

Burma Campaign Australia (BCA) is the national campaign organisation on Burma and works for democracy and human rights in Burma. BCA's submission focuses on AusAID's program to Burma, however, this critique may also have a wider impact on AusAID's work.

AusAID's current spending on Burma is just over 1% of Australia's aid budget.<sup>1</sup> In the 2010-2011 financial year AusAID's Burma program budget is \$48.6 million.<sup>2</sup> Australia provides Burma with \$0.93 per capita in aid, based on the 2010-2011 Burma program budget.<sup>3</sup> AusAID program will increase to \$50 million per year, by 2013, which is a 67% increase from 2009-2010 financial year.<sup>4</sup>

Burma Campaign Australia applauds AusAID for not providing bilateral aid to Burma given the ongoing political situation of the country. Elections in Burma and the release of democracy leader Aung San Suu Kyi in late 2010 have not lead to any improvements in the political, social or economic situation, and the military remains in control of the country.

### Geographical focus

AusAID's aid program to Burma has a limited geographical scope. Due to this limitation AusAID's program fails to reach the most vulnerable and in need in Burma – internally displaced persons and other vulnerable populations located along Burma's borders.

The Burmese military regime imposes a number of restrictions on aid organisations and aid workers in Burma, including aid workers needing authorisation to leave Rangoon and limitations on areas of the country aid workers can access. These restrictions prevent aid organisations accessing internally displaced persons and other vulnerable populations along Burma's borders, where the need amongst these communities is proportionally higher than in Burma.

For example, 13.8 % of children in eastern Burma die before their fifth birthday, which is nearly double Burma's national average of one in 7.1%<sup>5</sup> and one in 1 in 138 women in eastern Burma die from pregnancy of child birth,<sup>6</sup> a rate 3 times higher than the national average of one in 417.<sup>7</sup> In 2007/2008/2009 villagers in Chin State, western Burma, were severely affected by a food crisis and by 2008, 1 in 5 people (20%) in Chin State were facing severe food shortages.<sup>8</sup> The Regional Director of the United Nations World Food Program (WFP) has estimated that 10% of Burma's population do not have enough food to eat. In 2003 that the national average for primary schools was one school for every two villages<sup>9</sup>; however, this ration rose to one school for every 25 villages in eastern Burma.<sup>10</sup> Across Burma it is estimated that nearly one million people are internally displaced, 446,000 of those are in eastern Burma alone.<sup>11</sup>

These populations can only be reached via cross border aid, which is explained later in this paper.

<sup>1</sup> This excludes aid to Cyclone Nargis and Rohingya and based on AusAID's 2010-2011 budget of \$4.3 billion taken from AusAID's website, <http://www.ausaid.gov.au/makediff/default.cfm>

<sup>2</sup> Burma, AusAID, December 24 2010 <http://www.ausaid.gov.au/country/country.cfm?CountryID=8493641&Region=EastAsia>

<sup>3</sup> Burma's population is 52 million

<sup>4</sup> Ministerial Statement on Burma, Stephen Smith, February 8 2010,

[http://www.ausaid.gov.au/media/release.cfm?BC=Speech&ID=4023\\_7267\\_6332\\_1366\\_4075](http://www.ausaid.gov.au/media/release.cfm?BC=Speech&ID=4023_7267_6332_1366_4075)

<sup>5</sup> Diagnosis: Critical – Health and Human Rights in Eastern Burma, Consortium of border based health organisations, October 2010

<sup>6</sup> Diagnosis: Critical – Health and Human Rights in Eastern Burma, Consortium of border based health organisations, October 2010

<sup>7</sup> Diagnosis: Critical – Health and Human Rights in Eastern Burma, Consortium of border based health organisations, October 2010

<sup>8</sup> Food crisis deepens in Chin State, The Irrawaddy, October 8 2008, [http://www.irrawaddy.org/article.php?art\\_id=14410](http://www.irrawaddy.org/article.php?art_id=14410)

