



Scoping and Contextual Overview

Current and Emerging Development Trends in Myanmar / Burma



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1. Introduction

Ratio International is a development consulting company based in Asia that focuses on the core areas of aid effectiveness, peacebuilding and governance. In April 2013, Ratio staff undertook a six-day scoping mission to Yangon with the following objectives: (1) gather perspectives on the recent socio-political changes in Myanmar and the impact this has had on current and emerging development trends in the country, and 2) consider if there was an appropriate role that Ratio can play in the country's development. A key focus was placed on perceptions relating to aid effectiveness, conflict sensitivity programming, and national ownership of development processes. Within these three areas of focus, certain programming and implementation challenges and gaps also emerged.

This report is based on a series of meetings held with representatives of multi-lateral and bi-lateral funding agencies, INGOs, NGOs and national consulting companies. The perspectives shared during these meetings are complemented by a short desk review including academic, journalistic and development-related material. Unless otherwise indicated, observations in this report emerged during meetings, all of which were conducted under Chatham House Rules.

This is a perspective-led overview and as such can only reasonably highlight the more prevalent trends identified in the small sample of meetings and literature. Where relevant, comparisons are made to other international development contexts and scenarios.

2. Current and Emerging Development Trends

Humanitarian and development programming

Cyclone Nargis brought a significant shift in aid programming in May 2008. International response to the event involved a large influx of INGOs into the country, initially responding to the humanitarian crisis in the Irrawaddy Delta. Although prominent INGOs, such as Save the Children and CARE, were already established in the country, many more joined their ranks. In 2008, the number of INGOs increased from around 40 to 100. At a conservative estimate (Myanmar Management Unit), there are now 87 INGOs operating in the country (excluding those providing assistance from the Thai side of the border).

Nargis served to open up humanitarian space and although country-office portfolios have diversified after the initial response, the cyclone has left a significant legacy for programming in Myanmar. The greater number of aid agencies has fuelled demand and competition for experienced staff, with some longer-standing INGO programmes losing staff to higher-paid jobs. There has been a primacy placed on humanitarian and needs-based programming, which is understandable given that Burma is one of the largest and poorest countries in Southeast Asia: 26 percent of the population are living below the national poverty line, more than one-third of child deaths are due to under-nutrition, 35 percent of children under five are stunted or short for their age, and an estimated 17 percent of households are

“President Thein Sein’s inaugural address delivered on March 30 2011 sketched out a vision of political and economic reform that seemed hopelessly progressive, but in less than a year, his Government produced enough positive results to get most of the Western sanctions suspended or removed to make Myanmar the number one ‘frontier country’ in the world.”

(Nathan Associates Inc)

food-insecure.¹ It is understood that given political sensitivities of working in the country, some donors have been more comfortable funding humanitarian and emergency response work rather than longer-term development programming that seeks to address more systemic and underlying causes of inequality.

The socio-political and economic changes heralded by the Thein Sein Government have encouraged donors to fund more transformative and longer-term development initiatives. This trend is starting to be evinced in (I)NGOs by more diversified programming portfolios, including stronger linkages between humanitarian and development interventions and longer-term development programming which aims to address underlying causes of poverty and exclusion. There is a noticeable upward trend of projects addressing sensitive issues such as land rights and rights of marginalised groups, for example sex-workers. Most of the INGOs spoken to highlighted their focus on working with ethnic groups and in border areas. The delicate nature of this work in fragile contexts requires rigorous analysis and planning in order to implement activities that are conflict sensitive and do not exacerbate community tensions.

While there is an important debate taking place regarding the best ways to coordinate and deliver Official Development Assistance in Myanmar, it is also important to be aware of and responsive to the effects of a dramatic influx of foreign capital. A recent report anticipated that for every dollar of foreign aid that will be spent in Myanmar, another nine can be expected to arrive in the form of business investment.² This highlights the importance of engaging the private sector with programs to encourage the uptake of CSR principles, ensure safe working environments and equitable access to employment opportunities, and avoid the irresponsible disruption of local communities.

Working with and through the Government

Traditionally, donors and their implementing partners deliberately bypassed the government for political reasons. The LIFT fund is an example of a mechanism designed in part to allow livelihoods and food security programming independent of national agencies. Now, with the lifting of most sanctions on Myanmar, donor agencies are looking for ways to work with and through the government, and this shift toward greater engagement is being reciprocated. At a national level, this is reflected in the Naypyidaw Accord for Effective Development Cooperation, which was signed in January 2013 after the government hosted the Myanmar Development Cooperation Forum for the first time. The national Strategic Development Plan was also developed in conjunction with development partners, and this offers an opportunity for the alignment of aid flows within agreed national priorities. At a local level, NGOs reported much better access to government officials and a better relationship with them overall.

