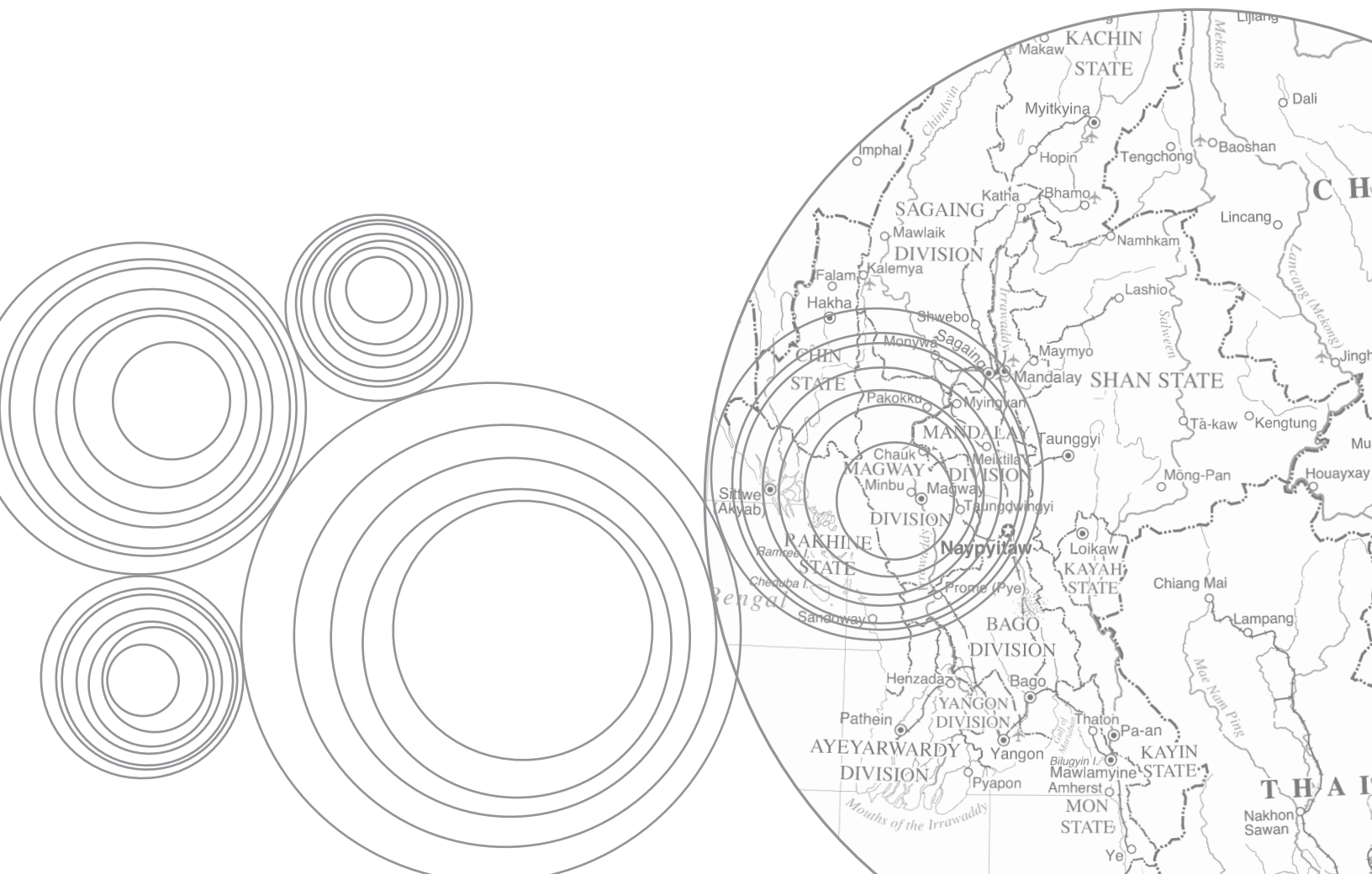


Working Through Ambiguity:

International NGOs in Myanmar

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Executive Summary

Myanmar faces significant humanitarian, development and political challenges. Years of international sanctions have constrained levels of foreign aid. Still, some 65 international non-governmental organizations (INGOs) work in Myanmar in a variety of sectors, including health, agriculture and disaster response. Some are INGOs with global operations, while others are smaller, sector-specific organizations. Based largely on interviews with personnel from INGOs and donors present in the country, this paper explores the operational modalities INGOs use and examines how INGOs consider the impact, ethics, effectiveness and accountability of their programs in Myanmar.

In the past five years, political shifts in Myanmar have created some openings for civil society efforts. The Saffron Revolution (2007) and the homegrown response to Cyclone Nargis (2008), have demonstrated an emergent, but still weak, civil society. Since Cyclone Nargis, the humanitarian space has opened up significantly. Despite questions about the legitimacy of the November 2010 elections and the continuing influence of the military, changes to the constitution and political structures may offer potential for incremental reform. There is some evidence that Western governments are responding to these changes. For example, the U.S. and U.K. have recently increased development funding for programs inside Myanmar.

INGOs typically operate in Myanmar under various framework agreements with the government, such as Memoranda of Understanding (MOU) or Letters of Agreement with a relevant ministry. Interviewees stressed that the Government of Myanmar is “not monolithic” and that receptivity to development efforts is inversely related to proximity to the military junta.

There is no “optimal operational modality” for working in Myanmar. INGOs choose operational approaches (e.g. to registration, procurement, banking) appropriate for their specific missions, portfolio of projects, and organizational principles.

Building the capacity of local civil society is an important goal for donors and INGOs, but a disenfranchised society makes this a difficult task. INGOs must find better ways of mitigating power asymmetries between themselves and local NGOs, and of investing in grassroots capacity building even when funding cycles are short-term.

Advocacy with the Government of Myanmar is possible and, in some cases, effective. The approach endorsed by some INGOs and donors is “non-confrontational,” aiming to inform and promote dialogue with the government, not to assess blame.

Key operational impediments faced by INGOs include the lack of mobility of expatriate staff, fluctuating visa approvals, limited humanitarian space, uncertain registration status, and short-term donor funding. Underlying these impediments is a pervasive sense of ambiguity.

Several forums exist for INGOs to collaborate, coordinate and pursue joint action. Perspectives on the role of the UN varied. Some interviewees viewed INGO-UN relations as trustful and functional; others urged the UN to be more assertive with the Government of Myanmar and show more strategic leadership.

Safeguards used by donors and INGOs to protect humanitarian independence include internal and external audits, monitoring recipients of aid, and adherence to transparency and procurement protocols. Overall, INGO interviewees felt that such safeguards help maintain humanitarian independence. Some believed that safeguards that limit interaction with government officials could be counterproductive for long-term development.

Operating in Myanmar confronts INGOs with several ethical issues, including how to work with the government without bolstering or appeasing it, how to provide impartial assistance in a state where humanitarian access is still highly controlled, and how to properly monitor aid given restrictions on the mobility of INGO (particularly expatriate) staff.

INGOs believe that aid can be effectively implemented and has a positive impact in Myanmar. Analysts have also noted additional benefits of the presence of INGOs, including helping to build local capacity, acting as potential witnesses whose very presence could deter human rights violations, and helping to open up space for dialogue with the government.

Key impediments to aid effectiveness include a repressive government, limited donor funding, restricted humanitarian space, weak indigenous capacity, lack of reliable data, donor restrictions on aid, a polarized political context surrounding aid, and the government's cumbersome procedures. In addition to significant political reform, interviewees suggested that aid effectiveness could be enhanced by increasing aid levels (with a focus on more long-term, development-focused funding), continuing dialogue with the government to improve humanitarian access and reduce onerous procedures, building local capacity, improving donor coordination, and generating better data.

Working Through Ambiguity: International NGOs in Myanmar¹

Myanmar faces significant humanitarian, development and political challenges. International sanctions intended to punish the country's military junta for human rights violations have constrained levels of foreign aid. Still, many international NGOs (INGOs) implement programs in Myanmar. This paper seeks to describe the humanitarian and development landscape in Myanmar, explore the operational modalities INGOs use, and examine how INGOs think about the impact, ethics, effectiveness and accountability of their programs in Myanmar. It is being written at an interesting time for three reasons: despite serious doubts as to whether the November 2010 elections (the first in more than a decade) were free and fair, recent constitutional and political changes may present an opportunity for further reform; Western countries² seem to be rethinking their policies toward Myanmar; and recent citizen action, including the homegrown response to Cyclone Nargis, indicates an emergent civil society in Myanmar.

The paper is divided into four parts: first, a description of the research methodology; second, a discussion of the humanitarian and development landscape; third, an exploration of questions pertaining to the operations, effectiveness, and ethical considerations of INGOs working in Myanmar; and finally some conclusions and key takeaways.

1 This paper was written by Soubhik Ronnie Saha, on behalf of the Humanitarian & Development NGOs domain of practice of the Hauser Center for Nonprofit Organizations at Harvard University. This research was supported by the China Medical Board. The author thanks Peter Bell and Sherine Jayawickrama for their review, guidance and edits.

2 In this paper, the term "Western" is used as shorthand to refer to Western European, Nordic, Australian and U.S. donors and governments. "Asian" refers to Northeast and Southeast Asian governments and donors.

Research Methodology

Fifteen semi-structured interviews were conducted to explore the questions in the inquiry design (see Annex 1). Interviewees included personnel from INGOs, local NGOs and bilateral donors based in Myanmar. Additional interviews were conducted with staff of INGOs, scholars and analysts based in the U.S. Interviewees received the inquiry design ahead of time, and interviews were conducted by phone between April and June 2011. The paper draws from these interviews while maintaining anonymity so as not to jeopardize ongoing work in Myanmar.

At the outset, it is important to draw a distinction between two sets of INGOs working in Myanmar. The first group focuses on human rights and political reform; these organizations tend to work "underground" in Myanmar or from abroad. The second group might be considered "traditional" humanitarian and development organizations; these organizations work "above the radar" and provide services or technical assistance in sectors such as agriculture, education, health or microfinance. Since the focus of this paper is on understanding how organizations work in the Myanmar context, including how they navigate government restrictions and rules, most of those interviewed for this project were from the latter group. The paper, therefore, largely reflects their perspectives.

Another limitation of this research is that several interviewees were asked to both describe and evaluate the operations of their own organizations. The author sought to balance this out by garnering opinions of a diverse set of actors, including INGO staff from various sectors, INGOs based in Western and Asian countries, staff of bilateral donors, local NGOs, and the diaspora/exile community. In addition to interviews, the author consulted relevant academic and policy analytic literature.