<sup>9</sup> Growing up under the Burmese dictatorship, ICFTU, August 2003 [http://www.icftu.org/www/PDF/report\\_burmachildren\\_2003.pdf](http://www.icftu.org/www/PDF/report_burmachildren_2003.pdf)

<sup>10</sup> A dangerous journey to get to school, Burma Issues, July 2005 <http://www.burmaisues.org/En/Newsletter/BINews2005-07-01.html>

<sup>11</sup> Protracted Displacement and Chronic Poverty in Eastern Burma/Myanmar, Thailand Burma Border Consortium, 2010



Despite this higher proportion of need AusAID does not fund cross border aid which can reach these people in most need.

### Sectoral focus

AusAID's Burma program primarily focuses alleviating humanitarian needs, with emphasis on three areas:

1. Health (this includes water and sanitation)
2. Education
3. Livelihoods (food security and agricultural assistance)

Funding should be allocated to not only alleviating humanitarian needs, but addressing the need for aid. The main cause of the humanitarian crisis in Burma has been the lack of an accountable, democratic government and the rule of the totalitarian military junta.

Whilst the military junta remains in power in Burma the humanitarian crisis will continue for three reasons:

1. The actions of the military regime continuously undermine the civilian population of Burma's ability to improve their basic security, directly exacerbating the country's humanitarian crisis. For example the Burmese army's actions of destroying villagers food stores directly impacts on villager's source of food and income. This is only one example.
2. The military regime prevents aid from reaching vulnerable populations in Burma's border areas. These restrictions undermines many aid programs particularly those that focus on public health, as it severely limits the geographical scope of programs and this exclusion negatively impacts on the program's overall effectiveness.
3. The military regime's continuing refusal to adequately fund basic public services which would improve the country's humanitarian crisis situation. Associate Professor of Economics at Macquarie University Dr Sean Turnell recently estimated Burma's international reserves at over \$5 billion.<sup>12</sup> Arguably, if the political will were present, these resources could be used to address the country's humanitarian crisis and effectively alleviate its direst needs. However the military regime continues to rely on the international community to provide humanitarian aid.

Burma Campaign Australia recommends that a human rights and democracy fund be established, as a part of AusAID's program to Burma. Burma Campaign Australia recommends that funding through such an initiative be limited to civil society groups and that funding is earmarked for human rights and democracy projects in Burma and for those run by Burmese Diaspora communities.

### Relative costs and benefits from different forms of aid

AusAID's Burma program provides aid to Burma via Rangoon based aid<sup>13</sup> and aid to Burmese refugee communities living in neighbouring countries.<sup>14</sup>

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<sup>12</sup> Burma Isn't Broke, The Wall Street Journal, August 6 2009 <http://online.wsj.com/article/SB10001424052970204313604574329181770155154.html>

<sup>13</sup> Rangoon-based aid is the term given to aid channelled through Rangoon. Aid organisations based in or working with organisations in Rangoon which is used as a base to then distribute to other parts of the country. This aid delivery method has a number of severe limitations imposed upon it by the Burmese military dictatorship, particularly in relation to which areas of the country aid and aid workers can access, this includes natural disaster zones such as areas affected by Cyclone Nargis. Aid workers require travel permits, issued by authorities, to leave Rangoon.

<sup>14</sup> This is the term used to describe aid to refugee communities from Burma living in neighbouring countries. Thailand, India, Bangladesh and Malaysia all have sizeable Burmese refugee communities. The treatment of and restrictions placed on these communities varies from country to country, however, none of these countries are a signatory to the UN Refugee Convention. Often aid to these communities is confused with aid to internally displaced persons. This aid only reaches individuals and communities who have crossed an internationally recognised border.



Burma Campaign Australia recommends that AusAID utilises another aid delivery mechanism: cross border aid. This is the term used to describe aid delivered from neighbouring countries to communities in Burma's border areas. The needs of communities along these border areas are significant and predominantly greater than those of other communities in Burma. Due to restrictions on aid and aid workers these large populations cannot be reached by Rangoon-based aid, however, they can be reached via cross border aid. In eastern Burma 2.5 million extremely vulnerable people can only be reached via cross border aid.