This all means that state actors will become an increasingly important nexus point for international development activities. However, the scaling up of this engagement is already presenting challenges, with government officials reportedly overwhelmed with meeting requests and language issues reducing the quality of dialogue. A similar phenomenon has been observed in South Sudan, with a post-

¹ March 2007, 2013: <http://www.usaid.gov/burma/our-work/food-security>

² Lex Rieffel and James W. Fox, "Too Much, Too Soon? The Dilemma of Foreign Aid to Burma/Myanmar" (Nathan & Associates Inc: March 2013), 6.

independence influx of aid-sector personnel devouring government time and capacity. In South Sudan, this situation is leading to a nascent backlash by the Government in terms of placing stricter controls on international aid agencies and initiating “closed door” development discussions.

The issue of the capacity of the Government of Myanmar is also prominent, given the relative isolation of bureaucrats in recent decades. One multilateral agency explained that the newly developed country strategy contains a large component of capacity building for selected national ministries. It should also be noted that government isolation has not been total—Singapore has a long record of training Burmese officials, as do other ASEAN nations. This is indicative of the fact that so-called “emerging donors” have been constantly engaged in Myanmar while “traditional donors” have been hindered by sanctions and political constraints.

Access

Accessing regional Myanmar has always been a major challenge for development organisations. Traditionally, an MoU with a government ministry is required as a starting point, with continued and lengthy bureaucratic procedures required, especially for a foreign national to visit a project site. This has sometimes presented a Catch 22, whereby the government demands to see secured funding before signing an MoU, while donors want to see an MOU or on-the-ground implementation experience before agreeing to fund a project. However, some organisations have been able to work under-the-radar in certain areas. By and large these challenges remain, although there are some signs of a relaxing of control. For example, some INGOs are now able to receive approval through state-level government departments much quicker than they could have at the national level. National staff and NGOs fare better in this regard, but their freedom of movement is far from complete. Currently, approximately half of the country requires some kind of permit to visit or is absolutely prohibited. Looking ahead, a general easing of access restrictions can be anticipated in line with ongoing reforms, but this is not guaranteed and will likely vary from region to region.

3. Identified gaps and challenges

Monitoring and Evaluation

In part because of the access restrictions described above, monitoring and evaluation continues to be a significant challenge for development organisations in Myanmar. This has led to the use of “compromise approaches” such as “remote evaluation.” Technical capacity among implementing partners also contributes to the M&E challenge, with focused capacity building still required among many. Meanwhile, some larger organisations, CARE for example, are moving forward from activity tracking to outcome mapping. This transition is clearly desirable in terms of global best practices.

NGOs, CSOs and CBOs

The relationship between local and international NGOs and other community-based organisations in Myanmar is complex and changing. International programs in Myanmar have been marked by a high degree of direct implementation, implicitly recognising fears about the neutrality and capacity of local

implementers. Meanwhile, some large local NGOs have emerged with high-functioning decentralised operating models that place them in a strong position to implement nationwide community-level projects.

There were some notable differences in discourse between local and international NGOs in Myanmar, which are not unusual to developmental contexts. A local NGO expressed some concern about the proportion of money available for INGOs in Myanmar, noting that they expect their programs to remain relatively stable in coming years, despite the expected influx of new funding. National organisations with whom we met tended to note the cost-bases of INGOs and their presence in Yangon, where they then “filter” money down to local organisations. However, fears regarding capacity, particularly in terms of financial management, pose a challenge for donors and INGOs—many of which expressed a real desire to deepen their relationships with local partners. Toward this end, Sagawa Development Consultancy has been established to provide organisational development support to local organisations, with the goal of enabling them to increasingly connect in a meaningful way with donors and in genuine partnerships with INGOs. As a recent study highlighted, “INGOs must find better ways of mitigating power asymmetries between themselves and local NGOs, and of investing in grassroots capacity building even when funding cycles are short-term.”³

Roles and relationships will continue to be renegotiated over the coming years. Already, as one person said, there are more local NGOs “with their heads above the parapet” when it comes to engaging with issues that have been considered as politically sensitive in Myanmar. Increasing degrees of partnership and new approaches can also have inadvertent effects—one person observed that a trend towards funding networks has had the unintended consequence of making them more “rigid” and hierarchical. This speaks to a need to develop strategic and grantee partnership strategies that reflect the realities of the civil society organisations and NGOs in the country.

Catching up with the context

Given the rapidly changing situation in Myanmar, it is a challenge for all involved to keep up-to-date in terms of their programming and outlook. Some organisations noted that events in Myanmar were outrunning their existing strategies. This demonstrates a need for flexible and responsive strategic plans and tools, such as Theory of Change models that can be used to test and guide program initiatives in an iterative manner.

