

**PEOPLE IN NEED
GERHARD-BAUMGARD-STIFTUNG**

REPORT TO THE FOUNDATION

DECEMBER 2004



Shwedagon Pagoda, Yangon



Golden Rock, Kyaiktiyo

I. MYANMAR

A. BACKGROUND

You know that after leaving Investment Banking more than 2 years ago - I worked with Medecins Sans Frontieres in Indonesia/West Timor and in Thailand at the border with Burma/Myanmar. End of last year I had enough of international headquarters and international donors who want to micro-manage humanitarian projects from an office desk in a Western capital. I set up my own charitable foundation PEOPLE IN NEED – Gerhard-Baumgard-Stiftung, registered in Germany, and moved to Myanmar (formerly: Burma) to help.

Why Myanmar? The “Country where the time stood still”: Asia as it was in the 50ties. The “Land of the Golden Pagodas” is without doubt beautiful and very scenic for tourists who are here on a two-week stint and stay in one of the luxury hotels available for dollars. Like I did a couple of years ago tourists marvel about ox-carts, rotten cars, bamboo huts, kerosene lamps and candles in the evening and turn a blind eye to the dirt, the lack of sanitation and clean water and to the people who search garbage heaps in the markets to find something to eat. But if you are one of the ordinary folks who have to live without electricity and water, without proper housing and medical care, without education and without a decent income to feed your family you would probably have another view.

50 million people live in this country which is bigger than France (or as big as Texas) and most of them live in poverty. They have an average life expectancy of about 56 - 57 years and an average income of about \$300 annually. It is a country where everything is scarce and expensive what is part of our day-to-day Western life today: 8 telephone lines and 5 computers per 1000 inhabitants, 25,000 internet users and 25 internet cafes for the whole country. If you want to buy a Toyota Sedan built 1990 you have to pay more than \$25,000 in cash and if you would like to get a SIM card (telephone number) for your cell phone it will cost you between \$4,000 and \$5,000, but this phone will only work in the two main cities of Yangon and Mandalay. We all love to travel abroad but if you are a Myanmar citizen you better be male; then the passport will only cost you about \$80 and the average waiting time is some 6-8 months only. If you are unlucky and you are a single female under 25 years it will take you about \$1,000 (equivalent of more than 3 yearly salaries!) to get a passport within one year.

The military regime rules since 45 years and has ruined the country thoroughly. Once (1948) the richest country in South-East Asia it is now on the UN list of the poorest countries in the world. The government spends 50% of the budget on military and arms and less than 5% is spend on medical and education. Still, Myanmar is the second biggest producer of opium/heroin globally behind Afghanistan and because of drug addiction and human trafficking HIV/Aids numbers are approaching African dimensions quickly. The decades-long fight and the human rights abuses of the military government against the ethnic nationalities (about 35-40% of the total population) displaced 600,000 to 1,000,000 people internally and driven 150,000 refugees into camps in Thailand (official UN numbers, real numbers will be higher). The economic crisis has forced more than 1,000,000 people to work illegally in the neighboring countries. Without a proper energy supply, with inconceivably bad road conditions, without a functioning financial sector, high unemployment, high inflation, corruption and central planning the economic situation of the people will never change.

But I am not in Myanmar to change the government policy and to erase poverty; I am here to help single individuals and help to increase the foreign aid which is a meager \$ 2.5 (!!)

per capita (World Bank number).

“High-tech” in Myanmar: Mining Rubies in Mogok



Mining: This Tunnel is 1100 Feet Deep



Open Pit Mining



Between the Houses: Back Road in Yangon

B. PROJECTS

In Myanmar People in Need follows own projects and also cooperates with local NGOs (Non-Governmental Organizations). While most of the cooperation with local foundations is on an ad hoc and informal basis PEOPLE IN NEED (PIN) runs a joint project with Shalom Foundation (in Burmese: Nyein Foundation) in Kayah State and has financially supported religious and charitable organizations in emergency situations. In general, PIN intends to build up local capacities and increase local initiatives and responsibilities through involvement of the local communities in all phases of project planning and implementation and then hand-over the project management to qualified Myanmar personnel. Expatriate personnel should only be involved in short-term education and training of local management and local staff.

PIN's regional faocus in Myanmar is on the Eastern border area of Myanmar with Thailand, in particular on Kayin State and Kayah State (formerly: Karen State and Karenni State). The Kayin and Kayah States are devastated by 55 years of fights between the independence armies of the Karen and the Karenni and many villages have been destroyed and the standard of living and development of the areas is far below the central areas of Myanmar. As a result of the fighting a large number of people are internally displaced (IDP numbers

are estimated at 600,000 to 1,000,000) and live in the jungle or in refugee camps in Thailand. Almost all of the 150,000 refugees in the refugee camps along the Thai border originate from these two States. On top of this, most of the border areas in Myanmar are restricted for foreigners and hardly any humanitarian assistance is available as only two to three international NGOs (ICRC, MSF and to some extent UNHCR) are allowed to work in these restricted areas.

