BURMA/MYANMAR AFTER NARGIS: TIME TO NORMALISE AID RELATIONS

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BURMA/MYANMAR AFTER NARGIS: TIME TO NORMALISE AID RELATIONS

EXECUTIVE SUMMARY AND RECOMMENDATIONS

The massive devastation caused by cyclone Nargis has prompted a period of unprecedented cooperation between the government and international humanitarian agencies to deliver emergency aid to the survivors. The international community should seize this opportunity to reverse longstanding, counterproductive aid policies by providing substantial resources for recovery and rehabilitation of the affected areas and, gradually, expanding and deepening its engagement in support of sustainable human development countrywide. This is essential for humanitarian reasons alone, but also presents the best available opportunity for the international community to promote positive change in Myanmar.

The government’s initial response to the cyclone, which hit Myanmar on 2 May killing over 100,000 people in the Ayeyawady delta, shocked the world. International agencies and local donors were stopped from delivering aid, putting the lives and welfare of hundreds of thousands of people in jeopardy. But internal factors, along with international and particularly regional pressure and diplomacy, had their effect, and developments since then show that it is possible to work with the military regime on humanitarian issues. Communication between the government and international agencies has much improved. Visas and travel permits today are easier and faster to get than before. Requirements for the launch of new aid projects have been eased. By and large, the authorities are making efforts to facilitate aid, including allowing a substantial role for civil society. In late July, UN Emergency Relief Coordinator John Holmes declared, “This is now a normal international relief operation”. The lead given by ASEAN in coordinating and fronting international aid efforts has been, and will continue to be, of particular importance.

Political reform remains vital and should continue to be the subject of high-level international diplomacy and pressure. But it is a mistake in the Myanmar context to use aid as a bargaining chip, to be given only in return for political change. The military rulers have shown repeatedly that they are prepared to forego any aid that comes with political strings attached. Aid should rather be seen by international policymakers as valuable in its own right as well as a way of alleviating suffering, but also as a potential means of opening up a closed country, improving governance and empowering people to take control of their own lives.

It will take years, and sustained international support, for the worst-hit areas to recover. Moreover, the massive damage to Myanmar’s food bowl will worsen the already dire humanitarian situation in the country at large. Growing impoverishment and deteriorating social service structures have pushed millions of households to the edge of survival, leaving them acutely vulnerable to economic shocks or natural disasters. If not addressed, the increasing levels of household insecurity will lead to further human suffering, and could eventually escalate into a major humanitarian crisis.

Government repression, corruption and mismanagement bear primary responsibility for this situation. But Western governments – in their attempt to defeat the regime by isolating it – have sacrificed opportunities to promote economic reform, strengthen social services, empower local communities and support disaster prevention and preparedness. Their aid policies have weakened the West’s ability to influence the changes underway in the country. As the regime moves ahead with its “seven-step roadmap”, there is an acute danger that the international community will remain relegated to a spectator role.

Twenty years of aid restrictions – which see Myanmar receiving twenty times less assistance per capita than other least-developed countries – have weakened, not strengthened, the forces for change. Bringing about peace and democracy will require visionary leaders at all levels, backed by strong organisations, who can manage the transition and provide effective governance. These are not common attributes of an isolated and impoverished society. As the country’s socio-economic crisis deepens and its human resources and administrative capacity decline, it will become harder and harder for any government to turn the situation around.
While “humanitarian” aid is a reasonable response to a temporary emergency, the deepening structural crisis in Myanmar demands a response of a different type and magnitude. The international community should commit unequivocally not only to helping Myanmar recover from the destruction of Nargis, but also to making up for years of neglect and helping move the country forward. This means much more aid. Equally importantly, it means different aid, aimed at raising income and education as well as health levels, fostering civil society, improving economic policy and governance, promoting the equality of ethnic minorities and improving disaster prevention and preparedness.

This shift will not be easy. The military leadership will need to be convinced that increased international development efforts do not threaten national sovereignty and security; donors must be ensured that aid is not abused or wasted; and implementing agencies will have to substantially enhance their capacity for development work, something for which the current aid structure in country is ill-equipped.

Myanmar is not an easy place to do aid work. Government restrictions and intrusiveness, red tape and corruption hamper activities, as in many developing countries. But agencies with a longstanding presence on the ground have proved that, despite the difficulties, it is possible to deliver assistance in an effective and accountable way. If the current opening can be used to build further confidence and lay the basis for a more effective aid structure, it may be possible not only to meet the immediate needs, but also to begin to address the broader crisis of governance and human suffering.

Aid alone, of course, will not bring sustainable human development, never mind peace and democracy. Yet, because of the limited links between Myanmar and the outside world, aid has unusual importance as an arena of interaction among the government, society and the international community.

**RECOMMENDATIONS**

**To the UN Secretary-General:**

1. Remain personally involved to keep lines of communication with the military leadership open and help develop greater international consensus on an effective way forward.
2. Strengthen efforts, through his good offices and all available channels, to create the political space for the UN and other international agencies to work on economic reform and development.
3. Enhance cooperation between the UN and the region – for example, through the new Focus Group on Myanmar and by encouraging the evolution of mechanisms such as the Tripartite Core Group – on a broader human development agenda in Myanmar.

**To the Association of South East Asian Nations (ASEAN):**

4. Support fully the Tripartite Core Group and the Joint Assessment (PONJA) mechanism set up for the post-Nargis emergency relief phase into the recovery and rehabilitation phase, and ideally beyond.
5. Broaden engagement, in close coordination with the UN and other agencies, in support of sustainable human development in the country as a whole, including by increasing ASEAN support within the existing frameworks for regional cooperation on food security and disaster prevention and preparedness.
6. Further integrate Myanmar into ASEAN economic cooperation, with an emphasis on sharing development experiences and supporting capacity building in the country more generally, including within the private sector and at the community level.

**To Regional Governments:**

7. Work to upgrade the current informal Focus Group on Myanmar – which includes Indonesia, China, India, Myanmar and the UN – to involve senior officials from capitals.
8. Impress upon the military leaders that cooperation on a broader humanitarian agenda is an opportunity for Myanmar – and the region – to ease the longstanding diplomatic standoff with the U.S. and Europe and gain support for the longer-term development of the country.
9. Work bilaterally and multilaterally to facilitate the delivery of aid according to international standards of impartiality, independence, accountability and transparency.
10. Adjust national trade and investment policies towards Myanmar to support broad-based economic growth.

**To Western Governments:**

11. Do not impose further punitive measures while the international community works with Myanmar to tackle the worsening humanitarian situation in the country.
12. Lift political restrictions on aid, while maintaining high operational standards, including:

a) allowing the international financial institutions to re-engage, focusing on policy dialogue, technical assistance and capacity building (while recognising that large-scale lending cannot resume soon);

b) restoring the normal mandates and funding arrangements for the UN Development Programme (UNDP) and other UN agencies; and

c) revising regulations and policies to permit bilateral aid for sustainable human development, beyond narrow humanitarian needs.

13. Repeal economic sanctions that affect livelihoods for vulnerable groups, notably import bans on Myanmar garments, agricultural and fishery products and restrictions on tourism.

**To Donors and Aid Agencies:**

14. While maintaining prohibitions on direct budgetary support for the Myanmar government, increase substantially aid for sustainable human development – not just basic needs – starting with a much greater commitment to recovery and rehabilitation work after Nargis.

15. Commit to a common set of operational principles, including widening access to vulnerable populations, protecting the independence of aid operations, improving accountability and transparency, protecting local staff and partners and involving the beneficiaries at all stages of the aid process.

16. Form a Myanmar Aid Consortium to improve strategy, coordination, fundraising and monitoring.

17. Work with the government to establish a formal mechanism for negotiating general procedures for aid operations, including regular high-level donor-to-government consultations.

**To the Myanmar Government:**

18. Support the transition of the Tripartite Core Group and PONJA into more permanent mechanisms for aid coordination.

19. Agree to negotiations with aid agencies on general procedures for enhanced aid operations, and to regular high-level consultations with donors.

20. Permit access by international aid agencies to vulnerable populations throughout the country, including in conflict zones.

Yangon/Brussels, 20 October 2008
BURMA/MYANMAR AFTER NARGIS: TIME TO NORMALISE AID RELATIONS

I. INTRODUCTION

Before May 2008, all eyes were on the upcoming constitutional referendum, which promised to pit the military government directly against democracy activists advocating a “no” vote. The arrival on 2 May of cyclone Nargis, which battered south west Myanmar for twelve hours, leaving untold suffering and destruction in its wake, changed that. Although the government – to the dismay of its people and the world – went ahead with the referendum on 10 and 24 May, subsequently declaring that the constitution had been approved by an unbelievable 92 per cent of voters, the international focus by then was on the urgent challenge of saving lives.

As the emergency relief operation becomes one of recovery and rehabilitation, and political issues return to the forefront, the international community faces vital choices regarding its role in Myanmar. The continued refusal of the military rulers to allow a more inclusive political process, and their human rights record, have seen renewed calls for harsher sanctions, including indicting its leaders at the International Criminal Court for crimes against humanity. But reinforcing the regime’s isolation will do little to help resolve the country’s complex social, political and economic crisis.

Twenty years of expanding Western diplomatic and economic sanctions, as well as wide-ranging restrictions on aid, have failed completely to move the military towards compromise with the democratic or ethnic opposition. Instead, they have shored up the regime’s claim to be defending the nation against internal and external enemies, undermined the West’s ability to influence the multi-faceted transitions underway in the country and impeded efforts to help ordinary people cope with repression and deteriorating socio-economic conditions.

Regional efforts to draw Myanmar into political and economic cooperation have fared little better and often have seemed to be mainly a cover for the pursuit of national strategic and business interests, which have further impoverished the Myanmar people.

Recent Western and regional support for the good offices of the UN Secretary-General reflect shared frustration over the situation in Myanmar. But UN mediation efforts appear to be making little or no headway in eliciting concrete concessions from the regime. Meanwhile, fundamental divisions between the West and the region over how to work for change remain all too evident. There is an acute danger that the international community will remain relegated to a spectator role as the military rulers move ahead with their “seven-step roadmap”, which aims to secure a leading role for the military in a nominally democratic system after elections in 2010.

Crisis Group in January 2008 proposed a general framework for reinvigorating international policy on Myanmar through a new strategic division of labour. The present report considers the implications of Nargis for this framework and in particular how the recovery
efforts might be used as a platform for bringing the West and regional countries together with the Myanmar state and society behind a joint effort to address the wider developmental and humanitarian crisis. This will not bring about immediate, revolutionary change — which is not achievable — but it offers a practical way of helping Myanmar move forward through an incremental process that emphasises protection and empowerment of the country’s citizens.

Crisis Group has been working on Myanmar for eight years, much of that time with a field presence in the country. This report is based on interviews conducted in Myanmar in June 2008 with government officials, activists, diplomats and representatives of international and local aid groups, supplemented by further telephone interviews in July-September and conversations with officials at the UN and in key capitals.

II. CYCLONE NARGIS AND THE POLITICS OF AID

Cyclone Nargis was the worst natural disaster in recorded Myanmar history and one of the deadliest cyclones of all time. The government responded at first with seeming callous disregard for the victims, imposing numerous restrictions on international relief agencies which put the lives and welfare of hundreds of thousands of people in jeopardy. Its actions caused an international outcry, including calls for military intervention to force access for relief aid. Some accused the military rulers of “crimes against humanity”. Yet, by July, the Myanmar authorities were cooperating in an unprecedented way with international agencies. This change raises important questions about the politics of the cyclone response, as well as the prospects for future cooperation on a wider humanitarian agenda.

While press coverage of the government’s response to the cyclone has been unremittingly negative, Crisis Group interviews on the ground reveal a more complex picture. As always, the military rulers put their security and political agenda first, prioritising the constitutional referendum at the expense of people’s welfare. They failed initially to understand the enormous scale of the devastation and — typically — over-estimated the state’s capacities. Much of what the government actually tried to do to help the survivors was undermined by lack of communication, petty corruption and sheer incompetence.

The generals’ suspicion of foreign agendas and obsession with threats to their own power were reinforced by the actions of some international actors, particularly during the first dramatic weeks. Only when ASEAN finally stepped out of its traditional passivity and agreed to act as a bridge between the government and the international aid community were compromises forged which allowed a larger international relief and recovery operation to get underway.

A. THE DISASTER: FACTS AND FIGURES

The category-four cyclone Nargis hit south west Myanmar on 2 and 3 May, with 200km/hour winds carving a wide path of destruction through the Ayeyarwady delta, the former capital Yangon and parts of Bago division and Mon state. Low-lying coastal areas were hit by a 4-m high flood surge, which swept tens of kilometres inland, smashing hundreds of villages in its path and flooding huge areas of agricultural land.
The longer-term impact is compounded by the fact that the worst-affected areas included the country’s food bowl in the Ayeyarwady delta, as well as its industrial and commercial centre, Yangon. The cyclone struck just before the start of planting of the important monsoon paddy (rice) crop, giving farmers insufficient time to recover. According to one estimate, the November harvest could be up to 70 per cent less than pre-cyclone levels in the delta – a reduction equivalent to 5 per cent of Myanmar’s total annual paddy production. The fishing sector, second only to rice in importance for the delta economy and a major source of food as well as exports, has been brought to a near standstill. Industrial parks around Yangon sustained substantial damage. Total damages and future economic losses have been valued at U.S.$4 billion, equivalent to 21 per cent of national gross domestic product (GDP) in 2007. For the two worst-affected divisions, Ayeyarwady and Yangon, the loss may amount to 74 per cent and 57 per cent of GDP respectively.

Early fears of further large-scale deaths from starvation or epidemics fortunately did not materialise. However, many people still live under extremely precarious conditions, and it will take years to rehabilitate livelihoods and normal economic activity. Failure to sustain the recovery efforts could have nationwide repercussions in the form of increased food prices and large-scale migration from the delta to other areas already suffering from high pressure on limited jobs and resources.

