

QUESTION ON NOTICE / Spoken

IQ23-000070 – DFAT Due Diligence

Hearing Date: 16 November 2023

Topic: Areas for Aid Allocation

Senator David Fawcett

Question

Senator FAWCETT: Could you give us a percentage breakdown of how much? If you are certain that you are delivering to the most, then you must track it. How much of Australia's aid to Myanmar—and I know there is a breakdown at the back of your submission into the different domains—goes to areas outside the SAC's control?

Ms Mudie: First off, I might say, and I think we have said it in previous public hearings, that we cannot verify the accuracy of specific statistics regarding the regime's territorial control, given the dynamic nature of the conflict. We do have to work with that level of uncertainty about which areas are controlled and which areas are—

Senator FAWCETT: Can I simplify the question? How much goes outside Rakhine state and Yangon?

Ms Mudie: I would have to take that on notice.

Answer

Given the sensitivities and the security situation in Myanmar, Australia does not publicise the details of our local implementing partners nor the details of where they are operating. This is at our partners' request as it can adversely affect the safety and security of staff and beneficiaries.

We cannot verify the accuracy of specific statistics reported by the Special Advisory Council for Myanmar (SAC-M) in September 2022 regarding the territorial control of the regime or opposition groups, given the highly dynamic nature of the conflict in Myanmar.

Australian assistance is being delivered in every State and Region in Myanmar. Despite the challenges, our assistance continues to reach communities across the country, including in conflict-affected areas of Chin, Kayah, Kachin, Kayin, Rakhine and Shan States, as well as on the Thai-Myanmar border. Our monitoring systems with our implementing partners give us assurance that Australian assistance is reaching those most in need.

Australia funds a range of partners in Myanmar, including the United Nations (UN), international Non-Government Organisations (NGOs), local NGOs and Civil Society Organisations (CSOs). In addition to the constraints of operating in an environment of conflict and instability, our partners continue to face access constraints including checkpoints, road

Foreign Affairs, Defence and Trade References Committee
DFAT Due Diligence 2023-2024

blockages and denial or restriction of travel permits. Despite the challenges, they remain able to deliver much-needed assistance to people, often working with local organisations in hard-to-reach areas.

Australia does not use political or any other affiliation as the basis for targeting our development assistance; we determine priorities based on need. Much of this need is currently in the conflict-affected areas of Myanmar's periphery. Our implementing partners have proven capacity to deliver neutral, independent humanitarian and development assistance in such areas including through partnerships with local organisations.

Australia continues to advocate strongly for humanitarian agencies to have safe and unimpeded access to affected communities. The Foreign Minister and the Government have been consistent in publicly expressing Australia's grave concerns, including in multilateral settings such as the UN General Assembly and Human Rights Council.

QUESTION ON NOTICE / Spoken

IQ23-000071 – DFAT Due Diligence

Hearing Date: 16 November 2023

Hansard Page Number: 17-18

Topic: End recipients of Myanmar Aid

Senator David Fawcett

Question

Senator FAWCETT: Okay, so it's 21 per cent of our budget and you can't name an end recipient that you are intending this to go to? Are we giving it to the NUG? They have done a lot of work around future democratic frameworks. They have their commitment from ethnic groups and others, in terms of their counsel. They are probably the most robust group in terms of the future democratic nature of Myanmar, when the Tatmadaw is finally dealt with. Are they getting any of this 21 per cent?

Ms Stutsel: Our implementing partners have asked us not to reveal their identities, because of the concerns about safety and security.

Senator FAWCETT: Great. We would be very happy to take a confidential submission from you that won't become public, but as a representative of the taxpayer wanting to know that our aid is effective, I would like to know.

Ms Mudie: We will take that on notice and will need to consult our embassy in Yangon about the level of risk associated with revealing details about specific recipients. We will do our best to give you a comprehensive answer.

Answer

Given the sensitivities and the security situation in Myanmar, Australia does not publicise the details of our local implementing partners. This is at our partners' request as it can adversely affect the safety and security of staff and beneficiaries. Australia does not use political or any other affiliation as the basis for targeting our development assistance; we determine priorities based on need. Our development and humanitarian assistance is delivered through UN agencies, multilateral and regional partners, international Non-Government Organisations (INGOS), local Non-Government Organisations (NGOs) and local civil society organisations.

The 21% figure referred to in this question relates to Australian Government funding for governance sector investments in Myanmar, as set out in the diagram on "Australian ODA to Myanmar, by Sector Group, 2023-24 budget estimate" in the Myanmar development fact sheet (<https://www.dfat.gov.au/sites/default/files/development-cooperation-fact-sheet->

Foreign Affairs, Defence and Trade References Committee
DFAT Due Diligence
2023-2024

[myanmar.pdf](#)). The fact sheet was provided as Attachment A to DFAT's submission to the inquiry.