Understanding the Context

The Political Landscape

In the past five years, political shifts in Myanmar have presented some openings for civil society efforts. In September 2007, mass protests were initiated following a sharp increase in fuel prices. First led by pro-democracy groups and then by Buddhist monks, these protests came to be known as the Saffron Revolution and were crushed by a violent crackdown. In February 2008, the military junta announced the completion of the drafting of a new constitution, and scheduled a referendum on the constitution for May 2008, with multiparty elections to follow in 2010. The government carried out the referendum just weeks after Cyclone Nargis. According to the government, 92.48% of voters approved the constitution, with a 98% voter turnout (Steinberg 2010: 144). Independent observers do not consider these figures to be credible.³

In November 2010, general elections were held. The National League for Democracy (NLD), the opposition party associated with Aung San Suu Kyi, decided not to participate. The military-supported Union Solidarity and Development Party won the majority of seats (almost 80%) of both houses of parliament. Western governments condemned the elections as rigged. In March 2011, the new President, Thein Sein, announced the dissolution of the State Peace and Development Council (the official name of the military junta) into a civilian government. Though the new government is civilian in name, Thein Sein and many of his appointed ministers are former members of the military government. There are signs that the new government is open to engaging with the NLD; on August 19, 2011, Aung San Suu Kyi and Thein Sein met for the first time.

3 Foreign observers, including the United Nations, were not allowed to observe the vote.

New Government

Despite concerns regarding the legitimacy of the November 2010 elections and the continuing influence of the military⁴, some analysts believe that positive changes have taken place and that they could lead to incremental reforms. These changes include: i) the establishment of a bicameral national assembly; ii) newer, younger and more diffuse leadership; iii) the appointment of technocrats to run several social service ministries; and iv) the establishment of fourteen regional/state legislatures (ICG 2011). The International Crisis Group notes:

It is highly significant that power is now more diffused than at any time in the last 50 years. This new multipolar landscape represents a change from the preceding system of absolute, and capricious, governance by a single authoritarian leader... For the first time, legislative and executive power in Myanmar is being partly decentralized. Each of the fourteen regions/states has its own legislature, together with a local government headed by a chief minister... While the legislative and executive powers of regions and states are limited, this shift holds out the prospect that governance can be more informed about, and responsive to, local concerns. (ICG 2011: 6)

Several interviewees for this paper echoed these sentiments, expressing cautious optimism that changes in the political structure would empower local authorities. They noted local government officials are often the most interested in effective development programming.

Demographic Background⁵

The population of Myanmar is approximately 54 million, with some 34% living in urban areas. The three major cities are Yangon (population 4.2 million), Mandalay (1 million), and Nay Pyi Daw (992,000). The country is organized into seven regions and seven ethnic states (see Annex 2). Myanmar's many ethnic groups include Burmans accounting for 68% of the population, followed by Shan 9%, Karen 7%, Rakhine 4%, Chinese 3%, Indian 2%, Mon 2%, other 5%. Close to 90% of the population is Buddhist.

4 For example, 25% of parliamentary seats will go to the military. See Steinberg (2010), pages 142-147.

5 Sources: <https://www.cia.gov/library/publications/the-world-factbook/geos/bm.html>, <http://www.state.gov/r/pa/ei/bgn/35910.htm>

Key Humanitarian and Development Challenges

Myanmar faces multiple concurrent humanitarian and development challenges. The most recent UNDP Human Development Index—based on measures of life expectancy, literacy and standard of living—places Myanmar in the bottom fourth (138 out of 182) of countries surveyed.⁶ Some 32% of the population lives below the poverty line.⁷ Pressing humanitarian and development challenges are described in Annex 3 and summarized below:

- *Human Rights* | Freedom of expression, association and assembly are severely curbed. Public meetings of more than five people without permits are illegal. Violations are worse in ethnic areas. Underlying this situation is a culture of intimidation and fear.
- *Ongoing Conflict and Stateless Peoples* | Several ethnic groups have been in active conflict with the government for decades and this has resulted in large numbers of displaced people. The government restricts INGO access to populations in these regions.
- *Public Health* | Myanmar has high rates of infant, under-five and maternal mortality, in addition to high HIV/AIDS, tuberculosis and malaria rates. Government expenditure on health is only 0.5% of GDP.
- *Governance, Democracy and Civil Society Development* | The government lacks not only the administrative competence but also the will to deliver social services.
- *Economics and Livelihoods* | Lack of access to credit and inputs have a negative impact on food security, livelihoods and the rural economy. The military consumes a disproportionate part of government spending. Inflation rates are high.
- *Education* | The government spends only 1.3% of GDP on education. Some 50% of students finish primary school, a small percentage of these students complete middle and high school, and fewer still go on to university.

- *Agriculture and the Environment* | The agriculture, fisheries and forestry sector accounts for 40% of GDP, 25% of total exports and more than 50 % of aggregate employment. The government's reliance on natural resource exports leads to a lack of investment in other sectors and to environmental degradation.
- *Natural Disasters* | The people of Myanmar, particularly in rural areas, are ill-equipped to withstand natural disasters. Disaster risk reduction as well as appropriate disaster response is a critical need.

Civil Society

Although many outside observers of Myanmar had assumed that civil society had been crushed, recent citizens' movements, including the Saffron Revolution (2007) and the homegrown response to Cyclone Nargis (2008), indicate otherwise. In the three years since Cyclone Nargis, the number of civil society groups in Myanmar has multiplied and taken many forms, including local NGOs (LNGOs), faith-based organizations (FBOs) and community-based organizations (CBOs). Additional civil society actors include government-backed NGOs (GONGOs), professional organizations (e.g. Myanmar Medical Association), opposition parties, the Buddhist monastic community, other religious communities and networks, and the exile/diaspora community (based largely in Thailand and the U.S).

There are an estimated 214,000 CBOs (several of them faith-based) and some 270 apolitical LNGOs with varying social missions (Steinberg 2010: 126). Most organizations are not officially registered with the government. The government also sponsors GONGOs, the most important of which is the USDA (Union Solidarity and Development Party). GONGOs are a hybrid of LNGOs and political parties; they provide some social services (e.g. bus routes and educational programs) while creating support for the regime.

It is uncertain what role civil society can and will play in Myanmar. The government continues to stifle an emergent, but weak, civil society by tightly controlling the media and communication technologies. It also threatens to clamp down on organizations that overtly support political reform. At the same time, the government may well allow the growth of groups that they perceive as useful and non-threatening, especially those providing social services.

6 Asian Development Bank and Myanmar Fact Sheet, April 2010. <www.adb.org/Documents/Fact_Sheets/MYA.pdf>

7 Ibid.

Official Development Assistance

Official development assistance (ODA) to Myanmar is low by international standards. Between 1990 and 2007, ODA per capita was less than \$5 annually; this was the lowest level of ODA per capita for any of the 50 least developed countries in the world.⁸ Aid flows are low relative to other countries in the region. ODA per capita for Myanmar was \$7.1 in 2009, as compared to \$48.8 and \$66.4 for Cambodia and Laos, respectively⁹. The majority of aid flowing into Myanmar has been humanitarian.¹⁰ ODA to Myanmar increased in the 1970s, but decreased dramatically following the political crises of the late 1980s. Aid flows began to increase again in the late 1990s and peaked in 2008 with Cyclone Nargis. Since then, aid has declined. In 2010, ODA per capita stood at \$5.6 (comparable to pre-Nargis levels).¹¹

ODA to Myanmar is highly politicized, and there are two opposing views on the topic. One view is that international sanctions are to blame for low aid levels because they stigmatize assistance to Myanmar.¹² The other view is that the Government of Myanmar is to blame because aid cannot be effectively programmed in a context where the government is corrupt and repressive. Proponents of this view believe that Myanmar's governance crisis must be resolved first, and that the government must allocate more of its own resources (including its natural resource wealth) to social services.

The international donor architecture in Myanmar is comprised of the UN system, bilateral donors and multilateral funds. A description of major donor institutions is in Annex 4 and summarized below:

- *USAID* | In recent years, USAID programs in Myanmar have focused on humanitarian assistance. In May 2011, USAID announced a \$55 million grant for a multi-sector project.

- *Japan's International Cooperation Agency (JICA)* | Once Myanmar's largest ODA provider, JICA now provides grants, low-interest loans and technical assistance directly to the government.
- *EU and ECHO* | The European Union is now the largest ODA provider to Myanmar. Some EU countries operate their own programs in Myanmar, but most aid is channeled through ECHO.
- *DFID* | The UK is the single largest country donor to Myanmar via DFID, which aims to spend an average of £46 million per year in Burma until 2015.
- *AusAID* | AusAID is providing \$47.6 million in ODA to Myanmar in 2011-2012.
- *The UN System* | The UN is represented in Myanmar by 16 agencies and led by a resident/humanitarian coordinator; it works closely with government line ministries to provide technical support in key areas focused on the Millennium Development Goals (MDGs).
- *Multilateral Donor Funds* | After withdrawing from Myanmar in 2005, the Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis resumed providing grants in the country in January 2011. Beginning in 2012, the Three Diseases Fund will focus on achieving the three health-related MDGs. Several donors support LIFT, a multi-donor trust fund established to improve livelihoods and food security.
- *Asian nations, ASEAN and regional bodies* | Assistance from India and China comes in the form of public and private sector investment; Thailand, Singapore and Japan provide government-to-government assistance, including funds to train government personnel.
- The World Bank, International Monetary Fund, and Asian Development Bank do not provide assistance or loans to Myanmar.

Sanctions

*U.S. Sanctions on Myanmar*¹³

Following the military crackdown in 1988, the U.S. Congress passed resolutions condemning the killings, and the Reagan administration suspended U.S. aid

8 "Brief on ODA to Myanmar," unpublished paper.

9 Ibid.

10 Ibid.

11 <http://africanpress.wordpress.com/2011/01/30/overseas-development-assistance-oda-to-myanmar-has-dropped-to-pre-cyclone-nargis-levels/>

12 Horsey notes that the people affected by Cyclone Nargis received only one-tenth of the support provided to post-tsunami Aceh, a similar sized disaster. (Horsey 2009: 2).

13 This section draws heavily from Martin 2011.

to Myanmar. Following the nullification of the 1990 elections, Congress imposed further sanctions. In 1997, Congress imposed new sanctions, including the cessation of non-humanitarian assistance, a ban on entry visas for Myanmar government officials, and instructions to U.S. representatives in international financial institutions to vote against loans or funding to Myanmar. In 2003, Congress approved the Burmese Freedom and Democracy Act and, following the crushing of the Saffron Revolution, passed the 2008 Jade Act. President Obama re-authorized U.S. sanctions against Myanmar in 2010 and 2011.

