy, 28 October 1992; NCGUB Convention of Elected Representatives, *Bommersvik Declaration*, 27 July 1995.

¹² For further details on these claims, see, for example, Purcell, op.cit., p. 73.

contradictorily, that aid would undermine the people's thirst for freedom and thus postpone 'the revolution' that would usher in a new era of democracy.¹³

The NLD in Myanmar has sought to outline a more nuanced position, which rejects 'aid to the government' but supports 'aid to the people'. Soon after her release from house arrest in July 1995, the party's leader, Aung San Suu Kyi, put forward two main principles for foreign aid: (1) International aid agencies have an obligation to work in close cooperation or consultation with the elected NLD leadership. (2) Aid should be delivered to 'the right people in the right way'.¹⁴ In later interviews, the influential Nobel laureate has expanded on this theme, arguing that the NLD is not against aid as long as it is not channelled through government structures, is properly monitored, and distributed equally to all those in need, irrespective of their political views.¹⁵

While these statements differ from the early hard-line position of the NCGUB, it is not clear that the message has been understood by donors, or indeed that the NLD has wanted to push it. In private conversations with representatives of foreign aid organisations, NLD leaders have expressed strong concern that it may in fact not be possible to distribute aid according to the minimal criteria. They are particularly worried that the government will use international assistance to reinforce the state's control structures and help pacify opposition to the regime by directing it to individuals and organisations who support the government. Commenting on this in an interview in 1998, Aung San Suu Kyi concluded that: "We don't think it is time for NGOs to come in...Why don't they go to the Karen refugees on the border? There is plenty of need there. We inside really have to help ourselves."¹⁶

The basic concern of the NLD is that aid provided under the current system will be no more than a

drop in the ocean. Their overriding priority is, therefore, to change that system. Aung San Suu Kyi, reportedly, has accepted the urgency of addressing certain humanitarian issues and is prepared to explore ways for the NLD and the government to work together on this. In a similar vein, the NCGUB last year came out publicly in support of an increase in aid to combat the HIV/AIDS epidemic.¹⁷ Yet the political exigencies of the underlying struggle for democracy have held back both the domestic and exile representatives of the NLD from making an unequivocal call for more humanitarian assistance. Thus, the perception lingers in the international community at large that such a step would be against the NLD's wishes and could undermine the democratic cause.

C. INTERNATIONAL DONORS

International donors, faced with the prospects of continued military rule and economic mismanagement, have largely supported the NLD's public position against aid. The argument against aid dovetails with orthodoxy on development in the early post-Cold War era, which sees democracy and good governance not only as ends in themselves, but also as prerequisites for effective poverty alleviation programs and broad-based development. Moreover, from a Western perspective, the NLD's landslide victory in the 1990 election conferred on it the mandate to speak for the Myanmar people. While there are policymakers in the West who have disagreed with the push for sanctions, particularly on humanitarian aid, few have dared to speak out in the highly charged and polarised debates on Myanmar.

Following the military crackdown in 1988, all Western governments, including Japan, suspended their bilateral aid programs to Myanmar.¹⁸ They also prevailed upon the multilateral lending agencies to stop any new loans to the military

¹³ ICG interviews with human rights organisations in Thailand, November 1997.

¹⁴ Aung San Suu Kyi: Letter to Gustave Speth, UNDP Administrator, 14 January 1996; Aung San Suu Kyi: Message to the Briefing on Burma, 25 May 1997, New York.

¹⁵ See, for example, interview with Aung San Suu Kyi, *Asiaweek*, 11 June 1999.

¹⁶ Quoted in Purcell, *op.cit.*, p. 94.

¹⁷ NCGUB, Office of the Prime Minister, Press Release, 8 October 2001.

¹⁸ Japan resumed some existing projects in 1989 and has provided over U.S.\$500 million in debt relief to the Myanmar government in recognition of its 'least developed country' status (see Appendix A below). Tokyo, however, maintained the suspension of new 'official development assistance' (ODA), excluding humanitarian assistance, until last year.

government. This greatly curtailed aid flows, which had reached U.S.\$300-400 million per year in the mid-1980s. The military's refusal to hand over power to the elected parliament two years later added impetus to this boycott, which remains the centrepiece of policy by the major donors today, complemented by much less comprehensive restrictions on trade and investments.

In principle, bilateral sanctions have excluded humanitarian assistance. However, in reality, this area has been cut back dramatically as well. The U.S. Congress has opposed the distribution of any aid inside Myanmar.¹⁹ Australia and some European countries have provided funding windows, primarily for INGOs, designed to help the most vulnerable sections of the Myanmar population. However, the amounts have been small and limited to uncontroversial areas such as primary health care and HIV/AIDS.²⁰ From 1988 to 2000, only Japan provided significant humanitarian assistance, including half a dozen health care, education, and food production projects, as well as a large and expanding grassroots assistance program.²¹

In the absence of the big bilateral donors and the multilateral lending agencies, the UN system has been the largest development cooperation donor in Myanmar. Yet, concerns expressed by the international community through various UN General Assembly resolutions have greatly affected its activities. Of the eight UN agencies currently active in the country, only the UNDP and

UNICEF have annual budgets over U.S.\$10 million, and all are struggling to attract funding beyond their core budgets to meet specific project requirements in Myanmar.²² At the same time, the UNDP – the largest UN agency – has been operating since 1993 under an extraordinary mandate which requires it to focus on “activities with grassroots level impact in the areas of health, education, food security, HIV/AIDS and the environment”. This has stopped the UNDP from engaging in policy dialogue and administrative capacity-building, normally two of its primary responsibilities. The mandate has also obstructed a concerted and cohesive UN approach to addressing human development needs in the country as different agencies are working in very different ways.²³

The non-governmental sector remains very small. Many INGOs have shied away from entering Myanmar due to the political controversies, some opting instead for refugee programs and cross-border activities. The few who have entered spend inordinate amounts of time and administrative resources chasing elusive funding windows and fulfilling extraordinary demands on monitoring. At the end of 2001, there were only 30 INGOs active inside Myanmar with a total annual budget of no more than U.S.\$15-20 million.²⁴ This compares to about 50 INGOs on the Thai-Myanmar border and more than 500 in Cambodia.

While international donors have expressed independent concerns over the effectiveness of aid to Myanmar, they have taken their lead from the NLD (and public opinion), often against the judgement of Myanmar specialists in their own

¹⁹ The U.S. Congress since 1996 has provided an annual ‘earmark’ of around U.S.\$6 million for refugee programs and exile groups fighting for democracy. The earmark has not explicitly excluded projects in Myanmar, and the State Department has made certain minor exceptions. However, insiders say that “the spirit in which the earmark has been given” is against such aid. ICG interviews, Washington, DC., August 2000. This has only begun to change this year (see below).

²⁰ Australia, since the mid 1990s, has provided around U.S.\$500,000-750,000 per year for Australian INGO projects in the areas of primary health care and poverty alleviation. There is also a small Direct Assistance Programme managed by the Embassy in Yangon (AUSAID, Country Information [www.ausaid.gov.au/]. The British government has similar, but slightly larger, programs (DFID, Burma: Country Strategy Paper, July 2000).

²¹ Ministry of Foreign Affairs, ODA White Paper, various years.

²² The UNDCP has been particularly badly affected by this (despite the massive drugs problems in Myanmar), as 90 per cent of its funding comes from supplementary funds, which are highly vulnerable to political exigencies.

²³ In 2000/2001, a few steps were taken to remedy this problem. The UNDP's scope for addressing policy issues was increased, while UNICEF was asked by its Executive Board to increase its consultation with the NLD, strengthen cooperation with NGOs, and improve monitoring of its activities. Nonetheless, the gap between mandates remains wide, particularly between the ‘funds’ and the ‘specialised agencies’.

²⁴ This figure includes INGO projects funded by bilateral and multilateral donors; the added contribution of INGOs from private contributions is much lower. For a list of INGOs in Myanmar and their main focus areas, see Appendix D below.

countries.²⁵ The U.S. government, in particular, has accepted the dictum of ‘no development before democracy’ and routinely repeats NLD arguments in its policy statements.²⁶ Other governments have tried to balance the longer-term quest for democracy with aid to address immediate humanitarian needs. Yet, with the exception of Japan – and, to a lesser extent, Australia – they have kept firmly within the boundaries set by the NLD, channelling their limited assistance through UN agencies and INGOs working at the grassroots level and emphasising primary health projects. These criteria have been so closely adhered to that aid organisations have had difficulties getting funds even for relatively apolitical, people-centred programs such as safe water and sanitation.

Since the mid 1990s, Myanmar has received only about U.S.\$50 million per year in official development assistance.²⁷ This amounts to just U.S.\$1.0 per capita, much less than any comparable country in the region.²⁸ Specifically in the area of HIV/AIDS, the combined budget of all national and international organisations in 2000 was approximately U.S.\$3.0 million, or just 2.5 per cent of the budget in Thailand, which has a similar epidemic.²⁹ According to UNAIDS, “not one of the priority areas of the national response has sufficient resources, technical or financial, to take

activities to the scale required for sustainable impact on the progress of the epidemic”.³⁰

D. COUNTER-ARGUMENTS AND SHIFTING POSITIONS

The calls for suspension of international assistance to Myanmar have often been made with an air of moral righteousness but have not remained uncontested. UN agencies and INGOs engaged in Myanmar have fought both privately and publicly against the NLD and Western orthodoxy. Their arguments have become increasingly forceful over the years as the political stalemate has continued, data on the extent of social deprivation have improved, and evidence of the impact of NGO programs on social issues has become more broadly accepted. In June 2001, the heads of eight UN agencies operating in Myanmar, in an open letter to their head offices overseas, described the situation as being “on the brink of a humanitarian crisis” and called for “a dramatic overhaul of budget allocations to Myanmar”. Under the circumstances, they argued, “humanitarian assistance is a moral and ethical necessity...the nature and magnitude of the humanitarian situation does not permit delaying until the political situation evolves”.³¹

Importantly, the same case has been made by local people and organisations, particularly but not exclusively from the ethnic minority areas. In a recent book, a prominent representative of the Kachin made a call for international assistance which deserves quoting at some length:

The government and the cease-fire groups have agreed upon the institution of development projects as one of the most vital ways of to stabilise the peace and foster reconciliation... Many ethnic minority groups feel extremely disappointed that, in general, foreign governments are not responding to the progress of these cease-

²⁵ It should be emphasised that the orthodoxy that has constrained aid to Myanmar goes beyond any single position. As suggested above, once the SLORC was branded a ‘pariah’ regime, the international human rights movement took over, and pressure has been applied by a multitude of groups and individuals. Media projections of simplistic, but powerful images of a struggle between ‘good’ and ‘evil’, has further influenced public opinion against any form of engagement.

²⁶ See, for example, the statement by Eric Schwarz, former Senior Director for Multilateral and Humanitarian Affairs at the National Security Council Under President Bill Clinton, at the Workshop on Humanitarian Aid, 24 May 1999, John Hopkins University, Washington, DC. (available online: www.Burmafund.org/Products). Several U.S. officials in Washington and Yangon confirm that Aung San Suu Kyi basically has a veto on U.S. policy. ICG interviews, September 2001 and January 2001).

²⁷ See Appendix C below.

²⁸ In 1997, Laos and Cambodia received respectively U.S.\$37 and U.S.\$71 per capita (UN/ESCAP, Statistical Yearbook for Asia and the Pacific).