3 The figure of 84,537 dead and 53,836 missing was reported by the government at an ASEAN roundtable on 24 June and has since been widely used by governments, aid agencies and the media. The delta, however, had many itinerant workers who were not registered, and there were whole villages on protected forest land that were not on any maps. It is therefore unlikely that all the dead have been counted, or that the final death toll will ever be known.

4 For a detailed assessment of the impact of the cyclone, see the Post-Nargis Joint Assessment (PONJA), available at www.aseansec.org/21765.pdf. For more on this assessment, see section II.C.


6 PONJA, op. cit., p. 20.

B. THE INITIAL RESPONSE

The initial response was shockingly inadequate. The government not only failed to launch a substantial relief operation of its own; it also selectively allowed access for international agencies and private donors to the worst-affected areas. Opponents of the regime responded with public condemnation; loud demands for full, unfettered access for foreign personnel, including American marines; and threats of intervention or sanctions. The resulting standoff made an already-bad situation worse.

1. Government efforts

On the surface, the government reacted to the cyclone the way most governments would. Having tragically failed to foresee and prepare for the disaster, it declared a national emergency in the five worst-hit regions and activated its Natural Disaster Preparedness Central Committee, chaired by Prime Minister General Thein Sein. The ministry of social welfare was put in charge of coordinating the relief operation, while eleven ministers were seconded, one to each of the eleven worst-affected townships, to help organise the government response on the ground. As often in Myanmar, however, form was not matched by substance.

It took several days before the army and local authorities came out in force to join in the relief operation. When they finally did, their efforts failed to impress. Government distribution of food and other relief aid to the survivors was halting and much less than required. People who had just lost everything were often required to pay for non-food items such as tarpaulins for emergency shelter. There were also accusations that local authorities kept relief goods for themselves or replaced them with inferior ones. Instead of helping the survivors, police and soldiers often seemed more concerned with asserting government authority.

Adding insult to injury, at a time when all the country’s resources were needed to save lives, the government

7 Some have accused the government of ignoring warnings or even deliberately suppressing information about the approaching cyclone. But it seems clear that nobody anticipated, or could reasonably have anticipated, what was going to happen. Even specialised cyclone centres in the region said nothing beforehand about the storm surge, which was the primary cause of the deaths and destruction, and Myanmar does not have radar capacity to make its own assessments. The country has never experienced anything remotely on this scale before and to blame the government for not anticipating what was perhaps unimaginable is a stretch. The response afterwards is a different matter.
went ahead with the constitutional referendum, which is broadly perceived primarily as a means of safeguarding its own interests. While everyone else was reeling from shock over the horrendous death toll, the state-owned press, surreally, was declaring that the people were happily marching towards a bright future under the new constitution. In several cases, survivors of the cyclone were evicted from schools and other public buildings to make way for voting booths. These actions were met by most citizens with incredulity, anger and bitterness.

2. Restrictions on International Agencies and Private Donors

In contrast to previous natural disasters, the government did call for outside help. In a rare television appearance three days after the cyclone hit, Foreign Minister Nyan Win stressed, “We will welcome help from other countries because our people are in difficulty”. Government officials indicated in private meetings with diplomats and the UN that they preferred government-to-government aid, which would be distributed through their own organisations. On 8 May, the foreign ministry issued a statement confirming that Myanmar was happy to receive aid, but stressing that it was “not ready to accept foreign aid workers”. 9

The impression during the first days was that there were no clear instructions from the top generals. The government’s handling of international agencies was chaotic and seemingly ad hoc, with different authorities issuing conflicting directives and instituting different procedures. 10 While Médecins sans Frontières (MSF), for example, reported on 7 May that “We haven’t encountered any problems in doing our assessments or initial distributions”, the World Food Programme (WFP) the same day protested that the government was denying the agency access to those in need. 11

The problems facing international agencies – and, to some degree, local aid groups – ranged from simply getting access to the affected areas to ensuring relief supplies were distributed effectively and reached the intended beneficiaries. For several weeks, the government stalled on issuing visas for international relief experts and support personnel. The few allowed in were mainly Asians. This applied equally to UN agencies, international non-governmental organisations (NGOs) and bilateral relief teams, although a few trusted organisations like the International Federation of Red Cross and Red Crescent Societies (IFRC) fared somewhat better. 12

Foreign aid workers in the country faced tight restrictions on access, especially to the worst-affected areas in the delta. While a few were able to deploy during the first week (or were already in the delta and were able to stay on), most were delayed by longstanding government policies requiring international staff to have permits for all travel outside Yangon and be accompanied by a government official. From the second week, military checkpoints were set up on roads into the delta and all access for foreigners was blocked.

The government did not enforce requirements that all aid be delivered through its own agencies. 13 Local staff of international agencies were able to work in the affected areas, including the delta, throughout the emergency phase (see further below). The lack of experts with technical skills or experience in leading such a complex operation caused serious gaps and delays. 14 Moreover, the usual maze of bureaucratic controls and “red tape” applied. Permission was needed for every step in the distribution of aid, causing delays, and decisions often seemed arbitrary. The situation kept changing and differed from area to area, depending on the interests and interpretations of different ministers and local officials.

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9 New Light of Myanmar, 8 May 2008.
10 This is the normal condition for aid management in Myanmar. While the higher stakes and compressed timeframe made it worse than before, it was “business as usual” in the early days. In less urgent situations, aid agencies are often able to use the lack of clear, universally enforced policies to their advantage by negotiating access with sympathetic officials. But in this case, there was little time, officials were unusually jumpy and new agencies entering the country for the first time lacked the knowledge and contacts to operate effectively in such an opaque environment.
12 The IFRC has been working closely with Myanmar Red Cross (MRC) for years and was able to bring in more than a dozen international representatives during the first week, including at least three who arrived on international flights without visas. Crisis Group interview, IFRC, Yangon, June 2008.
13 Although on 11 May the minister of social welfare relayed instructions to this effect, they were never implemented and were rescinded a week later. Crisis Group interview, international NGO, Yangon, June 2008.
14 According to MSF, this constraint meant the agency’s deployment after three weeks looked like it had only been on the ground seven days. “Increasing international MSF staff presence essential for delivering more aid, faster”, MSF, 26 May 2008, available at www.msf.org/msfinternational.
Even bringing aid in – something which the government officially welcomed – proved an obstacle course. It took several days before procedures for international aid flights and customs clearance were worked out. Aid agencies then faced the immense challenge of getting relief supplies into the delta, many parts of which even before the cyclone could only be reached by small boats or on foot. The government flatly rejected the use of military helicopters from U.S., French and British naval ships in the area or even from neighbouring countries. The army also refused permission for international relief flights to go directly to the military airport in Bathein, which could have reduced delays from overland transport from Yangon along quickly deteriorating roads.

Faced with the suffering and the obvious shortcomings of the official relief operation, thousands of ordinary people from Yangon and all around the country soon started flocking into the delta with relief supplies. Yet even this spontaneous outpouring of basic humanism soon ran foul of the government’s rigid procedures. While many groups got through, others were stopped at roadblocks and ordered to hand over supplies to the government for distribution. Or they were denied permission by local officials to distribute aid without authorisation from the area commander. Handing over cash or relief goods to the government was not an option for most international agencies and local groups, due to concerns that it would not reach the intended beneficiaries.

Several people involved in private relief efforts were arrested for allegedly engaging in “subversive activities”, which in the government’s terminology may simply entail speaking to the foreign media. Others were harassed or intimidated by members of the Union Solidarity and Development Association (USDA), the government’s main mass organisation. Although arrests and outright intimidation mainly affected known political activists, it created an environment of fear which inevitably held some people back.

So far, little evidence has come to light to support widely reported rumours of systematic diversions of aid to or away from particular groups. However, the sheer volume of complaints from local people about village and township officials allegedly stealing cyclone aid makes it clear that the goodwill and self-sacrifice demonstrated by so many during this disaster was not shared by all members of society.

Although the impression given by the international media that almost no aid was being delivered was misleading (see further below), it was far too little and far too slow. The numerous restrictions resulted in critical bottlenecks, which greatly hampered the relief operation. On 21 May, three weeks after the cyclone, UN Secretary-General Ban Ki-moon announced that only a quarter of the 2.5 million people worst affected had received any aid.

3. Megaphone diplomacy

The government’s actions understandably generated a barrage of criticism in the international community where frustration over the lack of cooperation mixed with fears that more lives could be lost from disease and starvation. Several aid officials commented that authorities feared a repeat of the events in the late 1960s when former Prime Minister U Nu used a religious tour around the country to mobilise support for an insurrection against the Ne Win government. Crisis Group interviews, Yangon, June 2008.

In one case, on 8 May, a flight from Qatar was turned back when government officials found a search and rescue team without visas on board. In another case the following day, customs impounded two WFP planeloads of relief goods. Although widespread media reports that the government had “stolen” the goods were misleading (they were in fact released the following day), the incident demonstrated the lack of clear procedures.

The delivery of aid to remote communities typically entailed a six-hour truck ride to the nearest town, followed by a four-hour boat trip along a main river. The relief goods would then have to be transferred to smaller boats for transport through the maze of small channels that crisscross the delta and, finally, carried on foot, often for significant distances, to reach a village.

Nine people were arrested in mid-June after the government claimed to have uncovered a plot by local and exile activists to use the delivery of aid as a platform for setting up a parallel government. Other activists deny there were any such intentions. According to a government official, the

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18 The British and American embassies in Yangon both did regular checks of local markets in response to persistent rumours that relief goods were being sold for profit, but never found evidence of a significant problem. Said one diplomat, “We found some biscuits in a market, but that happens everywhere in the world. People don’t like them”. Crisis Group interviews, diplomats, Yangon, June 2008. Accusations that the authorities were systematically denying aid to Karen communities in the delta, similarly, were refuted by aid agencies, which said they had had equal access to Burman, Karen and other ethnic villages. A Karen community leader confirmed that if there was a problem, it was relatively small and localised. He did not believe there was any government policy of discrimination. Crisis Group interviews, Yangon, June 2008.

the delays were the worst they had experienced.\footnote{For example, WFP spokesperson Paul Risley, quoted in “UN resuming aid to Myanmar after dispute with Myanmar”, The New York Times, 9 May 2008.} Despite pledges by Western leaders not to politicise the humanitarian crisis, years of confrontation and distrust at times broke through and may have delayed solutions further.

Just two days after the cyclone hit and before much information was available, Laura Bush in a White House press briefing lambasted the government for failing to warn the population about the impending disaster: “The response to the cyclone is just the most recent example of the junta’s failure to meet its people’s basic needs”. She then criticised its repression of the opposition and urged neighbouring countries to “use their influence to encourage a democratic transition”.\footnote{The First Lady did offer American support for cyclone survivors, but it seemed little more than a footnote, and she appeared to make it conditional on the government allowing an American disaster assessment and rescue team. “Statement on Burma”, White House Press Briefing Room, 5 May 2008, available at www.whitehouse.gov/news/releases/2008/05/20080505-5.html.} The next day, President Bush signed legislation awarding Aung San Suu Kyi the Congressional Gold Medal for her struggle against the regime, while simultaneously urging the same regime to accept American aid, including naval ships to “help stabilize the situation”.\footnote{White House, “President Bush Signs H.R. 4286, Congressional Gold Medal: Daw Aung San Suu Kyi”, 6 May 2008, available at www.whitehouse.gov/news/releases/2008/05/print/20080506-1.html. The comments drew harsh criticism from American commentators and Burmese activists alike for mixing politics and the humanitarian crisis. See, for example, “Laura Bush’s Disastrous Diplomacy”, The Washington Post, 6 May 2008, available at www.washingtonpost.com/wp-dyn/content/blog/2008/05/06/BL2008050601369.html?hpid=opinionsbox1; and “Laura Bush Comments ’Inappropriate’ Says Analyst”, Irrawaddy Online, 6 May 2008, available at www.irrawaddy.org/article.php?art_id=11794.}

Although most governments were more careful not to mix the humanitarian crisis with politics, nearly all Western countries qualified their offers of support by stressing that all aid would be delivered outside government structures. French Foreign Minister Bernard Kouchner, explaining why France had limited its initial contribution to $310,000, expressed his distrust of the opposition and urged neighbouring countries to “use their influence to encourage a democratic transition”.\footnote{Quoted in “Burma’s cyclone death toll soars”, BBC News, 7 May 2008, available at http://news.bbc.co.uk/2/hi/asia-pacific/7385662.stm.} The next day, France called on the Security Council to authorise an international military intervention to secure access for relief aid under the principle of “responsibility to protect” (R2P), adopted by the UN General Assembly in 2005.\footnote{French Ministry of Foreign Affairs, communiqué, 7 May 2008. The French permanent representative to the UN, Jean Maurice Ripert, accused the Myanmar government of “being on the verge of committing a crime against humanity”, while China and others urged member states not to politicise disaster relief. Lalit K Jha, “‘We Are Being Prevented from Talking about Burma at the UNSC’”, Irrawaddy Online, 8 May 2008; and “Regime Change May Be Needed in Burma”, ABC News, 17 May 2008.} Half the Council members, including China and Indonesia, rejected the idea, and France subsequently acknowledged that R2P probably did not apply in this situation.\footnote{In an article in Le Monde on 20 May, Kouchner said that “[R2P] was envisaged only for armed conflicts. And the Burmese situation isn’t one. So it is not covered by this text”. See www.ambafrance-uk.org/Bernard-Kouchner-on-Burma-disaster.html#sommaire_3.} As a matter of first principles that doctrine only applies when mass atrocity crimes – genocide, ethnic cleansing, other crimes against humanity and war crimes – are occurring or threatened. The regime’s behaviour here could only be so described if there was deliberate intent to cause major human suffering, or – perhaps – criminally reckless indifference as to whether such harm occurred or not. But this requirement was not very clearly stated at the outset, and there was, at the time the call for coercive intervention was made, insufficient evidence of either intent or recklessness.\footnote{See the analysis by two of the original framers of the R2P principle, Crisis Group President Gareth Evans, “Facing Up to Our Responsibilities”, The Guardian, 12 May 2008; and Ramesh Thakur, “To Invoke or Not to Invoke R2P in Burma”, The Hindu, 20 May 2008; for a full length discussion of R2P, including its application in this case, see Gareth Evans, The Responsibility to Protect: Ending Mass Atrocity Crimes Once and for All (Washington DC, 2008), especially pp. 65-68.}

Although Western leaders insisted vigorously that their intentions were only to help save lives, the decision by the U.S., France and the UK to send naval ships carrying marines, military helicopters and amphibious landing crafts into the Andaman Sea to support the relief operation was perceived by military leaders as a threatening move.\footnote{An international official familiar with the discussion between UN Secretary-General Ban Ki-moon and Senior General Than Shwe noted that the general was upset about the presence of the warships just off the Myanmar coast and was unwilling even to discuss allowing foreign military access to the country. Crisis Group telephone interview, September 2008.} The result was to heighten fears in Naypyidaw that Western countries would use the relief opera-
tion to promote a regime change agenda, further complicating sensitive negotiations over access to the delta. A British opposition frontbencher, Tony Abbott, was quite explicit, telling reporters that it might be appropriate to force regime change: quoted in “Regime Change May be Needed in Burma”, op. cit. This threat-backlash pattern has been evident on numerous occasions over the years and is often commented on by government officials supportive of international aid engagement, who lament that it makes it harder for them to argue for cooperation with international agencies. Several Myanmar citizens involved in the post-Nargis relief operation, similarly, questioned why the West always insists on asking for things that it is never going to get. One commented that “they [Western governments] should decide whether they want to help or the purpose simply is to score political points”. Crisis Group interviews, Yangon, June 2006.