European Union Sanctions¹⁴

In 1996, the EU adopted a “common position” on Myanmar which included a ban on the sale or transfer of arms and weapons expertise, visa restrictions on members of the military regime, and a freeze on officials’ overseas assets.¹⁵ It also suspended bilateral aid, except for humanitarian assistance. Sanctions were extended in 2008 to include a ban on imports of gems, timbers and metals. Individual EU members interpret sanctions differently and many have their own policies toward Myanmar. In April 2011, the EU Foreign Ministers voted to renew economic sanctions for another year. This followed an annual review of sanctions, in which Germany, Italy, Spain and Austria reportedly pushed for modification of sanctions while others urged that sanctions remain in place.¹⁶ In late April 2011, the Austrian Ambassador to Thailand and Myanmar led a delegation of 24 European companies to Myanmar on an economic “fact-finding trip” which led to speculation that the EU may be open to changing its investment ban.

Asia Pacific Countries’ Sanctions

Japan cut aid to Burma in 2007 following the death of a Japanese journalist covering the Saffron Revolution. Japanese aid resumed following Cyclone Nargis in May 2008. Australia has maintained visa restrictions on senior Burmese military figures and a ban on defense exports since 1988. New Zealand has a long-standing ban on visas for military leaders and their families.

14 <http://news.bbc.co.uk/2/hi/asia-pacific/8195956.stm>;
<http://www.eurasiareview.com/eu-sanctions-on-burma-what-next-analysis-20052011/>;

15 http://www.eeas.europa.eu/myanmar/index_en.htm

16 <http://www.eurasiareview.com/eu-sanctions-on-burma-is-tide-turning-analysis-09052011/>

ASEAN and Opposition Groups’ Views on Sanctions

In January 2011, ASEAN issued a statement calling for the lifting of economic sanctions on Myanmar, arguing that they have hit export markets hard and led to unemployment and under-development.¹⁷ Opposition groups within Myanmar have diverse perspectives on sanctions. Some have called for the end of sanctions to ease the economic burden faced by the country.¹⁸ Aung San Suu Kyi’s National League for Democracy party is against lifting sanctions, arguing that they do not affect the populace.¹⁹

Changing Policies towards Myanmar

Western government attitudes and policies toward Myanmar may be changing. The U.S. and U.K. appear to be taking a two-pronged approach.²⁰ Even though their foreign ministries condemned the 2010 elections, their development agencies are expanding programs in-country. For example, even as President Obama reauthorized sanctions in April 2011, USAID announced a \$55 million development grant to Myanmar.²¹ Similarly, DFID has ramped up its programming in Myanmar and recently announced its intention to spend more than £185 million over the next four years on development programs.²²

These changing attitudes seem to be driven by three factors: first, the perception, following the response to Cyclone Nargis, that aid can be implemented without

17 http://www.straitstimes.com/BreakingNews/SEAsia/Story/STIStory_624986.html

18 <http://www.csmonitor.com/World/Asia-Pacific/2011/0222/Why-Aung-San-Suu-Kyi-wants-to-keep-sanctions-on-Burma/%28page%29/2>

19 Ibid.

20 The EU and Australian government are also demonstrating flexibility in their policies toward Myanmar. In June 2011, a high-ranking EU delegation visited Myanmar, including diplomat Robert Cooper, who stated: “The message of our visit was that we are also open to change ourselves in the relationship in response to developments here” http://irrawaddy.org/article.php?art_id=21556. In June 2011, Kevin Rudd became the first Australian Foreign Minister to visit Myanmar in almost a decade.

21 USAID refers to the grant as “humanitarian assistance” but interviewees described it as development assistance given its duration (5 years) and focus (agriculture, maternal child health, capacity building). Interviewees also noted that the location of the grant (Central Myanmar) was a marked change for USAID, which has historically funded projects on the Thai-Burma border.

22 <http://www.guardian.co.uk/global-development/poverty-matters/2011/mar/16/burma-uk-international-aid-dfid>

supporting the regime; second, the recognition of an emergent civil society following the Saffron Revolution and Cyclone Nargis; and, third, optimism that recent changes in the political structure may allow for further reforms.

The Impact of Cyclone Nargis on Civil Society

On May 2, 2008, Cyclone Nargis made landfall, devastating large portions of the Irrawaddy Delta region. An estimated 138,000 people died or were missing; approximately 2.4 million people were affected by the cyclone's damage. Although the government did not allow international organizations to enter the country for several weeks, local civil society (both organizations and individual citizens) provided a substantial homegrown response, often in defiance of government orders.

Since Cyclone Nargis, the humanitarian space has opened significantly – both in terms of geographic area and willingness of the government to work with international actors. Some speculate that the government's increased willingness to work with INGOs was the realization that not all INGOs are human rights activists and that some operational INGOs put their humanitarian missions first.

Before the cyclone, some 40 INGOs were on the ground. The next year, the number grew to over 100 and has now settled at around 65. Most local civil society groups are not registered, so it is difficult to estimate their numbers. However, international organizations observe a rise in the numbers of local groups and their level of activity. Local groups are more vocal and seek more partnerships with international actors.

INGOs in Myanmar: Effectiveness, Ethics and Operational Modalities

Some 65 international NGOs operate in Myanmar. These organizations differ in size and budget, and work in a variety of sectors, including health, agriculture, microfinance and disaster response. Many are multi-sectoral INGOs with global operations (e.g. CARE, World Vision, International Rescue Committee), while others are smaller, sector-specific organizations (e.g. Asian Disaster Preparedness Center). While these

organizations face shared challenges, they differ in how they conduct their operations, how they interact with the Government of Myanmar, and how they work with local partners.

This section of the paper aims to address questions regarding INGO operations in Myanmar. Sub-headings are framed in the form of a question; responses are mainly drawn from interviews and are supplemented by the policy literature and the author's analysis.

How do INGOs interact with the Government of Myanmar?

Virtually all INGOs operate in Myanmar under some sort of framework agreement with the Government, be it a Memorandum of Understanding (MOU) or a Letter of Agreement with the ministry that has purview over the sector in which they are working. MOUs are granted for a specified period, typically 1-3 years. It is not uncommon for INGOs to operate under an expired or pending MOU for periods of time. INGOs operating in Myanmar work largely with the Ministry of Health, Ministry of Agriculture, or Ministry of Social Welfare.²³ While most INGOs work exclusively with one ministry, organizations with projects in multiple sectors often have MOUs with multiple ministries. Interviewees noted that some ministries were easier to work with than others; the Ministry of Health has the most experience and capacity to work with INGOs.

Interviewees stated that they interact with the government on an "as needed" basis. Country directors typically make courtesy visits to ministers in Nay Pyi Taw on a quarterly or bi-annual basis, or when seeking approval for certain actions. INGO interactions with mid-level ministry staff are more frequent. Ministry officials are often invited to visit field sites, or asked to attend ribbon-cutting ceremonies. In addition to interacting with the government one-on-one, INGOs also interact with the government in various forums and working groups.

Virtually all interviewees underscored the view that the Government of Myanmar is "not monolithic". They noted that ministries are often staffed with technocrats who have a genuine interest in effective programming.

23 The Ministry of Social Welfare's purview includes emergency and disaster response.

Several INGOs have former civil servants on staff. Interviewees also noted that receptivity to “development work” was inversely related to proximity to the junta, meaning that local and district officials showed the most interest in the work of INGOs.

What types of operational modalities do INGOs operate under in Myanmar? What types of arrangements are the most effective for the context?

Interviews indicate that there is no optimal arrangement or “one size fits all” modality for working in Myanmar. For example, how an organization handles its banking or procurement, or adapts its programmatic approach may depend on its mission or its portfolio of projects. Similarly, how an organization conducts advocacy or works with the Government of Myanmar may depend on the length of time it has been in the country and the level of trust it has developed with the government.

Registration

In 2006, the Government of Myanmar issued its first ever set of formal “Guidelines for UN agencies, International Organizations, and NGOs/INGOs,” including provisions that INGOs should “officially register” with the Ministry of Home Affairs and that all aid funds should be funneled through the Myanmar Foreign Trade Bank (ICG 2006: 9). To date, very few INGOs have “officially registered” and there is little clarity as to how this process differs from holding an MOU with a relevant ministry.

By and large, the INGO community seems to have resisted official registration out of concern that doing so would tacitly condone greater government control or minimize their flexibility. There is additional concern that officially registering would subject INGO national staff to investigation by the Ministry of Home Affairs.²⁴ Many organizations also use alternative methods of banking so as not to “pay a tax” to the regime. So far four INGOs have successfully registered. One INGO that has gone forward with the official registration process has done so with the hope of “minimizing bureaucratic ambiguity.”

24 The guidelines state: “[a] list of international and local staff working in Myanmar shall be provided to the Ministry of National Planning and Economic Development and the concerned Ministry.”

Banking and Finance

There are three methods used by INGOs for handling their banking and financial matters in Myanmar:

- *Foreign Trade Bank of Myanmar* | This is the official method for currency exchange.²⁵ Using this method requires organizations to exchange foreign currency (e.g., dollars, euros, pounds) for “foreign exchange certificates” (or FECS) at the Foreign Trade Bank of Myanmar. These FECS can then be converted to *kyat* at a local commercial bank. Foreign currencies are not exchanged at the official exchange rate, but at the UN exchange rate (significantly higher).²⁶
- *Bringing in Cash from Abroad* | The second method is to exchange foreign currency for *kyat* in a neighboring country (e.g., Singapore, Thailand) at the market exchange rate and bring the money into the country by hand.
- *Hundi System* | The informal, alternative banking system known as the *hundi* system relies on unofficial currency exchangers. To use the *hundi* system, an individual or organization wires foreign currency to a *hundi* dealer (operating either inside Myanmar or abroad, often Thailand); the dealer then converts the foreign currency to *kyat* at the market exchange rate and wires it to the intended recipient. The *hundi* dealer retains a small commission, which is typically significantly less than the difference between the market and official exchange rates.

The organizations interviewed for this project used all three methods.²⁷ Those who used the *hundi* system were confident in its safety. Some who exchanged funds via the Foreign Trade Bank of Myanmar were not permitted by their Boards of Directors to use the *hundi* system.

25 Only two government-owned banks, the Foreign Trade Bank of Myanmar and Myanmar Industrial and Commercial Bank, are permitted to deal in foreign currencies. The Foreign Trade Bank is used by the UN and several INGOs, and is also used by bilateral donors providing government-to-government assistance (Vicary 2007: 5).

26 The official exchange rate in 2010 was 6.51 *kyat* per 1 USD; the market exchange rate was 966 *kyat* per 1 USD. The UN rate is typically close to the market exchange rate.