²⁹ UNAIDS, The United Nations Joint Action Plan on HIV/AIDS, 2001-2002, p. 9.

³⁰ *Ibid.*, p. 9-10.

³¹ One aid worker in Myanmar makes this point even more forcefully. The political priorities of the U.S. and other governments, he says, “is directly responsible for the acceleration in the HIV/AIDS epidemic, which could have been slowed significantly if the funds had been available in the early or mid 1990s. I wonder how they can sleep at night”. ICG interview, August 2001.

fires or indeed even understand their significance or context... It seems that certain sectors of the international community have the fixed idea that none of the country's deep problems, including ethnic minority issues, can be addressed until there is an overarching political solution based upon developments in Yangon. In contrast, the ceasefire groups believe that simply concentrating on the political stalemate in Yangon and waiting for political settlements to come about – however long this takes – is simply not sufficient to bring about the scale of changes that are needed. It ignores realities on the ground in areas long affected by war. To revitalise these communities and bring about real reform, health, social and economic development must run in tandem with political progress.³²

It appears that these arguments are beginning to have an impact on donor attitudes, helped by improvements in the political 'climate' since the initiation of talks between the SPDC and the NLD. Since 1999, a number of governments and international organisations have had high-level envoys in Myanmar to explore ways of stepping up humanitarian and other assistance. The Japanese government is at the forefront of this change and already has several major initiatives underway in areas ranging from energy to crop substitution and educational reform. Australia is planning to engage the Myanmar government on the International Convention on the Rights of the Child and has also recently had a team in the country to assess problems of malnutrition and train officials in the Ministry of Health. Significantly, the EU in October 2001 modified its Common Position, paving the way for large-scale EU and bilateral funding in support of HIV/AIDS programs. The British government has also initiated a reassessment of its bilateral aid program. The U.S. maintains a hard line, but Congress has now explicitly opened part of the 2002 'earmark' for use inside Myanmar, and USAID is considering funding for HIV/AIDS. As yet, we are witnessing not so much a shift in policy as an expansion of

one dimension of existing policy. However, the tendency is clear.

As the donor community finds itself in this twilight, intent on doing more but still uncertain about how fast and how far to move, three basic questions present themselves:

- ❑ Is there a need for humanitarian assistance in Myanmar?
- ❑ Can such assistance make a significant difference?
- ❑ Can it be provided without undermining the broader political objectives of the relevant governments and donors?

To the extent that such questions can be answered in the affirmative – and ICG believes they can – this raises further issues of how international assistance can be provided in an effective and responsible way. These themes are the focus of the remainder of the report.

³² Seng Raw, 'Views from Myanmar: An Ethnic Minority Perspective', in Robert H. Taylor (ed.), *Burma: Political Economy Under Military Rule*. London, C. Hurst & Co., 2001, p. 161-62.

III. THE HUMANITARIAN IMPERATIVE

The need for humanitarian assistance to Myanmar is perhaps evident. It is less evident that the extent of this need – and the urgency of responding to it – is broadly understood. A lack of statistics, coupled with political biases in reporting on all sides of the political spectrum, make it impossible to paint an accurate picture of the socio-economic conditions in the country. However, the situation is grim and apparently getting worse. Improvements in some areas over the last decade are overshadowed by general stagnation and decline in many others.

A. SOCIO-ECONOMIC INDICATORS

Officially designated a 'least developed country' in 1987, Myanmar has made some modest economic progress over the past fifteen years. The benefits, however, have accrued primarily to a small privileged elite and not been translated into broad-based improvements in the standard of living for the general population.³³ The World Bank estimates, based on a national government survey of household income and expenditures in 1997, that about one fourth of the population, or thirteen million people, are living below minimum subsistence level, with another five million living precariously just above it.³⁴ More recent figures are unavailable but economic stagnation and high inflation have made the situation worse for many families.

For casual visitors to Myanmar – or even long-term residents living in relative comfort in the cities – it is difficult to grasp the extent of social

deprivation in the country. For cultural and other reasons, the 'face of poverty' is not as ugly as in many other developing countries. The seriousness of the situation, however, is confirmed by several social indicators (see fig.1). Myanmar's score of 0.551 on the 1999 UN Human Development Index, which measures health status, educational attainment, and general standard of living, places it third from the bottom in Southeast Asia, just above Cambodia and Laos.³⁵ The rates of infant mortality, maternal mortality and malnutrition among children are very high and also compare unfavourably with those of regional neighbours. Importantly, in each of these areas, the trend within Myanmar over the last fifteen years is one of stagnation or even deterioration. The main causes of premature death in Myanmar are malaria, HIV/AIDS, acute respiratory infections, and diarrhoeal diseases.³⁶ An estimated 30,000 people die annually from malaria alone.³⁷ The mortality rate for AIDS is unknown, but growing rapidly and will soon surpass that of malaria, if it has not done so already. The UN estimates that 530,000 people (2 per cent of the population aged from 15 to 49) are infected with HIV.³⁸ The situation thus qualifies as an epidemic and may be as serious as that in Thailand and Cambodia. Other major concerns are malnutrition, which affects significant sections of all age groups, and maternal health.

Low educational attainment is also a serious social, economic, and political problem. Only three out of four children enter primary school, and of those only two out of five complete the full five years. In other words, only 30 per cent of Myanmar children get proper primary schooling.³⁹ Meanwhile, secondary and tertiary education suffers from frequent politically-motivated closures of schools

³³ Government figures show annual growth rates of 5-10 per cent throughout the 1990s. These figures, however, are questioned by most independent observers, including the IMF. According to a recent UNPD report, "it appears that growth in the 1993-98 period has been on the order of two to 3 per cent a year, or scarcely higher than population growth." Thus, it concludes: "If the variability and distribution of incomes have changed, it is quite possible that some groups are worse off compared to earlier periods with similar levels of average national income". UN/Myanmar, Food Security in Myanmar: A Proposal to Deal with Natural Shocks, January 2000, internal report.

³⁴ World Bank, Myanmar: An Economic and Social Assessment, 1999 [draft], p. 11.

³⁵ In fact, this figure appears to be too high as it based on the official literacy rate of 84.4 per cent. A recent UNICEF survey found that the real functional literacy rate is only about 53 per cent. UN/Myanmar, Country Paper, January 2002 [internal working paper]. If the latter figure was used to compute Myanmar's HDI, the value would be only 0.481, roughly the same as that of Laos.

³⁶ UN Country paper, op.cit.

³⁷ UN official data; the government figure is ten times lower. UNICEF, Children and Women in Myanmar, April 2001.

³⁸ See ICG Asia Briefing, *Myanmar: The HIV/AIDS Crisis*, 2 April 2002. The government denies that the figures are so high, but has recently acknowledged that HIV/AIDS is a major health threat.

³⁹ UN Country Paper, op.cit.

and universities, as well as falling standards and rising costs.

B. IMMEDIATE CAUSES

The seriousness of these conditions is underscored by worsening trends in several of the immediate causes of social deprivation in Myanmar, including food insecurity, lack of economic opportunities, and low public expenditure in the social sector.

Food security. While Myanmar is self-sufficient in food production at the national level, many people do not have food security (defined as sustainable access to safe food of sufficient quality and quantity, including energy foods, protein and micro-nutrients). According to a 1997 national government survey, only about 40 per cent of households consumed calories at or above recommended daily allowance, and only 55 per cent consumed enough protein.⁴⁰ These figures, which suggest insufficient availability and affordability of key foods such as rice, meat, and vegetables, are supported by several recent qualitative surveys. According to a UN report, conditions have in fact worsened since the 1997 survey:

Widely scattered reports of spontaneous emergency feedings, purchase of rice water for food, and reliance on inferior cereals such as millet all suggest increasing stress...The conclusion must be that consumption of many families is less than usual, less than needed, and under increasing pressure.⁴¹

Economic opportunities. Food security is closely associated with economic opportunities. Fewer and fewer families are able to help themselves as they have lost the ability to earn sufficient income in cash or kind. This is evident in both rural and urban areas, with poverty levels being roughly equal. Today 62 per cent of farmers own less land than the five acres considered necessary to maintain subsistence levels, and one-third of rural households are landless.⁴² With few opportunities for non-agricultural activity, more and more people

are migrating to the cities and towns. Yet, in the absence of any significant industrial base, most enter the informal sector, which is showing evidence of increasing strain and declining income opportunities.

Social expenditure. While Myanmar's poor struggle to fend for themselves, market economic reforms and increasing pressure to cut government budget deficits have hit the social sector hard. Since 1985, public expenditure on health and education has shown a consistent downward trend. This has been most dramatic in the health sector, where public expenditure as a percentage of GDP fell by a factor of five from 1985 to 1998, and public expenditure per capita by a factor of three from 1985 to 1994 (the corresponding figures for education were three and two). The state today spends less than U.S.\$0.60 per capita annually on education, and less than U.S.\$0.20 on health.⁴³ The current government has built a significant number of new schools, hospitals and other health facilities, particularly in the border areas which were previously outside its control. It has also employed a larger number of teachers, doctors, and health workers. However, with increasing outlays on physical and human infrastructure under dwindling budgets, there has been a serious deterioration in the quality of services offered and a large increase in user payments.⁴⁴

C. REGIONAL AND DEMOGRAPHIC DIFFERENCES

The socio-economic conditions vary, of course, between different areas of the country and different groups. The border areas score lower than the

⁴⁰ UN and government surveys have also found moderate to high iodine, vitamin A, and iron deficiencies (UNICEF 2001, op.cit.).

⁴¹ UN/Myanmar, Food Security, op.cit.; see also Human Rights Watch/Asia, 'Voice of a Hungry Nation', 1999.

⁴² World Bank, op.cit.

⁴³ UN/Myanmar, Country Paper, January 2002; UNDP, Human Development in Myanmar, 1998.

⁴⁴ Public health care and education is supposed to be free, but patients are routinely required to pay for medicine and other expenses; parents with school children also face increasing demands for contributions to school books, parent's associations, etc. In both health and education, private facilities and services have expanded to fill the gap between popular demand and public supply. However, the higher costs in this sector effectively exclude the poorest and weakest strata of the population, already under great pressure from deteriorating economic conditions. Privatisation is also further undermining the public system as qualified doctors and teachers, a scarce resource to begin with, either leave public sector jobs or complement them by spending increasing time in private practices.

national average on most social indicators, with Northern Rakhine, Chin State, and Kayah State being the worst affected. Conditions are particularly harsh in areas of open conflict, where the population is under pressure from both government and insurgent armies. Fighting and forced relocation have denied many families their traditional livelihood. Apart from 130,000 refugees in neighbouring countries, an estimated one million people are internally displaced within the country and essentially live as hunter-gatherers in makeshift shelters, unable to cultivate land or find stable income opportunities. As in other countries, it is the weakest members of society – women and children – who fare the worst.

Opponents of aid have sometimes argued that the Myanmar people are used to poverty and can fend for themselves until a democratic government takes power. However millions of children and adults are enduring illnesses, malnutrition and a lack of education. By the time a new government takes over, they will be too disadvantaged to reap the rewards. Of the 1.4 million children who will be born in Myanmar this year, 110,000 will die before their first birthday. Even future generations are threatened – if the HIV/AIDS epidemic is allowed to spread, it could undermine the basis for economic development and health services in the country for decades to come. The situation is certainly serious and urgent enough to require immediate action by all parties that have the power to make a difference.