The international media also played an ambiguous role. Press coverage of human suffering after a disaster is critical for attracting donations. But in this case, the government strongly objected to the coverage, and reacted by closing down all access for journalists (and foreign aid workers) to the worst-affected areas and arresting local people who had provided the footage. Government officials indicated that foreign media reporting – specifically early broadcasts on CNN, replayed on YouTube, showing officials dumping dead bodies in the river – was a factor in the decision to block all access for foreigners to the delta. “These images”, explained one, “were very embarrassing to our leaders”. The media focus on government restrictions and alleged diversions of aid probably affected public donations, with private donors understandably questioning whether their money would actually reach the survivors. Aid officials interviewed by Crisis Group were exasperated by the failure of the media and others to recognise that they had been delivering aid successfully and had remained in full control of their deliveries. This was a particular problem for NGOs, which depend on public contributions, but may also be a factor in the relatively limited donations from governments after the immediate emergency phase.

Fortunately, most donors and aid agencies kept focused on getting aid out by all practical means available, while continuing to negotiate for improved access and support. UN officials rejected talk of coercion while other alternatives were available, and ultimately found a formula involving close cooperation with ASEAN, which helped break the deadlock (see below). But it took too long to recognise that a classic relief operation, led by international and Western relief agencies, would not be possible and that compromise and creativity was needed.

4. The local effort

While donors and aid agencies wrangled with the authorities over procedures and the media focused on the shortcomings of the relief operation, some aid was being delivered. International agencies already present on the ground were able to launch substantial operations within a few days, working through their local staff or in partnership with local organisations, and quite often helped by sympathetic officials. One NGO director explained, “We have received tremendous support from [a minister]. The local authorities too have asked us to just do everything we can. We have been able to go straight through to the villages all along. This has been the case across the eleven townships”. Despite its indefensible initial hesitation, the government also did more than has generally been acknowledged. The ministries of health and agriculture were particularly active, and reports suggest that the army and navy, too, did a significant job rescuing people stranded in remote areas, setting up camps for the displaced and restoring electricity, communication and transportation links. As an international NGO worker

28 A British opposition frontbencher, Tony Abbott, was quite explicit, telling reporters that it might be appropriate to force regime change: quoted in “Regime Change May be Needed in Burma”, op. cit. This threat-backlash pattern has been evident on numerous occasions over the years and is often commented on by government officials supportive of international aid engagement, who lament that it makes it harder for them to argue for cooperation with international agencies. Several Myanmar citizens involved in the post-Nargis relief operation, similarly, questioned why the West always insists on asking for things that it is never going to get. One commented that “they [Western governments] should decide whether they want to help or the purpose simply is to score political points”. Crisis Group interviews, Yangon, June 2006.

29 Another director echoed this, “We have not experienced any restrictions, except on access for international staff to the delta. We sent the first team in already on Monday morning after the cyclone hit and the first truck on Monday evening. It arrived south of Laputta on Tuesday where the army helped offload it without us even having to ask for it”. Crisis Group interviews, Yangon, June 2008.

30 UN Emergency Relief Coordinator John Holmes made it clear already on 7 May that invoking R2P to force access would not be helpful. “At this moment”, he told a press conference in New York, “to embark on this could be seen as being on a confrontational path. We are having useful and constructive discussions with the authorities and things are moving in the right direction, even though we want it to move faster”. Quoted by Irrawaddy Online, 8 May 2008, available at www.irrawaddy.org/article.php?art_id=11837.

31 A World Health Organization (WHO) report on the health response in the aftermath of Nargis concluded that government doctors, nurses and midwives played a major role in providing treatment and medicines to cyclone survivors. One of the authors of the study commented afterwards, “We discovered to our surprise because of such bad PR that there was large-scale mobilisation by government around the country”, “Burma’s junta gave best help in cyclone”, Financial Times, 3 September 2008.

32 See, for example, “Eighty thousand people dead” (a field report from Bogalay), Irrawaddy Online, 8 May 2008. This
observed, “In the delta, for the first few weeks, we were often the first to arrive with aid. But that has changed. The government is getting on with things”.

Private Myanmar citizens made a truly impressive contribution. Within hours of the cyclone, the first spontaneous grassroots efforts were underway, led by monks, doctors, students, artists, intellectuals, travel agents and other small business owners. Over the following weeks, several hundred new and existing groups played a key role in bringing relief, including a substantial contingent of Myanmar citizens returning home from overseas to help. Many raised their own funds; others helped distribute international relief supplies. While most of the bigger agencies initially focused on the main population centres, many of these small, informal groups made their way to the most isolated areas. This, as many have observed, was the inspiring part of an otherwise horrifying experience.

Clearly, these fragmented efforts were inadequate to deal with the massive scope of suffering. Everyone was fighting against political restrictions and bureaucracy at a point when time was of the essence. But food and water did get through, health care was racily at a point when time was of the essence. But food was fighting against political restrictions and bureauc-

distribute international relief supplies. While most of the bigger agencies initially focused on the main population centres, many of these small, informal groups made their way to the most isolated areas. This, as many have observed, was the inspiring part of an otherwise horrifying experience.

C. Breakthroughs

The aftermath of Nargis could have turned into a much larger catastrophe, had nothing changed. Fortunately, things did change – though at times exasperatingly slowly and with infuriating setbacks – and aid grew from a trickle to a stream. On 25 July, UN Emergency Relief Coordinator John Holmes could conclude, “This is now a normal international relief operation”.

The breakthrough has generally been ascribed to the 23 May meeting between UN Secretary-General Ban Ki-moon and Senior General Than Shwe, during which the general pledged to allow full access for foreign relief personnel. However, the changes actually were more gradual, starting around ten days before that meeting and taking a similar period afterwards before reasonable openness on the ground was truly achieved. The issuing of visas for international relief experts started improving in week two after the cyclone, although those who were let in were at that time confined to Yangon. In week three, the government allowed teams of regional medical experts into the delta. It also gave provisional permission for the WFP to bring in ten civilian helicopters to help reach remote areas. At least one international NGO received permission to send foreign staff into the delta several days before the Than Shwe-Ban Ki-moon meeting.

The setting up of an ASEAN Humanitarian Task Force to lead and facilitate the international response was a key development. Launched at the ASEAN foreign ministers’ meeting on 19 May (the first day of week three), with Myanmar’s blessing, the unprecedented initiative paved the way for an ASEAN/UN-sponsored international pledging conference in Yangon on 25 May. The Task Force was complemented on the ground by a Tripartite Core Group (TCG) consisting of three representatives each from the government, ASEAN and the UN. In addition to negotiating day-to-day operational issues, the TCG took charge of the Post-Nargis Joint Assessment (PONJA), which in mid-June conducted a two-week detailed assessment of the damages and needs, involving 250 experts and volunteers, including substantial teams from the World Bank and the Asian Development Bank.

37 The Task Force is comprised of two representatives from each ASEAN state. Its advisory board includes officials from the UN, World Bank, Asian Development Bank and IFRC, plus China, India and Bangladesh.
From week four, the issuing of visas became largely routine. Access to the delta was also opened up, although it remained subject to administrative controls and delays. PONJA teams were provided full, unfettered access to the 30 worst-affected townships. The American, French and British navy ships were still denied access and eventually left after offloading their supplies in Thailand for onward transportation by civilian agencies.

On 9 June, there appeared to be a new setback when the ministry of planning issued new guidelines for aid agencies, overriding the streamlined procedures recently put in place under the TCG. The same week, the same ministry ordered the WFP to end a cash distribution program in Yangon, on the flimsy grounds that it supposedly was breaking foreign exchange regulations. Each of these issues, however, was resolved through the TCG and since then the government has basically cooperated. A number of new organisations have been allowed to operate, and established ones to expand their activities, without much of the usual red tape.

Problems persist. The Myanmar bureaucracy is archaic and fragmented, and delays and local variations in implementation inevitably result. Petty corruption is pervasive, the result of low salaries and a weak public service ethos. The government remains unresponsive to local views and needs, with communities forced to cooperate with government recovery schemes whether they want to or not. These schemes often are inappropriate or only partially implemented. One of the main problems has been forced relocations of displaced people back to their villages before conditions were safe. Concerns have also arisen about farmers being forced to buy agricultural inputs, such as seeds, on credit, even though they may not be able to cultivate their land or reap sufficient yields to justify the expense. Too often, the eagerness of the authorities to resume agricultural production as quickly as possible has overshadowed consideration for people’s welfare. Most of these problems, however, reflect longstanding structural issues. While certainly of concern, they differ from the earlier deliberate obstruction of relief agen-

41 A specific problem arose from Myanmar’s cumbersome foreign exchange system. Donors’ dollars for several months were exchanged to kyat at a loss of 10 to 20 per cent compared with the unofficial market rate. Officially, all aid organisations (as well as foreign companies) must bring in foreign exchange through the Myanmar Foreign Exchange Bank and can withdraw the money only in Foreign Exchange Certificates (FEC). One dollar buys one FEC, but they do not always buy the same number of kyat on the market. In recent years, the rates for dollars and FEC have been essentially the same. However, due to the large inflow of aid from May, more FEC were chasing kyat, causing the exchange rate to go down and opening a gap between the dollar and the FEC of 10 to 20 per cent (varying from day to day). Although agencies generally sought to purchase goods and services directly with FEC (or bring in goods rather than buy them locally), the UN estimates that between May and August the dollar-FEC differential resulted in a total loss of $1.56 million. The government subsequently suggested that humanitarian agencies could avoid the problem by using dollar-to-dollar direct bank transfers to the vendors. “Myanmar and the UN Find Solutions to Foreign Exchange Loss”, TCG, press release, 13 August 2008, available at www.reliefweb.int/rw/rwb.nsf/db900SID/PANA-7HHHVZ?OpenDocument. It also took steps to bolster the value of the FEC by allowing car owners to buy larger than normal amounts of government-subsidised diesel and petrol, provided they pay in FEC. This almost immediately caused the rate for FEC to rise to within 5 per cent of the dollar. Whether the government benefited from the situation during the early months is a moot point. It could in theory have sold dollars expensively on the market and bought back FECs cheaply, cashing the differential in kyat, but it would then have ended up with FECs instead of dollars, hardly an attractive proposition. Currency traders would have benefited if they were able to convert FEC back to dollars at 1:1, but such conversions are tightly regulated. The government’s willingness to resolve the issue may suggest that it was not benefiting from it. The authorities have in fact traditionally taken steps to ensure that the differential between dollars and FEC remains small, presumably because any wide gap threatens the entire system.
cies and are not uncommon for emergencies in other weak states.

In fact, over the past few months, insufficient aid money has emerged as a potentially greater worry, prompting senior aid officials to implore donors to increase support now that their demands for full access and an independent assessment have been met.42

D. Motivations for the Government’s Behaviour

1. Situational factors

The disaster was unprecedented in Myanmar history. Moreover, the army is in the middle of a generational and institutional transition, which for some time has preoccupied the ruling council and hobbled decision-making.43 According to a government official, it took several days for the leadership in Naypyidaw to decide how to handle the situation.44 In the meantime, lower-level officials did what they normally do to protect themselves: they stuck to existing procedures or simply avoided making decisions.45

The timing was exceptionally unfortunate. In September 2007, the regime faced the biggest threat to its power since 1988 in the form of large-scale, monk-led protests. The subsequent violent crackdown caused a major diplomatic crisis, resulting in renewed international condemnation and sanctions. While the generals appear to have recovered from these shocks and remained firmly in control, the intervening months saw much acrimony between the government and its critics both at home and abroad, and security in Yangon had been beefed up significantly. After Nargis, perceiving a renewed threat, the regime’s knee-jerk response was to clamp down again.46

To make matters worse, the cyclone struck just one week before the planned referendum on the new constitution. For months, all government attention and resources had been directed at this key step in the regime’s transition plan. Inexusably, the leadership decided to continue with the referendum, although the vote in the 47 most-affected townships was delayed two weeks. While millions of survivors were struggling to get food, water and shelter, the authorities were busy organising – and fixing – the referendum. None of this begins to excuse the government’s inaction and restrictions, but it explains the context for its early, defensive decisions.