When the Karen National Union, representing most of the Christian community in Karen State and in Thailand's refugee camps, started to negotiate a cease-fire agreement with the Myanmar Government in November 2003, the Thai government was quick to declare that it would like to see all refugees back in Myanmar within the next 3 years. Being familiar with the problems and issues of the Karen refugees in the Thai camps and having learnt a lot about the bad state of the Myanmar border areas it was self-evident to me that I should move over to Myanmar to help the people there. I set up my own charitable foundation PEOPLE IN NEED (PIN) with the intention to establish projects in the areas in which the refugees from the Thai camps should be repatriated to and which suffered tremendous IDP problems already. With the help of some Karen contacts in Yangon and Karen State PIN started its efforts to establish its first project in Kayin State.

It quickly became obvious that the central government in Yangon was not supportive to any move of international NGOs into Kayin or Kayah State. In order to make some in-roads, I teamed up with Shalom Foundation (Nyein Foundation). I became an advisor for their newly established development projects department. Through Shalom I had the opportunity to work with the local Kayin State Peace Committee (KPC) which was founded by Shalom three years ago and included representatives of the Christian churches and the Buddhist communities in Kayin State.

The first project idea with KPC of a small hospital in the restricted area of Kayin State did not materialize yet as it proved up to now impossible to find a qualified Myanmar doctor who would be willing live in the identified areas and manage the hospital long-term. In July I was about to give up my efforts in Kayin State. But then I (literary) ran into the Buddhist Sayadaw (Abbot) U Thuzana, an ethnic Karen born in 1948, and one of the spiritual leader of the Buddhist Karen population in Kayin State. When I met him by coincidence on the road and - after a couple of meetings - I agreed with him that PIN would build a boarding house for 200 high school students in Myaing Gyi Ngu.



U Thuzana, Myaing Gyi Ngu Sayadaw

1. Boarding House for Middle and High School Students in Myaing Gyi Ngu



Myaing Gyi Ngu Monastery at the Thandlwin River

Myaing Gyi Ngu (MGN) was founded some 10 years ago by the Buddhist Sayadaw (Abbot) U Thuzana, in one of the villages close by. MGN is beautifully placed at the banks of the Thandlwin River (Salween River) about 90 miles (150 km) up from its mouth into the Andaman Sea (Indian Ocean). The Salween River is Myanmar's longest river. With its total length of 2,400 km it rises in Tibet after which it flows through China's Yunnan Province before it enters Myanmar's Shan State. For quite some distance it is the border between Myanmar and Thailand and finally it finds its way into the Andaman Sea at Moulmein. Although it is the target of many hydro-electric projects only the last 100 km are shippable all year as it passes through deep gorges and mountains. MGN is part of the Myanmar border area with Thailand (about 35 miles west of the Thai border). The area is largely inhabited by the hill tribe of the Karens. As in all border areas the development has lacked the central plains and divisions of Myanmar. The infrastructure is bad, good roads and bridges are rare in the fertile land which is cut by rivers and mountain ranges; most of the roads can only be used during the dry season (open season) from October to May. Electricity is only provided through a few privately operated diesel generators and telephones or radio communication equipment outside of government offices and military installations do not exist.

MGN is the center and capital of the Democratic Karen Buddhist Army (DKBA) Special Region. It is not allowed for foreigners without a special permit by the military authorities. The DKBA special region was set up at the end of 1994 when the SPDC (State Peace and Development Council, i.e. the Myanmar Government) signed a ceasefire agreement with the DKBA. Today, about 4,000 families (around 20,000 people) live in the MGN area. U Thuzana Sayadaw is the spiritual leader of the DKBA (Buddhist army!!: one of the many contradictions in Myanmar) and has his headquarter and main monastery in MGN. He has declared it a vegetarian area: no meat, fish and egg products are permitted; besides vegetarian products only milk products are allowed. Even the dogs live on rice and vegetables.



Roads in Kayin State (traveling with the Sayadaw)



On the river with the Sayadaw



In the jungle with the Sayadaw



MGN has a Government Basic Education High School (BEHS) founded in 1996. About 1,500 to 1,700 students attend the primary, middle and high school levels of the school. While the primary school students are mostly from the village itself, the middle and high school students have to travel long hours to get to the school. A boarding house is needed urgently. However, the central government did not honor the requests by the regional educational board and the Sayadaw. Only a few other Non-Governmental Organizations have ever considered the area for their work but all shed away because of the perceived security situation, the disapproval of Christian Western organizations by the Abbott or because of the lack of approval by the Central Government in Yangon.