IV. TECHNICAL IMPERATIVES

The root causes of Myanmar's development failures are political. Civil war and economic mismanagement have devastated a country once rich in both natural and human resources. Since 1962, successive military governments have rejected or curtailed necessary macro-economic and structural reforms for essentially political reasons. Public expenditure on defence exceeds that on health by a factor of nine and that on education by a factor of four.⁴⁵ Political priorities are also responsible for a dramatic deterioration in the quality of the civil service over the last four decades as thousands of competent officials have been replaced by people perceived to be more loyal to the leadership. Within the administration, a rigid hierarchy and an allergy to bad news impede frank discussion about the country's problems and necessary solutions.

As long as economic policies and development priorities remain hostage to narrow political needs, the prospects for sustainable and broad-based economic growth will remain dim. Given this situation, can international assistance be effectively applied in the service of Myanmar's urgent development needs? According to the NLD, "it would only be a drop in the ocean."⁴⁶ By contrast, UN agencies and INGOs active in the country argue that their programs have brought relief to millions of people and are helping rebuild the basis for longer-term progress.⁴⁷ The difference between these views, however, is perhaps one not so much of assessment as of focus. It would indeed be irresponsible – and almost certainly counterproductive – if the international community were to pump hundreds of millions of dollars into a

⁴⁵ World Bank, *op.cit.*, based on official 1998/99 government budget figures. The real difference is likely to be many times higher as defence funds are drawn from numerous off-budget sources as well.

⁴⁶ Aung San Suu Kyi, 1998 interview, quoted in Purcell, *op.cit.*, p. 93-94.

⁴⁷ In June 2000, twelve INGOs signed a new set of Joint Operational Principles, stating that: "Although initially our programmes were small in number and scope, they are reaching larger numbers of individuals every year, and by 1999 INGO programming had reached millions of beneficiaries in all fourteen states and divisions. As we have become more experienced, our strategies and interventions have improved, we have become ever more convinced that we can and should be in the country".

system that has neither the will, the capacity nor the knowledge to apply them effectively. However, smaller amounts, carefully targeted and supported by advocacy and technical assistance, have had a discernible, if rarely decisive, impact in four broad areas over the last decade.

A. POLICY AND PLANNING

International efforts to improve development policy and planning in Myanmar face an uphill battle against donor limitations on contact with the government, as well as national administrative culture and structures characterised by xenophobia, general inertia, and the isolation of key policy makers. Nonetheless, three approaches, pursued separately or in tandem, have had some notable successes.

Advocacy. The constant hammering away on a few key issues, such as forced labour, HIV/AIDS, and prison conditions, has eventually filtered through to the highest level of government and caused a reassessment of its commitments. It is unclear to what extent this reflects a change of mind or primarily is part of a propaganda effort to show the government's goodwill and repair external relations. Either way, it has significant impact in a system where every signal from the top has repercussions throughout the administration. When one of the top leaders, for example, expresses support for efforts to address the HIV/AIDS epidemic, this allows competent and committed people at lower levels to do more. Conversely, when the signals are negative, the whole administration stops dead in its tracks.

Cooperation. Over the last few years in particular, UN agencies working with government departments have helped produce detailed policy planning documents in areas such as HIV/AIDS, malaria, and reproductive health. This could be an empty gesture in a system which is already riddled with committees and directives that exist merely on paper. However, unlike many previous plans, these 'joint-venture' documents combine policy prescription with detailed budget allocations. They are produced to work with the resources available and serve as the basis for joint UN-government efforts. Thus, they have the potential to significantly improve and rationalise policy implementation.

Action. Some international organisations have found that by simply going ahead with specific programs, they eventually become policy. Contrary to common belief, aid organisations in Myanmar regularly initiate programs ahead of the slow and cumbersome authorisation process. Sometimes such initiatives are shut down later, but other times their results serve to legitimise them. This has happened, for example, with condom distribution and shelters for street children, originally very sensitive issues which have now become more accepted.⁴⁸

These achievements, however small they may seem in the bigger picture, are already having a ground-level impact with real benefits for many people. They are also slowly building the basis for more effective planning and execution of programs once the political will and material resources become available. There are still mountains to move but there is hope for increased success rates as mutual cooperation and trust increases. Clearly, international advocacy, knowledge-transfer, and information-sharing have the potential to improve policies, even if it is often still at the margins.

B. MANAGEMENT

While most people outside Myanmar define the country in terms of its political system; most development agencies are equally concerned about the administrative system. Many of the problems they (and the government itself) encounter in Myanmar are created not by policy as such, but by rigidities, inefficiencies, and corruption at all levels of the state. In a similar vein, while people outside talk about *the* government in the singular, most people who work with it distinguish carefully between different sections, usually referring to the 'good' officials and the 'bad' officials.⁴⁹

⁴⁸ This bears out a general observation about development initiatives in Myanmar. Often they are obstructed more out of fear and caution than ill will. Once the authorities have satisfied themselves that the organisations and their programs are genuinely development oriented, they are allowed significant freedom.

⁴⁹ In fact, there appears to be three broad groups of officials: the political appointees, the technocrats, and the 'extreme bureaucrats'. Some aid workers point out that the first group, the most powerful, often share with the technocrats a concern for results and can help smooth the way, if you can get their attention. The 'extreme bureaucrats', mostly former military, however, constitute a

This 'inside' view has two implications for international assistance. First, there is clearly a need to support a thorough-going and comprehensive reform of the civil service *parallel* to the push for political change.⁵⁰ Secondly, while international actors under the current constraints can do little to address the structural aspects of this problem, they can help create space within existing structures and establish the basis for future improvements. The presence and resources of aid organisations serve to protect and empower those officials who are committed to doing their job as best they can. It is impossible to assess the impact of this but it does appear to be creating small pockets of efficiency and localised capacity-building.

Potentially even more important, the UN agencies and INGOs, by training and challenging their own Myanmar staff, could well be building the next generation of administrators. Over the last decade, several thousand of the best educated have been exposed to new ways of thinking and new approaches to development. So far, since there are few attractive jobs in the national administration, most have stayed within the international aid system (or gone abroad) but this could change. In fact, it will have to change if Myanmar is ever to bridge the current development gap.

C. IMPLEMENTATION

Perhaps the most visible achievements of international assistance in Myanmar over the last decade are the national immunisation campaigns conducted by UNICEF and WHO in cooperation with the government and other local development partners, which have increased immunisation rates to around 80 per cent for six vaccine-preventable diseases.⁵¹ These same structures have also made significant progress in the distribution of micro-nutrients, such as iodised salt and Vitamin-A, to combat malnutrition, and in the expansion of

access to safe water and sanitation.⁵² Most UNDP and INGOs projects are much more localised.⁵³ As a group, however, these organisations have reached millions of people, providing relief supplies and economic assets, and helping build capacity for their effective application. The only absolute constraints on this kind of work are funds and access. There is thus a large potential for doing more.⁵⁴

D. DATA COLLECTION AND ANALYSIS

The absence of reliable, systematic, and comprehensive data in most social sectors presents a major obstacle to needs assessments and strategic planning and has been a primary focus of international development activities in Myanmar over the last decade. The UN system has sponsored nation-wide government health and education surveys and is working to aggregate local data from INGOs and other organisations. UN agencies and the Japanese government are also involved in several ongoing sector reviews. International actors are playing a critical role in the dissemination and application of such data in the context of government reluctance to acknowledge the extent of social deprivation. This may in fact be their single most important contribution to development in the country.

International assistance cannot substitute for market economic growth and sound government development policies and programs. However, it is serving to balance distortions in government priorities and provide critical inputs. By focusing on the poorest-of-the-poor, it acts as a counter-weight to the increasing privatisation of Myanmar health and education systems, which in the absence of regulation greatly disfavours the poor. It is also targeting remote areas that continue to fall through the cracks in the government's system despite increased attention to the border areas. At current

majority and often sets the tone. The sentiment seems to be that if you do not do anything, you do not get in trouble. This, of course, reflects the hierarchy and fear referred to earlier.

⁵⁰ The UNDP was working on this issue when its mandate was changed in 1993, and it had to stop.

⁵¹ These rates vary between regions, with less coverage in remote areas. However, one notable result is that Myanmar now is close to being certified as having eradicated polio.

⁵² See UNICEF, *op.cit.*

⁵³ A few INGOs, such as Population Services International (condom distribution and behaviour change) and *Medicins Sans Frontieres/Holland* (malaria treatment) appear to have had national level impact.

⁵⁴ There are areas where international agencies are not allowed to enter, but many of these could be reached through collaboration with local NGOs. Such activities, however, require methodology and accountability standards not normally supported by organisations and donors.

levels of government attention and expenditure, even limited aid is thus giving a significant boost to human development and helping build the basis for future reforms and economic growth.

V. POLITICAL IMPERATIVES

The conclusion that international humanitarian assistance is making a significant difference in a situation of serious need provides a strong rationale for increasing aid to Myanmar. The NLD and many donors, however, warn that there may be a trade-off between assistance now, which can only bring short-term relief to sections of the population, and broader strategies aimed at promoting political change and long-term development for all. Clearly, if this is the case, there is a need for caution.

A. POLITICAL COSTS OF ENGAGEMENT

The arguments against increased aid have centred on six areas of concern, each of which could entail significant political costs:

'Aung San Suu Kyi says no'. The NLD's stand on humanitarian aid, as argued above, is ambiguous. More importantly, international policymakers must consider two things. First, the NLD and associated organisations are political entities. Their overarching aim is to improve the welfare of the Myanmar people. However, as politicians, they are guided by the immediate strategic and tactical objectives of promoting democracy and maintaining international pressure on the military regime for that purpose. They simply cannot be openly supportive of any form of assistance beyond pure emergency relief. Once they open the door to the perception that progress can be made under the current government, they are on a slippery slope that could undermine their larger argument about the urgency and primacy of political change. Therefore, if international actors want the true opinion of the opposition on humanitarian assistance, they should ask in private, expect diffuse answers, and be prepared to 'fill out the blanks' for themselves.

Secondly, the common view in the West that the NLD can speak on behalf of the Myanmar people as a whole on any given issue is not sustainable.⁵⁵

⁵⁵ This assessment is likely to be controversial, but really it should not be. No government, elected or otherwise, can claim to speak on behalf of the entire population on any given issue. In Myanmar, such a claim is even less

The views of Aung San Suu Kyi and her colleagues deserve the careful consideration normally given to elected leaders. However, they do not carry absolute moral authority but must be assessed on their merits by all political and civil society actors. Several ethnic minority leaders are openly calling for both humanitarian and development assistance to rebuild their shattered communities and heal the wounds from decades of war. In fact, very few 'ordinary' people in Myanmar appear to be against aid.⁵⁶ These voices should be heard, too.

Aid legitimises the military regime. This has been a general concern regarding any form of international engagement with the military regime and has caused some INGOs in Myanmar to try extremely hard to avoid being used for propaganda.⁵⁷ Generally speaking though, while the government does try to 'cash in' on the goodwill generated by international development projects by associating itself with the implementing agencies, these efforts are usually low-key.⁵⁸ In any case, we are dealing with

sustainable due to outstanding issues of central government authority in many ethnic minority areas.