Conflict Sensitivity

Conflict is taking place across Myanmar and on a variety of fault-lines. The long running and more recent outbursts are, to some extent, muddying the waters in regard to the concept of working *in*, *on* and *around* conflict. There are explicit peacebuilding activities throughout the country focusing on issues such as community-level conflict resolution or support to ceasefire processes more generally, such as the Norwegian-led Peace Support Initiative. However, it seems to be only recently that international aid

³ Soubhik Ronnie Saha, “Working Through Ambiguity: International NGOs in Myanmar” (The Hauser Center for Nonprofit Organizations, Harvard University: September 2011), 1.

agencies have paid close attention to conflict-sensitivity principles and do-no-harm as the first principle for engaging in fragile states. This trend has been in part due to the attention that has been drawn to the spectre of communal conflict, which in Rakhine has resulted in a major humanitarian mobilisation. The violence in Rakhine has been a galvanising reminder of the need to include conflict-sensitivity principles across all activities in Myanmar, not just those that deal directly with identified conflict scenarios. This is further underlined by sporadic outbreaks elsewhere and the increasing visibility of a religiously-based nationalist movement.

This growing recognition of the need for conflict sensitivity and do-no-harm is reflected in the fact that the LIFT-fund donors agreed at a recent board meeting that all new projects must include these components at both the planning and monitoring phases. UNOPS is also recruiting a full-time officer to work on issues surrounding conflict sensitivity for the LIFT fund. A major new program involving several large INGOs in Rakhine is also integrating conflict sensitivity and do-no-harm principles, while experts from CARE UK have also been in Myanmar recently conducting training on the subject. It is important to note that all staff need an understanding of conflict sensitivity principles and that it is not only an elite-level planning tool. This also links back to the capacity issue identified among potential local partners, who in many cases are responsible for implementation.

Many INGOs in Myanmar want to work with the nation's ethnic groups, who are understood to be among the most marginalised and, sometimes, conflict-affected. This brings a separate suite of challenges with regard to working on issues of inclusion and exclusion. For example, in Nepal, a determined international focus on inclusion of traditionally marginalised groups (such as *Janajatis* – ethnic minorities, and *Dalits* – lower castes) created resentment among traditionally dominant groups, such as the upper-caste Brahmin-Chhetri. In some cases this has led to community tensions. In other instances in Nepal, some development partners' impartiality has been publicly called into question through their support of radicalising ethnic federations. Choosing the right partnerships, particularly as space opens up for a greater advocacy role of civil society, will be of critical importance in the forthcoming months in Myanmar. Of equal importance will be the emphasis that is placed on inclusion rather than exclusion in programming. More broadly, organisational approaches, such as SDC's Conflict Sensitive Program Management system, offer holistic ways to ensure an organisational, rather than simply program or project-level, approach to conflict sensitivity.

Conflict sensitivity at a macro development level is also an issue to be considered in the current context in Myanmar. There are international examples, such as Afghanistan post 2004, where rapidly increasing aid flows resulted in harmful competition for resources and fuelled corruption and nonreciprocal aid patterns. Some people in Myanmar seem resigned to the fact that the coming years will involve harmful aid practices, with a recent report observing that, "This concern was hammered home when the country representative of a leading donor bluntly stated in January 2013: 'we will do damage.'"⁴ However, other people in Yangon were more hopeful, pointing out that the huge amount of need in Myanmar meant that there was room for everybody and the potential for significant positive development, if it is planned and executed in a considered manner and starting from the context.

⁴ Ibid 23.

Reengagement

This all presents a potent challenge to the ongoing process of reengagement in Myanmar. Many previously-excluded organisations and donors are now re-established in Myanmar and “learning by doing,” which increases the potential for negative outcomes. A recent report by Nathan Associates indicates that aid absorption will be challenging: “our interviews yielded ample evidence that the flow of foreign aid to Myanmar is likely to be greater than Myanmar’s capacity to absorb it.”⁵ The reengagement process is also hampered by a significant lack of data on Myanmar—LIFT has tried to ameliorate this by sharing all of their baseline information on its website.

4. Conclusion

Overall, we found reasons for both hope and concern in Myanmar. Many people that we spoke to believe that there is an overwhelming need for a broad spectrum of development and private sector input, and that the political reforms thus far have been beneficial. However, we also believe that serious dangers exist for harmful impacts to occur as a result of aid and development practices, especially considering the delicate and diverse circumstances to be found in the country.

In terms of Ratio International’s engagement in Myanmar, we did identify certain needs that correlated closely with our expertise. Most notably, these were in the fields of conflict sensitive and do-no-harm programming, strategic planning, and context analyses. Thus, our approach will be to remain engaged and responsive to opportunities that fall within our scope of services.

We welcome any feedback on this report and the issues it raises:
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⁵ Lex Rieffel and James W. Fox, “Too Much, Too Soon? The Dilemma of Foreign Aid to Burma/Myanmar” (Nathan & Associates Inc: March 2013), 6.