



THE REPUBLIC OF THE UNION OF MYANMAR
THE NATIONAL UNITY GOVERNMENT
THE REPRESENTATIVE OFFICE IN THE COMMONWEALTH OF AUSTRALIA

6th November 2023

Committee Secretariat
Foreign Affairs, Defence and Trade Committee
Department of the Senate
Parliament House
Canberra ACT 2600
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Subject: Efficacy of the Department of Foreign Affairs due diligence framework, with particular reference to:

We appreciate the chance to submit our evaluation on the effectiveness of the Department of Foreign Affairs and Trade's due diligence framework, regarding:

- 1) whether the due-diligence framework used by the Department of Foreign Affairs and Trade is *fit for purpose* in determining the scope of stakeholders who can be engaged by the Government of Australia for the provision of aid to the citizens of Myanmar; and
- 2) any related matters –
 - a. why direct support to trusted networks is more effective in supporting the real needs of the people of Myanmar,
 - b. the form that support should take, and
 - c. how the risks that the *due diligence framework* is intended (i.e.: providing a suitable level of assurance that Australian support/funds will be effectively directed toward the intended outcomes and are not diverted to other purposes)

First and foremost, I would like to convey heartfelt gratitude on behalf of the people of Myanmar and their National Unity Government (NUG) to the Australian government and its citizens for their unwavering support in the realms of development and humanitarian aid, especially during the ongoing humanitarian crisis. We acknowledge the significance of the *due diligence framework* employed by the Australian Government to establish trust and confidence with its partners while providing crucial assistance. Given the deliberate efforts by the Myanmar military to obstruct aid, hindering its delivery to those in dire need, it is essential to examine the existing tools and practices applied in the unique situation. This review is vital to ensure the effectiveness of the international community's humanitarian aid efforts in Myanmar during these challenging times.

Recommendation 1: Management tools and procedures should be supportive to build partnerships with new champions capable of instigating substantial change in the face of these difficult circumstances.

Due to the growing defiance of the people in the past two years, the military junta's forces have begun withdrawing from rural regions, consolidating their presence in urban centres, and focusing solely on strategic routes. Employing a scorched-earth military strategy, the junta has razed everything in rural areas in an attempt to undermine the resistance movement. In light of this dire situation, the NUG and its allied EROs must provide essential services and humanitarian aid to the victims and affected communities.

In this situation, the members of the civil disobedience movement (CDM) become an essential human resource pool as they already possess expertise in health, education, development, and humanitarian sectors. They established many Civil Society Organisations (CSO) concentrating on health, education, and humanitarian aid and operate within the territories controlled by the NUG and Ethnic Resistance Organizations (ERO), offering essential support to local communities.

The tools and practices employed by international development agencies, including DFAT's due diligence framework, should be adaptable and inclusive. They should not limit the recognition of new humanitarian and development entities in Myanmar that have emerged following the attempted coup in February 2021. These organizations should be considered in the partnership development strategy for Myanmar's upcoming action plan.

Recommendation 2: Utilizing innovative and alternative approaches without compromising the essence of the due diligence framework to collaborate with CDM networks and the NUG proves to be highly effective in addressing the genuine needs of the people of Myanmar. This method stands as the most efficient way to counter the junta's manipulation of international assistance in the current scenario.

The recently established CSOs in Myanmar formed by proficient members of the CDM possess invaluable local insights and operate discreetly, avoiding manipulation by the Myanmar military junta. Furthermore, the NUG has introduced financial tools and systems, including Spring Development Bank¹, Digital Myanmar Currency *DMMK*,² and NUG Pay,³ ensuring financial independence for the people of Myanmar, free from the junta's interference.

One such notable group is the *Chindwin Medical Network*⁴ (CMN), comprised of CDM teachers and doctors, employing a workforce of over 800 individuals. Since late 2021, CMN has been engaged in significant health, education, and humanitarian initiatives across Sagaing, Magway Regions, and Chin State. Notably, the network has received over 5 million US dollars in aid and adheres strictly to international standards. The emergence of grassroots organizations like CMN plays a pivotal role in delivering assistance to those in dire need. It is imperative to incorporate these organizations into future partnership strategies to enhance aid efforts effectively.