⁵⁶ ICG does not claim to know the hearts and minds of 50 million people in Myanmar. However, the claim that the "people of Myanmar" want sanctions must be treated with scepticism. While the population, in general, is very politically aware (due in large part to the state's extreme intrusion into their private lives), very few people are prepared to sacrifice everything for the ideal of democracy. As poor people everywhere, their concern is with immediate issues of survival, and as the situation deteriorates this priority gains salience. For many people, the help extended to them by international aid organisations is the first real help that they have ever received from outsiders, including their own government, and they welcome it. It is worth remembering that the NLD was not elected with a mandate of sanctions.

⁵⁷ One INGO has significantly downgraded its launches of local development campaigns because they were perceived to give too much exposure to military officers. Another INGO has had a 'no pictures' policy for all meetings with government officials.

⁵⁸ There have been attempts by the government to use high-level international initiatives, particularly in the field of human rights, to counter allegations and improve its international image. In fact, this may well have been a primary motivation for them to agree, for example, to the resumption of prison visits by the International Committee of the Red Cross (ICRC) in 1998 and to the recent International Labour Organisation (ILO) mission to assess the issue of forced labour. However, this is different from humanitarian aid programs. Besides, these initiatives have

legitimacy at the margins. No government gains international legitimacy simply by allowing aid organisations to operate in the country. Local inhabitants are very well aware that the goods come from foreign benefactors, not the government.⁵⁹

Aid undermines the military government's motivation to reform/democratise. This would be a risk if full-scale development assistance was resumed with all the bilateral and multilateral donors pouring in money, as happened in the 1970s. However, it is highly unlikely that humanitarian assistance, even on a significant scale, would have that effect. What the SPDC wants is a normalisation of economic relations, including trade, investments, and multilateral development loans, so the country can help itself. The larger purpose is to improve the government's international image and pave the way for World Bank aid, Japanese ODA, and so on. There may also be a real concern about social stability, particularly in the cease-fire areas. Either way, it is not in any way the endgame; it is a means to get to 'bigger' things. Humanitarian assistance will not undermine the push for change.

Aid merely replaces government investments in the social sector which can then be used for security purposes. While government outlays in the social sector have fallen significantly over the last decade, this is most likely explained by political priorities – such as maintaining a large military – in a period of decreasing public expenditure. Most foreign aid goes to remote areas and to programs such as HIV/AIDS, which at least until recently would have been unlikely to attract government

had a significant positive impact on the ground that dwarfs any peripheral legitimacy issues.

⁵⁹ If there is a problem in this area, perhaps it has to do with 'normalisation' of Myanmar's external relations rather than legitimacy in a strict political sense. The more international aid organisations are engaged in the country (and the more they are able to achieve), the harder it becomes to maintain the image of an uniquely evil regime, which has been used by lobby groups to sustain the call for other types of sanctions. International policymakers, however, must ask themselves whether it is constructive to maintain the position that the military government is essentially 'evil' and unconcerned about the country and cannot be acknowledged to have a part in any progress. Such claims have been a significant obstacle to effective persuasion and policy advice, which as argued above could have significant positive impact on policy if not on political change as such.

funding. Moreover, the amounts are so small compared to the needs that it is hard to see how they would allow the government to switch its investments. In fact, the impact may be the opposite. By exposing problems and initiating new programs, international aid organisations are pressuring the government to address issues, such as HIV/AIDS and poverty, which were previously largely ignored, at least at the policy level.

Aid is used by the government to reward its supporters and pacify opposition. This has been the main concern of the NLD from the beginning, and for good reason. Traditionally, power in Myanmar derives from and is applied through intricate patronage networks built on exchanges of favours and loyalty between patrons and their clients. Since influence and wealth have been intrinsically linked with positions in the military-cum-government hierarchy, the state's resources have always been used to sustain such networks.

The current military leaders have refined this system to the degree where (the pretence of) support for the regime – usually expressed through membership of government-affiliated mass organisations – has become a precondition for receiving many kinds of public services. This presented a real problem in the early to mid 1990s when several aid organisations were working with organisations such as the Myanmar Maternal and Children Welfare Association (MMCWA) and Myanmar Red Cross (MRC), not understanding the extent to which these nominally non-governmental entities serve the political interests of the military leadership. However, it is less problematic today since most aid is now channelled directly to the beneficiaries and closely monitored. The government often complains about this but has generally not tried – or been able – to regain control of foreign aid flows.

Contrary to conventional wisdom in pro-democracy circles, most UN agencies and INGOs operate quite independently at the community level and are generally in control of where their aid goes (usually to the poorest of the poor) – or at least they could be if they made the effort. They cannot avoid cooperating with local elites and may to some extent be reinforcing local power structures. However, this is not a big problem from a macro-political perspective, as central state control generally dissolves below township level. There is also a sense among aid workers that local leaders

often are genuinely concerned about helping their communities (as indeed are many people in the government).

Aid merely serves to line the pockets of the generals. Aid is sometimes misappropriated in Myanmar, as it is everywhere else. Medical supplies have been stolen and sold for personal profit. On a few occasions, government officials have also 'removed' equipment like vehicles or computers. However, most aid workers agree that this form of corruption is a relatively small problem. Moreover, and again contrary to conventional wisdom, it is rarely linked to top officers, who have little to do with the distribution of aid, but takes place at lower levels. It has not been institutionalised to the extent seen in many other developing countries (possibly because the aid flows are so small and so carefully monitored). In its current form, corruption is thus more of a technical issue than a political one and certainly not a reason for not giving aid.

The diffuseness of many of these 'secondary effects' of international assistance leaves some room for interpretation. However, it is important to keep things in perspective. While foreign aid in 1999 amounted to U.S.\$56 million, the corresponding figures were U.S.\$304 million for foreign direct investment, \$U.S.1.134 billion for Myanmar exports, and \$U.S.515 million for private remittances.⁶⁰ The inflow of aid, which is generally targeted to reach the poorest of the poor and alleviate critical bottlenecks in service delivery, has thus been much lower than other international capital inflows that are funnelled through the government and often go disproportionately to the better-off.⁶¹ Moreover, when the UN has been instrumental in eradicating polio and an organisation like PSI has averted perhaps 100.000 cases of HIV/AIDS, this kind of national level impact overshadows many of the political concerns.

⁶⁰ IMF Country Report No. 01/18 (January 2001); IMF Country Report No. 99/134 (November 1999).

⁶¹ The issue of remittances is particularly interesting. Much of this money, which is taxed at a rate of 10 per cent by the government, comes from people who support the NLD. Yet, understandably, they are sending money home to help their families.

B. POLITICAL BENEFITS

While the political costs of international assistance have received much attention, the potential for political benefits has not. There are, however, several ways in which aid could help smooth the path for a successful political transition.

For Myanmar to develop into a vibrant and sustainable democracy, the country must overcome several cultural and structural obstacles, including the paucity of social capital and historical intolerance of dissenting views. This process of social engineering must be addressed incrementally over a period of years. International humanitarian and development assistance can help by supporting the education sector and slowly building civil society and pluralism.

In a similar vein, but of more immediate concern, there is a need to persuade all groups in the country to support the move towards political reconciliation. As mentioned earlier, ethnic minority leaders feel that socio-economic development of their long neglected areas is the only way to begin to build trust and cooperation, not just with the government, but also among the numerous stakeholders at the local level. They see international aid both as a kind of political recognition – an acknowledgement that they too matter, not just the SPDC and the NLD – and a critical resource, which could be applied to bring long-separated and often antagonistic groups together to work for peace and the benefit of local communities.⁶²

This argument may be equally valid for the country at large. If one believes that a gradual and peaceful transfer of power is what Myanmar needs, then social stability is a precondition for political progress – and even if one does not, such stability would certainly be critical for the survival of a new democratic government if and when it is installed. This raises serious concerns about the high and apparently increasing levels of social deprivation. Last year, religious clashes with socio-economic roots caused a temporary break-down of law and order in several towns around the country. A further deterioration could undermine efforts at national reconciliation and improved governance whatever the type of government in power. There-

fore, if international assistance, as has been suggested here, can make a real difference, it could also have important political benefits.

In the short term, humanitarian assistance may be used deliberately to facilitate the ongoing dialogue between the SPDC and the NLD. More aid could serve to emphasise that political reconciliation is a win-win situation. It could also be used as an entry point for practical cooperation between the two parties, which would help to build mutual trust and understanding. The UN Secretary-General's Special Envoy on Myanmar, Razali Ismail, has been exploring the opportunities for joint government and opposition development initiatives, so far without success, but the matter could be pursued if Razali enjoys some success with these initiatives.

To date, international assistance has been too limited to have much of an impact in any of these areas. However, if the levels were increased significantly, it could be a different matter. Of course, this would also increase the risk that complacency and misuse could become real problems.

⁶² ICG interviews, January 2002.

VI. IMPLEMENTING HUMANITARIAN ASSISTANCE

There is a growing consensus that, at least, certain forms of aid cannot wait any longer. However, the process is fraught with potential pitfalls and any expansion should be gradual and well thought through. This section discusses three issues of primary concern for effective and responsible delivery of international assistance: What kind of aid to give, how to oversee it, and how to distribute it. It examines the comparative advantages and disadvantages of alternative methods and structures and thus feeds into the specific recommendations given in the conclusion.

A. DEFINING 'HUMANITARIAN' ASSISTANCE

The general attitude among international policymakers appears to be that *humanitarian* assistance is appropriate under the current circumstances, while *development* assistance is not. The line between these two contested concepts is blurred, and each donor has its own view of where it goes. More importantly, while such a distinction may be useful politically, it has little meaning on the ground and may in fact be counter-productive.

The main danger is that the concept of 'humanitarian assistance' becomes a straitjacket, which locks in aid organisations just as the door appears to be opening for new and potentially ground-breaking initiatives. Instead of applying rigid theoretical definitions, donors need to establish what is possible in the Myanmar context (keeping in mind that this will necessarily change over time or may even shift quickly in response to political developments). Three questions might guide such an inquiry:

- ❑ What are the priority needs?
- ❑ What can be done under the current system? What is not possible?
- ❑ Would such activities undermine longer-term development?

These questions should be the object of careful and ongoing consideration by donors and development agencies active in Myanmar. However, reference

to the typology of aid in Appendix B suggests some tentative answers.

At present, only the upper left-hand corner of this schema is a 'white area' for aid organisations (uncontroversial) – the rest is grey (controversial), and becoming black (taboo) as we move towards more comprehensive measures relating to economic growth and systems development. The international community has responded quickly to disasters, whether natural or manmade. Significant and increasing funds are also available for primary health care, including prevention of serious, communicable diseases, particularly HIV/AIDS. However, aid organisations in Myanmar report that they are having trouble getting funding as soon as they move into areas such as water and sanitation, education and micro-credits, which are less in the headlines and more development-oriented. In terms of methodology, donors – and particularly the political actors – are often sceptical about the prospects for local capacity-building and openly hostile to systems development.

There is no doubt that primary health care and HIV/AIDS are priority areas.⁶³ It is critical, however, that they do not remain (or become) the only priorities. Most aid workers agree that at least two other areas require urgent and decisive action.

Malnutrition is widespread in all age groups and can greatly diminish people's potential for learning and earning an income; it is also closely associated with many life-threatening diseases. Much therefore needs to be done to improve household knowledge, food security, and ultimately economic opportunities for the poor.