27 Bringing in cash from abroad was the least commonly used method.

Partnering with Local Organizations

Most INGOs in Myanmar partner with local CBOs or NGOs for some aspects of their programming. Interviewees noted that building the capacity of local civil society was an important goal for donors and the INGO community, although many noted that operational barriers leave much room for improvement on this front. One researcher found that:

partnerships with civil society and local NGOs are complicated by the fact that most such organizations are very new and/or are not registered within Myanmar—making capacity building essential, but finding suitable candidates and building organizational capacity great challenges. In the interim, many INGOs resort to directly implementing programs themselves...When INGOs partner with local organizations, they are as or more likely to partner with [faith-based organizations] (more often Christian) than secular NGOs, because they are more likely to have some sort of registration or have organization, scale and governance more in keeping with Western requirements. This is true even of partnerships by non-faith-based INGOs. (Ware 2010: 4–5)

Because local groups are often not registered, they may avoid joining meetings (e.g., working groups) where government officials may participate (Mahmood: 3). Institutional donors often “will not take the risk of investing money in a group that is not registered” (interview conducted by Ware, 2010: 7). Given how nascent indigenous civil society is, INGOs face a challenge. Given INGOs’ greater operational capacity and their experience meeting donors’ needs, “partnerships” with local NGOs can potentially reflect highly imbalanced power relationships. How do INGOs avoid the temptation to directly implement programs and instead build the capacity of local groups, when funding is typically short-term?

The two primary methods for strengthening local civil society seem to be to help local organizations develop their human resources and organizational capacities (e.g. social mobilization, financial management) and to employ participatory approaches when working at the community level.

In recent years, the INGO community has established various entities, including the Paung Ku Consortium²⁸, Myanmar NGO Network, Local Resource Center²⁹, and Capacity-Building Initiative³⁰, to communicate with and provide training to local civil society. INGO interviewees believe these forums have helped to facilitate greater INGO-LNGO contact and to strengthen local organizational capacity.

Interviewees noted the importance of participatory approaches to counter social disenfranchisement and promote a culture of local decision-making. Research by Ware found that invitations to participate in projects are often met by skepticism by village leaders who worried that doing so would jeopardize their relationship with local officials (Ware 2010: 12). The International Crisis Group echoes this idea:

Because Myanmar has been under military rule for so long, few people today understand the role that civil society is meant to play in a democracy or that a healthy democracy requires broad-mindedness and dispersion of power...Low levels of education and cultural factors mean many ordinary people in Myanmar lack confidence in their ability to effect change” (ICG 2001: ii).

Advocacy

The Myanmar context may not be conducive to advocacy as understood in the U.S. or Europe. The government is not tolerant of organizations overtly calling for political reform, and is sensitive to criticism of its capacity and development record. Some believe

28 “The Paung Ku Consortium (Burnet Institute, HIV/AIDS Alliance, Norwegian People’s Aid, Save the Children, Swiss Aid, and Oxfam) is a project aimed at providing direct support to civil society through small grants and capacity-building implemented under the combined MOU umbrellas of the INGOs involved” (Hedlund 2010: 1).

29 The Local Resource Center was established by a sub-group of the Paung Ku Consortium during Cyclone Nargis to provide “local NGOs and civil society services such as [local] language information exchange and facilitated discussions about general and cluster-specific proceedings, technical assistance in needs assessment and proposal writing and a clearing house for funds, sector-specific technical training, and advocacy...” (Hedlund 2010: 3).

30 The Capacity Building Initiative grew out of a series of capacity-building workshops for local organizations (initiated in 1996), by World Vision, Save the Children US, Save the Children UK and UNICEF, and was later supported by Oxfam.

this context requires INGOs to take a non-confrontational approach to advocacy. This sentiment is captured by Ware who argues that the “most effective approach appears to be through exploring needs and issues together with officials, with no confrontation and no blame, just looking for ways to meet needs together” (Ware 2010: 10).

Interviewees varied in their views on advocacy. Some stated that advocacy was not a core project focus and was secondary to service provision. Others noted that advocacy was an important part of their programming but that a “quiet advocacy” approach best suited the context. Interviewees could point to specific changes in government policy as evidence that advocacy can be successful in Myanmar (see “Effectiveness” section on page 16-17). Still, the general sentiment in the interviews reflected a desire to be more vocal with the government and, in particular, for the UN to be more assertive.

Working with the Government

Opinions vary on the role of INGOs vis-a-vis the government. Is it to *push back against the government* to create space for civil society to develop? Or is it to *build the capacity of the government* to be more responsive and effective? Some interviewees said their work did not necessitate much government interaction, while others said they worked with the government on specific projects and in sectoral working groups. Many emphasized the importance of not being perceived to be too close to the government by fellow INGOs and donors, but noted that maintaining good relations with officials was essential to being effective. One interviewee described this approach as “schizophrenic but necessary”. Maintaining relations at the central level is important, but working with district level authorities seems easier and more effective.

Procurement and Importation

Procurement and importation policies of INGOs vary based on each organization’s needs and donor specifications. Some interviewees had strict policies requiring them to procure items locally, while others had no such procedures. Materials that were not easily procured (i.e. more sophisticated materials) could be brought in by international staff or shipped into the country, requiring import licenses be obtained in a

lengthy process and to be renewed on a regular basis. One organization that imports large amounts of pharmaceuticals had a full-time procurement officer on staff and noted that customs procedures could be bureaucratic (i.e. “lots of paperwork”) but were not prohibitive. Another contracted its procurement (mainly of vehicles) to UNOPS. None had experienced theft of imported items.

Staff Composition

INGOs interviewed had similar approaches to staff composition, with small numbers of expatriate staff (1-20) and much larger local staffs (20-1,700). Local staff are both salaried and volunteer. The ratio of expatriate to local staff has important operational purposes in the Myanmar context. As expatriate staff mobility is limited, INGOs rely heavily on local staff to implement and monitor programs. Several INGO interviewees expressed high levels of trust in their local staff. One analyst who worked for a humanitarian organization in Myanmar in the 1990s offered a different perspective, noting that local staff are often taking a risk by working for INGOs and may feel pressure to report on the organization’s activities to the government. All INGOs interviewed maintain headquarters in Yangon, with field offices in the regions in which they implement programs.

Sources of Funding

INGOs working in Myanmar draw on various funding sources: bilateral donors, multilateral donor funds, and private donors. Interviewees noted that the politicized context lowered the amount of funding available, especially long-term development funding, and increased transaction costs due to the lack of harmonization among donors and the subsequent diversity of compliance procedures.

What are the impediments faced by INGOs operating in Myanmar?

The most common impediments faced by INGOs in Myanmar include the lack of mobility of expatriate staff, visa restrictions, limited humanitarian space, unknown registration status and short-term funding. Underlying these specific impediments is a general sense of ambiguity. Indeed, one interviewee stated that “the ability to be comfortable with ambiguity is a prerequisite for success in this context.”

Lack of Mobility of Expatriate Staff

Expatriate staff members of INGOs are limited in their ability to travel in Myanmar. To travel outside Yangon, they must apply for travel authorizations, which can take several weeks to obtain. This increases their reliance on local staff for monitoring programs.

Visa Restrictions

Restrictions on visas limit the ability of long-term and short-term expatriate staff to travel freely in and out of the country, and increase the planning time required for various activities. Interviewees noted that individuals who apply for business visas are often only able to gain tourist visas (shorter than business visas) and that INGO staff often wait several weeks and months for visa approval (possibly up to nine months to receive a long-term visa by a line ministry). Interviewees stated some concern that new government protocols will link staff visas and MOUs, meaning that the length of one's visa will be tied to the length of the organization's MOU. This could be problematic, as MOUs are often pending for several months which would leave visas holders unsure of their status.

Limited Humanitarian Space

Even though humanitarian access has improved in recent years, there still are regions and populations of the country that INGOs are unable to access. These populations include ethnic minority populations living in border areas, many of which are (or have been) in conflict with the government for decades. Some INGOs would like to access these areas to assess the humanitarian situation.

Unknown Registration Status

INGOs often operate under MOUs that are expired or pending, sometimes for several months. While interviewees said this does not affect their operations, they note that ambiguous registration status makes planning difficult and leaves organizations unsure of their status with the government.

Short-term Funding

Multiple interviewees stated that the lack of long-term funding for Myanmar was an impediment to planning their operations and to achieving lasting development outcomes. Much of the funding available is short-term (and humanitarian) in nature, often six months to one

year. Interviewees noted difficulties in securing funds to extend programs once the short project cycle ends. One interviewee expressed frustration at not securing additional funding for a project, after months spent building confidence with the government to allow the organization to work in a previously "off-limits" area.

What forums exist for INGOs to collaborate, pursue joint action and advocate with the Government of Myanmar and the United Nations?

Several forums exist for INGOs to collaborate, coordinate and pursue joint action. Working groups in specific sectors (e.g. health, education) or geographies (e.g. Rakhine state) meet regularly. These groups include representatives of INGOs, UN agencies, local civil society, and sometimes personnel from government ministries (e.g. health). In most cases, working groups are chaired by UN staff. During emergencies, the cluster coordination mechanism is enacted and meetings are co-chaired by UN and INGO personnel.

In recent years, the former UN-led Inter-Agency Standing Committee (IASC) has been reformed into the Humanitarian Core Team (HCT) which is comprised of two groups: the HCT Core Group and the HCT Forum (see Annex 5). The HCT Core Group serves as an executive committee of sorts to the HCT Forum. The HCT Forum is comprised of representatives of UN agencies, INGOs and local NGOs. No donors are represented (intentionally so). The HCT, both Core Group and Forum, meets on a monthly basis.

In 2007, the INGO Forum Myanmar was created, in part, to have an independent forum for INGOs (separate from UN-led groups). The Forum is led by an INGO Liaison Officer. The INGO Forum supports dialogue among INGO decision-makers on operational matters, helps to develop complementary strategies, and serves as a platform for joint advocacy initiatives. The Forum meets bi-weekly and is also responsible for electing INGO representatives to the HCT Core Group, technical working groups and the Country Coordinating Mechanism (CCM). INGOs also work closely with donor and policy bodies. For example, Population Services International, Marie Stopes International, Merlin, and Medecins Du Monde serve as INGO representatives to the CCM, which works with the Global Fund and the Three Diseases Fund.

Interviewees had varying perspectives on donor/INGO-UN relations. Most noted that INGO-UN relationships rely on the ability of the resident/humanitarian coordinator to communicate openly with INGOs and on how well he/she is able to facilitate dialogue and advance issues with the Government of Myanmar. While most interviewees viewed INGO-UN relations as trustful and functional, a few expressed a desire that the UN be more assertive with the Government of Myanmar on issues such as humanitarian access.³¹ One interviewee noted that donors and INGOs have very limited scope for advocacy in Myanmar and the situation was “crying out for UN leadership”. The interviewee further noted that the UN was at a critical crossroads and that the big question was whether the UN would “take the lead in bringing the international community together...to take advantage of the new opportunities that appear to be opening up [in Myanmar].”