MGN Basic Education High School (3 Buildings: Primary, Middle, High School)

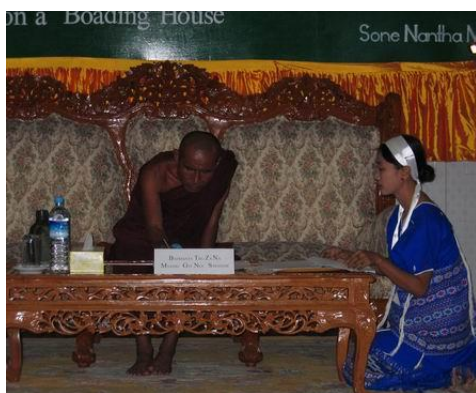


Middle School Class in Myaing Gyi Ngu

Compared to the big international NGOs PEOPLE IN NEED can employ a more flexible approach. PIN is neither dependent on agreeing a nation-wide strategy with Yangon nor dependent on the political restrictions of institutional donors or global strategic goals of a head-office. As the first charitable organization in Myanmar, PIN signed a regional Memorandum of Understanding circumventing the Central Government. By leaving out the central government PIN left out a couple of privileges such as the registration of the foundation in Myanmar, the right to open a bank account or to buy cars but PIN maintains flexibility: PIN can work closely with the people in need and does not have to follow any strategic objectives of a specific Central Government Ministry, it does not have to set up a Myanmar Management Board and does not have to open a bank account with forced conversion of foreign currencies and a 10% tax. And most importantly, I do not have to notify any Ministry about my travels in the open areas and I will not be accompanied by Ministry officials on all travels to the project sites. The MOU with the Sayadaw allowed PIN to work in the Special Region where no NGO as allowed to work up to now. However, the price for increased flexibility and access to the Special Area was an increased vulnerability to political changes as I became painfully aware recently.

On September 6, 2004 PIN signed a Memorandum of Understanding with the Educational Board of the Special Region and the Sayadaw directly. We laid the corner-stone in a ceremony the same day.

These were the happy times:

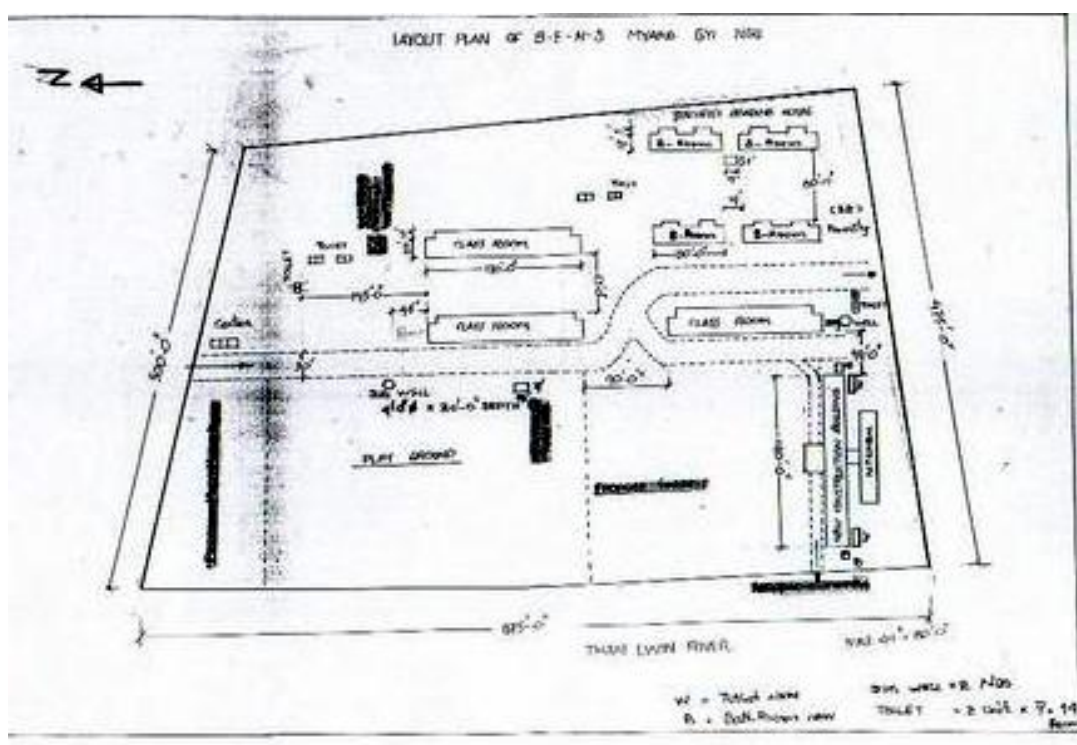


Signing the Memorandum of Understanding

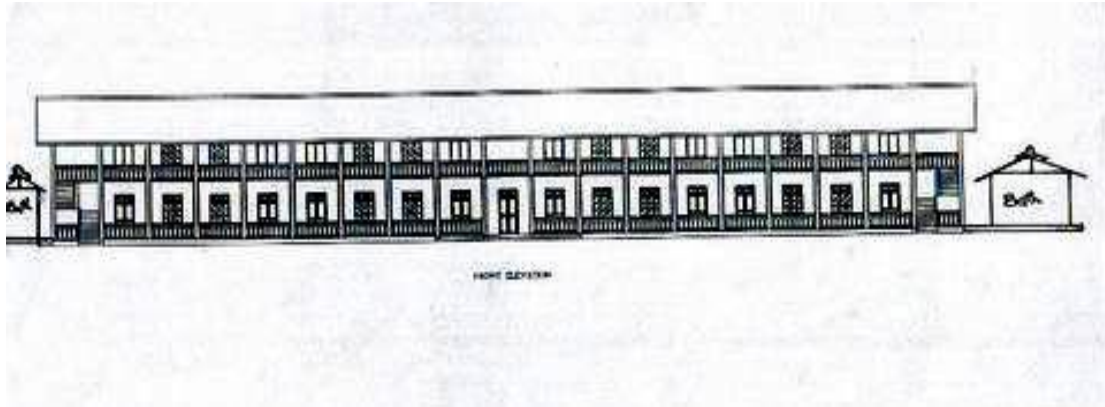


Laying the Corner Stone

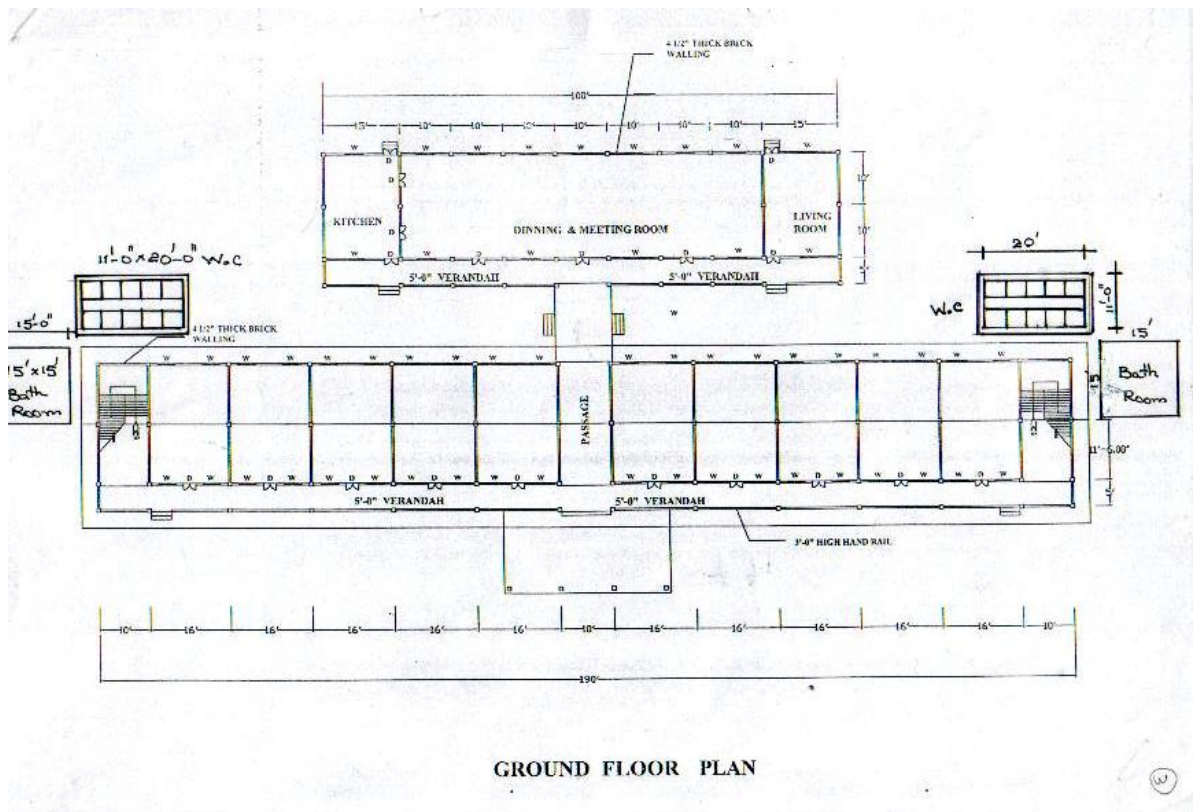
The project encompasses a two-floor boarding house for 100 boys and 100 girls with a total of 20 toilets, two washrooms, a kitchen and a dinning hall and two study halls. Furthermore, PIN intends to improve the water and sanitary situation at the school compound. Currently, there are 14 toilets for all 1,500 students of the BEHS and all 55 teachers living on the compound with their families. There is only one dug well (10 m deep) which is too close to (and even downhill) the next toilets. PIN intends to build new toilets and sink a 300 feet tube well and connect all school buildings and teacher houses to a new fresh water tank.