The cost of not complementing Australia's existing aid program with cross border aid is high. By limiting where Australia's aid is delivered and excluding the most needy, AusAID is not responding to Burma's humanitarian needs. AusAID's website states: "*Australia has for many years sought to help the Burmese people through a program of humanitarian assistance targeting Burma's poor and most vulnerable.*"<sup>15</sup> Burma Campaign Australia is concerned that this is not happening as AusAID does not fund cross border aid, which excludes the most vulnerable and most in need of health care, education and improved livelihoods from receiving Australian aid. Until this is rectified, BCA is concerned that AusAID's program to Burma will fail to achieve its own goals. These priorities could be easily met if AusAID utilised all available aid channels, including cross border aid.

Furthermore not providing cross border assistance to Burma undermines the effectiveness of AusAID's program. For example addressing infectious disease in Burma is a part of AusAID's Burma program. Burma has a very high Malaria rate, and the rate of infection amongst populations in eastern Burma is much higher than the national average. A recent study supported by Global Health Access Program and the Centre for Public Health and Human Rights at John Hopkins Bloomberg School of Public Health, found that 1 in 14 women in eastern Burma had Plasmodium falciparum, the most dangerous type of Malaria and that Malaria accounted for nearly a quarter of all deaths in eastern Burma.<sup>16</sup> This population can only be reached via cross border aid, and Australia does not fund Malaria prevention or treatment programs that reach these communities. Until the malaria situation in eastern Burma is address, it will continue to undermine efforts to reduce infection rates in Burma, as it has done in Thailand. Thailand's Tak province, which abuts Karen State in eastern Burma, consistently has the highest rate of Malaria in the country, with over 8,260 cases in 2009. Over 62% of Malaria cases in the ten provinces in Thailand that have the highest number of malaria diagnosis in 2009 come from 3 provinces that border Burma. Efforts to prevent Malaria are very cheap and very effective, but only if they cover all areas and extra efforts are made in areas where there is a high prevalence of the disease.

Burma Campaign Australia is concerned that Australia maybe in violation of its commitment to the Principles and Good Practices of Humanitarian Donorship. Australia endorsed these principles in Stockholm on 17 June 2003.<sup>17</sup> Article Six of the Principles reads: *Allocate humanitarian funding in proportion to needs and on the basis of needs assessment.* In endorsing the principles AusAID is accountable for compatible policy formation, and has a responsibility to deliver aid programs in proportion to the existing need. The proportion of need for humanitarian assistance along Burma's border is amongst the highest in Burma; however, AusAID does not provide aid to these communities. Burma Campaign Australia is concerned that until AusAID provides aid to communities along Burma's border areas Australia maybe in violation of this international commitment.

While the costs of not funding cross border aid are high, the benefits gained from including cross border aid in AusAID's Burma program are significant. Leading donor countries have found that a result of providing Rangoon based-aid, cross border aid and aid to Burmese refugee communities living in neighbouring countries is that their

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<sup>15</sup> Burma, AusAID, December 24 2010 <http://www.ausaid.gov.au/country/country.cfm?CountryID=8493641&Region=EastAsia>

<sup>16</sup> Diagnosis: Critical – Health and Human Rights in Eastern Burma, Consortium of border based health organisations, October 2010

<sup>17</sup> Good Humanitarian Donorship Website, for further information see [http://www.goodhumanitariandonorship.org/documents/australian\\_humanitarian\\_policy.pdf](http://www.goodhumanitariandonorship.org/documents/australian_humanitarian_policy.pdf)



aid program to Burma are more holistic and their approach is more strategic. A change to AusAID's policy on cross border aid is likely to have the same positive impact.