2. Structural factors

What the outside world saw as a humanitarian catastrophe was for the regime first and foremost a political and security threat. The suffering and chaos in the delta in particular, where local administration effectively broke down, heightened the risk of social unrest – at a time when tensions were already running high over the referendum. Against this backdrop, the regime apparently feared that international relief workers and local people flocking into the affected areas might instigate or encourage renewed protests against the regime. The authorities’ first priority was to reestablish control. The army and intelligence service were sent in to restore government authority and monitor the situation, and new control mechanisms were put in place to ensure that no one exploited the situation for political purposes. The prospect of “enemy” soldiers (eg, American marines) setting foot on Myanmar soil was particularly alarming.47

42“Myanmar: Access is there, donors should respond generously, says Holmes”, op. cit. Also “Funding, food and the future: three months after Cyclone Nargis”, Save the Children, no date, available at www.savethechildren.org.nz/new_zealand/emergencies/Myanmar3monthson.html. See further section III.

43The normal quarterly meetings of the ruling council, for example, were suspended for more than a year from 2007-2008, during which time many key decisions were delayed. The first meeting after this gap was held in mid-June 2008. The timing suggests that it was linked to the official approval of the new constitution, which may be one reason why the leadership felt it necessary to go ahead with the referendum in May.

44Crisis Group interview, June 2008.

45According to a Myanmar expatriate who, like many others, went home to deliver aid, local officials in mid-May were still scouring the newspapers for indications of what the senior leadership wanted them to do. Crisis Group interview, Tokyo, May 2008.

46The legacy of the 2007 protests was evident also in the handling of the media, which was heavily repressed throughout the emergency. The press pictures of bloated bodies in the rivers in the delta bore an uncanny resemblance to those of monks killed in September in Yangon – and, as then, they became linked to renewed pressure for Security Council action and calls for international intervention under R2P.

47According to the leaked minutes of a government meeting on 6 July, home affairs minister Maj-Gen Maung Oo criticised the U.S. for “using humanitarian issues and democracy as a policy to overthrow governments that it disliked”. He further explained that the government denied access for U.S. marines to deliver aid from naval ships waiting just off the Myanmar coast because it believed that the U.S. would find an excuse not to leave until after the 2010 elections.” Leaked document reveals Burma’s US policy”, Irrawaddy Online, 23 September 2008.
Military culture also helps explain certain actions. Myanmar governments have traditionally stressed self-sufficiency as a hallmark of independence – and the army, in particular, is inclined to overestimate its capacity and accomplishments. The top generals may have believed, initially, that they should and could deal with the situation themselves. As military officers with a deeply ingrained, top-down command mindset, they would have been intent on ensuring that they were in full control of who and what went where.48 Add to this mix, national pride. On several occasions, government media headlines proclaimed that “the people of Myanmar are not beggars”.49 Stories abound of survivors being scolded, or worse, by officials for making the country look bad, and for relying on handouts instead of getting on with their lives. Such attitudes and values became further reasons to restrict and repress.

Capacity, as so often in Myanmar, was a major factor. As a senior UN official commented, “many of our problems have less to do with political will than with pervasive government dysfunctions”.50 This problem runs from the top to the bottom. Senior leaders lack crucial information, being sheltered from the realities of government failures by cowed underlings who bring only sanitised news. Subordinates have been taught not to take initiatives. Decisions are pushed upwards – or, if there is reason to believe superiors would be irritated by a request, simply ignored. One might think the army would be good at relief efforts (if it wanted to be), but unlike most armies, it lacks experience with large, centralised logistical operations, having long operated essentially on a local self-sufficiency basis.

Administrative overload exacerbated these structural problems. The system has neither the experience, nor the technology, to manage a relief and recovery operation on this scale. Many officials do not have a computer. Just getting a fax through to a government department can be a problem, especially on the frequent occasions when the electricity is out. The inevitable result is delays and misunderstandings.

3. Shifting positions

Why did the government eventually open up for international relief efforts? International observers have tended to focus on the role of external pressure and diplomacy but internal factors were at least as important in the mix.

Several high-ranking officers were directly involved in the relief efforts and recognised early on that the situation was beyond the country’s own capacity.51 Whether it took some time for that realisation to filter through to the top leadership, or whether they simply decided to delay opening up until after the constitutional referendum is unclear. In any case, once the referendum was over, security concerns about foreigners in the delta eased. The risk of a large fall in rice production and resulting price increases was a critical national security issue in a country with an historical link between social unrest and rice prices.52 To avert this, the regime needed large-scale assistance for the recovery phase, which donors had made clear would depend on international access to the affected areas.

It will not have been an easy decision for the regime, even under these circumstances, to open for an unprecedented influx of foreign aid workers – perceived as potential fifth columnists – into the delta. However, two factors may have helped persuade them to take the risk. First, Western pressure fused with more quiet regional nudging. China, which was facing a comparable catastrophe after the Sichuan earthquake, urged Myanmar to follow its example and be more open with the international community.53 ASEAN, meanwhile, offered to take a lead role in coordinating an international relief operation. This helped overcome Myanmar suspicions about the West’s agenda and provided a face-saving way to open up.

Second, UN Secretary-General Ban Ki-moon was apparently successful in convincing Senior General Than Shwe during their meeting on 23 May that the situation in the delta remained extremely serious, and that any international involvement would be genuinely

48 One explanation of the re-issuing of aid guidelines in mid-June is that it was a reaction by some ministers to the perceived failure of international aid agencies to inform them what they were doing. This would explain the requirement, for example, for detailed distribution lists for relief goods. Crisis Group interview, government official, Yangon, June 2008.

49 For example, New Light of Myanmar, 28 May 2008.

50 Crisis Group interview, Yangon, June 2008.

51 Several high-level officials complained bitterly, in private, to Western diplomats, aid officials and private businessmen about the weak government response to the disaster. Crisis Group interviews, Yangon, June 2008.

52 The 1988 uprising, for example, originated in a series of economic shocks, including a dramatic rise in rice prices brought about by a liberalisation of the rice trade the year before. The government ever since then has taken great care to ensure that sufficient rice remains available at all times, at affordable prices, especially in the main urban centres.

53 Crisis Group interview, Western diplomat, Yangon, June 2008.
humanitarian. While it is clear that the government was beginning to open up already before this meeting, the explicit commitment by Than Shwe – in the presence of all senior members of the regime – to allow access for all foreign aid workers helped ensure remaining bureaucratic hurdles were removed.

Over time, the top leadership appears to have grown relatively comfortable with the aid response. Although pledges for the recovery phase have been slower and less than it must have hoped, fears that the government would create new obstacles and renege on promises have so far proven unwarranted.

For the past twenty years, international aid to Myanmar has been held hostage to politics. In an attempt to force the regime to end its repression and democratise, Western donors have suspended nearly all bilateral aid; blocked any support from the international financial institutions (IFIs), except minimal technical assistance; and severely restricted mandates and funding of other international agencies and non-governmental organisations. For example, the UN Development Programme (UNDP) operates under a highly restrictive mandate, which essentially forces it to avoid any engagement with the government.

During the post-Nargis relief operation, some of these restrictions were temporarily eased. Yet, as the immediate emergency lessens and the attention of the international community returns to politics, donors appear to be reverting to past policies. Many have been reluctant to extend their otherwise generous support for the affected communities into the recovery and rehabilitation work, raising doubts about how much international agencies will be able to do in this area. According to

III. THE CASE FOR NORMALISING AID RELATIONS

54 Restrictions were adopted by the UNDP Executive Board in 1992 and later introduced by the U.S. Congress into national legislation. According to U.S. law, “United States voluntary contributions to the United Nations Development Program … equal to the amount the [UNDP] will spend in Burma during each fiscal year shall be withheld unless… all programs and activities of the [UNDP] (including UNDP-Administered Funds) in Burma: (1) are focused on eliminating human suffering and addressing the needs of the poor, (2) are undertaken only through international or private voluntary organizations that have been deemed independent of the State Law and Order Restoration Council (SLORC) … (3) provide no financial, political, or military benefit to the SLORC, and (4) are carried out only after consultation with the leadership of the National League for Democracy and the leadership of the National Coalition Government of the Union of Burma”. “Limitations on the United States Voluntary Contributions to the United Nations Development Program”, U.S. Foreign Affairs Reform and Restructuring Act of 1998, sec. 1106. See also fn. 88. The legislation is unclear about exactly what constitutes a breach. But according to former UNDP Resident Coordinator Charles Petrie (2003-07), the current interpretation of what would constitute “benefit to the SPDC” includes such basic support as training primary school teachers, community health care workers and auxiliary midwives. Crisis Group email correspondence, March 2008. UNDP programs in Myanmar are subject to annual audits by the U.S. State Department and the agency could potentially lose much of its U.S. funding globally. It has therefore been extremely reluctant to do anything that could be perceived to be in breach of the regulations.

54 Crisis Group telephone interview, international official familiar with the discussions, September 2008.
OCHA, half of the joint UN-NGO appeal of $482 million launched in July remained unfunded as of 1 October 2008, with little funding available for agriculture and early recovery.56

This is regrettable, not only from the perspective of the cyclone survivors. Restrictions on aid may have made sense in the late 1980s, while there was reason to believe that the military regime was about to fall and the country would soon be able to start afresh, with new leaders, new institutions and new policies. They make little sense two decades later against the backdrop of seemingly total military dominance, weakening civilian institutions and deepening impoverishment of the general population. Rather, the aim now should be to use the enhanced cooperation of the transition to civilianised rule in 2010.60

While humanitarian aid is a reasonable response to a temporary emergency, the ever-deepening structural crisis in Myanmar demands a response of a different focus and magnitude. To do more than simply keep people alive until the next natural, political or economic shock, aid must be more ambitious. This means much more aid, although the expansion will have to be gradual and only in response to the identification of good programs and the nurturing of capacity among development partners. Equally importantly, it means different aid, aimed at raising income and education as well as health levels, fostering civil society, improving economic policy and governance, promoting the equality of ethnic minorities, incorporating human rights protection and improving disaster prevention and preparedness.58

### A. The Political Context

Some international observers speculated that the shock from cyclone Nargis could lead to political reform – as in Aceh following the 2004 Indian Ocean tsunami.59 The top generals, however, made clear that they have no intention of deviating from their “seven-step roadmap”. Going ahead with the referendum at the height of the post-cyclone emergency, despite international and domestic outrage, clearly demonstrates the importance they attach to their plan. Soon after, the military hierarchy underwent a major overhaul which saw the retirement of several high-ranking generals and the promotion and rotation of scores of other senior officers – apparently another step towards the scheduled transition to civilianised rule in 2010.60

Although the bungled relief operation intensified popular resentment against the ruling clique (as well as corrupt local authorities), few Myanmar citizens believe that it will prompt change. Even democracy activists are pessimistic. According to a veteran from the 1988 uprising, “the older leaders of the NLD have lost a lot of support. The opposition is scattered. Many of the new ‘groups’ that emerged after the 2007 demonstrations are just a few individuals”.61 Monks remain a possible source of opposition, as they are well organised and respected. They are under intense observation, however, from the authorities. Contrary to speculation that the monks’ role in helping the survivors after

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57 This report adopts a definition of sustainable human development, which focuses on socio-economic aspects (rather than political or cultural ones), while maintaining a focus on people as individuals and communities. This is a fundamentally different concept from both the international “humanitarian aid” model currently applied in Myanmar, and the traditional state-led development model favoured by the military regime, which has had disastrous consequences for human welfare, equality and participation. The definition has three points: development of the people, meaning the enhancement of human capabilities and health so that people can facilitate fully in life; development for the people, meaning that all people should have the opportunity to receive or acquire a fair share of the benefits that flow from economic growth; development by the people, meaning that all members of society should have the opportunity to participate in its development.
58 See further section VI.E.2.
60 Five members of the ruling council were retired from active military duty. They appear to have been kept on the reserve list and maintain their formal positions on the council, but are unlikely to retain significant influence. There are only six members left of the original seventeen from 1997, when the council was reconstituted: Chairman Senior General Than Shwe, Vice-Chairman, Vice-Senior General Maung Aye, Secretary-1, Lt. Gen. Thiba Thura Tin Aung Myint Oo and senior members General Shwe Man, General Thein Sein and Lt. Gen. Tin Aye. The last three serve respectively as joint chief of staff, prime minister and head of Union of Myanmar Economic Holding, the largest military economic enterprise. This “hollowing out” of the council is a further indication that the leadership is getting ready to transition into a new institutional set-up.
61 This view is echoed by many others (for example, Kyaw Zwa Moe, “The Price of Disunity”, Irrawaddy, vol. 16, no. 8, August 2008) and seems to have been confirmed by the near absence of protests inside the country on the anniversaries of the 1988 uprising and the 2007 monks movement in August and September, respectively.
Nargis could have strengthened them as a political force, those involved in the relief operation and in the 2007 protests appear to have mostly come from different segments of the religious community.\(^6\) While no one should doubt the commitment and courage of the current generation of activists – and they should continue to receive the moral support of international voices – they have few cards to play. Several dozen of their leaders are currently facing trial for their participation in the 2007 protests.

**B. THE HUMANITARIAN IMPERATIVE**

1. **A humanitarian crisis-in-the-making**

While the world has remained focused on the political struggle, rapidly deteriorating socio-economic conditions across the country have emerged as the most acutely felt constraint on human rights for the majority of people in Myanmar. High, and growing, levels of poverty, coupled with a continuous decline in the capacity of the social service structures to provide essential services, have placed millions of households in a situation of extreme vulnerability. If left unchecked, this trend will not only lead to further human suffering, but could eventually escalate into a major humanitarian crisis.

