



## Supporting Peace through Natural Resource Management in Burma's Ethnic Regions (P-NRM)

Cooperative Agreement No. AID-486-A-13-00003

### Year 1 1<sup>st</sup> Quarterly Report

Period covered: May-June 2013

Reporting date: July 30, 2013

**Submitted by:** Mercy Corps in partnership with Ar Yone Oo (AYO) and Karuna Myanmar Social Services (KMSS)

#### **Mercy Corps Myanmar:**

Jenny Vaughan, Program Director  
No. 87-C Kan Street (U Kun Zaw Avenue)  
10 Ward, Hlaing Township  
Yangon, Myanmar  
Tel: +95 (0)1 524419  
Mobile: +95 (0) 95083126  
Email: [jvaughan@mm.mercycorps.org](mailto:jvaughan@mm.mercycorps.org)

#### **Mercy Corps Headquarters**

Tammy Teske, Senior Program Officer  
45 SW Ankeny Street  
Portland, OR 97204  
Tel: 503 896 5000  
Email: [tteske@mercycorps.org](mailto:tteske@mercycorps.org)

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### **I. Introduction**

In May 2013, Mercy Corps launched a new peacebuilding program in Burma called *Supporting Peace through Natural Resource Management in Burma's Ethnic Regions (P-NRM)*. This two-year program aims to *support Burma's democratic opening by addressing the underlying causes of long-standing ethnic conflicts in Chin and southern Shan states*, with a focus on addressing tensions related to the use and management of natural resources. The program takes a holistic approach to improving state-society relations and resolving resource-related disputes in the target areas by working with local government, civil society, community, and private sector actors to improve communication and coordination between actors involved in natural resource use and management and to strengthen community participation in decisions about the use of natural resources and the role of development in their community. The program aims to realize this through the achievement of three objectives:

- *Objective 1:* Strengthen the ability of key leaders in Chin and southern Shan to work across lines of division to resolve natural resource disputes that are fueling tensions.
- *Objective 2:* Strengthen the capacity of local organizations to implement natural resource projects that support negotiated agreements.
- *Objective 3:* Foster a constituency for peace by building mutually beneficial economic relationships across lines of division.

Implemented in partnership with two local organizations, Ar Yone Oo (AYO) and Karuna Myanmar Social Services (KMSS), the program also has a strong emphasis on building local capacity to implement peacebuilding programs.

## II. Milestones

Key milestones achieved by the end of June 2013 include:

Activities	Anticipated Results & Milestones (Outputs)	Status - Qtr 1
<b>Program startup</b>		
Develop messaging strategy	Draft talking points developed by June 2013	Achieved
Kick-off workshop & workplanning with partners	Workshop held with partners by June 2013	Achieved
Finalize subgrant agreement with local partners	Subgrant agreements signed with partners by July 2013	In process
Recruit staff	Staff hired by July 2013	In process
Open field offices	Field offices opened by August 2013	-
<b>Objective 1: Strengthen the ability of key leaders in Chin and Southern Shan to work across lines of division to resolve natural resource disputes that are fueling tensions.</b>		
1.1 Establish natural resource leadership councils in Chin and Southern Shan/Selection of participants for dispute resolution training	Conflict assessment report drafted & key issues identified by July 2013	In process
	Target townships selected by July 2013	-
	100 participating leaders selected by Sept 2013	-
1.2 Create natural resource user groups at the community level	8 community natural resource councils selected by Sept 2013	-
1.3 Conduct natural resource conflict assessments in priority areas	2 maps produced by Dec 2013	-
1.4 Conduct dispute resolution training for leadership council members	100 leaders trained in dispute resolution/negotiation by Nov 2013	-
1.5 Host quarterly information exchanges	4 intergroup meetings held by Apr 2014	-
<b>Objective 2: Strengthen the capacity of local organizations to implement natural resource projects that support negotiated agreements.</b>		
2.1 Conduct capacity building for local partners	2 partner OCAs conducted by July 2013	-
	2 partner capacity building plans by July 2013	-
2.2 Implement natural resource/economic projects that support negotiated agreements	Grant system & guidelines developed by Oct 2013	-
	First call for projects released by Oct 2013	-
2.3 Build a coalition of natural resource partners at the national level	National engagement strategy developed by Oct 2013	-
<b>Objective 3: Foster a constituency for peace by building mutually beneficial economic relationships across lines of division.</b>		
3.1 Conduct conflict-market assessments	60 economic actors trained by Nov 2013	-
	Assessment report drafted by April 2014	-
3.2 Support economic initiatives that build bridges across lines of division	Subsidy/voucher system & guidelines developed by Dec 2013	-
3.3 Strengthen economic associations that cross ethnic and regional lines of division	2 economic associations selected by Nov 2013	-
	2 economic association strategic plans developed by April 2014	-