Layout of the Compound (School, Boarding House and Water Supply)



Front view of the Boarding House



Ground Floor of Boarding House, Kitchen, Wash Room and Toilets

The building process started with the earthwork at the end of the rainy season end September 2004. The construction is planned to be finalized by the end of May 2005.



Earthwork



Construction site from above (to the left)

Project Budget: Boarding House (in Myanmar Kyats (MMK))**Phase I:** (13 weeks):

Material Collection	29,812,050
Site Clearing	Free
Earth Work Excavation	355,500
Foundation Concrete	2,893,750
Brick Work (Retaining Walls)	3,986,510
R.C.C. Ground Beam & Form Work	2,334,000
W.C. Building (up to plinth level)	992,750
Total	40,374,560

Phase II: (13 weeks)

Ground Floor Walling	3,573,250
Ground Floor Plastering	2,908,550
First Floor – Flooring	4,191,000
W.C. Building and Accessories	2,534,850
Total	13,207,650

Phase III: (12 weeks)

Ceiling Work (Timber)	5,048,000
C.G.I. Roofing	7,343,300
Painting and Decoration	8,055,075
Pipe and Pipe Fitting	8,485,100
Tank and Trestle	5,707,000
Lighting	1,340,000
Total	35,978,475

Contingency & Transportation Charges (5%)	4,478,034
Management and Supervisory Fee (6%)	5,373,636

Other: Water Supply

A. Tube Well	
1. Labor	1,875,000
2. Tests & Analysis	175,000
3. Other Charges	400,000
4. Casing for Tube Well	2,112,000
Total	4,562,000

B. Diesel Engine with Generator	N.A.
C. Compressor with Motor	N.A.
D. Pump with Motor	N.A.

Grand Total **MMK 103,974,355**
 (EURO equivalent: EUR 90,000)

By the end of November 2004 Phase I was completed and the foundation of the boarding house was finished.



Construction in Process (Status 06.11.2004)

Up to now a total of MMK 20,600,000 was spent by PIN for the Boarding House (MMK 20,000,000 for the construction, MMK 600,000 as supervisory and management fee for PIN's engineer).



20,000,000 Myanmar Kyats or 26 (!) Kilograms

2. Project with Shalom (Nyein) Foundation: Workshops in Kayah State



Young Buddhist Monks from Kayah State

Kayah State is one of the smallest states in Myanmar. It borders to Thailand and is home to the Kayah hill tribe, known under the English names of Karenni or Red Karen. It is currently off limits for tourists and foreigners as fights between the SPDC troops and the fighting of the insurgent groups for independence continues. In one or two cases access for international humanitarian organizations had been granted to the capital Loikaw and its immediate neighborhood. It is said to be one of the poorest areas in Myanmar with

thousands of people internally displaced from their villages and living in hiding in the jungle as a result of the ongoing fights.

In September 2004 PEOPLE IN NEED and Shalom Foundation started training workshops about community development in the eight townships of Kayah State. For the past four years Shalom Foundation worked closely together with the Kayah State Peace Committee and organized peace-building seminars and dialogue trainings. Recently, the Kayah State Peace Committee asked Shalom to start community development projects in the region. To prepare the local communities in Kayah State for implementing and managing development projects PIN and Shalom felt it necessary to provide local leaders with some basic skills for identifying needs and managing projects.

Over the last couple of years only religiously based organizations such as the Karen Baptist Convention and the catholic Karuna Social Services started development projects while the international NGOs were not allowed in Kayah State. The church-based humanitarian organizations concentrated their efforts on their devotees. However, more than half of Kayah State population consists of Buddhists and Animists and these groups have been left out from the past project work. In order to prepare the ground for successful development projects with these groups Shalom Foundation and People in Need organized community development trainings for mainly Buddhist participants with the objectives of

- Raising awareness of the causes of the situation in their local communities
- Enabling the individuals at the grassroots to identify the issues and to analyze solutions themselves
- Defining needs and to prioritize them
- Finding ways and means to fulfill the needs of the community
- Helping the people at the grassroots to manage community projects themselves

Each of the scheduled eight workshops will run 14 days; the workshops are organized by Shalom Foundation through its regional coordinators. The regional coordinators - together with the Kayah State Peace Committee and local community leaders - will select about 25 participants for each of the trainings. The coordinators will organize the training and coordinate with the trainers. Some trainers are contracted locally and some come from Myanmar Council of Churches (MCC), Metta Development Foundation and Karuna Social Services. The training workshops will cover different development concepts, need assessment, goal setting, project site and working partner selections, project implementation, project evaluation, and proposal writing. The trainings should encourage active participation of the students by role plays, games, group discussions, field visits, etc. Shalom Foundation will be responsible for keeping the accounts, reporting of expenses, and management reports.