According to the UN, more than 30 per cent of the population is living in acute poverty (ie, they are unable to afford basic food and non-food items). In Chin state, the number is 70 per cent, and in Eastern Shan state 52 per cent. 90 per cent is living on less than 65 cents a day, three fourths of which go to food, leaving little for shelter, health or education, never mind as a buffer against economic shocks. More than a third of children under five are malnourished, and fewer than half of all children complete four years of primary school.\(^6\) Conditions are even worse in conflict-affected areas of Kayah and Kayin states and Tanintharyi division, which have been compared with the worst parts of Sub-Saharan Africa.\(^6\)

The weakening of the education system is resulting in a generation that is less well educated than their parents, a historical aberration. This not only deprives millions of children of a good start in life, but also seriously impedes the ability of the people to overcome chronic poverty as well as the country’s ability to develop and sustain democratic practices in the future. Deteriorating health structures mean that Myanmar is unable also to effectively confront growing rates of HIV/AIDS and multi-drug resistant tuberculosis and malaria.

The monk-led protests in September 2007 demonstrated how grim the situation is becoming. Although spurred by a mix of factors, this movement was at heart a grassroots response to the deteriorating socio-economic conditions. Most monks in Myanmar are deeply reluctant to become involved in politics, which they believe is beyond their remit. Yet dwindling contributions from an impoverished population had left the monkhood struggling to feed its members as well as the increasing number of children left in its care by parents who could not afford to feed or educate them. To many monks, this failure of the government to fulfil its time-honoured responsibility to facilitate their work to promote the faith – as well as to take care of the people – justified the extraordinary step of taking to the streets.

The repercussions of cyclone Nargis will deepen the crisis for years to come, not just in the directly affected areas, but in the country at large. Hundreds of thousands of people in the delta face long-term loss of income, compounded by the burden of repaying loaned assistance. Since the delta produces much of the country’s rice, fish and meat, delays in rehabilitating food production inevitably will push up prices elsewhere in the country too.\(^6\) Government spending on reconstruction will increase the budget deficit, creating further inflationary pressure.\(^6\) In a divided society with limited job opportunities and a declining natural resource base, the potential for social unrest and crime is a concern, which in turn could prompt further state violence.

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\(^6\) The leaders after Nargis were senior monks able to raise funds and organise relief efforts, as well as local monks in the affected communities. The mainly younger, Yangon-based monks who were at the forefront in September 2007 generally do not appear to have taken part in the relief operation; some, of course, are in jail. Crisis Group interviews, Yangon, June 2008.

\(^6\) Statement on UN Day, 24 October 2007”, UN country team; and “End of Mission Report”, UN resident coordinator, April 2008.


\(^6\) For details on the 2007 protests, see Crisis Group Report, *Myanmar: After the Crackdown*, op. cit.

\(^6\) Food prices rose steeply in Yangon and the delta after the cyclone, partly as a result of localised shortages, partly due to hoarding and speculation. They have since come down as markets have stabilised, but remain substantially above the pre-Nargis level in much of central Myanmar.

\(^6\) PONJA estimates a 25 per cent increase in the deficit in 2008. If this, as usual, is financed by borrowing from the central bank (ie, by printing money), it will increase inflation as the bill is effectively passed on to the public.
2. **The costs of disengagement**

The crisis after Nargis has further exposed the costs of disengagement. Twenty years of ostracism and isolation have left the country more vulnerable to such a disaster and significantly hampered the international community’s ability to provide emergency assistance.

Poor countries and communities suffer more than richer ones from natural disasters. Not only are they more vulnerable to the initial shock, but they also have less capacity to cope with the aftermath. Myanmar is one of the world’s poorest countries, yet Western policies have limited annual international aid to just a few dollars per capita – twenty times less than the average for the least developed countries.

As proponents of sanctions correctly observe, government repression and mismanagement are the root causes of poverty, not sanctions. But in its attempt to defeat the regime by isolating it, the West has sacrificed opportunities to promote economic reform, strengthen social services and empower local communities. Twenty times less aid has meant twenty times fewer contacts with the government, twenty times fewer agencies and aid workers on the ground, and twenty times less investment in the reduction of vulnerabilities. Although Myanmar is prone to natural calamities, very little has been done to support disaster prevention and preparedness.

Longstanding restrictions also meant that far fewer international agencies were in place with far fewer human resources or local partnerships when Nargis struck. New agencies not only had problems gaining access, but also struggled to understand the complex political and bureaucratic environment. Moreover, many parts of the government had no experience dealing with foreign agencies and were totally unprepared to cope with such a major cooperative effort.

Crucially, unlike after the tsunami in Aceh in 2004 – or even the earthquake in China in May 2008 – the West was seeking cooperation from a regime which for twenty years it has tried to defeat. Military leaders were asked to let “enemy” soldiers onto Myanmar soil and to throw the doors open for Western organisations whose governments had long worked actively against it. It is hardly surprising that military leaders, who have long suspected even international humanitarian agencies of serving the West’s regime change agenda, hesitated to provide full, unfettered access for anyone claiming to be doing relief work.

The costs of years of disengagement are evident even as the relief operation evolves into recovery and rehabilitation. The latter entails essential development activities, yet the agencies on the ground are overwhelmingly humanitarian or have little, if any, experience of working on development in the Myanmar context. The World Bank and the UNDP, which would normally take the lead, are not in a position to do so because of political restrictions on their activities. In other words, the aid infrastructure is not suited for the tasks at hand.

### C. Socio-political Linkages

The root causes of Myanmar’s developmental crisis are political. Broad-based, sustainable progress will require fundamental changes in the exercise of power. But aid restrictions have weakened, not strengthened, the forces for peace and democracy.

Declining livelihoods and the decay of civilian institutions are eroding the basis for a democratic transition. Suffering makes people angry and may induce them to take risks, as during the 2007 protests. But against a regime willing to shoot to maintain order, this results in bloodshed, not change. Bringing about democracy will require visionary leaders at all levels – backed by strong organisations – who can manage the transition and provide effective governance. These are not common features of an isolated, impoverished and divided society.

As the country’s human resources and administrative capacity decline, it becomes harder for any government to turn the situation around. The past twenty years have seen a dramatic fall in educational levels, compounded by the flight of much of the educated middle

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68 According to the Organisation for Economic Co-operation and Development, Burma in 2006 received $2.88 per person in overseas development assistance – less than any of the other 50 poorest countries. The average assistance for these countries was over $58 per person. Other countries with similarly repressive governments receive much more aid: Sudan ($55/person); Zimbabwe ($21/person); Laos ($63/person). See “A New Way Forward”, Refugees International, 26 March 2008, available at www.refugeesinternational.org/content/article/detail/10524.

69 Indeed Western-funded groups just a few months before had claimed credit for organising the September 2007 anti-government demonstrations. The director of the Free Trade Union of Burma (FTUB), Maung Maung, attributed the protests to the work of activist networks established inside Myanmar with exile support and called for further Western funding to ensure that the revolution succeeded. Press conference, Bangkok, October 2007. See also Blaine Harden, “Capitalizing on Burma’s Autumn of Dissent”, Washington Post, 4 December 2007.
class. Within the government, the long absence of engagement with the international community has led to a dangerous decline in technical knowledge. The then UN resident coordinator in 2006 warned that the country “is not only losing the fight to stop the progression of serious health epidemics within the general population, but also the skills and capacities necessary to cope with these and other development challenges in the future”. The devastating consequences of state collapse in countries such as Somalia and Afghanistan are reminders of the dangers of further weakening an already fragile state.

The failure to support the ceasefires between the government and some twenty former insurgent groups in the 1990s – potentially a major breakthrough after nearly half a century of incessant warfare – provides a specific example of the costs of current aid policies. Many ceasefire leaders believed that a cessation of hostilities would lead to development in war-torn areas, helping build confidence across conflict lines. But, lacking support from the international aid community (as well as the central government), they have generally been unable to carry out their plans for socio-economic development and, as a result, have been losing support from their communities. Although most of the ceasefires are holding (mainly because potential insurgents can no longer look to China or Thailand for backing), there has been little positive peacebuilding. Many former soldiers and, especially, younger people without jobs or prospects for the future are talking about returning to war.

D. THE BENEFITS OF AID

Aid alone, of course, will not bring development, let alone peace and democracy, to Myanmar. But with a generational and institutional transition underway, there is a chance to support meaningful change. Aid provides an opportunity to open dialogue with the military leadership at different levels. Any political change in Myanmar will have to be sanctioned by the army, lest it simply is suppressed. Yet the generals are deeply alienated from, and distrustful of, the international community – not to mention their own society. It is crucial that future military leaders develop different attitudes and experience the benefits of reform and cooperation. Aid engagement is a way to achieve this. Successful cooperation, even in limited areas, can be used to develop trust, realign relations and gradually build a framework within which broader change becomes possible.

Aid may also help make the institutional changes which are set to take effect after the 2010 elections more meaningful. The new constitution is a deeply unsatisfactory document, which – in addition to having been pushed through with little chance of substantial input from opposition groups or civil society more generally – lacks both democratic content and any real devolution of power to the country’s minority groups. Nonetheless, the formation of a bicameral parliament and supposed civilianisation of most ministries may provide opportunities to loosen the strict hierarchies of military power and give technocrats more of a role in policymaking. The introduction of local parliaments and administrations may offer an opportunity to gradually decentralise governance and bring decisions closer to local communities. Taking advantage of these possibilities will depend on fostering the capacity of new civilian lawmakers and the bureaucracy, as well as civil society organisations, at the national and local level.

In the meantime, aid activities provide a key vehicle for developing human resources, nurturing civil society and limiting the abuse of power. International aid organisations employ and train several thousand Myanmar staff, who through their work are exposed to modern management styles and techniques otherwise little used in the country. This is real capacity building: the experience of participating in organisations that are entrepreneurial and results-oriented, in which performance and talents determine promotion and authority, for example.

International aid organisations also support embryonic organisations and help give people a voice in local governance. The surge in social groups, evident over the past decade in particular, is closely associated with the growth of aid programs. Many groups are set up specifically to participate in aid planning and implementation. This is not about a political agenda. It is about helping communities work together for common development purposes. But it increases citizens’ participation and empowers local communities.

Finally, international aid organisations – directly and by working with local groups – play a crucial role in protecting local communities from exploitation and the arbitrary exercise of power. A recent assessment of humanitarian aid in Myanmar concluded, “The single most important factor in relation to the expansion of aid agency activity … is the protection that just the presence of UN agencies, international NGOs and local NGOs affords communities otherwise subject to the exercise of unchecked personal power. … Through transparency and the involvement of power brokers [local authorities], protection is given to villagers and communities. The way NGO projects are negotiated
makes it more difficult to arbitrarily exploit and dispossess the community. This engagement also creates new opportunities and conversations.\(^{71}\)

Without being political, aid does have socio-political consequences. By supporting dialogue, training and education, it helps generate new visions for society and provide new skills to bring them about. By engaging with local authorities and communities, it helps nurture institutions and a culture of democracy and human rights from the bottom up. Such processes are evolutionary, not revolutionary. But that may be their strength in a society where any open political opposition is immediately quashed and where progress ultimately will depend on convincing army leaders that change is possible without threatening their personal security or the country’s political stability.

\(^{71}\) Mark Duffield, “On the Edge of ‘No Man’s Land’: Chronic Emergency in Myanmar” (internal UN document), November 2007. Duffield gives the example of how, through the process of engagement, several community forestry projects, involving a number of international and local NGOs and community-based organisations (CBOs), have recently been approved in Kachin state. These projects give a degree of land entitlement that the communities concerned never previously enjoyed. The act of engagement over social issues, he concludes, creates dynamics that, unavoidably, question the nature of power.
BOX 1: Criticisms of Aid to Myanmar – and the Counterarguments

- **“Increasing aid amounts to appeasement of a government guilty of gross human rights violations”**.

  While the impulse to punish the generals is understandable, punitive measures must not assuage the conscience of the West at the expense of the Myanmar people. The rationale for increased aid is to help those who suffer every day under the current regime. This is not appeasement, but humanitarianism.

- **“Restrictions on aid are needed to keep up pressure on the regime. They should only be lifted in return for political reform”**.

  Without the cooperation of Myanmar’s neighbours, which remain absolutely opposed to sanctions, Western sanctions will remain peripheral to political developments in the country. Withholding aid has been a particularly ineffective way of pressing for political reform: the government has repeatedly rejected aid with political strings, and remains far more likely to decline aid than to make political concessions to get it. By making aid conditional on political progress, international donors do not increase their influence but rather give up one of the most effective instruments in their limited arsenal for improving the lives of the Myanmar people and supporting a gradual transition to peace and democracy.

- **“Aid props up the government”**.

  The government may benefit to some degree from increased aid, but as long as programs focus on human development and are managed responsibly, the net effect will be in favour of change rather the status quo. The type of activities envisioned in this report will loosen the military’s stranglehold on the economy, improve governance and generally empower non-state actors. Rather than prop up the regime, they will prop up the people.

- **“The causes of poverty are political and can only be addressed by changing the government. Aid without political reform does not work.”**

  Broad-based, sustainable progress will require fundamental changes in the exercise of power. But, in the meantime, aid helps open the country up to international influences and strengthen the basis for future reform. In addition to saving lives, aid agencies over the past decade have provided crucial support for human resource development and the growth of civil society. They have also helped protect local communities against abuse and assert their rights.

- **“The international community should not be funding development programs that the government can afford to pay for itself. It simply releases money for arms.”**

  This argument can be made in many developing countries which receive much more assistance than Myanmar. All indications are that the present regime will spend whatever it feels it needs on defence and security, leaving only the spare change for social programs – whether or not international agencies are there to pick up the slack. The best way to begin to change that mindset is through engagement by development partners on the ground, who help elucidate the humanitarian situation and can push for government contributions to concrete programs.
IV. CHALLENGES

The long legacy of politicised aid will complicate efforts to normalise aid relations. Both the government and donors will need to overcome fears and prejudices and show flexibility. The aid community will face new challenges of coordination and implementation.