### **III. Activities**

Activities implemented in May and June 2013 focused on program startup, including initiating the program startup conflict assessment, launching recruitment, finalizing partnership arrangements with AYO and KMSS, developing a communications strategy, networking with local and international actors working on resource and conflict issues, and workplanning for Year 1.

**Arrival of Program Director:** Following the May 1 start date, the Program Director arrived in country on May 22 to begin work on the program.

**Networking:** Our initial priorities centered on reaching out to both local and international civil society actors (chiefly LNGOs and INGOs) working on conflict and natural resource issues in order to update our knowledge about current dynamics, ongoing programs and activities, and higher-level political and policy issues germane to our program. We expect to remain actively engaged in developing and maintaining these relationships and participating actively in relevant working groups (e.g., the Land Core Group, the International Peace Support Group) so that we remain well informed about political developments and policy initiatives that may impact our program. This will help to ensure that we are well positioned to link program activities to higher-level discussions and to collaborate with other actors.

**Communications Strategy:** Given the sensitivity of this program, another identified priority for initial action was the development of a communications strategy that will help team members and partners discuss the program with a wide variety of actors using consistent, conflict-sensitive, and non-inflammatory language. To this end, talking points explaining the program goal, objectives, and activities were developed and shared with the team. We anticipate that the communications strategy will be refined as we identify other stakeholders who need to be informed of or involved in our program, increase our communications with government staff, and begin to work at the field level.

**Conflict Assessment:** A conflict assessment was launched in early June to update our knowledge of current conflict dynamics, with a focus on resource-based conflicts in Chin and southern Shan states as well as national factors impacting state-level conflict and resource management. The purpose of the assessment is to: 1) identify the key conflicts/issues in each state that the program will focus on, 2) inform selection of the townships where the program will be implemented, and 3) identify key stakeholders who need to be engaged in order to successfully move the program forward. Key elements include a review of relevant laws impacting resource-based conflict, types of resource-based conflicts, stakeholder analysis of actors involved in these conflicts, mapping of organizations (including beyond Chin and Shan) working on these conflicts, and strategies for resolving and/or dealing with these conflicts. A graduate student intern and a former Asia-focused Foreign Service Officer, Melissa Carlson, led the assessment under the supervision of the Program Director. To date, 28 interviews have been conducted with key informants based in Yangon and abroad. We expect the assessment report to be completed by the end of July, at which point we will share the report with USAID. This broad assessment will be followed by field assessments conducted by the program team in the selected townships designed to identify specific resource-based conflicts that the program will address and to select program participants.

**Recruitment:** Based on intensive discussion with AYO and KMSS, we finalized a joint field team structure designed to put local partners in the lead with management and technical guidance from Mercy Corps (please see the organizational charts in Annex A for reference). Field-based activities will be implemented by teams predominantly comprised of partner staff, supplemented by a field-based Mercy Corps technical advisor. The Program Director, assisted by a national Yangon-based

Program Manager, will provide technical training and mentoring to the field teams, will retain day-to-day management responsibility, and will directly supervise the field teams. Senior leadership from each partner's headquarters will sit on a project board (to meet every month for the first six months of program implementation) and participate in strategic program decisions.

While we recognize that this partnership model requires a greater upfront time investment in order to clarify roles and relationships and build partner capacity, we believe this joint team structure, coupled with genuinely joint strategic decision-making and accompaniment through program implementation, will enable us to correct past missteps in partnership management<sup>1</sup> and to truly build local capacity to implement peacebuilding programs. This will also contribute to USAID objectives related to local capacity development outlined in the USAID Forward policy.

Position descriptions for the Mercy Corps positions were developed, and recruitment for the Program Manager was launched in June. We expect to have the program team recruited by the end of July.