Education does not have the element of visible suffering, which helps to establish a sense of crisis

⁶³ According to two international specialists, "Myanmar stands perilously close to the brink of an unstoppable HIV/AIDS epidemic", which could overload the entire health system and undermine the country's long-term economic development. They also point out that: "Unlike most other health programs, those relating to HIV/AIDS cannot be run into the ground and then built up again when sufficient resources are available. Once a certain critical mass of HIV-infected people has built up in the population, controlling new infections becomes much harder and much more expensive". See ICG Briefing Paper, *Burma/Myanmar, the HIV/AIDS Crisis*, 2 April 2002

and urgency on health issues. Yet, the deterioration in educational attainment, reflected in falling literacy and enrolment rates, has reached levels that make it an integral element of the 'silent emergency'. Without proper education, people are less able to care for themselves and have fewer economic opportunities. At the national level, Myanmar is rapidly losing one of its greatest economic strengths and main claims to comparative advantage in the competition for foreign investment.

Donors also need to seriously consider what can be done to strengthen the capacity of communities to help themselves, as well as the ability of the government to formulate and implement development programs. Effective use of assistance entails addressing causes and reducing systemic vulnerabilities. This cannot be achieved without involving all development partners in Myanmar.

This is by no means a comprehensive list of what needs to be done. It is merely intended to counteract the current tendency to limit the scope of activity and of inquiry. If international assistance is to be truly 'humanitarian' – and not remain essentially political – it must be pushed as far as it can while maintaining *global* standards of transparency, accountability, and efficiency (as opposed to special standards for Myanmar). In some areas, such standards will be difficult or impossible to meet but this should be an empirical question. Many of the grey areas referred to above are in fact white, and at least some of the black areas are decidedly greyish.

B. OVERSIGHT

The struggle for control of international aid has been one of the key dimensions of the politics of humanitarian assistance. The government wants it; the NLD wants it; and the donors want it. Whether this political need for oversight is matched by a technical one is a moot point. Many INGOs feel that they are already over-monitored. While they freely admit that the close scrutiny has had benefits, forcing them to lift their Myanmar programs to standards perhaps unmatched anywhere else in the world, they also feel that there must be a reasonable balance between money spent

on programs and on monitoring.⁶⁴ On the other hand, the aid context *is* changing – more INGOs are coming in, and more money. This has raised fears among some of the old hands on the aid scene that standards may be slipping. One should not go overboard with oversight and control. However, it does seem prudent to consider whether any additional or alternative mechanisms could be set up to help satisfy the political criteria for aid and maintain the current high levels of accountability.

C. NATIONAL OVERSIGHT STRUCTURES

There are obvious political, moral, and technical imperatives for donors and aid organisations to develop their programs in consultation with the authorities in recipient countries. Depending on the nature and capacity of such authorities, they may defer to their requests, consult with them, or simply keep them informed. The problem in Myanmar, however, is not just the nature of such cooperation, but also with whom to cooperate. The government insists on its right to control all activities within Myanmar's borders. At the same time, the NLD has demanded that it, as the winner of the 1990 elections and legitimate representative of the people, be given a direct say in how aid is applied. The following discussion briefly examines the pros and cons of consulting with respectively the government and the NLD. It also considers possible ways to overcome the current oversight deadlock, which has caught aid organisations in the cross-fire between different protagonists in the broader political conflict.

1. Government

Critics claim that aid organisations, by consulting with the government – and thus treating it as a 'normal government' – are serving to legitimise it. There is also concern that government ownership, in the absence of a clear and informed commitment to broad-based development, will lead to abuse and squandering of resources. The government, however, has the power of approval. Faced with this

⁶⁴ Even for the UN agencies, which spend much larger amounts of money than the INGOs and generally have weaker accountability procedures, there are important cost-benefit issues concerning monitoring. The question is: when the international community only provides about U.S.\$1 per capita in aid to Myanmar, is it reasonable to spend 50 cents monitoring the other 50 cents?

dilemma, many INGOs accept that they have to communicate with the authorities to secure the necessary permissions for overall programs but insist on absolute independence in the design and implementation of specific projects. This has created tensions. However, the good INGOs have been able to overcome these through persistence and smart management of personal relations. Meanwhile, the government has largely refrained from exercising its ultimate veto, probably realising that it cannot afford to be seen as too manipulative and uncooperative. Overall, this approach seems a fair, though difficult, compromise. The thing to remember, perhaps, is that consultation does not confer ownership or control. As in other countries, corruption and other abuse of aid can be counteracted through careful supervision.

2. The NLD

The NLD's demand for close consultation on aid presents another catch-22 situation for aid organisations. While many of them would like to extend that recognition to the main opposition party and are trying at least to keep it informed, they feel that any close or formal cooperation is unrealistic given the hostility of the government to such relations.

Politically, there are obvious benefits from consulting with the NLD, as this amounts to *de facto* recognition of the party's status as representative of the people. On the other hand, aid providers need to consider the opportunity costs of antagonising the SPDC, which seems likely to maintain control of the government in the foreseeable future and can greatly hamper their work. They also need to take care to extend recognition to other groups, including local authorities in autonomous zones and ethnically-based political parties, who have an equally valid claim to represent people in their areas.

From a technical perspective, the issue is equally muddled. While the NLD has valuable information and insights to share with aid organisations, it is not a development agency and has few people with experience in development work, at least among the top leadership. The party simply does not have the capacity to make professional judgements on priorities or methodology.

3. Joint Committee on International Assistance

An obvious way to overcome these dilemmas would be for the SPDC and the NLD to join forces – with each other and with other significant political forces – and set up a Joint Committee on International Assistance. We cannot realistically expect the top leaders to work together openly at this stage, particularly not on a practical policy issue, so this would have to be a working-level body, including members with relevant expertise appointed by the SPDC, the NLD, and the main ethnic minority groups.

4. Council of Respected Persons

An alternative to a political body could be one made up of community leaders and technocrats who enjoy general trust and respect from all sides. Myanmar does not have the tradition of tribal elders, which has served this function well in other countries. However, there are several religious leaders with a strong track record in development. There is also a pool of retired technocrats, who maintain close links to the administration but have proven their commitment to public service by setting up private social welfare organisations and may be broadly accepted.

The SPDC is likely to be hostile to any idea of decentralising decision-making to a body outside its full control, whatever its make-up. The military leaders perceive themselves as the legitimate government of Myanmar and consider any issue of governance, therefore, to be within their sole authority. Moreover, for such a body to be meaningful, it would have to include a majority of members with significant knowledge about development issues. Such people are a scarce resource in both the government and the NLD. They exist only at the working level and would, therefore, likely remain hostage to the political hierarchy, ultimately dependent on the directives of the top leaders.

For these reasons, it seems unlikely that any joint or 'neutral' committee with real decision-making power across a wide range of development issues could be established ahead of a decisive breakthrough in the national political process. However,

possibilities may arise in the medium-term, which are not visible now.⁶⁵ Meanwhile, it might be possible to establish more narrowly defined groups with consultative status in priority area, such as HIV/AIDS and poverty assessment.

D. INTERNATIONAL OVERSIGHT STRUCTURES

Given the difficulties of finding or setting up an appropriate national oversight mechanism, the primary responsibility for overseeing an expanding aid program would probably have to remain with the international aid community itself for the foreseeable future. As suggested above, this has worked reasonably well so far. However, there is concern that the arrival of many new actors with little understanding of the country and the administrative system would undermine current standards and thus increase the political costs of aid. The current regime is very effective at divide-and-rule by rewarding individuals and organisations that comply with its wishes and punishing those that do not. At worst, the greater influx of money and organisations could make it easier for the government to weed out INGOs it does not get along with (which, paradoxically, often are the ones who do their job best). To counteract this, aid organisations need to coordinate their work and maintain similar standards.

Several new initiatives may be considered to ensure that monitoring capacity remains equal to the challenges in the future. One possibility would be for the major bilateral and multilateral donors to set up a Myanmar Aid Consortium responsible for pooling and distributing international assistance.⁶⁶ Such a consortium would have several advantages,

including improved coordination among donors and rationalisation of consultation with various development partners. It could also set up a permanent monitoring body, involving international experts, responsible for assessing the implementation of projects under the consortium's umbrella. The latter would be a rather extreme step. However, innovative approaches are needed to help alleviate the fears of Western governments, which remain decidedly conservative in their approach to aid to Myanmar.

Alternatively, aid organisations active in Myanmar could set up their own oversight committee. In principle, this could be established under the UN but in practice it would probably require separate UN and INGO bodies as the latter are unlikely to submit to the UN. Some INGO country representatives have already discussed the possibility of establishing an INGO council. Since INGOs by definition are highly independent creatures, controllable only by the hand that feeds (funds) them, such an organisation could not realistically be vested with authority to approve projects. However, it could help to formulate, manage and monitor the development framework and processes used in Myanmar. It could also undertake important service functions, such as coordination of INGO activities, advocacy and fund raising abroad, liaising with the government, and 'education' of new INGOs.

An alternative to creating systematic responses would be to try to improve the *ad hoc* measures of donors and aid organisations. As a minimum, donors should hold implementing agencies to high standards of accountability. This requires local knowledge, which donors (and their monitors) do not always have. However, there are in fact responsible INGOs in Myanmar today, who are educating donors about what questions to ask. As a starting point, they suggest that donors could ask whether the applicant subscribes to the INGO Joint Operation Principles, which directly address most of the major concerns of the NLD and Western donors (as well as those of the national government).⁶⁷

⁶⁵ It is widely hoped that the current dialogue between the SPDC and the NLD will lead to a transitional power-sharing arrangement, the contours of which are not apparent at this time. Each side is still jockeying for position. If and when this happens, there will be better opportunities for cooperation on a truly national oversight committee. Some observers believe that the NLD will be given control of the social ministries, in which case the schism between the party and the government in the area of international aid would be partly eliminated.

⁶⁶ Significant benefits could also be achieved through more informal, but systematised sharing of information, ideas, and strategies ahead of the setting up of an official consortium.

⁶⁷ The Joint Operation Principles were published in June 2000 after a lengthy and often difficult consultative process involving a majority of the INGOs active in Myanmar at the time. They were initially signed by twelve

There are no easy solutions. In order to make a difference, any oversight system would have to be acceptable to all the stakeholders – not an easy undertaking given the variety of views and standards. However, most aid organisations active in Myanmar are in fact very responsible, not just because they are forced to be, but because they share many of the fundamental concerns of their critics.⁶⁸

E. DISTRIBUTION

While proper oversight will help to ensure that aid is delivered responsibly, the efficiency and effectiveness of such aid also depends on the methods of distribution. Generally speaking, donors can channel their aid through three types of organisations: They may use their own implementing agencies; alternatively, they can use the Myanmar government or UN agencies and INGOs present in the country. These main implementing bodies, in turn, have the choice of collaborating with four types of national development partners: government departments, government-organised NGOs (GONGOs), local authorities in autonomous areas, and civil society organisations (CSOs) – or they can work directly with the beneficiaries.

Currently, few donors use their own implementing agencies to any significant degree, while delivery directly to beneficiaries is largely uncontroversial. The choice between the remaining distribution channels, however, has been an intrinsic part of the politics of humanitarian assistance. Some general observations regarding the pros and cons of using each of them are therefore necessary.

1. The Government

The issues surrounding international assistance directly to the government are as complex as they

INGOs (though it has not been revealed which), but several others have since expressed an interest in them.