Workshop Myanmar-Style

Project Budget: Workshops in Kayah State

No.	Items	Amount per Workshop (MMK)	Amount for all 8 Workshops (MMK)
1	Training materials	200,000	1,600,000
2	Food for trainers and participants (30)	900,000	7,200,000
3	Traveling expenses		
	- Trainers	75,000	600,000
	- Participants	100,000	800,000
4	Trainers' compensation (3)	75,000	600,000
5	Trainers' accommodation	42,000	336,000
	Subtotal	1,392,000	11,136,000
	Coordination Cost (12%)		1,336,320
	Total in MMK		12,472,320
	(Total in USD: \$1 = MMK 947)		USD 13,170.35

Proposed Workshop Schedule:

No.	Townships Kayah State	Month
1	Loikaw	September 2004
2	Deemoso	November 2004
3	Hpruso	December 2004
4	Bawlake	January 2005
5	Hsataw	February 2005
6	Pasaung	April 2005
7	Mese	May 2005
8	Ywa Thit	July 2005

PIN paid MMK 6,000,000 to Shalom Foundation to cover the first 4 workshops under the condition that I would get access to all townships and that I could visit and participate in all workshops. At the end of January 2005 Shalom will prepare an interim report to PIN Foundation. On the basis of the interim report the remainder of the funding should be paid to Shalom.

3. Other Projects: Assistance**3.1 Emergency Flood Assistance: Myitkyina, Kachin State**

During the monsoon season of July 2004 Myitkyina, the capital city of Kachin State in Northern Myanmar, was flooded. The Ayeyarwady River rose to its highest level since 1978. Unofficial sources estimate that about 100 people died as a result of the flooding and landslides in Myitkyina and the surrounding areas and mountains. Many houses were damaged, destroyed or simply swept away and a large number of the wells – the main source for drinking water – were flooded. The government did very little to help the flood victims and the international NGOs working in Kachin State were not allowed to help in Myitkyina Town. As a consequence the effected population largely relied on the Christian and Buddhist organizations.



After the Flood: Houses Are Destroyed



After the Flood: The Bridge Is Gone

PIN supported the work of the Kachin Baptist Association (through Shalom Foundation) and of the Roman Catholic Dioceses in Myitkyina financially. The money was used to buy food (rice), support emergency shelters for the flood victims, to rebuild bridges and to clean the flooded wells (pump out, clean, and disinfect the wells) and to feed the voluntary rescue workers.

Donations by PIN for the flood victims:

1. MMK 1,500,000 to the Kachin Baptist Association (KBA), Myitkyina (via Shalom Foundation)
2. MMK 1,000,000 to the Catholic Bishop Francis in Myitkyina (via the Catholic Bishop Conference of Myanmar (CBCM))



Rice Distribution



Drying Books in the Sun



Re-building Houses



Cleaning Wells

3.2 U Hla Tun Cancer Hospice Foundation

The U Hla Tun Cancer Foundation (a Myanmar registered charitable organization) operates two hospices in Yangon and Mandalay for terminally ill cancer patients from poor and remote areas of Myanmar. PIN-Foundation supported the work of the hospices by a one-time donation of USD 500.

3.3 Individual Donations

In a few cases PIN-Foundation supported Myanmar individuals who could not afford medical treatment or could not pay for educational services.

- For the 52-year old mother and housewife, Mrs. Myint Yee, who suffered from diabetes and lost most of her eye-sight, PIN paid the laser surgery for one eye and paid for medicines.



Mrs. Myint Yee (in the middle) with family

- For a 24-year old waiter who is eager to improve his English language skills PIN financed a one-year membership at the British Council Library in Yangon.

- For the 18-year-old daughter of my driver, Honey, PIN financed an English language course at a Yangon University Institute, SEAMEO, and a one-year membership at the British Council Library in Yangon.



My driver's family (Honey on the right)

C. RECENT DEVELOPMENTS

After the signing of the MOU for the Boarding House in Myaing Gyi Ngu the good fortune of the Foundation changed. The central government in Yangon was angry that I had surpassed it and that PIN signed a MOU with the Abbot directly: For the first time somebody went around the Central Government and concluded a regional MOU. After the

Ministry of Education felt unable to assume responsibility for the project the MOU was referred to the cabinet for decision.

Although there has been no feedback or decision by the government cabinet yet it became apparent that the Boarding House Project had interfered with government politics. By going back and forth between the Buddhist (DKBA) side and the local Christians I had irritated the government and Military Intelligence. While the DKBA already signed a ceasefire with the Yangon Junta 10 years ago and is fighting on the side of Myanmar military the Christian KNU has not signed any ceasefire yet and continues to fight for independence.

Consequently, the government does not like any reconciliation between the two groups – Buddhist (DKBA) and Christians - to happen as it would strengthen the Karen cause. Starting September I was put under close watch by Military Intelligence when traveling to Kayin State but I was still allowed to access the project site and travel with the Abbott in the restricted areas.