**Workplanning:** A workplanning workshop was held with AYO and KMSS on June 24, and the Annual Work Plan for Year 1 was developed and submitted to USAID on June 28. The Year 1 workplan was informed by the meetings held by the Program Director with other actors working on issues related to conflict and natural resources as well as by the conflict assessment. As such, the Annual Work Plan for Year 1 reflects updated knowledge about how best to implement the program given current political and conflict dynamics. In line with the dynamism of the current political context, we intend to apply an adaptive management approach to workplanning moving forward.

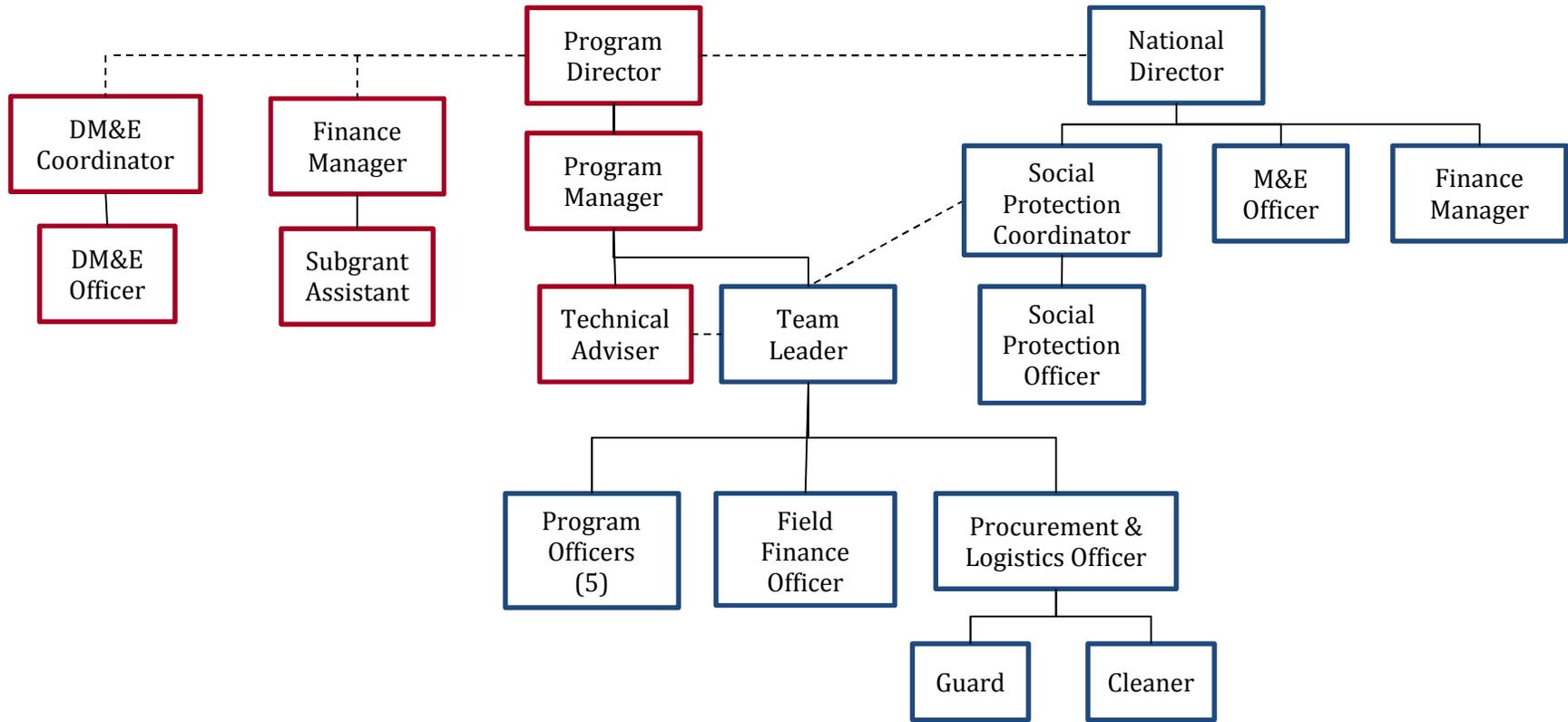
**Subgrant agreements:** Following the joint workplanning session and the development of the joint field team structure, we worked with both AYO and KMSS to review their program budgets and ensure that they are in line with the updated workplan and organizational structure. We also moved toward finalizing the sub-grant agreements, including conducting pre-award assessments of partner financial management capacity and conducting detailed discussions of program activities. We anticipate that the sub-grant agreements will be signed by the end of July.