What types of safeguards do international actors use to protect humanitarian independence?

Most INGO interviewees noted that the self-imposed safeguards they used in Myanmar were not very different than those they adhere to in other countries. However, some noted that the Myanmar context may require a heightened level of vigilance. Indeed, Western donors include several safeguards and restrictions on aid to Myanmar to ensure funding or material support is not received by the government (and that the government does not take credit for aid-funded efforts). Donors and INGOs operating in Myanmar use safeguards that fall into the categories explored below.³²

Financial Oversight and Monitoring Recipients of Aid

Most donors have restrictions that aid funds not provide financial or material assistance to members of the Government of Myanmar or anyone ineligible for a visa to the U.S. or E.U. INGOs and donors conduct routine audits to ensure funds do not reach these entities.

31 INGO interviewees acknowledged the delicate position of the UN in Myanmar. Some referenced the expulsion of UN Humanitarian Coordinator, Charles Petrie, from the country in November 2007.

32 It is difficult to differentiate INGO safeguards from donor safeguards. Rules regarding financial oversight, recipients of aid, monitoring and evaluation, transparency and procurement are typically stipulated in grants to INGOs.

Monitoring and Evaluation

Both INGOs and donors use monitoring and evaluation frameworks, as well as frequent field visits to ensure that programs are being implemented appropriately and effectively. For example, DFID's country strategy states: “Implementing agencies will be responsible for continuous day-to-day monitoring of progress. Annual Reviews for all projects over £1 million will be peer-reviewed, and will involve independent external reviewers at appropriate intervals through the life of the programme.”³³

Transparency and Procurement Policies

Both INGOs and donors stated that they had transparency guidelines in place. For example, multiple INGOs noted that their staff were trained to report inappropriate behavior, theft or financial malfeasance. INGOs noted that their procurement policies were in keeping with international standards and best practices, including open bidding processes. Donors generally include specific procurement requirements in grants.³⁴

The Tradeoffs Related to Safeguards

Although there was general agreement that safeguards are essential for ensuring that aid is delivered in a context-appropriate manner, several interviewees highlighted the tradeoffs when safeguards are “too stringent”. The experience of the Global Fund in Myanmar was cited as an example by multiple interviewees. In 2004, after the Global Fund signed its first agreement in Myanmar, the organization instituted additional safeguards, partly in response to increased restrictions on aid organizations by the Government of Myanmar and partly in response to pressure from U.S. politicians and advocacy groups. As a result, the Global Fund introduced safeguards³⁵ that some critics believe compromised its effectiveness (ICG 2006: 12).³⁶

33 DFID Burma Operational Plan 2011-2015 <<http://www.dfid.gov.uk/Where-we-work/Asia-East--Pacific/Burma/>>

34 For example, the April 2011 USAID RFP stipulates “a single \$5 million threshold for local procurement.”

35 See Annex 6 for more on The Global Fund's safeguards.

36 Interviews conducted by the International Crisis Group found that “as a result of the “zero cash-flow” policy, UNDP staff had to travel all over the country to personally pay out \$2 per diems to each individual participant in government-hosted workshops” and that “all program vehicles had to have UN drivers and be parked on UN premises overnight” (ICG 2006: 12-13). For more on the Global Fund's safeguards and withdrawal, see Brown (2008), pp. 32-34 and Igboemeka (2005), p. 12.

On the whole, INGO interviewees felt confident that the safeguards they had in place allowed them to maintain humanitarian independence. While they recognized the need to safeguard against providing undue assistance to the Government of Myanmar, some believed safeguards that limit their ability to interact with government officials could also be counterproductive in terms of long-term development (see “Changing Western Donor Policies” on page 18).

What are the ethical issues faced by organizations working in Myanmar?

Operating in Myanmar confronts INGOs with several ethical issues. Foremost is whether organizations are able to operate in the country without supporting the repressive government. On one side are those who argue that INGOs who operate in the country with the permission of the regime unintentionally legitimize its rule. On the other side are those who profess that aid can be provided without supporting the regime, and that it would be unethical *not* to provide aid in Myanmar given the great need. Fiona Terry notes that aid agencies often face quandaries to which there are “no right or wrong answer[s] - just choices.”

Every time an aid organization starts a clinic, it must choose whether to work through government structures (with the associated problems of corruption and perception by local populations) in order to strengthen the longer-term capacity of the government, or to start one independently (thus relieving the regime of its responsibilities to its people).

The majority of those interviewed for this study were current staff of INGOs on the ground in Myanmar, and it should be no surprise that they believed that aid could be provided without supporting the regime. Some stated that they would not be in Myanmar if they felt aid could not be ethically and effectively implemented.³⁷ Critics argue that working in Myanmar limits organizations’ abilities to

adhere to humanitarian principles and best practices, including the ability to provide impartial assistance, the ability to monitor aid in-country, and the ability to speak out on government policies and practices.

Ability to Provide Impartial Assistance

A fundamental ethical issue facing aid organizations is whether or not they are able to reach people most in need of assistance in a state where humanitarian access is so highly controlled. Are aid organizations able to do so without having access to conflict-affected areas or being able to travel freely throughout the country?

In a forthcoming book, Fiona Terry highlights this problem by describing a dilemma faced by an INGO operating in Myanmar in the mid-1990s. After being denied access to the Rohingya population in Rakhine state, the government directed the organization toward conducting nutritional programs in townships outside Yangon:

These townships were no ordinary suburbs of Yangon but were areas to which residents of dozens of shanty-towns were forcibly relocated after the regime burned down their homes in the wake of the 1988 student uprising...[the organization] did not fully recognise the dilemma it faced, one which is recurrent in situations of forced relocation. By providing health care to the displaced, [the organization] certainly eased their hardship. But by its presence and participation in the government-run system, [the organization] was tacitly condoning the government’s forced-relocation policy...It is even possible that [the organization’s] involvement encouraged more relocations through compensating for shortcomings in infrastructure and services (Terry 2011: 129-130).

Two things should be noted here. First, the situation cited above is from 1995, and it is generally accepted that humanitarian access has expanded since then (especially since 2008). Second, the case described may not be representative of the populations with which most INGOs work today. Still, the example emphasizes a very real dilemma faced by INGOs working in Myanmar: to address humanitarian problems that may

37 The author made efforts to identify organizations that have chosen not to enter Myanmar or have pulled out of Myanmar for ethical reasons or operational impediments, and was only able to identify MSF France. In 2007, ICRC issued a rare public denunciation of the Government of Myanmar’s repeated violations of international humanitarian law after having to scale down its activities due to unacceptable conditions placed upon them. <http://www.icrc.org/eng/resources/documents/news-release/myanmar-news-290607.htm>

be a consequence of the regime's policies or to avoid "dirtying their hands" and thereby forego the chance to relieve suffering.³⁸

Ability to Control and Monitor Aid

Some argue that because the government imposes restrictions on travel by INGO staff (particularly expatriate staff), organizations are not able to properly monitor their programs. While acknowledging the limitations on travel, interviewees stated that expatriate staff do travel in the field and have confidence in local staff to monitor and implement programs. Organizations note that auditing, monitoring and evaluation requirements act as safeguards, helping to ensure that financial leakage of assistance to the government does not take place. Bilateral donors interviewed did not believe such leakage to be a major problem. Terry writes: "Contrary to claims of some exile groups, government diversion of aid—the common fear when unable to properly monitor its use—was never of serious concern" (Terry 2011: 135).

Ability to Remain Independent of the Government and Speak Freely

One critique of INGOs in Myanmar is that they "do not openly criticize the government for bearing the prime responsibility for bringing about the continuing decline in social and economic welfare" (Purcell 1999). The dilemma confronting INGOs is how to both work with the government and maintain independence from it, including speaking out against its actions. In many ways, the context rewards organizations that are able to build the confidence of the government and secure greater humanitarian access. However, many organizations noted that it is possible to engage in "quiet advocacy." Ultimately individual organizations decide whether operating in Myanmar requires them to "compromise their values" (leading to withdrawal from Myanmar) or "adapt to the context" (providing assistance with safeguards and trying to engage in quiet advocacy).

38 Terry goes on to note "[the organization] did express concern at the forced relocations, raising health implications with government interlocutors and showing visiting donors the townships to help expose the regime's practices to the outside world" (Terry 2011: 130).

Are INGOs able to deliver humanitarian and development assistance effectively given the context? Are they having a positive impact?³⁹

To this question, interviewees all responded positively, stating that their organizations were able to deliver assistance effectively and that their programs were having a positive impact. Representatives from bilateral donors, including from states with sanctions against the Government of Myanmar, were confident that the projects they were supporting were implemented effectively. Individual INGOs cited, among others, the following examples of the type of impact their programs have:

- One INGO operating in the agricultural sector has designed an affordable foot pump that significantly increases farmers' yields while lowering the physical burden of their work. The pump has allowed rural farmers to double their incomes.
- Another INGO is establishing a network of for-profit primary health providers throughout rural Myanmar. This organization's work achieves 60-80% of the National Strategic Plan for HIV/AIDS program targets, and close to 14% of case detection and treatment targets for tuberculosis.
- Still other INGOs provide scholarships for Myanmar students to study abroad, support independent media outlets, and provide credit through microfinance schemes.

Several interviewees noted that, in addition to the impact their organizations are making within specific communities, they have also helped generate change at the policy level. For example, one organization's advocacy with ministry officials resulted in the creation of new of child protection and anti-trafficking laws. Another example is "MSF's operational approach [which] was the driving force in getting the [Myanmar] government to change the national malaria treatment protocol in 2000, a change that has saved many tens of thousands of lives" (Kirkwood 2009: 5).

Analysts have also noted the positive impact of the presence of INGOs: 1) INGOs serve as on-the-ground witnesses, possibly providing a deterrent effect on

39 Empirically assessing the effectiveness of INGO programs in Myanmar and making judgments as to whether organizations are having a net positive effect are beyond the scope of this report.

human rights violations; 2) INGOs employ thousands of local staff, building their capacity as well as the capacity of local NGO and CBO partners; 3) INGOs serve as a connection to the outside world, important in a context of censorship; and 4) INGOs can provide scale and expertise in the aftermath of natural disasters.⁴⁰

The presence of aid organizations may help to enhance the government's willingness to work with outside actors. One interviewee noted that, after the earthquake in Shan state in March 2011, the Government of Myanmar called on World Vision to ask for its assistance, which "just a few years ago...would have been unthinkable." One analyst notes:

aid programs are providing rare opportunities for dialogue with government officials at different levels, helping [to] change attitudes in the process. Successful cooperation, even in limited areas, is helping develop some level of personal trust and may gradually help realign broader relations and build a framework within which wider change becomes possible. (Pedersen 2009: 4)

At the macro level, there are signs that Myanmar is making progress in achieving some development goals. Myanmar has achieved its MDG targets for improved water and sanitation; child mortality was halved between 1990 and 2003; and there has been good progress controlling major diseases such as HIV, malaria and tuberculosis. Allan (2010) has also found improvements in areas such as human trafficking, drug control, disability strategy, sustainable forestry, and HIV, malaria and tuberculosis prevention. Still, Myanmar is not on track to meet most of its MDG targets.