Yet another notable achievement involves the reception and successful distribution of in-kind assistance from the Global Funds during 2022-2023, amounting to USD 20 million. The NUG utilized this support to combat Malaria, TB, and HIV, collaborating closely with its allied EROs to ensure efficient delivery. Due to the commendable success in 2023, the NUG secured additional funding from the Global Fund, totalling USD 70 million for the next three years.

These success stories demonstrate the existence of alternative and innovative strategies capable of overcoming the limitations of the due diligence framework in Myanmar's distinct context. They also serve as evidence of the NUG and the CDM network's ability to effectively manage international aid without compromising international aid management norms and standards.

¹ <https://springdevelopmentbank.com/>

² <https://www.bnionline.net/en/news/nug-launching-digital-myanmar-kyat-dmmk-blockchain-currency>

³ <https://nugpay.app/>

⁴ <https://www.facebook.com/chindwinmn/>

Recommendation 3: The due diligence framework should not be a hindering factor in establishing a connection between development and humanitarian assistance and the ongoing peace, federalism, and democratization efforts in present-day Myanmar.

Australia needs “*Phased Aid Planning*” for Myanmar by acknowledging the NUG and its allies' strategic positioning in the current interim phase and the next transitional phase of the *12-stage political roadmap*⁵ which is formulated by the National Unity Consultative Council (NUCC) with aims to fulfill the federal aspirations of the Myanmar people, ultimately putting an end to the 70-year-long civil war and ushering in enduring peace for the nation. Australia's development assistance plan for the next years requires a tailor aid strategy to address the unique needs of different phases.

Australia also needs *Diversified Aid Approaches* by utilizing not only the multilateral approach but also bilateral and unilateral approaches for providing development and humanitarian aid to Myanmar over the next years. In a bilateral approach, it's essential to recognize the vital role of the Thai government in providing humanitarian aid to Myanmar during this interim period. Furthermore, exploring avenues to support Timor Leste, an official backer of the NUG, can enhance its capability to effectively assist Myanmar. In considering a unilateral strategy, back Australian satellite communication service providers that enable access to internet services for the people of Myanmar. This support ensures an uncensored communication channel beyond the junta's control.

The NUCC has devised policies concerning education, health, and humanitarian assistance in Myanmar following federal principles laid out in its *Federal Democracy Charter's Part 1*.⁶ Australia should acknowledge the joint efforts of the National Unity Government (NUG) and its affiliated Ethnic Resistance Organizations (EROs) in areas like education, health, humanitarian aid, and public administration, all rooted in federal principles. Australia's government and humanitarian initiatives must align with the collaborative efforts of the NUG and EROs, ensuring optimal effectiveness in supporting Myanmar's federal aspirations. The people of Myanmar's strong desire for federalism acts as a driving force, enhancing their resilience against the junta's harsh tactics.

In this context, the due diligence framework should not hinder these overarching objectives.

We, Myanmar people are confident that these recommendations offer valuable pathways for forging innovative partnerships and strategic alliances in the delivery of Australia's development and humanitarian aid to Myanmar over the next years. The NUG Representative Office in Canberra stands ready and enthusiastic about engaging in detailed discussions with pertinent officials. Together, by implementing these strategies, we can significantly enhance the effectiveness and impact of Australia's support, contributing to a more stable and democratic future for Myanmar.

Sincerely,

Dr Tun Aung Shwe

Representative to Australia

The National Unity Government of Myanmar

⁵ <https://www.idea.int/sites/default/files/publications/myanmars-federal-democracy-charter-analysis-and-prospects.pdf>

⁶ <https://crphmyanmar.org/wp-content/uploads/2021/04/Federal-Democracy-Charter-English.pdf>