⁶⁸ This is also the outcome of a learning process. Many mistakes made in the mid 1990s have since been corrected. There are few people today, inside or outside Myanmar, who understand the system, the dangers and opportunities better than the international aid workers and their national staffs. There is no shortage of stories about things gone wrong. However, it does seem that many of the most strident criticisms directed at aid organisations, particularly over the past few years, are based on isolated events, which are presented as patterns.

are sensitive. The inter-relatedness of international strategies to promote political and social development in Myanmar makes it politically impossible to provide large-scale, generalised aid. Given the SPDC's current development priorities and the widespread use of state funds for political purposes, such aid would also fail to meet international standards for poverty focus and non-discrimination.

These concerns, however, should not blind donors to the need for long-term, nation-wide programs, which can only be executed in cooperation with the government. Donors do have the option of postponing such programs until a democratic government is in place and limiting themselves, for now, to short-term relief measures and local capacity-building. However, this choice, while politically safe, ignores two realities: First, any government that emerges in the medium term (three to five years) is likely to be a power-sharing arrangement and would continue to be constrained by current military development priorities. Secondly, even if a fully independent civilian government were to emerge in the longer-term, it would still have to work through the existing bureaucracy.

These realities places a big question mark after any strategies which assume that a total break will usher in a new age in development policy and administration within a reasonable timeframe. It may not be possible to work *through* the government, but donors should work *with* it.

2. The UN System And INGOs

Given the constraints on government-to-government assistance and the absence of the big multilateral and bilateral aid agencies in Myanmar, the main conduits of international assistance are the UN agencies and the INGOs. Some of these have now been in the country for five to ten years, and although frequent personnel changes and weak institutional memory are a problem, they have generally learned how the system works. Others are newcomers but should be able to shorten the learning process significantly by drawing on the experience of those who came before them.

While many individual aid organisations, programs and projects today are operating with a reasonable to high level of efficiency, three macro-issues merit special attention: the division of labour

between UN agencies and INGOs; the choice of national development partners; and the capacity of the aid system to absorb increasing levels of funding.

As shown earlier, most of the political stakeholders have clear preferences for one of the two main implementing systems. The Myanmar government favours the UN agencies, because it generally has a larger direct stake in UN aid programs. Many donors favour the INGOs for the exact same reasons, and also because they operate more efficiently with lower overheads. Contrary to both these positions, Aung San Suu Kyi has spoken out in favour of the UN system, because she feels it is more likely than the INGOs to be able to stand up to the government.

Each of these arguments points to important concerns regarding the functioning of the two systems. However, from a broader development perspective, it is not a question of either-or. The UN system, because of its global mandate, its larger institutional and budgetary capacity, and better relations with the government, is in a unique position to formulate long-term strategic goals and promote the physical and human infrastructure necessary for national level programs. It also provides an important umbrella for the INGOs, which would be more vulnerable in a rather hostile environment if they were not part of a bigger aid system.

The INGOs, for their part, have more experience with the kind of bottom-up grassroots development much needed to generate local capacity in a country, where the state seems destined to remain a peripheral player in the social sector in the foreseeable future. Their lower salaries and general running costs also mean that they offer more value for money. However, they rarely have the capacity to execute programs with national level impact. This is particularly a problem because there are so few of them in Myanmar that their combined coverage, too, remains limited.

The UN agencies and INGOs each have comparative advantages in terms of scale, methodology, and so on, and each have an important place in the overall system of international aid to Myanmar. More attention, however, should be given to whether these comparative advantages are fully exploited. Currently, the UNDP as the main funding agency and coordinator is hindered by its

extraordinary mandate from serving several of its traditional functions and required instead to do grassroots development work, for which the INGOs in general are much better suited.

Moreover, while Aung San Suu Kyi is right in principle in emphasising that the UN has more leverage than individual INGOs, it is not evident that this leverage has been applied for maximum effect. Many UN officials and INGOs feel that the UN system has been too weak, both in maintaining standards for its own work and in reacting to the government's encroachment on the freedom and rights of all aid organisations active in the country. They argue that more could have been done, for example, to challenge official figures that underestimate the country's social problems, to induce the government to rationalise memorandum of understanding application procedures and other processes critical to the operation of aid organisations, and to abolish the requirement that aid dollars for local costs are exchanged at the official parallel rate, which is 40 per cent lower than the unofficial rate.⁶⁹

3. National development partners

The conventional political wisdom on aid to Myanmar has been that the UN and INGOs should channel all, or most, of their aid directly to the beneficiaries. This method, of course, is an important part of development aid to any country, favoured among other reasons because it reaches the poorest of the poor. However, when taken to the extremes seen, or promoted, in Myanmar, it ignores the many potential benefits of working with national development partners.

Government departments. Most UN agencies and a few INGOs are in fact required by their own mandates, or have chosen, to work with their government counterparts. Apart from UNICEF and WHO mentioned earlier, the UN Steering Group for HIV/AIDS (UNAIDS) and other organisations are working with the National AIDS Committee. The UNDCP is also cooperating closely with the Central Committee for Drug Abuse Control.

⁶⁹ There is, of course, a need to maintain a balance. If challenging the government upsets relations to the degree that critical programmes are interrupted, the net effect might be negative.

Importantly, the consensus assessment is that you can work with the government on these issues.

Not all departments are equally useful or willing development partners. Much depends on the personality of top officials, and often the departments themselves are fighting an uphill battle against the system. However, as one top UN official points out: "Once you identify the right people and are able to convince them that your work serves the development purposes of the government, you can do quite a lot".⁷⁰

So far, these cooperative programs are funded almost exclusively by the aid organisations, as few government departments have money to cover more than rudimentary infrastructure and recurrent costs. This presents a danger, not so much in terms of replacement of existing government investments, but in the risk of creating dependencies and complacency. Clearly, aid should not become an excuse for the government not to fund the social sector. On the other hand, the scale of funding necessary in most sectors is simply not available domestically. Also, as argued above, by providing funding and technical assistance aid organisations help to keep the most competent and committed officials motivated and counteract a total collapse of the civil service. This is a strong argument for not overlooking government departments as potential development partners, although the broader challenge is to change the system.⁷¹

GONGOs. In order to provide a mass base for state policies – and to pre-empt the formation of civil society organisations which might oppose such policies – the military regime has set up a number of government-organised NGOs (popularly known as *GONGOs*). The flagship among these is the Union Solidarity and Development Association

(USDA), which is an overtly political organisation. There are several others, however, which have more technical mandates to work in the social sector, notably the Myanmar Maternal and Child Welfare Association (MMCWA) and the Myanmar Red Cross (MRC).⁷² Both the latter have a nationwide presence, mirroring the hierarchical organisation of the state administration, and a large network of (ostensibly) volunteer members. They have thus come to play an important supplementary role to the Department of Health in formulating and implementing health policy and programs.

Several UN agencies and INGOs have been working with these *GONGOs*, with different results. UNICEF and WHO have found the MMCWA and MRC to be very useful for grassroots mobilisation in the service of national programs, such as National Immunisation Days, National Sanitation Weeks and broader education campaigns. Conversely, most INGOs have suspended their cooperation with the *GONGOs*, concluding that they were too constrained by their political priorities and the top-down development focus of the state to serve as useful partners in community development. They do, however, continue to work with individual members at the local level, whom they often find to be genuinely committed to helping their communities. They also point out that some *GONGOs* have shown significant independence and commitment to their social mandates and warn against excluding them *en bloc* in the search for national development partners.

General speaking, the same criteria used for working with government departments should be applied to *GONGOs*. Some aid workers feel that the *GONGOs* would have a large potential if they were given more independence from the military regime and relieved from their political control and propaganda duties. Others, however, point out that the influence of politics means there has been little progress towards appropriate management and technology. For the time being, as long as aid organisations work with health workers in general, irrespective of their status as members or non-

⁷⁰ ICG interview, January 2002.

⁷¹ As to the issue of political costs, there are no convincing reasons why immunisation programs and other national campaigns cannot be executed in cooperation with government departments, as long as they are carefully targeted and supplies are closely monitored. Similarly, it is hard to see how technical assistance, which is much needed to improve strategic planning and build administrative capacity, can be misappropriated or abused. It could be ineffective, but that would be no different from the situation in dozens of other developing countries, which receive much larger amounts of international aid.

⁷² Other *GONGOs* in the social field include the Myanmar Medical Association, the Myanmar Nurses Association, the Myanmar Health Workers Association, and the Education Development Association.

members of the GONGOs, and thus do not contribute to the government's patronage network, there is no reason not to take advantage of their abilities.

Local authorities. Since the cease-fires and establishment of autonomous zones, several former insurgent groups have set up local administrations complete with development departments. These organisations are rarely recognised by international donors and aid organisations as potential development partners. This is perhaps understandable given their lack of money and administrative experience. However, more attention should be given to the peace and capacity-building effects that such cooperation would have. By supporting the development objectives of local authorities, international actors can help them establish their status as representatives of local areas and strengthen the basis for future decentralisation of power from the central government. This would thus serve a political as well as a social development purpose.

Civil society organisations (CSOs). Another relatively new – or rather increasingly active – actor on the national stage is the local development organisation. As argued in a previous ICG report,⁷³ the widespread belief outside Myanmar that there is no civil society in the country was never absolutely true and is even less so today (unless civil society is perceived in a strictly political sense). Religious organisations have traditionally enjoyed a measure of freedom not accorded other groups. The Christian churches, in particular, have long been engaged in community development work, and several have concluded that this is an important part of their responsibilities in contemporary Myanmar. Importantly, they have recently been joined by two potentially nationwide NGOs, the Metta Development Foundation and the Shalom Foundation, both of which were set up for the express purpose of community development. Many smaller groups are also appearing and operating under the umbrella of these larger ones.

The space for these new activities has been created by the ceasefires and a gradual easing of government control of avowedly apolitical

organisations. Much of it is centred in Kachin State, which has a relatively high level of cooperation among local groups and several prominent local leaders who have been able to bring the plight of their communities to the attention of the highest authorities and establish a level of mutual trust with government leaders. Several local CSOs and religious organisations, however, have also emerged in Mon State over the past few years and are taking the lead in working for community development.⁷⁴

Groups of any size can still only operate with the express permission of the government and are watched closely. Yet, like INGOs, they are generally able to set their own priorities, as long as these are not overtly antagonistic to government aims. Importantly, they often have better access than INGOs to sensitive areas and are beginning, for example, to reach out to the many people who have been internally displaced by fighting or other military pressure. Such programs require high levels of confidentiality and flexibility, but represent a real alternative to cross-border activities.

⁷³ See ICG Asia Report No. 27, *Burma/Myanmar: The Role of Civil Society*, 6 December 2001.

⁷⁴ Ashley South, *Burma's Ex-Insurgents*, *Burma Debate*, Vol.8, No.2/3 (summer/fall 2001).

VII. CONCLUSION

The politics of humanitarian assistance to Myanmar raise two basic questions: Should it be provided and, if so, how should it be provided? The answer to the first of these is an unequivocal 'yes' – not only should there be humanitarian assistance, but there should be significantly more of it.

This argument can be made on humanitarian grounds alone. Humanitarian assistance is not just an issue of alleviating individual human suffering, but also of counteracting social instability, which could undermine any progress in the political sphere. Many people in Myanmar are losing hope, and as people anywhere without hope, they are becoming increasingly frustrated with the whole system of government. This is dangerous for political elites on all sides of the political spectrum, perhaps most of all for a future democratic government, which would face much higher expectations in an environment more conducive to social protest.