The classification of Official Development Assistance (ODA) funding to Myanmar by sector is based on internationally agreed coding, through the OECD Development Assistance Committee (OECD DAC). These sector classifications are reflected in the Myanmar development fact sheet.

The OECD DAC code "Governance" covers: investments supporting the stronger operation of the public sector and civil society. This includes public sector policy and management; public financial management; domestic revenue mobilisation; legal and judicial development; elections; media and free flow of information; human rights; ending violence against women and girls; social protection; employment creation; and housing policy, culture and recreation.

Australia's governance assistance to Myanmar in 2023-24 includes support to ASEAN on counter-trafficking; gender equality and women's leadership; improving livelihoods; conflict mitigation and accountability work; and support to Myanmar civil society. No funding is provided to the regime.

Australia's new Governance, Accountability and Peace Program (\$23.5 million, 2023-2026) supports community-level efforts to mitigate conflict and its impacts, and to protect space for longer term progress on human rights, rule of law, and democracy. It includes five partnerships with INGOs with a demonstrated ability to operate safely and effectively in post-coup Myanmar. Some of these INGOs subgrant to local NGOs/CSOs in Myanmar. The program also includes two agreements with advisers who specialise in governance, conflict, and monitoring and evaluation.

QUESTION ON NOTICE / Spoken

IQ23-000072— DFAT Due Diligence

Hearing Date: 16 November 2023

Topic: Distribution of Funding in Myanmar

Senator David Fawcett

Question

Senator FAWCETT: The chair's wanting to wind me up here, but I have just one last little group of questions. I am particularly concerned, as are many of the witnesses to this inquiry, about the people beyond SAC control, so I do question—and you can take this on notice and come back to us with a confidential submission— how the embassy in Yangon reaches the groups that are working in the areas that are currently being bombed and suffering artillery strikes from the Tatmadaw. That's the first question.

Secondly, you said you don't track or disaggregate funding. I am certain that, within your accounting—your PGPA frameworks and all the rest of it—you could tell me, probably to the rounded cent, how much goes to which group. I'm conscious that you don't want to put that into the public, but I would like to know— confidentially, back to the committee—how much goes to civil society organisations of the kind that have been putting in submissions. We've had various groups. You've seen the evidence list—the CANDO group et cetera. How much funding goes to those groups for work outside the SAC-controlled areas? I think the Australian taxpayer would expect that the money we're spending is going to reach the people most in need, and at the moment that's those IDPs and people who are suffering violence from their own military. If you could come back to the committee with that information, that would be very helpful.

Ms Mudie: Certainly, Senator

Answer

The operating environment in Myanmar is highly dynamic and challenging. To ensure our assistance reaches those most in need, we leverage the in-country capabilities, systems and networks of UN agencies, multilateral and regional partners and other non-government organisations (NGOs). This helps us to ensure Australian assistance reaches its intended beneficiaries, and allows us to coordinate with other donors, share risk management, and strengthen coherence. As such, we can deliver at scale and support more local organisations than we would be otherwise able to directly, including to the most vulnerable and conflict affected areas.

Australia's estimated Official Development Assistance (ODA) to Myanmar in the 2023-24 financial year is \$121 million, of which \$42.1 million is bilateral, \$15.4 million is regional, and \$63.3 million is global funding. Australia's development and humanitarian assistance supports

Foreign Affairs, Defence and Trade References Committee
DFAT Due Diligence 2023-2024

key needs including healthcare, education, food, social protection services and livelihoods support, and programs that support gender equality and address gender-based violence (GBV).

In 2023-24, 25.9% of the \$42.1m bilateral program was provided to international Non-Government Organisations (INGOs) as the primary implementing partner. These INGOs are working with local organisations to reach the most vulnerable.

Examples of Australian assistance supporting the people of Myanmar include:

- procuring essential medicines and supplies, delivering mental health services and supporting Intensive Care Units through local non-government health providers;
- improving the nutrition status and food security of vulnerable populations in conflict affected areas;
- providing cash transfers and other forms of social protection to internally displaced persons;
- providing frontline services to improve women's health including obstetrics, gender-based violence support and counselling;
- supporting gender-based violence survivors to access services across Myanmar;
- supporting non-government education providers with a focus on children in ethnic states;
- providing grant funding to local organisations to provide life-saving assistance, including distributing basic food and non-food items;
- documenting human rights abuses and violations; and
- supporting local organisations to serve the needs of their communities and withstand repression.

QUESTION ON NOTICE / Spoken

IQ23-000073 – DFAT Due Diligence

Hearing Date: 16 November 2023

Topic: Proportion of Aid through UN

Senator Raff Ciccone

Question

Senator CICCONE: What proportion of Australian aid is channelled through the UN and multilateral organisations compared to NGOs and local partners?