Australia's inclusion of aid to Burma's border regions within its aid program would also strengthen existing multilateral aid efforts in eastern Burma, ensuring they target the most vulnerable in keeping with the principles of good humanitarian donor activity. By using complementary aid mechanisms Australia would achieve its goal of a strategic and comprehensive aid program for Burma. Most first world aid-supplying countries fund cross-border aid and see it as vital to their work inside the country. The support for this mechanism suggests that humanitarian assistance to Burma's border regions via cross border aid is an internationally accepted aid delivery channel. Countries that support cross-border aid include:

- UK
- Canada
- US
- Netherlands
- Spain
- Ireland
- Norway
- Denmark

Moreover, in 2007 the Department for International Development UK (DfID) underwent a public policy change. This arose from an International Development Committee report for the House of Commons. The Eleventh Special Report of 2006-7 Session of the UK House of Commons stated "It (cross border aid) is the only way to reach IDPs<sup>18</sup> in several of Burma's conflict-affected states and we believe that it can provide a cost-efficient and flexible way of delivering emergency relief where no other options exist".<sup>19</sup> This inquiry into the policy of DfID found that supporting aid both within the country via Rangoon and cross-border was a strategic move to address poverty, displacement and other humanitarian goals - ensuring a comprehensive approach to aid to Burma was taken and funding programs in eastern Burma commenced. There were no adverse effects on DfID's operations in Burma following this very public policy change.

Burma Campaign Australia recommends that AusAID adopt a similar policy and fund cross border aid to Burma.

### Transparency and Accountability

Burma is one of the most corrupt countries according to Transparency International. In 2010 Burma tied with Afghanistan as the second most corrupt country in the world; Somalia was the most corrupt.<sup>20</sup> Given the level of corruption in Burma, aid programs need to meet the highest level of openness, transparency and accountability.

Burma Campaign Australia is concerned that AusAID's Burma program is not being carried out in line with the process and procedures of other country programs, leading to concerns about transparency and accountability. These concerns can easily be alleviated with increased public disclosure on AusAID's Burma program.

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<sup>18</sup> Internally displaced persons have been forced from their home by the Burmese army; living in the jungle with little or no shelter. IDPs only have the food, clothing and belongings they can carry with them when they flee their villages, sometimes with so little warning that they flee with only the clothes they are wearing.

<sup>19</sup> DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai- Burma Border: Responses to the Committee's Tenth Report of Session 2006-07, UK House of Commons <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmintdev/1070/1070.pdf>

<sup>20</sup> Corruption Perceptions Index 2010, Transparency International, 2010, [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2010/in\\_detail](http://www.transparency.org/policy_research/surveys_indices/cpi/2010/in_detail)



## Transparency

Most aid programs work to a country strategy that is publicly available and is renewed every 5 years. AusAID's Burma program has been without such a document for a number of years. AusAID is currently in the process of drafting a country strategy, and in December 2010 released an interim strategy that will be finalised by mid-2011. However in February 2010 then Foreign Minister Stephen Smith announced a significant aid increase to Burma, from \$29 million to \$50 million in the next three years. In the May 2010 budget, the Burma aid program received \$48.6 million. Burma Campaign Australia believes that much of the Burma program budget has already been allocated, however, this was done without the guidance of a country strategy or the interim strategy. Burma Campaign Australia raises the concern that it may have been more strategic to draft the Burma country strategy first, as to ensure funding was allocated to projects in line with the strategic objectives of the program, rather than drafting the strategy after the Burma program funding allocations have been made.

The interim strategy states that it "will be subject to further consultation with key stakeholders across Australia and internationally. These consultations will include Australian and international non-government organisations, multilateral and regional organisations, other donors, and key advocates in Burma".<sup>21</sup> AusAID is yet to make it clear how they will engage with various stakeholders before this document is completed, the process by which consultation will be carried out, who will be invited to participate in the consultation or if it is an open process. Burma Campaign Australia believes that such a process should be open and public where any individuals or groups can make a submission on Australia's aid policy to Burma and recommends that AusAID establishes such a process.