The question of *how* humanitarian assistance should be provided is more complicated. The concept of 'humanitarianism' provides some guidance – international aid should be directed towards improving the lives of people and reducing suffering. However, it must be recognised that effective use of aid entails reducing systemic vulnerabilities, strengthening local capacities, and promoting necessary policy and institutional changes. This requires attention to longer-term development issues. Perhaps the best general advice that can be given is that international donors and aid organisations should do as much as they possibly can, not only to exploit the existing space for development activities but also to expand it.

A significant increase in international assistance is necessary but it will not be easy to implement. The national bureaucracy has very limited capacity. Moreover, an increase in international aid activities could increase the government's sense of insecurity and lead it to invoke even more restrictions. The result would likely be further bottlenecks in the bureaucratic system. There is also concern that more organisations with less understanding of the situation in Myanmar would undermine current standards of implementation and monitoring. This is particularly likely to

happen if the newcomers, in their eagerness to gain access, give in to government pressure and comply with unreasonable operational and monetary demands.

There is no doubt that 'small is beautiful' in the context of Myanmar aid programs. However, small is sometimes also just small. In order to change the current lose-lose scenario to a win-win one, all the main aid protagonists need to reassess their positions and try to do their part to generate the kind of cooperation and synergy that has so far been lacking. The following recommendations are some of the steps that may be taken, or pursued further.

A. THE NATIONAL GOVERNMENT

The military leaders have acknowledged that socio-economic development is necessary to break Myanmar's long history of ethnic conflict and endemic social instability. They must also recognise that it is in the interest of the armed forces as an institution to promote broad-based growth, which will help them regain a status consonant with their historical contributions to the nation and further strengthen their capacity to defend Myanmar's national sovereignty and territorial integrity.

In order to achieve the official national goal of building "a modern, developed and prosperous nation", the government must reassess its traditional emphasis on national security over human development. It needs to:

- cut back defence spending and introduce more policies that help people, including larger public investments in health and education;
- reconsider the current top-down approach to development, which fails to activate all the country's resources; and,
- address the political and administrative concerns expressed by donors, which will continue to curtail the inflow of humanitarian assistance and the resumption of normal bilateral and multilateral development aid in support of national efforts.

For a full normalisation of Myanmar's international relations, a solution needs to be found to key political questions. It is vital to the future of

the country that whatever form of government emerges is acceptable to the people and facilitates good governance. It is imperative that the government formalises the current talks with the NLD and sets a timetable and road map for progress. These steps are part of the process of national reconciliation and should not await the resolution of all outstanding political issues.

While political progress requires cooperation by all the main stakeholders in the country, there are several things the government can do on its own to attract more aid and support an effective application of it. First, it must demonstrate a realistic understanding of the country's socio-economic problems and a commitment, backed by resources, to resolve them. Most of these problems are shared by developing countries around the world, and there is no stigma associated with acknowledging them.

The government's treatment of INGOs has become an important barometer, internationally, of its commitment to development. The obstructions currently placed on their work should, therefore, be minimised. Specifically,

- the process of obtaining a memorandum of understanding needs to be simplified and approval time reduced;
- the larger framework for INGO operations should also be clarified and standardised to facilitate day-to-day operations and delineate longer term involvement; and,
- the top leaders should impress upon government officials and local military authorities the importance of supporting INGO activities, primarily by giving them the necessary room to do their job.

While the preference for national ownership of international aid is understandable and should be the ultimate goal, the state does not currently have the capacity to implement such assistance effectively. The government should do more to tap into the wealth of knowledge and development experience existing outside the country. In a similar vein, it should recognise that international agencies – and INGOs in particular – bring significant added value. They can do things governments cannot, particularly by working with vulnerable groups at the community level. They are an important resource, not just a supplement to state budgets.

The pervasive role of the state in present-day Myanmar is not only inefficient and unsustainable, but also an obstacle to increased aid. The government should take steps to increase the operational autonomy of organisations such as the Myanmar Maternal and Children Welfare Association, the Myanmar Red Cross, and other GONGOs. It should also continue to expand the space for truly independent national NGOs, which work in support of national development efforts.

By taking these steps, the government would actively address the concerns of international donors and pave the way for further humanitarian and development assistance. This, in turn, would take some of the pressure off its own limited resources and create a more positive environment for the ongoing transition process.

B. THE PRO-DEMOCRATIC OPPOSITION

The NLD has often demonstrated its commitment to the people of Myanmar and is right in insisting on fundamental political, economic, and social reforms in support of broad-based development. However, for tens of millions of subsistence farmers and urban poor who fight for survival every day, the promise of freedom in the future has little meaning. This is particularly the case in ethnic minority areas where many people feel that the inability of the SPDC and the NLD to resolve their differences is denying the minorities their right to development.

The NLD should continue its ongoing efforts to get involved in governing as soon as possible. A Joint Committee on International Assistance would be one way. A more far-reaching achievement would be to negotiate a transitional arrangement which would give the NLD responsibility for the social ministries. There is, of course, a danger in taking over responsibility while being denied the power and resources to fulfil it. However, the party needs to demonstrate to the people that it can make a real economic and social difference in their lives.

Talks on resolving the political problems in Myanmar have been going on for more than a year and appear to have made little headway. It may take a good deal of further time to reach any agreement on a political transition, or even just on formalisation of the talks and a roadmap and timetable for progress. However, the military and

the NLD should recognise that many of the country's pressing humanitarian problems cannot wait for this slow process to work itself out and must be dealt with as soon as possible.

In light of these urgent needs, the NLD should recast its policies on humanitarian aid to remove ambiguities and allow the international community to move forward on a step by step basis, beginning with humanitarian aid and moving subsequently – as political progress is made - to aid directed at broader development goals.

In developing a new policy on aid, the NLD should consider that any future government will need the existing state, including the armed forces and the civil service, to implement its programs and will be under great pressure to fulfil rapidly increasing public expectations. It would therefore be advisable to support steps that may be taken prior to the political transition to strengthen state capacity for policy formulation and implementation.

It will also be important for the NLD to take into account that while it, and with a few other political parties, are the only institutional manifestations of democracy in Myanmar today and must serve as path-breakers for further political liberalisation, they cannot carry the process alone. It is important to give nourishment to all the 'saplings' that are needed to grow a healthy democracy in the future. The party should, therefore, further encourage donors and aid organisations to fund local NGOs and work with community groups. Such groups do not need to have a political dimension to serve the purpose of democracy.

C. INTERNATIONAL DONORS

Contrary to conventional wisdom in the West, foreign governments and donors do not face a choice between promoting political change or supporting social development in Myanmar. Both strategies have to be integral parts of any genuine effort to help this deeply troubled country and promote stability and welfare for its 50 million people, as well as the broader region. There are limits to what international donors can do under current political circumstances. However, those limits are not being tested by present aid policies.

At the most basic level, donors should be more progressive in their approach to aid to Myanmar. If external actors are truly to be agents of social change, they need to be pro-active – they have to be close to the situation and the people and organisations that are going to make that change. This requires less caution and more innovation, even daring, in the formulation and execution of aid projects. Many aid organisations in Myanmar today have the knowledge and commitment to pursue such an approach but are constrained by the conservatism of most donors.

To facilitate more aid and innovation, current oversight mechanisms should be improved and rationalised. This is probably most effectively done through an inter-governmental aid consortium with monitoring functions, which could liaise with (new) UN and INGO inter-agency groups in Myanmar.

The best way to increase government responsibility and strengthen state capacity is to work with government departments. Donors will necessarily have to maintain strict criteria for such cooperation and be prepared to suspend programs which do not fulfil them. However, each program should be considered separately. This will allow cooperation to proceed in areas which are working and might in fact serve to induce an element of healthy competition between ministries and departments starved for cash and eager to show results. The government will resist even technical conditionalities. However, an effort should be made to explain that this is part of the normal process of development aid and does not infer any form of criticism.

Donors should take care to ensure that the different aid organisations are funded in ways that maximise their comparative advantages. The extraordinary mandate imposed on the UNDP has seriously hampered its ability to affect policies and address problems relating to the administrative framework of aid while requiring it to do work which INGOs are generally much better suited for. This also implies that both the UN system and the INGO sector should be supported. Some donors feel that the UN agencies are too inefficient or that the INGOs are more politically acceptable. However, the two systems complement each other.

More aid should be channelled through local CSOs. Their absorption capacity is limited by their small numbers and general lack of experience. Yet,

they remain a relatively untapped channel for funding and should be supported to the extent possible, not only for their specific developmental impact, but also to promote the broader aim of increasing social capital. While international aid is genuinely needed to supplement domestic resources, it must not become an excuse for the government not to invest in human development. Donors should, therefore, explore ways to use aid to attract rather than replace government funding. This may be done by matching government spending in priority areas, or through specific joint-venture development projects.

Just as humanitarian assistance should be provided in ways consonant with broader political strategies, political tools should be wielded with due consideration to their humanitarian impact. Sanctions, such as trade embargoes targeting labour intensive industries, which have large-scale, negative consequences for public welfare, should be avoided. For further insight into these issues, an impact assessment of all existing and potential future sanctions should be undertaken by a neutral body of economic and development experts.

D. INTERNATIONAL AID ORGANISATIONS

International aid organisations have done much over the last decade to promote human development in Myanmar and would be in a position to do much more if the current external and internal political constraints were relaxed. There are, however, several things they can do to improve coordination in preparation for increased aid flows and to ensure that their often very high standards of operation do not slip. This will entail addressing issues of UN paternalism, INGO independence, and competition among all development agencies.

The UN system should consider how its significant leverage with the government can be used to negotiate a framework more conducive for the effective functioning of all aid organisations in the country, including the INGOs (and possibly local NGOs). Apart from the issues mentioned in the recommendations to the government above, this should also include the numerous ways aid organisations are being squeezed financially, in some cases in direct contradiction to the terms of their memorandums of understanding. Specifically,

this would include the current requirements that they exchange currency at the official parallel rate of 450 kyat to the U.S. dollar, that they pay for the visas of expatriate staff, and that telephone bills and other running costs be paid in U.S. dollars at hiked-up prices.

The UN agencies, in particular, should also seek more effective ways to challenge official figures and other data which distort both external and internal images of the situation in the country without provoking vehement public denials by top officials that undermine action within the government system. The best way, of course, is to support and induce the government to collect, analyse, and publicise its own data. Beyond that, the rules of quiet diplomacy apply: use trusted messengers, be discrete and diplomatic, and make sure that your sources are credible.

The INGOs face their greatest challenge in maintaining current standards of responsibility as their numbers expand and funding increases. Formulation of the Joint Operation Principles was an important step, which should be supported by those INGOs that have declined to sign them as well as by new entries. An NGO Council could also be extremely useful, for example, in disseminating the experience from the last ten years and educating donors about reasonable demands and concerns.

While there is a general need to maintain the highest standards of transparency and accountability, both donors and aid organisations must be prepared to lower these in exceptional circumstances in order to reach people in sensitive areas and sectors where confidentiality is needed for security reasons.

Finally, there is a need to improve coordination between aid organisations to avoid duplication of projects and more effectively pool data and ideas. It would be helpful if agreements could be reached for organisations with a permanent presence in remote areas to keep an eye on other projects in their areas, which may be run from Yangon or the nearest state capital. This, of course, will require, sharing of specific project information.