Unfortunately, that is not true anymore and I have been barred from access to the project sites in Kayin State and also in Kayah State. What happened? On October 18, 2004 the former Prime Minister and Head of the Military Intelligence, Khin Nyunt, was removed and arrested with corruption charges. Some say he is under house arrest, some news say he is already sentenced to 40 years in prison. In the weeks following the whole intelligence network was smashed; hundreds of arrests and dismissals. This does not only include the agents but also relatives in civil service, business partners, executives running MI-companies and friends. A lot of them have been sentenced to long-term imprisonment, 30 or even 40 years. It is the result of a gigantic power struggle between the Military/Army and the Intelligence System. History is repeating itself in Burma or in a more trendy term: history is recycled in Burma.

In 1983 when the MI got to powerful, the whole intelligence service was dissolved and leaders sentenced for life: “on corruption charges”! Hundreds of MI officers and thousands of agents and informers were arrested or dismissed. In 1997 a couple of ministers from the combat fraction of the army and some regional commanders were sacked by MI, guess on what? Yes, on corruption charges. At that time the initiator was the Prime Minister; he was now sacked himself. All boils down to a gigantic fight for enrichment through controlling lucrative assets and land; the ones who loose are sent to prison or on remote assignments in the jungle. The big guys arrested will spend some 1-2 years in prison and then will be released to live in retirement and luxury.

You might wonder what has this to do with my projects. A lot; the almighty MI-apparatus did not only control industry and all aspects of private life through a vast network of spies and informers but had also monopolized and supervised all contacts with foreigners, foreign companies and organizations. Now, all these contacts suddenly disappeared and created a vacuum. On the positive side the thousands of Myanmar teashops are now places where – at the moment - one can talk openly as the informers and agents are gone but to the negative all contacts and tacit support for international humanitarian projects dealt a severe blow. As the military tries to fill the vacuum by taking over all aspects of the public and private sector the regional military commanders in the states became the counterparts for the humanitarian projects. As the military never had the direct exposure to the NGOs and distrusts all foreigners they would like the foreigners out of the sensitive border areas where fighting and human rights violations (displacement of civilians through burning down whole villages, forced labor, rape, landmines etc.) are normal day-to-day business.

As my boarding house project with the Buddhist abbot is in one of the restricted areas the South-East Commander in Moulmein used it as an excuse to stop the access to this areas for all foreign NGOs. In a letter to the international NGOs active in these areas (International Committee of the Red Cross –ICRC -, UN High Commission for Refugees – UNHCR -, MSF, WorldVision and Save the Children) the Southeast Commander prohibited - with reference to the “unauthorized” Boarding House project in MGN - any foreigners traveling to and in the DKBA special areas and on the Tandlwin-(Salween-) river. Exceptions are only granted by the Commander himself and have to be applied for at least three weeks in advance.

These conditions were unacceptable for ICRC and UNHCR as their MOUs with the Home Ministry allow them to travel in the Kayin State upon notification (without approval). Both organizations felt that once they give in to the demands of one Commander the other 11 Regional Commanders will follow suit and put the same restrictions upon them. In particular, ICRC and UNHCR were very upset with PEOPLE IN NEED as ICRC had to stop a hospital project on the other side of the Tandlwin River (not allowed to cross anymore) and UNHCR had to severely cut back their medical and water and sanitation survey in Kayin State. Officially, ICRC and UNHCR distanced themselves from PEOPLE IN NEED and broke off all official cooperation. Once again the strategy of the junta has worked well: Divide and rule! Fortunately, on the personal level the good inter-personal contacts with the ICRC and UNHCR delegates remain intact and I still get a cup of coffee there.

After discussing extensively with my local partner – Shalom Foundation - and with the Director of ICRC in Myanmar I went to Hpa-An to discuss the future procedure with the Buddhist Abbot and with the Christian leaders in Kayin State. Arriving in Hpa-An, the capital of Kayin State, it felt as if the “terror-alert” had been uplifted to “red alert”. Immigrations and the Bureau for Special Investigation (the Myanmar equivalent of the US FBI or the German BKA) were on my toes from the start. Although my visit had been approved by the local authorities before-hand, word from the South-East Commander, prevented me from visiting the project site of the boarding house. After a long discussion with the Abbot we agreed that the Boarding House project is not more important than the work of the Red Cross and the UN with many projects in Kayin State. As a consequence PIN suspended the Boarding House project until the situation gets more transparent and back to normal.

There is hope that over the next couple of months the military will sort out their internal challenges which include setting up a new intelligence network and taking over all companies which were operated and managed by Military Intelligence. About 80% of the relatively small industrial and services sector of the bankrupt economy (about 75-80% of the production originated in the agricultural sector) were linked to MI personnel, their families or friends. I can only expect the worst for the industrial sector as a bunch of unskilled (and by definition: violent) military commanders will take over and will probably repeat the mistakes which a similarly unqualified group of MI personnel made over the last two decades.