Ms Stutsel: We'll have to take that one on notice.

Answer

Our development and humanitarian assistance is delivered through UN agencies, multilateral and regional partners, international Non-Government Organisations (INGOs), local Non-Government Organisations (NGOs) and local civil society organisations. We work through partners that are able to continue delivering assistance. Our partners work with local organisations to reach the most vulnerable, including in conflict-affected areas. The table below shows those programs that provide funding to local actors.

In 2023-24, the breakdown of the \$42.1m bilateral program by funding partner type is:

- UN organisations – 37.7%
- International organisations – 25.9%
- Australian universities – 15.4%
- Australian NGOs – 3.0%
- Managing Contractors – 4.1%
- Other (advisory services, running costs, unallocated funds) – 13.4%.

Multi-donor funds/pooled funds can address a range of challenges facing the response to needs in Myanmar, such as the need for more flexible financing; getting more funds to local and national organisations more quickly; and ensuring coordination to address gaps in humanitarian response. Pooled funds also reduce administrative and transaction costs, support robust risk management, strengthen coherence, reduce fragmentation and assist in tackling the multi-dimensional issues in Myanmar. They allow us to deliver at scale and support more local organisations than we would otherwise be able to support directly. Other donors that contribute to pooled funds in Myanmar alongside Australia include the United Kingdom, United States, European Union, Canada, New Zealand, Norway, Sweden and Finland.

Foreign Affairs, Defence and Trade References Committee
DFAT Due Diligence Inquiry 2023-2024

Given the sensitivities and the security situation in Myanmar, Australia does not publicise the details of our local implementing partners. This is at our partners' request as it can adversely affect the safety and security of staff and beneficiaries.

Australia does not provide any direct funding to the Myanmar military regime and we take proactive steps to ensure our assistance to Myanmar neither goes to the regime nor lends it credibility or legitimacy.

QUESTION ON NOTICE / Spoken

IQ23-000074 – DFAT Due Diligence

Hearing Date: 16 November 2023

Topic: Safety

Senator David Fawcett

Question

Senator FAWCETT: Back to your comment about safety, I notice that in your Australian NGO Corporation (ANCP) Manual 2023, section 5.2, headed 'ANCP activities in sensitive and higher risk regions/countries', doesn't even list Myanmar. I wonder whether all the dot points in there—which include safety—are valid? I'd be interested if you could come back to us with that answer on notice and give us an example of how the provision of Australian aid to a civil society group who already live and work in Myanmar is going to affect their safety.

Ms Mudie: We'll take that on notice. There's a little bit to unpack in that.

Senator FAWCETT: I'm struggling to understand how we're going to make their lives any worse by supporting them when they're being bombed and shelled

Answer

In 2023-24 the Australian NGO Cooperation Program (ANCP) is providing \$3.4 million of Australian Official Development Assistance (ODA) to 11 Australian Non-Government Organisations (NGOs) for projects in Myanmar or on the Thai-Myanmar border.

The Australian NGO Cooperation Program (ANCP) Manual 2022

(<https://www.dfat.gov.au/about-us/publications/australian-ngo-cooperation-program-manual>)

outlines in section 5.2 (ANCP Activities in Sensitive and Higher Risk Regions/Countries) information that NGOs need to include in the project forms of their Annual Development Plans. This includes:

- written evidence of the prior approval of the proposed activity by an appropriate government authority;
- detail on Australian citizens or permanent residents travelling to project locations, and measures in place to ensure their safety, and measures in place to ensure safety of local staff; and
- information on how the project will be monitored and evaluated [page 20].

This advice is for ANCP activities being implemented in a range of different high-risk contexts and sensitive locations, and information needs to be locally contextualised. Australia takes proactive steps to ensure our assistance to Myanmar does not go to the military regime or lend

Foreign Affairs, Defence and Trade References Committee
DFAT Due Diligence 2023-2024

it credibility or legitimacy. Therefore for activities that are implemented in Myanmar, DFAT would judge that the first dot point (written evidence of prior approval by an appropriate government authority) is not appropriate for the context.

Dot points two and three above (regarding safety of Australians and local staff, and plans to track project implementation) are valid and critical in high-risk contexts, including Myanmar.

DFAT is keenly aware of the operating risks facing our implementing partners in Myanmar. We regularly communicate and consult with partners on their operations to support risk mitigation. We use the Due Diligence Framework to assess implementing partners systems and their ability to operate in a high-risk environment such as Myanmar.

We apply the 'do no harm' principle as part of our assessment for funding organisations in Myanmar. This requires humanitarian and development actors to strive to minimize the harm they may inadvertently cause by their presence and provision of assistance and services. Unintended consequences may be wide-ranging and extremely complex – for example, creating societal divisions or increasing conflict. Therefore any program must be based on strong conflict and context analysis and designed with appropriate safeguards.