Bangkok/Brussels, 2 April 2002

APPENDIX A

SOCIO-ECONOMIC INDICATORS, MYANMAR AND SOUTHEAST ASIA

1999 figures unless otherwise stated	Myanmar				Laos	Cam bodia	Viet Nam	Indo nesia	Philip pines	Thai- land	Maly sia
	1985	1990	1995	1999							
HDI				0.551	0.476	0.541	0.682	0.677	0.749	0.757	0.774
- GDP/cap (PPP U.S.\$)			1.130	1.027	1.471	1.361	1.860	2.857	3.805	6.132	8.209
- Life expectancy		61.3	58.9	56.0	53.1	56.4	67.8	65.8	69.0	69.9	72.2
- Literacy (per cent)		80.6	83.1	84.4	47.3	68.2	93.1	86.3	95.1	95.3	87.0
- Enrolment (%)	58		48	55	58	62	67	65	82	60	66
Infant mortality (/1000)	80	83	86	79	111	122	40	52	42	30	9
Maternal mortality (/100000)	460	580a)	-	486a)	650	470	160	450	170	44	39
Malnutrition, <5years (per cent)		37b)		35b)	40	52	39	34	28	19	18

Source: UNDP, Human Development Report, various years; except (a) UN/Myanmar, Country paper, January 2002 [internal working paper]; (b) UNICEF, Children and Women in Myanmar, April 2001; (c) World Bank, Myanmar: An Economic and Social Assessment, 1999 [draft].

APPENDIX B

GENERAL TYPOLOGY OF INTERNATIONAL ASSISTANCE

Goals	Service delivery	Local capacity-building	Systems development
<u>Relief</u>	Food, water, blankets		Early warning systems
<u>Human development</u>	Medicine (curative)	Self-help groups	Data collection/analysis
Health care	Immunisation (preventive)	Health and nutrition education programs	Human infrastructure
Food and nutrition	Health clinics, schools		Administrative capacity
Water and sanitation	Micro-credit		Government development priorities & methodology
Education		Agricultural extension	
Economic assets			
Jobs			
<u>Economic development</u>			
Physical infrastructure	Infrastructure loans		Economic policy
Agricultural improvement			Good governance
Industrialisation			

APPENDIX C

INTERNATIONAL ASSISTANCE TO MYANMAR (1990-1999)

Million U.S.\$	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total ODA	157	183	131	110	162	152	56	45	49	56	76
- multilateral	95	70	47	37	19	26	11	22	40	44	47
- bilateral	61	112	82	72	143	126	45	23	9	7	22
- INGOs	0.5	0.8	1.6	1.1	-	-	-	-	-	4.5	7.0

Sources: UN/Myanmar, Development Cooperation Report, 1990-93; UN/ESCAP, Statistical Yearbook for Asia and Pacific, 1994-97; UN/Myanmar, Country Paper, January 2002 [internal working draft].

The major part of the bilateral assistance has been Japanese debt relief, provided in the form of goods of a value corresponding to debt repayments by the Myanmar government. The large fall in Overseas Development Assistance (ODA) after 1995 reflects the failure of the latter to repay its arrears.

APPENDIX D

INGOs OPERATING IN MYANMAR

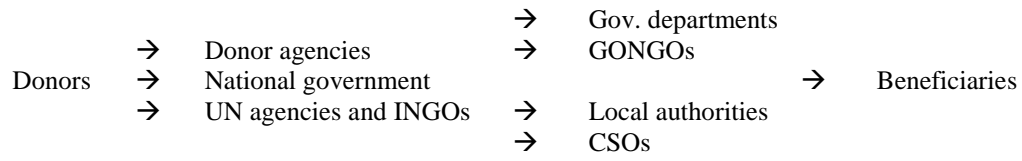
Name of organisation	Year established	Main sectors of activities
Medecins Du Monde	1991	Health, HIV/AIDS
World Vision	1991	Health, HIV/AIDS, micro-credit, street children
Medecins Sans Frontieres – Holland	1992	Health, HIV/AIDS
International Federation of Red Cross	1993	Health
Adventist Development and Relief Agency	1995	Health, sanitation
Bridge Asia Japan	1995	Income generation
Care	1995	Health, HIV/AIDS, agro-forestry
Gret	1995	Micro-credit, food security
Population Council	1995	Reproductive health
Population Service International	1995	HIV/AIDS, social marketing
Pact	1995	Micro-credit
Save the Children – UK	1995	Social development, child development
Save the Children – US	1995	Health, education, income generation
World Concern	1995	Health, education, income generation, food secu.
Oisca International	1996	Rural development, agro-forestry
Association of Medical Doctors of Asia	1997	Health
Grameen Trust Bank	1997	Micro-credit
International Committee of the Red Cross	1998	Prison conditions, health
Marie Stopes International	1998	Reproductive health
Association for Aid and Relief	1999	Disability rehabilitation
Kamosia International	1999	Integrated development, environment
Medecins Sans Frontieres – Suisse	1999	Malaria
Partners	1999	Water and sanitation
Medecins Sans Frontieres – France	2000	Malaria
U-Law	2000	Drug rehabilitation
Centre for Humanitarian Dialogue	2000	Humanitarian activities
Aide Medicale Internationale	2001	Health
Swiss Aid	2001	Environment, agricultural development

Sources: Adapted from UN/Myanmar, Country Paper, January 2002 [internal working draft] and Directory of International Non-Government Organisations Working in Myanmar, February 2001.

January 2002

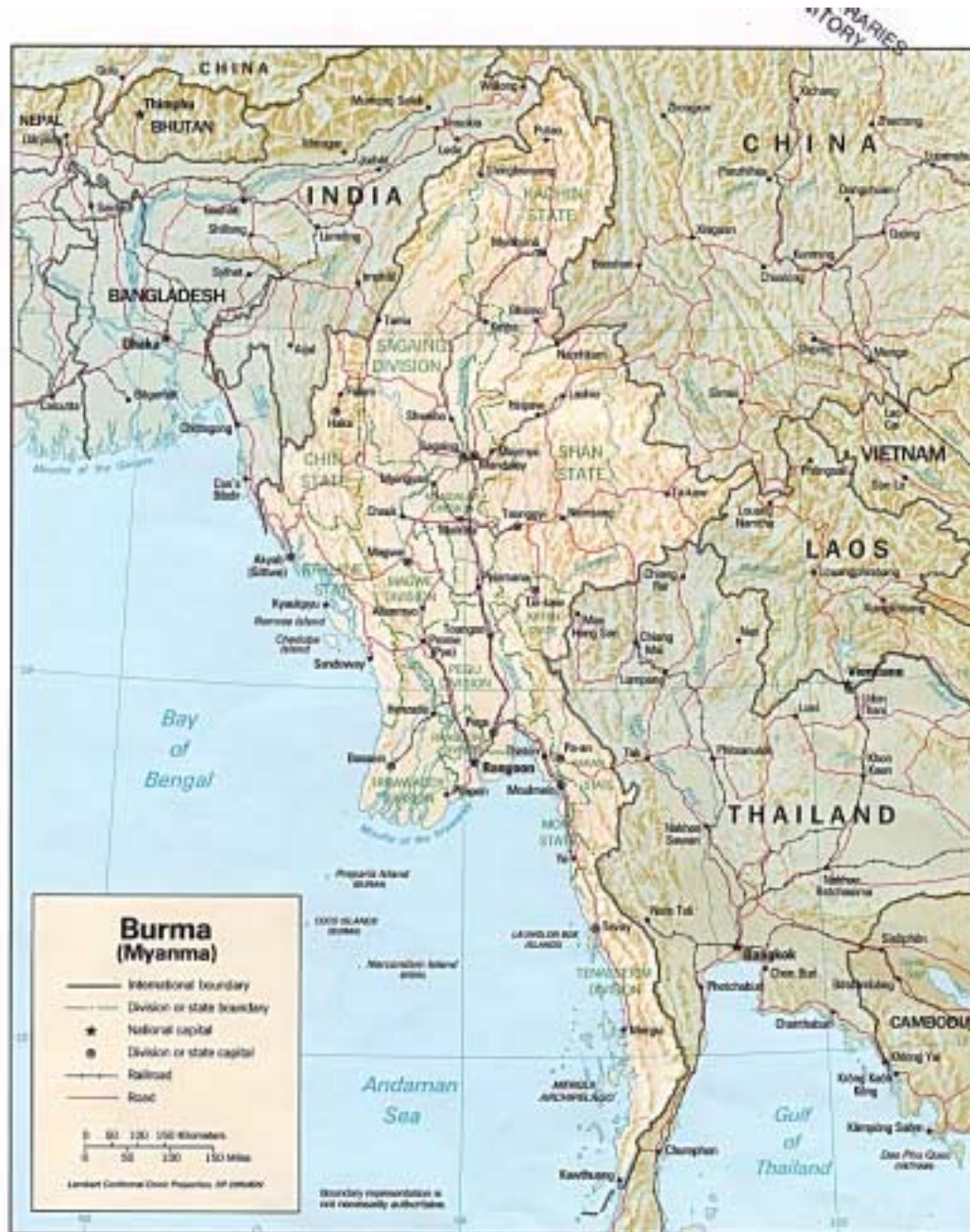
APPENDIX E

IMPLEMENTING AGENCIES AND NATIONAL DEVELOPMENT PARTNERS



APPENDIX F

MAP OF MYANMAR



Scale 1:60 000 000

APPENDIX G

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (ICG) is a private, multinational organisation committed to strengthening the capacity of the international community to anticipate, understand and act to prevent and contain conflict.

ICG's approach is grounded in field research. Teams of political analysts, based on the ground in countries at risk of conflict, gather information from a wide range of sources, assess local conditions and produce regular analytical reports containing practical recommendations targeted at key international decision-takers.

ICG's reports are distributed widely to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, www.crisisweb.org. ICG works closely with governments and those who influence them, including the media, to highlight its crisis analysis and to generate support for its policy prescriptions. The ICG Board - which includes prominent figures from the fields of politics, diplomacy, business and the media - is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; former Australian Foreign Minister Gareth Evans has been President and Chief Executive since January 2000.

ICG's international headquarters are at Brussels, with advocacy offices in Washington DC, New York and Paris. The organisation currently operates field projects in more than a score of crisis-affected countries and regions across four

continents, including Algeria, Burundi, Rwanda, the Democratic Republic of Congo, Sierra Leone, Sudan and Zimbabwe in Africa; Myanmar, Indonesia, Kyrgyzstan, Tajikistan, and Uzbekistan in Asia; Albania, Bosnia, Kosovo, Macedonia, Montenegro and Serbia in Europe; and Colombia in Latin America.

ICG also undertakes and publishes original research on general issues related to conflict prevention and management. After the attacks against the United States on 11 September 2001, ICG launched a major new project on global terrorism, designed both to bring together ICG's work in existing program areas and establish a new geographical focus on the Middle East (with a regional field office in Amman) and Pakistan/Afghanistan (with a field office in Islamabad). The new offices became operational in December 2001.

ICG raises funds from governments, charitable foundations, companies and individual donors. The following governments currently provide funding: Australia, Canada, Denmark, Finland, France, Germany, Ireland, Japan, Luxembourg, the Netherlands, Norway, the Republic of China (Taiwan), Sweden, Switzerland and the United Kingdom. Foundation and private sector donors include the Ansary Foundation, the Carnegie Corporation of New York, the Ford Foundation, the William and Flora Hewlett Foundation, the Charles Stewart Mott Foundation, the Open Society Institute, the Ploughshares Fund and the Sasakawa Peace Foundation.

April 2002

Further information about ICG can be obtained from our website: www.crisisweb.org

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