Police took over some function from MI and is present everywhere

In line with the restrictions in Kayin State I am not allowed to visit the development workshops in Kayah State. Here, the Eastern Commander does not grant any travel permits for any foreigner currently. PIN will have to discuss with Shalom Foundation how to proceed when the second installment of the funding for the Workshop Project is due at the end of January 2005.

II. INDONESIA

Project: Support for Jan Sofyan

During my time with Medicins Sans Frontieres (Aerzte ohne Grenzen) in Jakarta I got to know Yan Sofyan and his family. Sofyan was an auto-mechanic in one of the poorest areas of South-east Jakarta: Kampung Makasar. Sofyan, born in 1952, had a wife and five children and had difficulties in making ends meet. Life was difficult as three of his children attended school or university and the oldest son (married, one child) was unemployed. Since the beginning of 2003 I supported the family and partially financed the university study of the only daughter, Maria Laraswati, at the University in Bandung, Central Java.

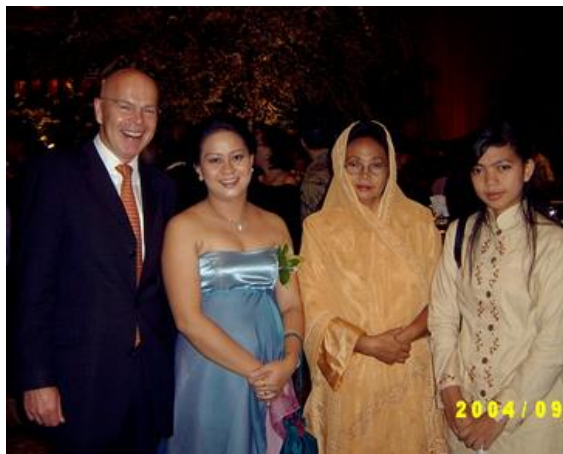


Sofyan's family (his wife Sofia in the back, middle of photo)

In April 2004 Sofyan got severely ill and had to stop his work as an auto-mechanic. PIN Foundation decided to help Sofyan and his family by contributing to his living and medical expenses. After several months trying to establish the cause of the illness the local doctors gave up and terminated the treatment of Sofyan. After calls for help I went to Jakarta in August 2004. My intention was to arrange for a thorough medical examination to find the cause of the disease and to initiate a proper treatment. Unfortunately, Sofyan condition had already deteriorated very much when I arrived in Jakarta; we had to deliver him to a private

hospital immediately. Sofyan did not leave the hospital anymore, he died on September 12, 2004 of cancer which had affected the colon and had already spread to the spine and the kidneys. (See medical report by Dr. Dessy H. Guyanto)

PIN paid for all the medical expenses and helped the family with the funeral and living expenses. The total amount spent for Sofyan and his family in 2004 was EUR 13,724. PIN would like to continue to support the children with their education in school and at university.



Dr. Dessy, Sofia and Daughter, Maria, at Wedding Reception of Dr.Dessy's Brother

III. NEXT STEPS

It is impossible to predict what will happen in Myanmar next. As in the past, the political developments are very hard to read and are contradictory. In a move to appease the international opinion the Myanmar government has released about 15,000 prisoners over the last couple of weeks, starting before the ASEAN summit in Vientiane. Although seen as positive by some analysts, cautious observers have pointed out that only about 50 political prisoners have been released as part of the 15,000. Amnesty International estimates the total number of political prisoners in Myanmar to be around 1,500.

Coinciding with the prisoner release the government announced that the National Convention for drawing up a new Constitution will be re-convened in February 2005. More recently the government has extended the house arrest for the opposition leader and Peace Nobel Prize Laureate Aung San Suu Kyi by another 12 months and prohibited her to see any visitors other than her doctor once a week.

Judging by historic precedent it is to be expected that after a couple of months Myanmar life will go back to normal with only the Military Intelligence personnel being replaced by new institutions and some new guys with different names. This would mean that PIN could continue its work in Myanmar and revive the suspended projects. At the end of December 2004 I will sit with Shalom Foundation to discuss the current environment and potential projects which may not be as vulnerable to political swings as the boarding house in Kayin State and the workshops in Kayah State.

No Burmese citizen including the generals will make any personal decision without consulted with an astrologer first. Astrologers are consulted for every aspect of private and public life: names, wedding dates, shop openings, re-convening the national convention, denomination of currency and the date when Prime Ministers are purged.

Following Myanmar tradition I consulted with a famous astrologer to determine my next moves. He encouraged me to stay in Asia but to keep a low profile for the time being: In 2005 things should brighten up. With this in mind I intend to spend the next 4 – 5 months in Thailand on a “holding pattern” until the situation becomes more transparent. In Thailand communication is better, at the border information on Myanmar is abundant and it is a more convenient living environment than Myanmar.



U Min Thin Kar: One of the Famous Burmese Astrologers