A. GOVERNMENT RESISTANCE

Despite the government’s calls for increased aid, it would be a mistake to assume that the military rulers stand ready with open arms to welcome international agencies, particularly in key areas such as economic liberalisation and community development.

Regime views on aid – and international engagement more generally – are not monolithic. For years, there has been a quiet tug-of-war between commanders relatively less and more open towards international cooperation. Some ministries are more supportive than others, and some aid agencies have been able to negotiate privileged access on the ground through personal contacts with sympathetic local commanders and officials.\(^{72}\) But much will depend on the struggle over ideas and direction within the regime. The goodwill shown by donors in the post-Nargis relief operation, as well as the high degree of cooperation eventually achieved, has strengthened the voices of the relative pragmatists; a return to confrontational rhetoric and sanctions will weaken them.

The challenges start with simply agreeing on the problems to be addressed. The military government has a long tradition of producing only “good news” and remains highly sensitive to public discussion of poverty and other developmental malaises.\(^{73}\) Efforts by some Western governments and campaign groups to use the humanitarian crisis to press for UN Security Council action on Myanmar have reinforced this sensitivity, as has the growing focus by activists inside and outside the country on socio-economic conditions. These factors undoubtedly influenced the government’s decision to expel the UN resident coordinator in December 2007 after the UN country team had called public attention to the link between poverty and the September 2007 protests.\(^{74}\)

The resistance to hearing the truth has partly to do with national pride (or shame), but also with self-preservation. The dire humanitarian situation exposes the military’s failure to develop the country and contradicts its claim to be the sole guardian of the people’s welfare and development. For individual government officials, bearing bad news can risk dismissal. Thus the entire system suffers from an “emperor’s new clothes” syndrome, where everyone goes to extreme lengths to pretend to the leaders that everything is rosy.\(^{75}\) This poses a serious impediment to objective assessment of the situation and thus to effective needs-based development planning. International organisations play a key role in disrupting this system of make-believe, and have had some successes – for example, getting the government to acknowledge the HIV/AIDS epidemic and agree to a series of joint household and health surveys.

A similar combination of nationalism and security concerns appears to lie behind the broader restrictions and controls on aid activities. Many senior officers are influenced by the historical memory of British subjugation during the colonial period as well as the more recent history of Western support for ethnic rebels and democracy activists. Generally speaking, they are uncomfortable dealing with foreigners. Many still have very limited international exposure; most are educated at home, speak only Burmese and rarely travel abroad. As a result, they are extremely sensitive to any infringement on national sovereignty and highly suspicious of Western intentions.\(^{76}\)

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\(^{72}\) The differences of view appear to be rooted mainly in personalities. But many aid workers indicate that younger officers generally are easier to deal with. Those who have direct responsibility for development affairs – and particularly those with technical skills – also tend to be more supportive of assistance. Active or retired military officers are sometimes more helpful than civilian officials who lack contacts in the military hierarchy and may feel more vulnerable.

\(^{73}\) Recent operational guidelines to aid agencies stress that independent surveys of socio-economic conditions require explicit permission.


\(^{75}\) Most government development figures are doctored (often government departments will have two sets, the real ones and those that are shared with the leadership and the public). Similarly, before any visit by a top general to the countryside, local authorities will spend days making sure that everything “looks good” and that local people know what to do and what to say. Shortly before his retirement in 1988, former strongman General Ne Win exhorted his officials to start telling the truth, but little has changed.

\(^{76}\) The regime’s fears have manifested themselves in observable behaviour. For example, in 1988, the arrival of a U.S. navy vessel in Burmese waters during the popular uprising caused fear in the war office of an imminent invasion. See Andrew Selth, Burma’s Armed Forces: Power without Glory
The politicisation of aid over the past twenty years has resulted in these suspicions extending to aid organisations, which many Myanmar officers see essentially as a part of their governments. The liberal aid agenda – with its emphasis on community participation and bottom-up development – is little understood and has at times raised fears among members of the regime that aid projects may be a Trojan horse for mobilising local communities against them.  

Economic reform carries its own sensitivities. Political control in Myanmar, like elsewhere, derives to a significant extent from control over resources, which is threatened by economic liberalisation and broad-based growth. Although there have been signs some members of the regime are concerned about the increasingly evident development failures, any push for reform will be tempered by fears of unleashing social forces which they cannot control.

Efforts to assert national ownership of aid programs will continue. Though hardly unusual, nor necessarily undesirable, this stance is not easily compatible with donor demands that aid be distributed independently of the government. The authorities are bound also to continue to keep a close eye on what international agencies are up to, including through clearly delineated program agreements, restricted travel and close monitoring of staff and activities. Some regions and activities considered security risks will remain out of bounds, although the trend is towards a gradual opening. It is essential that external actors frame aid in ways that help overcome existing fears, prejudices and administrative shortcomings.

B. DONOR CONCERNS

Donors have their own concerns and legal requirements about how aid is managed and implemented. Given the lack of accountability and efficiency with which the government manages its own money, no one is – or should be – in a hurry to provide general budget support. Many donors are sceptical even of the possibility of funding specific projects carried out by government departments, for fear that the money will be wasted.

To make matters worse, the government has a track record of commandeering the country’s resources for its own political projects. In recent years, efforts to increase the visibility and influence of the regime’s civilian front organisation, the USDA, have seen attempts at the local level to claim credit for international and private welfare activities, by pushing to get involved in international projects or attempting to take over local NGOs or projects. Some international observers saw the insistence in the first few weeks after Nargis that all aid be delivered through the government as an attempt to exploit the situation in this way. Instances of attempting to pass off international relief aid as coming from leading generals or the USDA did not help matters, nor did press stories of alleged diversions of aid.

Personal corruption is another major issue. This problem is pervasive throughout the government and bureaucracy. While there have been no major aid scandals – perhaps because few major projects involving the government are carried out – the type of pilfering of supplies seen during the post-Nargis relief operation is common (not only among officials, but also in the private sector). Any agency that fails to track its aid will lose substantial amounts.

International fears and suspicions are at times exaggerated. The government’s initial insistence that it would deliver all cyclone relief (which was never upheld), probably had more to do with suspicion of independent actors than with “exploiting” the situation. In any case, when the authorities in the past have attempted to co-opt or divert aid for political purposes, principled agencies have usually been able to resist – suggesting that it may not be a centrally driven policy (or that not everyone in the regime agrees with it). Nonetheless, transparency and accountability are vital to win donor confidence and ensure that aid is prop-

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79 For example, although new guidelines for aid agencies issued in 2006 required that they report on all activities to new local aid coordination committees, one international NGO was able to make the case to the local commander with whom it had a good working relationship that the new committee was not needed. As a result, the commander simply shut it down. Crisis Group interview, Yangon, June 2006.
erly used. Donors and implementing agency staff must be guaranteed access to project sites, which the authorities have often restricted in the past.

**C. CAPACITY CONSTRAINTS**

The current international aid structure is insufficient. The absence of the World Bank, Asian Development Bank and International Monetary Fund (IMF) greatly limits the availability of both expertise and funding (even if large-scale lending will remain impossible for some time). The UN roster is incomplete; several UN agencies, such as UNDP and the International Labour Organization (ILO), operate under restricted mandates; and all are constrained by limited funding, short funding cycles or similar operational limitations. Moreover, the number of international NGOs (only around 50) is much less than in other least developed countries.

Because there have only been a few organisations present, doing relatively few things, there has been less coordination and cooperation than in countries with a larger aid presence. The post-Nargis relief efforts have spurred substantial progress in this area, but have also revealed tensions between new and old actors, and between different types of agencies. It has been particularly worrying to see how NGOs were effectively shut out of the Tripartite Core Group despite their crucial role, and how big the organisational (and cultural) gap is between international and local organisations. For example, conducting coordination meetings in English has created problems for many local groups, including at times the government.

The fragmentation of the bureaucracy and pervasive lack of capacity at all levels of state and society present additional obstacles. What to outside observers may look like political obstruction often reveals itself on the ground as administrative dysfunction. In order to increase assistance the aid community will also have to train people and build up technical and administrative capacity at all levels, from the government to local community groups. In this respect, aid will be expensive. But capacity building is not only necessary for effective aid delivery, it is also vital in its own right for promoting improved governance and social reform.

Overcoming these roadblocks will require diplomacy and flexibility on all sides. The international community will need to offer much more aid, and the government will need to accept it and put in place operational procedures to facilitate a smooth and responsible scaling up of aid activities. The aid community on the ground will need to improve its coordination and communication. Learning to work together after years of confrontation and isolation will require enlightened leadership, courage and patience.

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80 See section VI.E.
81 OCHA, for example, did not have a presence in the country before Nargis. The same was the case for the UN Human Settlements Programme (UN-HABITAT).
V. A WINDOW OF OPPORTUNITY

The heightened level of dialogue and practical cooperation after Nargis presents an unprecedented opportunity for international donors and agencies to renegotiate the broader parameters of aid, and to reassert and restructure their overall relations with Myanmar, its government and its people. But it is essential to act quickly to consolidate and expand on the new openings before all sides slip back into established patterns of hostility and distrust.

A. HIGH-LEVEL DIALOGUE

The relief operation has led to a more intensive and high-level dialogue between the international community and the Myanmar government, and to increased practical cooperation. UN Secretary-General Ban Ki-moon’s May 2008 visit was a first since the present regime took power in 1988, as were the visits by three high-ranking American officials: head of USAID Henrietta Fore, Commander of the U.S. Pacific Command Admiral Timothy Keating and Commander of the U.S. Marine Forces Pacific Lt. Gen. John Goodman. Other rare high-level visitors have included European Commissioner for Humanitarian Affairs Louis Michel; the UK, Dutch, Swedish and Danish development ministers; UN Emergency Relief Coordinator John Holmes (twice); WFP Executive Director Josette Sheeran; and Director of World Bank Operations for East Asia and the Pacific Sarah Cliffe. Although the initial flurry of visits has dropped off after agreements were reached to facilitate relief access, attention in New York and key capitals remains at the highest level in many years.

B. POLICY OPENINGS

The ASEAN Humanitarian Task Force represents the first meaningful attempt by the organisation to assume leadership on Myanmar. Secretary-General Surin Pitsuwan stressed that this is a critical test for ASEAN to prove its relevance, and Singapore took a leading role during its tenure as chair of ASEAN. Indonesia also pushed hard, at the special ministerial meeting on 19 May, for ASEAN to take a lead in the Nargis response, while senior officials involved in the post-tsunami relief efforts in Aceh provided advice on the structure and mandate of the Task Force and Tripartite Core Group (TCG). The Task Force has established partnerships with the UN and IFIs. ASEAN does not have the capacity on its own to lead – let alone fund – a major rehabilitation effort. But it has helped establish a framework for other bilateral and multilateral donors that could make a lasting difference.

Key bilateral donors have also taken important steps. The senior U.S. visitors marked a departure from past practice; so did the contribution, as of end September, of more than $50 million worth of relief aid, and the willingness, in the initial stages, to hand relief goods directly to the government. Clearly, these are context-specific responses made possible by a temporary shift in priorities, but considering the U.S.’s previous hard-line position, there were surprisingly few critical voices. Moreover, a 7 May Senate resolution calling for more American aid stressed that U.S. engagement is needed beyond the immediate crisis. According to a U.S. diplomat, perspectives on Myanmar within Washington policymaking circles are beginning to broaden, at the same time as the American public through increased mainstream media exposure is becoming more aware of the complexities of the situation in the country.

The equally generous response by European donors, led by the UK ($67 million), the European Commission ($18 million), Norway ($11 million) and Denmark ($11 million) continues the trend of the past few years, which have seen a major increase in European humanitarian aid. There is room in the existing Common Position for the EU and its member states to sustain this effort into the rehabilitation phase, including through more development programs. The Swedish International Development Agency (SIDA) is looking to establish a country office in Myanmar, which would be an important addition to the existing UK and EU aid offices, which have facilitated substantially increased and more strategic uses of bilateral aid.

Most importantly, the Myanmar government’s opening for international aid and civil society participation

84 The resolution resolved that “it is the sense of the senate… to stand ready to appropriate additional funds, beyond existing emergency international disaster assistance resources, if necessary to help address dire humanitarian conditions throughout Burma in the aftermath of Cyclone Nargis and beyond”. “A resolution expressing the Sense of the Senate on humanitarian assistance to Burma after Cyclone Nargis”, S.RES.554, 7 May 2008, available at www.opencongress.org/bill/110-sr554/show.
85 Crisis Group interview, Yangon, June 2008.
86 OCHA, Financial Tracking Service, op. cit.
is unprecedented since the purge of former intelligence chief and Prime Minister Khin Nyunt in late 2004. Having long struggled to get a hearing for its problems and complaints, the aid community over the past few months has been able to get specific hurdles cleared up; bad policies explicitly retracted; and government practices, such as the forced return of the displaced to their villages, readjusted.

C. NEW PARTNERSHIPS

The Tripartite Core Group established under the ASEAN Humanitarian Task Force brings together representatives of the Myanmar government, ASEAN and the UN to deal with practical tasks of implementation. The new grouping, despite some teething problems, has proven a surprisingly effective forum for dealing with obstacles at the policy level (an indication of high-level support within the regime). For the UN country team – long the object of government suspicion over the UN’s political and human rights agenda – its closer association with ASEAN brings some cover.

The PONJA mission organised under the TCG brought together technical experts from the government, ASEAN and the UN, as well as the World Bank and the Asian Development Bank. Participants stressed the value of a joint assessment with the government, which extended to cooperation on report writing and strategic planning, for building trust and government capacity.97 For the two development banks, it was their most direct foray into Myanmar for some years, and they are considering how to continue to provide technical support to the recovery efforts. Regular “mini” PONJAs are scheduled to track developments in the delta over the coming months and provide further input into recovery planning.