What can be done to improve and expand aid delivery in Myanmar? How can aid be more effective?

A 2005 DFID-commissioned study identified the key constraints to aid effectiveness in Myanmar as the highly politicized context, restricted space for assistance, atmosphere of secrecy and self-censorship, limited financial and human resources, weak indigenous capacity, and lack of reliable data (Igboemeka 2005).

Interviewees had similar views and offered several suggestions for improving the situation. First, they believe that ODA levels should increase and more multi-year development funding is needed. Second, they believe that the Government of Myanmar should continue to widen the humanitarian space. Third, they urge the Government of Myanmar to reduce the uncertainty and procedural red-tape (particularly around visas) faced by INGOs. Fourth, they urge Western donors to consider altering current policies that limit implementing agencies' abilities to interact with government actors and allow for more interaction at the local level.

Increasing Funding Levels

Analysts suggest increasing funding for effective programs as an important first step. Pedersen notes that while the government still needs to expand the humanitarian space, "the existing space remains hugely underutilized due to funding shortfalls" (Pedersen 2009: 6). Interviewees suggested increasing funding for less politically-sensitive sectors such as education, health, agriculture, water management, livelihoods, disaster risk reduction, and microfinance.

Improving Local Capacity

Interviewees and analysts identified two primary methods for strengthening civil society: i) providing local organizations with technical and financial support, and ii) employing participatory approaches when working with local populations.

Opening up the Humanitarian Space

Interviewees noted that the humanitarian space is now wider than it has been for many years, and that continuing to communicate and build trust with the government was likely the best method for increasing access. Interviewees believed that continued dialogue would also be necessary to reduce procedural impediments (e.g., lack of mobility, visa restrictions). These are areas where more assertive UN leadership and a continued "carrots and sticks" approach by bilateral donors and the international community (especially ASEAN) could have significant impact.

⁴⁰ In the aftermath of Cyclone Nargis, when goods and personnel were not allowed into the country, INGOs already on the ground mobilized their existing networks. When additional supplies arrived, these INGOs quickly dispersed throughout the delta region. There is little capacity to do this at the government or civil society level.

Improving Reliable Data

The lack of reliable data limits a comprehensive understanding of development challenges in Myanmar. Recognizing that gathering data is a politically sensitive issue, one analyst has made the following suggestion: “One way of moving towards better shared information might be to conduct joint analytical work in relatively uncontroversial areas or those where the government has engaged. There appears to be greater government openness to learning lessons from neighboring countries. Facilitating regional exchange in information management could be fruitful” (Igboemeka 2005: 3). This may be an area where ASEAN or Asian donors could take the lead, as Myanmar’s problems (e.g., refugees, spread of disease) will be most acutely felt by them.

Changing Western Donor Policies

Several interviewees believed that providing assistance directly to local communities was the best approach for Myanmar. Many also urged changes in donor policies to allow implementing agencies to engage with and educate government actors at the local or district level.⁴¹ Analysts have noted that “many of the governance problems in the country have more to do with outdated approaches and poor capacity than with deliberately abusive policies” (Horse 2009: 6). Some interviewees believed the Three Diseases Fund model, which includes Ministry of Health personnel as stakeholders, could be a model for other sectors.

Donor Harmonization

In recent years, the international community has codified a set of best practices for effective aid delivery, including that donors should: support government and civil society ownership of development strategies; align with partner country strategies, institutions, and procedures; and harmonize with other donors (e.g. common arrangements, joint analysis).

41 Some donors are considering new ways of working with the government. For example, DFID’s Burma Operational Plan 2011-2015 notes: “In the event of a major improvement in government accountability and respect for human rights our choice of aid instruments would widen. Although we cannot anticipate significant political change over this Plan period, we are... preparing the ground for the day when we can consider alternative delivery options.” See DFID Burma Operational Plan 2011-2015 <<http://www.dfid.gov.uk/Where-we-work/Asia-East--Pacific/Burma/>>

Like other fragile states, Myanmar is a difficult context in which to apply these principles. First, for several Western governments (and advocacy groups) the idea of supporting government ownership of programming or aligning with the national development priorities of the Government of Myanmar is a non-starter. Second, harmonization among donors is minimal.⁴² Countries such as China, Thailand and Japan largely provide government-to-government assistance while Western donors deliberately bypass the government and provide assistance directly to civil society. Improving donor coordination could help to improve the politicized environment. The Partnership Group on Aid Effectiveness (PGAE), established in 2009, holds promise as a forum where donors can work toward shared objectives and principles, although at this point, it is mainly a forum for exchanging information among principally Western donors. Heightened ASEAN leadership is also needed, and a forum modeled on the Tripartite Core Group (TCG) – the entity comprised of ASEAN, the UN and the Government of Myanmar, which was established to oversee day-to-day operational issues following Cyclone Nargis—could also serve to improve donor coordination with the government.⁴³

Key Findings and Takeaways

On March 30, 2011, President Thein Sein delivered an inaugural speech in which he stated the new government’s intention to “work in cooperation with international organizations including the UN, INGOs, and NGOs”⁴⁴ to improve the country’s health and education systems. Although it remains to be seen if the new government will live up to these promises, analysts noted that the speech marked a shift in tone for the regime, which may signal an opportunity for international actors to expand their role in the development of Myanmar.

42 There are exceptions, such as the Three Diseases Fund, which is comprised of European donors.

43 Although the TCG did have its own problems, it is acknowledged that ASEAN leadership was fundamental in facilitating and managing the international response post-Nargis (see ICG 2008: 8).

44 A translated version of the speech as published in *The New Light of Myanmar* can be found here: <http://www.burmalibrary.org/docs11/NLM2011-03-31.pdf>

This paper has aimed to address questions about the role of INGOs in Myanmar—about how they operate in Myanmar, the impediments they face, the impact they are having, and how assistance to Myanmar might be improved. One caveat must be reiterated: a strength and a vulnerability of the study is that most of the interviews conducted were with representatives of INGOs who know firsthand the conditions in Myanmar but who also have a vested interest in their organizations' work there.

Findings and key takeaways from this inquiry include the following:

- INGOs operating in Myanmar confront serious ethical and operational dilemmas, including: how to work with the government without bolstering or appeasing it; how to provide impartial assistance in a state where humanitarian access is so highly controlled; how to avoid creating power asymmetries between themselves and local NGOs; how to invest in grassroots capacity building when funding cycles are short-term; and how to avoid creating parallel systems of aid delivery. More broadly, INGOs must think strategically about the future and consider how their work facilitates real social and political development, and not just the continuance of humanitarian aid.
- Despite concerns about the 2010 elections, changes to the constitution and political structures offer potential for incremental reform. In particular, the establishment of fourteen regional/state legislatures could positively impact the development situation, as it may allow local government officials to be more responsive to local needs and push more resources to the local level.
- The humanitarian space has opened up significantly since Cyclone Nargis, both in terms of geographic space and the government's willingness to work with development actors. Some analysts believe that the current space is being underutilized and that increased funding for successful programs, in concert with advocacy for increased humanitarian access, is required.
- INGOs and analysts believe it is possible to deliver aid in Myanmar without bolstering the government. At the same time, some INGOs believe that more engagement with government officials could promote effective development efforts, and that lifting donor restrictions that limit INGOs' ability to work with government officials (at least at the local level) could be productive. Increased dialogue between donors and implementing agencies to make such changes to donor policies could be helpful.
- INGOs believe that aid is having a positive impact. Beyond the impact of specific interventions, analysts have also noted the benefits of the presence of INGOs in Myanmar, including: i) helping to build local capacity; ii) acting as potential witnesses to help deter human rights violations; and iii) helping to open up the political space by creating opportunities for dialogue with the government.
- Donors interviewed agreed that humanitarian assistance in most parts of Myanmar could be delivered effectively. However, there were mixed opinions on whether development efforts could be effective in the absence of significant political reform. Many interviewees agreed that the response of civil society to Cyclone Nargis signaled that assistance to local populations was a viable channel for improving development prospects in Myanmar.
- The key impediments to aid effectiveness are a repressive government, limited financial resources, restricted humanitarian space, weak indigenous capacity, lack of reliable data, donor restrictions on aid, a highly polarized political context (reflected in a lack of donor harmonization), and the Government of Myanmar's cumbersome procedures. There is little question that the opening up of the Myanmar political system and increasing respect for human rights and civil liberties are vital for greater aid effectiveness. INGO staff interviewed suggested the following ways to enhance aid effectiveness:
 - ODA levels should increase significantly and funding should be more long-term and development-focused. Analysts and INGOs believe increasing funding for effective programs and for work in less politically-sensitive sectors should take priority.
 - Humanitarian space has widened in recent years and the best way to consolidate this trend is through continued dialogue with the government. Dialogue is required at all levels inside Myanmar, as well as at the UN in New York and Geneva. This is an area where ASEAN must take on a more

assertive role, similar to the role it played in facilitating the international humanitarian response after Cyclone Nargis.

- Although Myanmar’s civil society has expanded in recent years, its capacity is still relatively weak. The INGO, UN and donor community are putting more emphasis on building local capacity, but they could—and should—do more.
- Little donor harmonization currently takes place, reflecting the divergent policy goals of major donors. Some believe the lack of donor harmonization and the hesitance to build state capacity impede aid effectiveness. Strengthening and diversifying the existing Partnership Group on Aid Effectiveness (PGAE) or creating an ASEAN-led donor forum could improve this situation.
- The lack of reliable data is an impediment to good development programming. One way to move this process forward might be to begin gathering data in less politically-sensitive areas. Other countries in the region could potentially take the lead.
- There is no “optimal operational modality” for working in Myanmar. How an organization handles its operational procedures depends on its mission and portfolio of projects, as well as internal organizational factors and external environmental factors (e.g., the quality of its relationship with the government ministry with which it coordinates most).
- Capacity building and participatory development approaches are vital in the Myanmar context. Overcoming a culture of fear and creating a sense of ownership through these approaches, however, can be formidable tasks, given the society’s long experience with authoritarian rule.
- Advocacy with the Government of Myanmar is possible and, in some cases, effective. The approach endorsed by some INGOs and donors is “non-confrontational,” aiming to educate and promote dialogue with the government, not to assess blame.
- Safeguards are essential, but the tradeoffs and transaction costs may be counterproductive when donor safeguards are too stringent. This is an area for increased dialogue between donors and implementing agencies.