Burma Campaign Australia is also concerned about the lack of transparency in the funding cycle for projects in Burma. Procedural matters around funding allocation should be made public, such as when project tenders are called, the process around assessment of project tenders, evaluation criteria, etc. Currently it is unclear whether the tendering process is competitive. This should be clarified and if the process is not competitive, an explanation should be given.

Burma Campaign Australia makes the same recommendations regarding the processes that multilateral organisations, scholarship, technical advice, and other elements of AusAID's Burma program undergo to receive funding from AusAID. BCA believes this will improve transparency.

Burma Campaign Australia also recommends that AusAID continues publishing successful tenders and the amount received from AusAID on their website. This is currently done, however the process could be strengthened by also publishing a year allocation chart, wherein all tenders and grants to non-governmental organisations, multilateral organisations, scholarships, AusAID administration costs etc. made in one financial year under the Burma aid program is made public.

## Accountability

Burma Campaign Australia applauds AusAID on its strong commitment to aid accountability. BCA hopes that AusAID continues to monitor and evaluate aid programs based on outcomes and achievements for individual projects and the whole Burma program. BCA recommends that AusAID make public the impact of the Burma program, in addition to the achievements.

Burma Campaign Australia applauds AusAID on the strict process that aid organisations go through to receive AusAID accreditation. BCA encourages AusAID to maintain this process, and to publicly state where funding is given to non-accredited organisations, why funding has been granted to non-accredited organisations and what additional monitoring and evaluation requirements are placed these organisations.

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<sup>21</sup> Australia's strategic approach to aid in Burma: An interim statement, AusAID, December 2010



Burma Campaign Australia also recommends that an aid and development sub-committee, under the Joint Committee on Foreign Affairs, Trade and Defence, be established, in an effort to improve accountability of the aid program. Currently no parliamentary committee or sub-committee exists that focuses on aid and development issues.

### **Australia's policy on trade and investment in Burma should be consistent with the promotion of poverty alleviation, gender equality and sustainable development**

Unconditional foreign investment in Burma reduces any incentive for the regime to implement urgently needed reforms that would significantly improve the humanitarian crisis. Moreover, trade and investment, particularly those related to the extraction of natural resources, have been directly linked to human rights violations in Burma, and in turn has undermined people's livelihoods and their ability to sustain themselves and their families.

In his report to the UN Human Rights Council, the UN Special Rapporteur on the human rights situation in Burma/Myanmar Tomas Ojea Quintana said: "The depletion of natural resources is of concern, as is the relationship between extractive industries and a vast array of human rights violations...extraction activities have directly resulted in an increase in human rights and environmental abuses committed by the military against the people living along PTT Exploration and Production Public Company's Yadana and Yetagun gas pipeline project in the Tenasserim region of Myanmar. Reports highlight the close relationship between the extraction companies and the armed forces." There are very little, if any, positive impacts from these projects for communities, however such projects leave communities more vulnerable and disempowered than before.

Burma Campaign Australia supports targeted trade and investment sanctions against Burma particularly those that focus on Burma's oil and gas industry. Burma Campaign Australia recommends that Australia proscribe investment and trade with Burma until projects can be demonstrated and independently confirmed the following:

- Will have a positive impact on the lives of ordinary citizens and workers;
- Help alleviate poverty through genuine employment opportunities and that projects do not use forced labour;
- Will protect human rights and the environment and that environmental and social impact assessment levels are carried out to an international standard;<sup>22</sup>
- Income from projects is accurately entered into the national budget and there is a dramatic increases in public spending on health and education (currently at 3% combined); and
- Are not carried out in partnership with State-owned enterprises and that the Burmese army has no involvement in the implementation of the project, including providing security for such commercial activities

Burma Campaign Australia welcomes any further discussion or clarification regarding our submission.

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<sup>22</sup> Burma's national laws on environmental protection fall far short of international standards. Due to these very low standards, and in some case no standards, Burma Campaign Australia recommends international standards be used as a guide.