At the operational level, too, new alliances have emerged. International aid agencies, the Myanmar Red Cross (MRC), the private sector and local NGOs and CBOs (community-based organisations) are working closely together. Just a few years ago, MRC was identified by the U.S. Congress and advocacy groups as an inappropriate partner for the UN and Global Fund on vital health programs on the grounds of its closeness with the government.88 Yet, during the present crisis, it emerged as one of the most effective conduits of international assistance, working closely with international Red Cross staff and using its extensive network of volunteers.89

Private corporations long seen as propping up the regime also played an important role in bringing relief and facilitating access for others. While concerns remain about the role of some of these companies in longer-term reconstruction,90 they have made a substantial contribution by helping to facilitate the import of relief goods, distribute them in the delta, and rebuild infrastructure such as schools, hospitals and houses. They helped both the government and international aid agencies overcome critical weaknesses in their own capacities, including, for the latter, their lack of contacts and trust with local authorities.

Several hundred new and existing grassroots groups acted as channels for international relief as well as private donations. These efforts were spontaneous and initially chaotic, but over time experienced aid workers helped provide training and advice. International aid workers estimate that at least half of the new CBOs will dissolve once the most urgent needs are addressed.91 Many of those involved have jobs they need to return to. But many underemployed young people, including university graduates, have found a mission, which they may be enticed to turn into a career. Similarly, self-help groups from the affected communities may emerge from this experience with new knowledge, contacts and confidence which they can turn to other endeavours.

These examples of cross-sectoral cooperation, involving the government, international agencies, civil society and the private sector, offer the possibility of forging new partnerships for development beyond the immediate emergency phase, also outside the delta.92

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87 Crisis Group interviews, Yangon, June 2008.
88 In early 2005, Senator Mitch McConnell introduced an amendment to the 2006-2007 Foreign Operations Appropriations Bill which threatened to withhold about $50 million – roughly half – of U.S. core funding for UNDP if it failed to certify that all its programs in Myanmar, including those it administered for others such as the Global Fund, provided “no financial, political, or military benefit, including the provision of goods, services, or per diems, to the SPDC or any agency or entity of, or affiliated with, the SPDC” (emphasis added). Organisations specified in the bill as affiliated with the government included the Myanmar Red Cross. 2006/2007 Foreign Operations Appropriations Bill, 6 May 2005.
89 According to international Red Cross officials, MRC volunteers made a huge contribution – and, when offered payment for their efforts, declined it. Crisis Group interview, Yangon, June 2008.
90 See fn. 40 above.
91 Crisis Group interviews, Yangon, June 2008.
92 International NGOs, like Population Services International (PSI) and International Development Enterprise (IDE), for example, are working closely with the private sector to dis-
Much depends, however, on convincing the government of the advantages of sustaining and deepening its cooperation with the international community. While the indications have been positive so far, the lack of funding and support for longer-term recovery and rehabilitation in the delta is, reportedly, creating frustrations among government officials (as well as aid agencies and beneficiaries). It may lead them to raise questions about the utility of working with international agencies. In the worst case, this could reinforce the position of those who are traditionally against expanding aid access and see a closing of the current window for cooperation.

tribute condoms and water pumps, respectively, across the country. A similar public-private partnership is being set up for DOTS (Directly Observed Treatment [of tuberculosis], Short-course). Similar cooperation, although usually more limited in geographical focus, exists between international and local NGOs. These are the main ways international aid reaches areas otherwise closed off or difficult to reach, but it is also an example of classic economic division of labour based on comparative advantages.

VI. NEXT STEPS

The lead over the coming months and years should be taken by the multilateral institutions, specifically the UN and ASEAN, with support from the World Bank, Asian Development Bank and IMF. Myanmar has shown a willingness to engage with these organisations, which also serve as a buffer against the pursuit of political or economic interests by individual governments. But neither the UN nor ASEAN can do much without the cooperation of member states, which, among other things, need to fund aid programs. On the ground, it will be the responsibility of the aid community to execute international visions and programs, in close cooperation with national actors.

A. THE UN SECRETARY-GENERAL

The UN Secretary-General should remain personally involved in the efforts to resolve the multiple, interconnected crises in Myanmar. Notwithstanding the failure so far to facilitate talks between the government and the opposition, his good offices remain critical for keeping lines of communication open to the military leadership, as well as developing greater consensus among member states on an effective way forward.

So far, the focus of the good offices has been on the democracy/human rights and, to a lesser extent, humanitarian tracks, which have overshadowed the development track. But development is crucial to progress on the political as well as humanitarian front and needs increased attention. This will require greater efforts by the Secretary-General and his representatives to engage the Myanmar authorities in dialogue about the broader developmental crisis in the country and create space for the UN and other development agencies to work in this area.

The UN has long suffered from a perception in Myanmar that it is overly influenced by Western governments. The recently established Focus Group on Myanmar, which brings Indonesia, China, India and Myanmar together with the UN, may serve as a useful forum for discussing the concerns of the international community with particular attention to issues of regional impact, including economic integration and transnational security threats, such as drugs and health epidemics (both of which are poverty related). It needs, however,
to be upgraded from a New York-based diplomatic forum to include high-level officials from capitals.\(^{94}\)

The TCG has already proven its usefulness for alleviating tensions between the UN and the government at the working level and may be used as a framework for establishing regular discussions also at the policy level. Several “micro policy” issues, such as the lending practices of government banks to victims of the cyclone, will need to be addressed to support recovery in the delta and might be used as a stepping stone to wider discussions.

### B. ASEAN

While the UN provides an important umbrella bringing together all states concerned about Myanmar, ASEAN has a special responsibility for dealing with problems within its area – all the more so following agreement on its charter, which commits members to a set of shared values and aspirations.

Building on its success during the post-Nargis relief operation, ASEAN should consolidate and develop its role in bridging the international aid community’s engagement with Myanmar. It should continue the ASEAN-led mechanisms set up for the emergency relief phase after Nargis into the recovery and rehabilitation phase. The TCG and the PONJA models, as noted, have broken new ground and hopefully can transition into more permanent mechanisms for the negotiation and promotion of humanitarian and broader development issues.

In addition, ASEAN – in close coordination with the UN and the international development banks – should broaden its engagement in support of sustainable human development in Myanmar beyond the cyclone zone, including increasing support within the ASEAN frameworks for cooperation on food security and disaster prevention and preparedness.

The longer-term integration of Myanmar into ASEAN economic cooperation (and other regional socio-economic groupings) must be a priority, with an initial emphasis on policy dialogue to share views and experiences on issues such as macro-economic policy, agriculture and food prices, as well as related training and capacity building.

### C. REGIONAL GOVERNMENTS

Regional governments should impress upon the military leaders that progress on a humanitarian agenda is an opportunity for Myanmar – as well as the region – to ease the longstanding diplomatic standoff with the U.S. and Europe and gain support for the longer-term development of the country.

Moreover, they should work bilaterally as well as multilaterally to facilitate the delivery of aid according to international standards of impartiality, independence, accountability and transparency. The greater the involvement of regional governments and institutions in general (not just ASEAN) in international development efforts, the greater the chance of alleviating Myanmar government suspicions about this agenda and widening the space for aid activities.

Regional trade and investment policies should be adjusted to support broad-based economic growth. Projects in the energy sector (gas and hydropower), which risk contributing to population displacement and undermining livelihoods, must be preceded by meaningful social and environmental impact assessments and should include assistance for the affected communities in accordance with emerging global standards for corporate social responsibility. Special economic zones and other economic cooperation in the border areas, together with market access to neighbouring countries, should be expanded to support the development of peace economies in some of the historically most disadvantaged regions of the country.\(^{95}\)

### D. WESTERN GOVERNMENTS

The U.S. and EU should not impose further punitive measures based on the regime’s past and present behaviour while the international community works with Myanmar to tackle the worsening humanitarian situation in the country.\(^{96}\) Additional sanctions at this

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\(^{94}\)This group, which was established on initiative of Indonesia earlier this year, has met unofficially several times at the ambassadorial level in New York. The parties have agreed in principle to a meeting at ministerial level, but it has not yet occurred.

\(^{95}\)See section III.C above on the failure of international donors to support the ceasefires.

\(^{96}\)The U.S. has continued to impose new sanctions since cyclone Nargis. In July, the government imposed a new sanctions package banning the import of gems and timber from Myanmar via third countries and imposing additional financial sanctions on companies linked with the regime. See “Tom Lantos Block Burmese JADE (Junta's Anti-Democratic Efforts) Act of 2008”, U.S. Congress, H.R. 3890, 29 July 2008, available at www.govtrack.us/congress/bill.xpd?bill=h110-3890; and “Treasury designates Burmese state-owned enterprises”, U.S. Department of Treasury, HP-1105, 29 July 2008, avail-
stage will have little effect but to damage sensitive negotiations with the government over aid access. Conversely, an explicit commitment to forego new sanctions would send a strong signal that the West is genuinely committed to helping Myanmar overcome its humanitarian crisis and is not simply using humanitarianism to score political points. More subtle – and more productive – pressure for political change can be kept up in the diplomatic arena with the cooperation of China and ASEAN, focusing on holding the military leadership to its commitments to governance and human rights reforms.97

Next, Western governments should lift political restrictions on aid including prohibitions on bilateral development aid, mandatory vetoes on IFI lending (which effectively extend to opposition to any meaningful engagement including policy dialogue and technical assistance), and the restricted mandates imposed on UNDP, the ILO and, more indirectly, on all aid organisations receiving Western funding. (Direct budgetary support is in a different category, and should not be considered at this stage.) Future decisions on aid should be taken on a case-by-case basis, based on normal criteria: the operational soundness of proposed programs and their potential for supporting sustainable human development.

Lifting the political restrictions on aid is necessary not only to pave the way for more and new forms of aid, but also to move operational decisions closer to the ground. The use of political conditionalities on aid, as opposed to operational ones:

- holds aid – and by extension, international influence in Myanmar and the welfare of its people – hostage to regime change, even as it has become clear that regime change is unlikely to occur in the foreseeable future;
- angers the government, which feels it is being treated differently from everyone else, further reducing already limited humanitarian space;
- leaves operational control of aid programs in the hands of policymakers in foreign capitals who have limited insights into conditions on the ground and have consistently underestimated the extent of suffering and the amount of humanitarian space; and
- restricts aid agencies on the ground that have the knowledge, personal relations and trust necessary to manoeuvre in an opaque and ever-changing environment.

If the aim is to nudge the regime in the right direction and create space for social change at the grassroots, agencies must have flexibility to respond to the varied and changing patterns of governance in different localities.

Finally, any economic sanctions that restrict the livelihood options of vulnerable groups should be repealed, notably import bans on garments, agricultural and fishery products. Campaign groups should cease ongoing consumer boycotts in these sectors, as well as in the tourism sector.98 The four sectors mentioned are all primarily on private hands and directly support millions of poor households.99

These steps would bring Western policy more into line with its declared purpose of helping the people of Myanmar and would permit a substantially enlarged and improved aid effort.

E. DONORS AND AID AGENCIES

All donors should substantially increase aid to Myanmar for sustainable human development. While the few aid organisations in the country have achieved quite a lot with their limited resources, the current “humanitarian” effort is insufficient to counter the worsening trends, let alone lift people out of poverty and support

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97 See discussion in Crisis Group Report, Burma/Myanmar: After the Crackdown, op. cit.
98 The only exception to this would be insofar as restrictions protect international labour standards, but experts argue that sanctions for this purpose are likely to be ineffective, or even counterproductive. The general view is that poor labour standards of the kind found in Myanmar are essentially a consequence of underdevelopment and, therefore, best addressed by working to improve economic conditions overall. Crisis Group email interview, former ILO official, October 2008.
99 American import sanctions, along with consumer boycotts, were responsible for the loss of 75,000 jobs in the garment export industry between 2001 and 2004, mainly held by young, unskilled women from poor rural areas. See Morten B. Pedersen, Promoting Human Rights in Burma: A Critique of Western Sanctions Policy (Denver, 2008), p. 234. The impact of similar campaigns against the tourist sector is difficult to assess, but according to the World Travel and Tourist Council, the industry currently supports 1.3 million jobs in Myanmar, www.news.com.au/travel/story/0,23483,22484563-27977,00.html?from=mostpop. This too would be primarily low-skilled labour.
broader change. The recovery phase after Nargis will be critical for reinforcing the current goodwill between the government and international agencies and further developing the concrete modalities for continued cooperation. But aid to the delta must not displace existing programs, which need expanding in their own right.

1. Aid structure

Once freed of political restrictions, the World Bank, International Monetary Fund and Asian Development Bank should re-engage in Myanmar to assist the new aid structure. The priority would be to broaden and intensify the dialogue with the government about economic policy and prepare the ground for future reforms, including through technical assistance for data collection/analysis and capacity building. Some government officials have expressed an interest in a poverty reduction strategy paper, which could be used as an initial focal point for discussions. Large-scale lending is out of the question while Myanmar remains in arrears and uncommitted to structural reform. But the possibility of future lending is a crucial motivation for reform and should not be ruled out, under the right circumstances. Were the opportunity to arise in the future, for example, to support exchange rate reform, this could be of great benefit to the Myanmar people.

Similarly, freeing the ILO from the political restrictions, which limit it to work on forced labour, would allow it to broaden its portfolio, in line with its worldwide mandate, to support the creation of decent jobs and the development of social security systems. The ILO has extensive experience, for example, in supporting micro-enterprises and in food-for-work and cash-for-work projects, which would be valuable in Myanmar. A national social security system is a long way off, but pilot projects might be launched at particular work places. Projects to help improve working conditions could be combined with a lifting of restrictions on Western investments and trade in labour-intensive industries, such as tourism and garment manufacturing.

Relevant UN agencies and international NGOs not currently present in Myanmar should consider taking advantage of the current opening to recovery programs in the delta to establish a foothold in the country. Once established, it would be relatively easier to negotiate future programs in other parts of the country. There is a particular need for more development-oriented agencies, including organisations that have a focus on, and experience of, working with local NGOs and CBOs and can help support and strengthen this sector.