Finally, framing the debate about *how* aid can be implemented effectively in Myanmar is a more fundamental debate about whether it *should* be implemented there at all. Broadly speaking, on one side of this debate are pro-democracy and human rights groups represented by the exile/diaspora community and their backers. On the other side are aid organizations working in Myanmar and their supporters. The former group believes that tangible progress toward democracy and freedom are preconditions for equitable and sustainable development. The latter group witnesses the humanitarian and development challenges on the ground and believes that aid can improve conditions, build the capacity of civil society, and sow the seeds for an eventual transition to democracy.⁴⁵ The question is whether the contending sides can find sufficient common ground in an iterative process that could move toward shared goals to which the people of Myanmar and stakeholders in the international community could commit.

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⁴⁵ Pedersen states, “Poverty is becoming the greatest strain to human rights” (Pedersen 2009: 6).

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Annex 1: Inquiry Design

Working in Myanmar: Sharing Lessons, Experiences and Ideas

With support from the China Medical Board, the Hauser Center for Nonprofit Organizations at Harvard University is exploring the range of experiences among NGOs and other humanitarian and development actors operating in Myanmar.¹ The study aims to: (a) understand the landscape of organizations operating in Myanmar; (b) describe the different arrangements under which various organizations operate in Myanmar; (c) provide a sense for whether and how their interventions are reaching people most in need and making a difference in their lives; (d) explore ideas about how humanitarian access can be expanded in Myanmar and how humanitarian independence and impact can be safeguarded; (e) highlight specific examples of modalities of work that seem to be effective in the context of Myanmar; (f) and identify and share innovative ways to operate in Myanmar, as well as channels for greater collaboration.

The Hauser Center will conduct an inquiry focused on the five basic questions below in order to better understand the experiences of on-the-ground actors in Myanmar. The bullets listed under each basic question are dimensions we would like to explore in interviews with the appropriate staff in each organization. Combined with desk research and analysis, information gathered from interviews will be used to produce a paper exploring the issues listed above.

1. What is the basic purpose and mission of your organization's work in Myanmar?

- I. Types of programs/projects
- II. How long has your organization been working Myanmar?
- III. Where in the country are you working?
- IV. Priorities for future work in Myanmar

1 Founded in 1914, the China Medical Board is an independent American foundation working to advance health in China and more broadly in Asia by strengthening medical education, research, and policies. The Hauser Center for Nonprofit Organizations at Harvard is a university-wide center for the study of nonprofits organizations and civil society.

2. How is your organization organized and operating in Myanmar?

- I. What is your in-country organizational structure?
- II. How, if at all, is your organization "incorporated" or registered in Myanmar?
- III. What types of financial arrangements do you operate under?
- IV. How do you work with local organizations?
- V. Budget and staffing levels.
- VI. Sources of funding
- VII. Would you consider your approach a "service delivery" or "capacity-building" approach?
- VIII. What are the advantages and drawbacks of your current organizational arrangements? What types of arrangements are the most effective? How do your arrangements in Myanmar differ from those your organization uses in other settings?

3. Can humanitarian assistance be effectively implemented in Myanmar (given the context)?

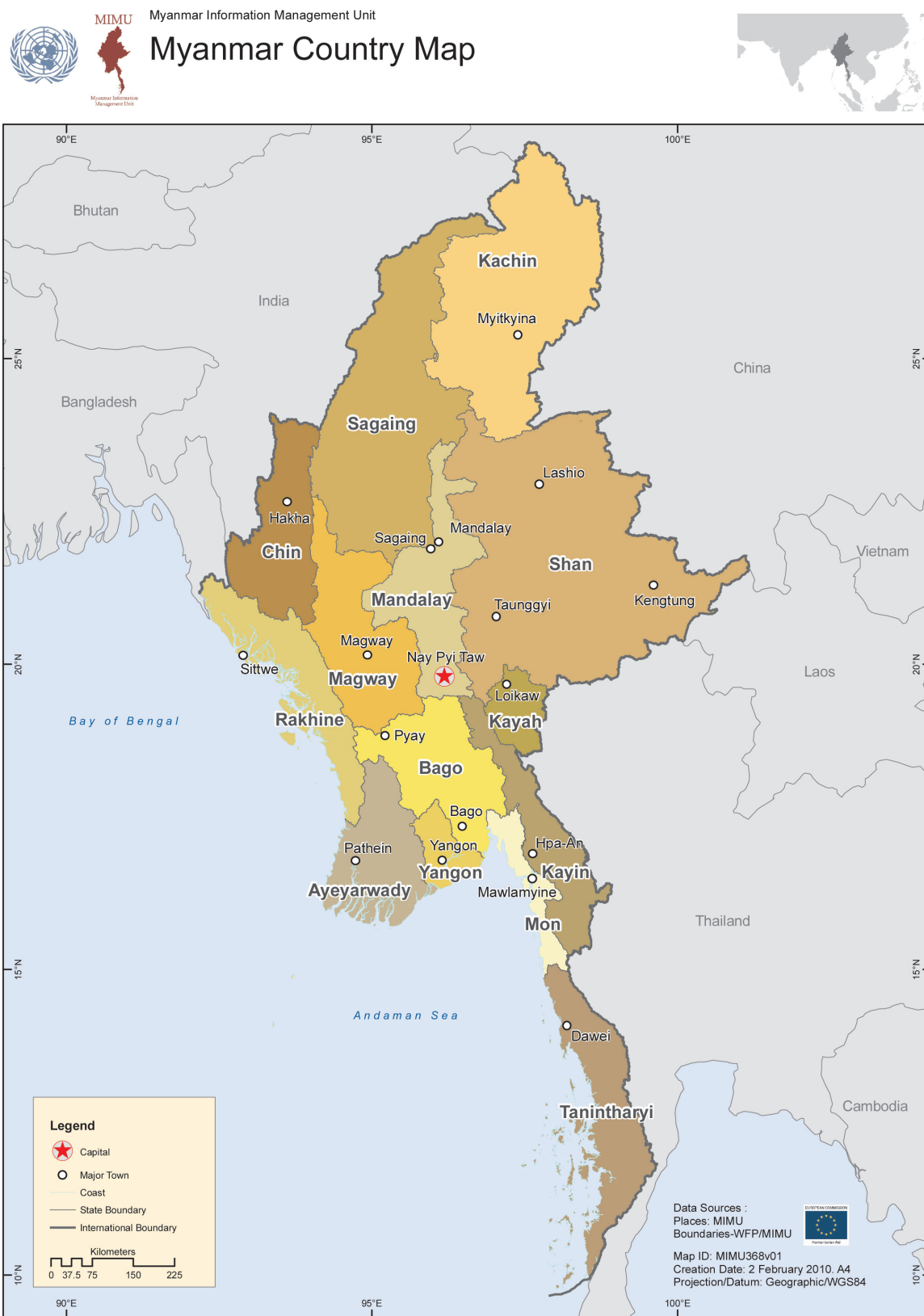
- I. Is aid having a measureable impact on the population?
- II. What are the ethical considerations for delivering aid in Myanmar? How can humanitarian principles and financial integrity be safeguarded?
- III. What, if any, impediments do you face in relation to the government?

4. What can be done to improve and expand humanitarian access?

5. What types of information-sharing and collaboration currently takes place among NGOs and other development actors working in Myanmar?

- I. Are you, your organization or colleagues in other organizations interested in sharing lessons and experiences – and engaging in collective thinking – in a more systematic way?
- II. At what level of these organizations could this sharing and discussion most productively take place?

Annex 2: Administrative Regions and Ethnic States of Myanmar



Source: Myanmar Information Management Unit

Annex 3: Key Humanitarian and Development Challenges

Human Rights

Human rights violations include the denial of the rights of freedom of expression, association and assembly. Public meetings of more than five people without permits are illegal. Prison sentences are excessively long. Media not sanctioned by the government is scarcely available; internet access is virtually non-existent. Human Rights Watch estimates that 2,100 political prisoners are being held unlawfully.²

In ethnic areas, civilians are subject to forced labor, forced relocations, sexual violence against women and girls, extrajudicial killings, military conscription of child soldiers, and the widespread use of landmines. Among certain ethnic groups, including some stateless peoples (e.g. Rohingyas), rights are even further curbed.³ The rights of political parties are severely curbed, limiting the growth of the fledgling pro-democracy movement. Underlying this human rights situation is a culture of intimidation and a “crisis of fear that permeates society” (Steinberg 2010: 13).

Ongoing Conflict and Stateless Peoples

Several ethnic groups have been in active conflict with the Government of Myanmar for decades. Some estimate that more than a million people have been killed in insurgent warfare since independence (Steinberg 2010: 12). Several minority groups have negotiated ceasefire agreements with the government, though analysts regard many of them to be tenuous. The ongoing Karen rebellion is the longest in modern history (Steinberg 2010: 12). Ongoing conflict has resulted in large numbers of displaced persons. The humanitarian situation in border/ethnic areas is compounded by the lack of social services and access to markets in these regions. Compounding the situation are government-imposed limitations on INGO access to these populations from inside the country. To the ire of the junta, several INGOs provide services to refugees and IDPs from across the border in Thailand, China, India, Laos, and Bangladesh.

Public Health

Myanmar has high rates of infant, under-five, and maternal mortality. Communicable disease rates, particularly malaria, tuberculosis, and HIV/AIDS, are extremely high, as are malnutrition rates among children.⁴ Life expectancy (60 years) is among the lowest in the ASEAN region. Human trafficking and drug use are serious problems. Underlying these public health crises are: i) low government expenditure on health—only 0.5 percent of GDP, one of the lowest rates in the world; and ii) a lack of health infrastructure. Primary health care and medicines are scarcely available, particularly in rural areas.

Governance, Democracy, and Civil Society Development

Above all, Myanmar faces a governance crisis. Humanitarian and development interventions are unlikely to have enduring impacts in the absence of significant political reform to bring about a more responsive government. The military government suffers from “a crisis of administrative competence,” lacking not only the will but also the capacity to deliver social services (Steinberg 2010: 13). The November 2010 elections signal offer some hopeful signs in the form of decentralization of power, which can lead to governance that is more responsive to local concerns, although it is clear that Myanmar has not yet emerged from authoritarian rule. The demonstration of local civil society capacity in the response to Cyclone Nargis—and the growth of the civil society sector since Cyclone Nargis – also signals positive change.