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<sup>1</sup> Mercy Corps has dedicated internal resources to evaluating our previous and ongoing partnerships with local NGOs in Myanmar. Under the CMM program, we will implement an enhanced partnership model designed to strengthen partner capacity and transfer Mercy Corps organizational and technical capacity to local organizations.

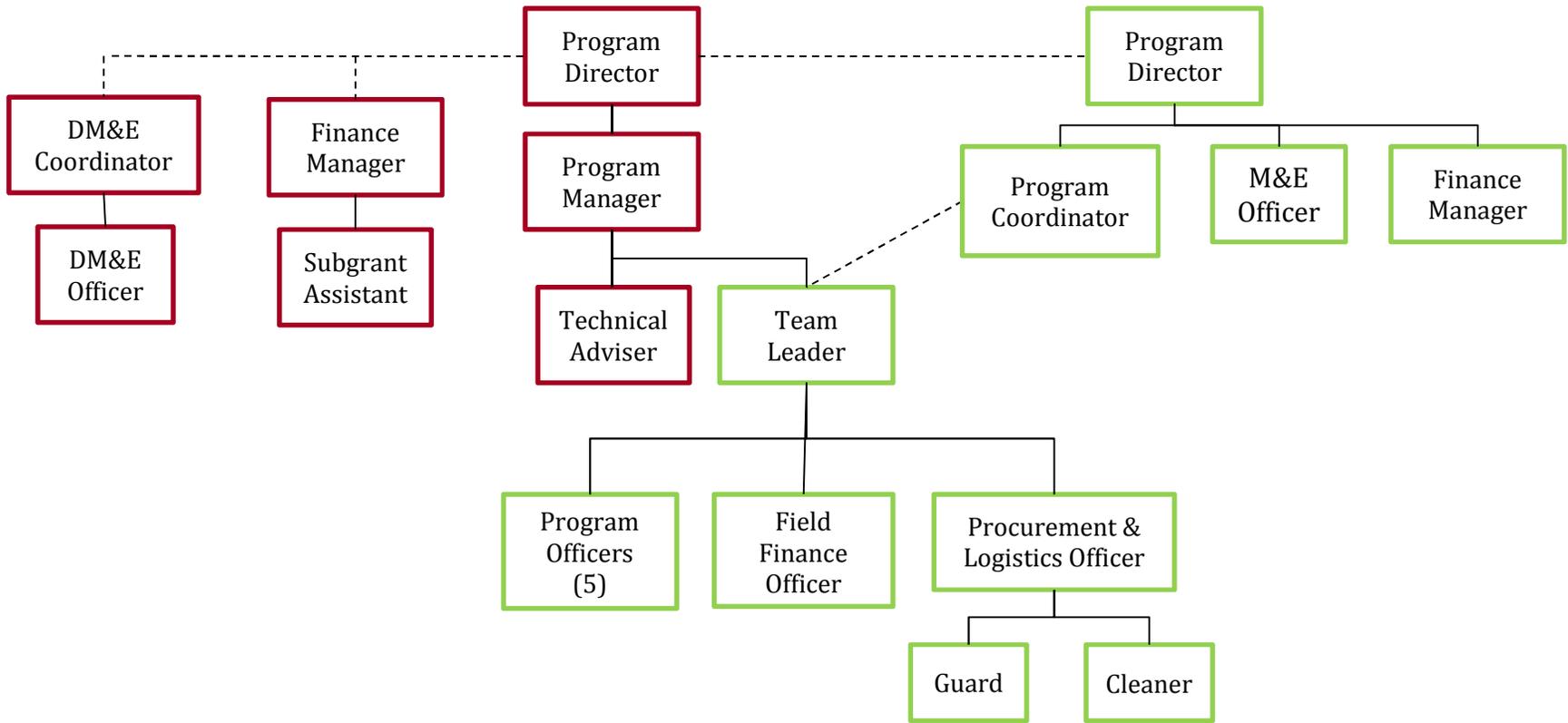
**Annex A: Organizational Charts**

**Organizational Chart – Mercy Corps & KMSS**



- Mercy Corps
- KMSS

### Organizational Chart - Mercy Corps & AYO



- Mercy Corps
- AYO