2. Programming

Myanmar does not easily fit any standard development model. It is a post-conflict situation, but not quite. It is a fragile state, but with the high coercive capacity of the army and its auxiliary organisations. What it means to do sustainable human development in this context defies easy answers, but the following eight elements will be important:

First, existing humanitarian programs with a proven track record need to be scaled up to ensure national impact. There are many things that work, but hardly a single program is funded to its potential.

Second, the sectoral focus needs to be broadened. The vast majority of aid currently goes into health. Meanwhile, more and more households are unable to afford sufficient food to stay healthy, or send their children to school. More attention is needed to income generation and livelihoods, including developmental efforts to increase the output of small-scale farming and develop small and micro-enterprises. Further support for education is critical as well – not only basic education, but also secondary and tertiary, as well as vocational training – to address the growing knowledge and skills gap, which is perhaps the greatest structural obstacle to the future development of the country.

Third, it is vital to help nurture local NGOs and CBOs. The explosion of civil society activity in the aftermath of Nargis continues a trend over the last decade or so, which has seen the emergence of new independent organisations ranging from parent-teacher associations and pagoda clubs to development and environmental NGOs and professional associations. Such organisations constitute a key agency for development and wider change. They strengthen the ability of communities to serve their own needs in the absence of adequate state provision. They provide local structures for implementing and negotiating eventual higher-level reform. And they support the development of leadership, organisation and accountability that are

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100 This might involve an updated poverty assessment, as well as reviews of public expenditure and external debt.

101 According to the IMF, the total efficiency loss caused by the current multiple exchange rate regime is 14 to 17 per cent of gross domestic product (GDP) in 2006/07. Masahiro Hori and Yu Ching Wong, Efficiency Costs of Myanmar’s Multiple Exchange Rate Regime, IMF Working Paper, August 2008.

102 For example, in the area of HIV/AIDS, which is of crucial importance for the country’s long-term development prospects.
genuine alternatives to the current structures of milita-
rism and feudalism.

Fourth, greater attention is needed to economic policy. Lifting millions of people out of poverty requires addressing macro-economic distortions, liberalising the agricultural sector and improving social services. Since domestic capacity for economic policy analysis is weak, international agencies have a particular role to play in promoting economic reform. Even in the absence of national policy reform, experience has shown that it is possible to work with local authorities and communities to interpret and implement existing policies for the benefit of people.103

Fifth, it is necessary to improve governance capacity. Even if international agencies were able to engage on policy issues and people were free to demand better services, the government lacks capacity to analyse issues and formulate and implement reforms. This is a thorny issue since the state apparatus is often abusive and needs fundamental restructuring. However, it is possible to identify less problematic but important measures, such as support for data collection and analysis, training in modern administrative practices and technical skills, counter-corruption measures, etc. The institutional changes that will follow the 2010 elections may provide opportunities for more fundamental administrative reforms, including at the regional and state government levels. Since effective and legitimate governance in Myanmar’s diverse society will require extensive decentralisation, policy and administrative capacity at both the national and local level should be developed.

Sixth, particular attention is needed to former conflict areas. The failure of development during the cease-
fires means that most of these areas remain among the poorest and most disadvantaged in the country. Social problems and dissatisfaction are creating the conditions for renewed conflict. Serious, joint efforts to improve the welfare of people in these long-neglected regions and give ethnic minority communities a real stake in the Union could go a long way towards overcoming perceptions of discrimination and thus help consolidate peace.

Seventh, human rights abuses are a major contributor to poverty in Myanmar, alongside economic misman-
agement and weak social services. Displacement of people from their land, forced labour and other forms of exploitation are common place in a system that generally treats the population as a free resource for the pursuit of national development goals. Such prob-
lems require continued monitoring and advocacy by human rights organisations like the ILO and UNHCR. But humanitarian and development agencies can play a vital role as well in limiting abuses through their mere presence and by negotiating with the authorities on behalf of their beneficiaries.

Finally, disaster prevention and preparedness must be a priority. The devastation caused by Nargis was unprece-
dented in Myanmar history, and indications are that cyclones are becoming more frequent and destructive. Planning, training and infrastructure improvements are needed both in the delta (where it must be an inte-
gral part of rehabilitation programs) and in other vul-
nerable areas.

A common denominator is the need to strengthen engagement with all levels of the state and society, including national and local authorities, the private sector, the growing number of NGOs and CBOs, as well as the intended beneficiaries. To maximise the impact of aid, it is critical to encourage local ownership of aid programs, while nurturing governance capacity at the national, local and community level. Public-private partnerships in service delivery, as noted, are a particularly promising area.

It is natural for the government to want to take the lead in national development efforts and this has benefits in terms of sustainability. Rather than shun-
ning the authorities, the best way to help the people is to involve government officials at all levels and enlist their cooperation and support. This helps overcome suspicions, generate important new conversations and introduce officials to modern development practices. This is not to say that aid programs should mainly be implemented through the government. On the con-
trary, the revitalisation of the private sector and civil society will be fundamental to any genuine develop-
ment process. In some cases, direct delivery to the beneficiaries may remain the optimal approach. This must be assessed on a program-by-program basis. But the common notion that aid agencies should not only deliver aid directly but seek to avoid involving gov-
ernment officials in any aspect of their work is wrong. Attempts to deliver aid “under the radar screen” not only feed government suspicions that the aid agenda is subversive – and consequently endanger local partners – but also miss opportunities to educate and to improve governance.

103 See, for example, fn. 71.
BOX 2: Six Operational Principles

Myanmar remains a difficult environment for aid activities. The government will continue to restrict or use aid for political purposes, and petty corruption will continue. High operational standards are needed. Donors should require implementing agencies to follow these six principles, and support them where necessary to overcome obstacles imposed by the government. Where standards cannot be met, donors and agencies must be prepared to suspend or even terminate projects. The government has signed off on a similar set of principles in the PONJA, providing a basis for discussion.

- **Tell it like it is**
  The extent of the humanitarian problems in Myanmar is a highly politicised issue. International organisations must pursue and provide objective information about socio-economic conditions, not least to the government. This does not necessarily have to be done publicly or in ways which provoke and embarrass. But without accurate information, aid activities cannot be properly directed.

- **Widen access**
  In addition to limited funds, the greatest limitation on aid over the past two decades has been the lack of access to vulnerable populations, particularly, in conflict-affected areas in Kayin and Kayah states and Tanintharyi division. It is imperative that these areas are opened up to humanitarian agencies. In the meantime, the aid community must find other ways of getting aid into these areas, through local organisations or cross-border operations.

- **Protect the independence of aid operations**
  While recognising the government’s legitimate interest in overseeing and coordinating national development efforts, aid agencies must insist on operational independence, including in the hiring of staff and in identifying, formulating and executing programs.

- **Ensure transparency and accountability**
  To minimise the diversion of aid through corruption or for political reasons, particularly as aid flows increase, aid agencies must provide – and require – transparency and accountability. As with access and independence, this is not a matter of insisting upon impossible ideals as a precondition for aid, but of working towards them.

- **Protect local staff and partners**
  National staff and partners play a central role in executing many sensitive projects. In a country where even minor infractions can lead to lengthy jail sentences or worse, it is imperative that international agencies stand behind their Myanmar partners and staff should they get into trouble with the authorities.

- **Include the beneficiaries in all stages of the aid process**
  The Myanmar people are used to being ignored in decisions which affect their lives. The beneficiaries should be included in project planning and implementation, not only to ensure the relevance and effectiveness of aid projects, but also to empower communities and build capacity.
3. Coordination

A Myanmar Aid Consortium including all major bilateral donors, aid agencies and the multilateral institutions should be established to improve strategy, coordination, fundraising and monitoring of aid. A special monitoring unit should be attached to investigate credible claims of manipulation or misappropriation of aid.

Major donors should establish country offices in Yangon to improve coordination and oversight and move implementation decisions closer to the ground.

Finally, donors and aid agencies should work with the government to establish a formal mechanism for negotiating general principles for aid operations, including regular high-level donor-to-government consultations. Typical of the Myanmar civil service, the administration of aid suffers from a lack of clear and uniform procedures, authority is divided among numerous ministries and committees (not to mention local authorities) and often is not clear. Long delays are the norm. Short of major administrative reforms, this requires a clear and authoritative contact point for aid agencies, as well as a political channel which can be used when necessary to cut through the bureaucracy.

VII. CONCLUSION

While most Western governments today acknowledge the failure of their efforts to bring about regime change in Myanmar, they have yet to restructure their aid to fit the new realities. It is hard to shift policy in the face of popular opposition to engagement with a regime that continues to make headlines for its brutal behaviour. The possibility of alleviating the slow-burning humanitarian crisis and supporting a more gradual change process has not captured the popular imagination. As a U.S. official remarked, “sanctions may not work, but at least we are on the right side”.\footnote{Crisis Group interview, Yangon, January 2002.} But that is not the point: Myanmar’s people need the world’s help.

Crisis Group in its January report outlined a comprehensive, medium-to-long-term strategy for resolving the multiple, interlinked crises in Myanmar. This multi-level, multi-track approach remains the most sensible. No one of Myanmar’s problems – social, political or economic – can be solved on its own. Crisis Group has, however, been calling since 2002 for a substantial expansion of aid to help the people survive their bad government and build the basis for a better future. It is time now to act.

The disaster caused by cyclone Nargis has temporarily challenged old notions and provided a catalyst for action. But the rationale for stepping up aid goes far beyond the immediate crisis. Communities across the country face a complex humanitarian emergency that is deepening year by year with disastrous consequences for the social fabric of the country. Meanwhile, the country is losing its capacity to deal with this developmental crisis. The country’s long-term future is at stake, including the prospects for peace and democracy.

For twenty years, Western donors, commentators and human rights groups have treated aid as if it were a gift to the regime. To “deserve” it, they insist, the government must first undertake political reform; it must increase its investment in social services; it must allow aid agencies unfettered access. But that is the wrong paradigm. The regime itself, as distinct from the country’s people, does not particularly want or need Western aid. Thus, aid cannot be used as a bargaining chip, but should be seen as an instrument valuable in its own right for improving governance and promoting socio-economic change. It should be provided based on the same criteria as for other least developed countries.

The operational constraints remain serious. They are, however, more effectively dealt with through quiet
negotiations by donors and implementing agencies on the ground than through shrill public demands and megaphone diplomacy. As many aid officials emphasise, although the operational environment in Myanmar is difficult, it does not differ fundamentally from that in many other weak states. What is exceptional is the politicisation of aid by donors and political constituencies, which greatly compounds the difficulties of dealing with the government and further restricts aid work on the ground.

Aid will not save Myanmar. Yet, because of the limited social, political and economic links between Myanmar and the outside world, aid has assumed unusual strategic importance as an arena of interaction among the government, Myanmar society and the outside world. Indeed, considering the failure of twenty years of isolation, a normalisation of aid relations may present the best available opportunity for the international community to promote change in Myanmar.

Yangon/Brussels, 20 October 2008
APPENDIX B

MYANMAR: CYCLONE NARGIS – FLOODED AREAS AND AFFECTED POPULATION

Map provided courtesy of the ReliefWeb Map Centre,
UN Office for the Coordination of Humanitarian Affairs
APPENDIX C

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 135 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group’s approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes CrisisWatch, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group’s reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is co-chaired by the former European Commissioner for External Relations Christopher Patten and former U.S. Ambassador Thomas Pickering. Its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

Crisis Group’s international headquarters are in Brussels, with advocacy offices in Washington DC (where it is based as a legal entity), New York, London and Moscow. The organisation currently operates eleven regional offices (in Bishkek, Bogotá, Cairo, Dakar, Islamabad, Istanbul, Jakarta, Nairobi, Pristina, Seoul and Tbilisi) and has local field representation in sixteen additional locations (Abuja, Baku, Bangkok, Beirut, Belgrade, Colombo, Damascus, Dili, Dushanbe, Jerusalem, Kabul, Kathmandu, Kinshasa, Port-au-Prince, Pretoria and Tehran). Crisis Group currently covers some 60 areas of actual or potential conflict across four continents. In Africa, this includes Burundi, Central African Republic, Chad, Côte d’Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Kenya, Liberia, Rwanda, Sierra Leone, Somalia, Sudan, Uganda and Zimbabwe; in Asia, Afghanistan, Bangladesh, Indonesia, Kashmir, Kazakhstan, Kyrgyzstan, Myanmar/ Burma, Nepal, North Korea, Pakistan, Philippines, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Turkmenistan and Uzbekistan; in Europe, Armenia, Azerbaijan, Bosnia and Herzegovina, Cyprus, Georgia, Kosovo and Turkey; in the Middle East, the whole region from North Africa to Iran; and in Latin America, Colombia, the rest of the Andean region and Haiti.

Crisis Group raises funds from governments, charitable foundations, companies and individual donors. The following governmental departments and agencies currently provide funding: Australian Agency for International Development, Australian Department of Foreign Affairs and Trade, Austrian Development Agency, Belgian Ministry of Foreign Affairs, Canadian International Development Agency, Canadian International Development and Research Centre, Foreign Affairs and International Trade Canada, Czech Ministry of Foreign Affairs, Royal Danish Ministry of Foreign Affairs, Dutch Ministry of Foreign Affairs, Finnish Ministry of Foreign Affairs, French Ministry of Foreign Affairs, German Federal Foreign Office, Irish Aid, Principality of Liechtenstein, Luxembourg Ministry of Foreign Affairs, New Zealand Agency for International Development, Royal Norwegian Ministry of Foreign Affairs, Qatar, Swedish Ministry for Foreign Affairs, Swiss Federal Department of Foreign Affairs, Turkish Ministry of Foreign Affairs, United Arab Emirates Ministry of Foreign Affairs, United Kingdom Department for International Development, United Kingdom Economic and Social Research Council, U.S. Agency for International Development.


October 2008
APPENDIX D

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CENTRAL ASIA

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