Economics, Banking, and Livelihoods

Myanmar is one of the poorest countries in the world, and its per-capita income is one of the lowest in Southeast Asia. Some 73 percent of income is allocated to basic foods, mainly rice. Inflation rates are high, eating into people’s already poor purchasing power. The business and private investment climate is rated only above Somalia for corruption by Transparency International. The banking system requires reform; interest rates charged on loans are prohibitively high, making credit virtually unavailable. Lack of access

2 <http://www.hrw.org/en/world-report-2011/burma>

3 Ibid.

4 Steinberg (2010) notes: Some 73 percent of income goes to cover basic foods, especially rice, and so incessant inflation undercuts living standards for the poor.

to credit and inputs has an impact on food security, livelihoods and the rural economy. The military consumes a disproportionate part of government spending.

Education

The government spends 1.3 percent of GDP on education, exceedingly low by international standards. UNICEF notes that only some 50 percent of students finish primary school, only a small percentage complete middle or high school, and fewer still go on to university. Analysts note that lack of opportunities and the pervasiveness of the military in the economy leads to very low correlation between education and getting a good job.

Agriculture, Water, and the Environment

Myanmar's economy is chiefly agro-based, including fisheries and forestry. The agriculture, fisheries and forestry sector accounts for 40 percent of GDP, one fourth of total exports and more than 50 percent of aggregate employment. The government's reliance on natural resource exports leads to the lack of investment in other potentially productive sectors and to environmental degradation.

Natural Disasters

In recent years, Myanmar has been hit by two major cyclones (Nargis in 2008 and Giri in 2009) as well as an earthquake in Shan state in March 2011. Significant portions of the Irrawaddy Delta are still recovering from Cyclone Nargis. The people of Myanmar, particularly the rural poor, are ill-equipped to withstand natural disasters increasing the chances for significant loss of life and livelihood. Disaster-risk reduction and response to disasters is a key development priority.

Annex 4: International Donors

USAID/State Department

The U.S. first began providing aid to Myanmar in 1950, and provided aid off and on for the next four decades. Aid ceased after the suppression of the 1988 uprising. In recent decades, USAID's funding has been largely for health and education programs targeted towards exile groups and refugees in Thailand. USAID programs inside Myanmar have been largely for humanitarian assistance, and some democracy-promotion and civil society development (e.g. funding independent media). In May 2011, USAID announced a \$55 million RFP for agriculture, child health, and water and sanitation in Central Myanmar, which is the first large-scale development project by USAID in Myanmar in decades. U.S. funding is channeled through UN agencies (WHO, FAO) and INGOs (UNDP-PACT). The U.S. does not provide funding through multi-donor trust funds.

Japan's International Cooperation Agency (JICA)

Japan was at one time the largest single country provider of ODA to Myanmar. Much of JICA's assistance is composed of low-interest loans, grants and technical assistance directly allocated to the government (Vicary 2007: 7).

European Union Donors, ECHO, and DFID

The European Union now provides the largest amount of ODA to Myanmar, with the single largest country donor being the U.K. (DFID). Some individual EU countries operate their own programs in Myanmar, but the lion's share is provided directly through European Community's Humanitarian Organization (ECHO). In 2004, the EC shifted its "Common Position on Myanmar" to allow it to tackle deep-rooted structural poverty. The EC, ECHO, and DFID have made achieving the MDGs their primary goals in Myanmar, and provide most of their funds to UN agencies and INGOs, as well as to some local NGOs and civil society organizations.

Australia (AusAID)⁵

Australia's ODA to Myanmar for 2011-2012 is approximately \$47.6 million. AusAid's programming focuses on health (especially for mothers and children, and on HIV and AIDS), water and sanitation, basic education, human trafficking, food security and sustainable livelihoods. AusAid also delivers assistance to refugees along the Thai-Burma border. AusAid delivers its assistance primarily through UN agencies, regional institutions and INGOs, and does not provide direct government-to-government assistance. AusAid also piloted a small scholarships program for the 2011 academic year, providing eleven postgraduate students funding to study at Australian universities for one academic year.

The UN System

The UN is represented in Myanmar by 16 agencies, funds, programs and offices, and is led by a Resident/Humanitarian coordinator.⁶ The UN employs the MDG targets for Myanmar as the basis of its Strategic Framework for operations in the country. The UN works closely with the government's line ministries to provide technical support in developing strategies to address key development challenges.

Multilateral Donor Funds

Three donor health funds—The Fund for HIV/AIDS in Myanmar (FHAM), the Global Fund to Fight Tuberculosis, Malaria, and HIV/AIDS, the Three Diseases Fund—have provided funding for projects related to tackling HIV/AIDS, malaria, and tuberculosis. FHAM was financed largely by European donors and operated from April 2003 through March 2007. It wound down operations partly in response to governance problems and partly due to the establishment of the Global Fund, which tackled HIV/AIDS along with malaria and tuberculosis (Vicary 2007: 13-14).

The Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis began implementing projects in Myanmar in 2004 and had commitments from donors to provide \$98 million over a five year period, but withdrew from the country after only one year. The Global Fund said the decision to terminate its projects was made in the light of the "government's newly established clearance procedures restricting access of the principal recipient [UNDP], certain sub-recipients, as well as the staff of Global Fund and its agents, to grant implementation areas."⁷ The largest donors to the fund were the US, EC, France, Japan, and Italy.

In 2006, in response to the withdrawal of the Global Fund, six donors—AusAid, the EC, DFID, Netherlands, Norway, and the Swedish Development Agency (SIDA)—established the Three Diseases Fund. Today, this fund has made commitments of \$125 million, for HIV/AIDS, TB and malaria projects throughout the country.

In January 2011, The Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis officially resumed funding grants inside Myanmar and will provide grants worth \$105 million over the next two years. UNOPS and Save the Children were chosen as the Principal Recipients for Myanmar and will jointly oversee the management of the grants.⁸ The Three Diseases Fund will continue to fund projects in Myanmar and, beginning in 2012, will complement the Global Fund's efforts by focusing on the three health-related Millennium Development Goals (MDGs 4, 5 and 6). In addition to multilateral donor funds supporting health, since 2008, several European donors and the Australian government have been supporting the Livelihoods and Food Security Trust Fund (LIFT).⁹

⁵ <http://www.ausaid.gov.au/country/country.cfm?CountryId=8493641>

⁶ This includes UNDP, FAO, UNHCR, UNOPS, ILO, UNAIDS, UNICEF, UNFPA, UNIC, WFP and WHO.

⁷ quoted in http://www.irrawaddy.org/article.php?art_id=17249

⁸ <http://www.unops.org/english/whatwedo/news/Pages/UNOPS-in-new-Global-Fund-role.aspx>

⁹ <http://www.lift-fund.net/>

Asian Nations, ASEAN, and other regional bodies

Support to Myanmar by Asian nations is driven largely by regional interests. Aid from India and China comes in the form of public and private sector investment. China is a major supplier of military equipment, development assistance, and infrastructure construction. India has competed with China for access to Myanmar's offshore natural gas reserves. Thailand, Singapore, Japan provide government-to-government assistance, including funding for training government personnel. Myanmar joined the Greater Mekong Sub-region Economic Cooperation Program in 1992, as well as, the Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC) and ASEAN in 1997.

Diaspora/Exile Groups

Although it is difficult to quantify the total assistance provided by the members of the Burmese diaspora, such assistance is likely substantial. These groups often channel their donations directly to local or community NGOs operating inside Myanmar, as well as to dissident and refugee groups operating in exile (mainly in Thailand, China, and India). Causes supported by these groups include pro-democracy activities and cultural and language programming, especially for ethnic minority groups. Bilateral donors and INGOs have historically also provided aid to these groups.

Annex 5: Humanitarian Core Team

HCT Core Group (Chair, UN Resident/Humanitarian Coordinator)

UN	Alternatives	NGOs	Alternatives	Standing Invitees
UNDP	IOM	CARE	CESVI	IFRC/ICRC
UNFPA	UN Habitat	Welthungerhilfe	World Concern	
UNHCR		Merlin	Danish Church Aid	
UNICEF		IRC		
WHO		Marie Stopes		
WFP		World Vision		
FAO		Norwegian Ref. Council		
Support				
UN-OCHA				
INGO Liaison Officer				

HCT Forum (Chair, UN Resident/Humanitarian Coordinator)

UN	INGOs		
FAO	ACTED	GRET	Parternaires
ILO	ADPC	HelpAge	Pestalozzi Children's Foundation
IOM	Action Aid	Hope International	PSI
OCHA	Action Contre La Faim	IDE	Relief International
UNAIDS	ADRA	Intl. HIV/AIDS Alliance	Samaritan's Purse
UNDP	AHRN	Intl. Medical Corps	Salvation Army
UNDSS	AIDS Alliance	IRC	Save the Children
UNESCO	Aide et Action	Lutheran World Federation	Solidarites
UNFPA	AMI	Malteser	Swiss Aid
UN-Habitat	Burnet Institute	Marie Stopes	Terres De Homme Italy
UNHCR	CARE	Medecins Du Monde	Terres De Homme Switzerland
UNIAP	Caritas Intl.	Mercy Corps	Triangle
UNIC	CESVI	Merlin	Trociare
UNICEF	CDN	NGO Liaison Officer	Welthungerhilfe
UNODC	Danish Church Aid	Norwegian People's Aid	World Concern
UNOPS	Danmission	Norwegian Refugee Council	WSPA
WFP	DRC	Oxfam	World Vision
WHO	EMDH	PACT	
	GreenCare		

Annex 6: Global Fund Safeguards¹⁰

- Close monitoring by UNDP to ensure that the Government of Myanmar did not benefit from, or take credit for, action conducted with Global Fund funding, and that the program could be implemented effectively. The government provided written assurance that staff from UNDP, KPMG, and the Global Fund would have unhindered access to program sites.
- An expanded role for the Local Fund Agent, which was fully authorized to monitor all programs and budgets in addition to undertaking its regular contractual auditing and oversight responsibilities.
- A “zero cash policy,” which means that no national entities were to receive any funds from the grant. UNDP directly undertook all procurement of assets, payment of incidental expenses for food and transport, and ensured that services were provided.
- Stringent monitoring of project implementation by the [principal recipient/UNDP]; Payment for incidental expenses to individuals (health/technical/community workers) were to be made directly by UNDP staff only after careful scrutiny, as well as verification of the Grants were to be made directly by UNDP staff only after careful scrutiny, as well as verification that they were not on the US/EU visa ban; all personnel recruited for implementation of the Grants were to be contracted by UNDP, not by national entities; inputs were to be provided and monitored along the supply-chain, all the way to the end-users; and at the end of the project all assets remain the property of the [principal recipient]; and
- Consideration of additional international monitoring personnel including possible deployment in the field of up to 20 UN volunteers to assist in monitoring Global Fund implementation.

¹⁰ Global Fund Safeguards 2005 as quoted in Brown (2008).