

**EUROPEAN UNION**  
**Development Cooperation Instrument**

**Multiannual Indicative Programme (2014-2020)**  
**MYANMAR/BURMA**



**06/10/2014**

# Multiannual Indicative Programme (2014-2020)

## MYANMAR/BURMA

### **1. The overall lines for the EU response**

The Republic of the Union of Myanmar (Myanmar/Burma) has an estimated population of around 51 million and a territory of some 675 000 km<sup>2</sup>, making it the largest country in continental South East Asia. Following more than 50 years of military dictatorship, Myanmar/Burma has embarked on a remarkable process of reform under the new government, which took office in March 2011. Since then, restrictions imposed on the opposition have been partially withdrawn, political prisoners released, freedom of expression improved and economic reforms initiated. In order to encourage further positive changes, the European Union (EU) at first suspended sanctions in 2012, and then lifted them a year later in 2013 with the exception of an arms embargo and an embargo on equipment which might be used for internal repression<sup>1</sup>. The EU now grants Myanmar/Burma the Everything But Arms regime under the Generalised Scheme of Preferences. Myanmar/Burma has significantly increased its engagement with the international community.

Recognising these positive developments, the EU decided to support Myanmar/Burma's transition in the spirit of partnership. The underlying objectives are set out in the "Comprehensive Framework for the European Union's policy and support to Myanmar/Burma"<sup>2</sup>. In line with this closer relationship, the EU opened a fully-fledged Delegation to Myanmar/Burma and nominated its first Head of Delegation in September 2013. In November 2013, an EU-Myanmar Task Force met in Yangon and Nay Pyi Taw, bringing together political, development, civil society and business actors from both sides. The event marked the first time the task force instrument was used outside of the EU's immediate neighbourhood, thus further underlining the EU's strong commitment to Myanmar/Burma's democratic transition and reforms.

The overall positive evolution notwithstanding, Myanmar/Burma still faces significant challenges. First and foremost, it needs to secure sustainable peace with its numerous ethnic armed groups. The success of the peace process is paramount with regard to Myanmar/Burma's future and will have consequences across all sectors of EU support. Furthermore, inter-communal violence between the country's Buddhist and Muslim communities, most notably in Rakhine State, threatens to derail the transition process if durable solutions are not found. Additionally, an uneven level of development has left 26%<sup>3</sup> of the country living below the national poverty line despite the significant economic progress made, with real Gross Domestic Product (GDP) growing at an estimated 7.5%<sup>4</sup> in the fiscal year that ended on 31 March 2014. In order to ensure inclusive growth and sustainable development in its economic, social and environmental dimensions, Myanmar/Burma must lead its rural population out of poverty; improve infrastructure and the efficiency of the public administration; ensure access to adequate education and health care; and establish respect for human rights, including core labour rights, and the rule of law, notably with regards to minority groups. In addition, Myanmar/Burma's population and natural resources, including its diverse flora and fauna, are particularly vulnerable to natural disasters and climate change, which is compounded by low levels of resilience and limited

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<sup>1</sup> Other like-minded countries such as the USA, Australia and Canada also lifted sanctions totally or partially.

<sup>2</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/138272.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/138272.pdf)

<sup>3</sup> Asian Development Bank: Myanmar (Main) [<http://www.adb.org/countries/myanmar/main>]

<sup>4</sup> Asian Development Bank: Myanmar (Economy) [<http://www.adb.org/countries/myanmar/economy>]

coping capacities. These vulnerabilities need to be addressed in order to avoid undermining Myanmar/Burma's development objectives. The EU stands ready to support Myanmar/Burma in addressing these challenges and aims at building a lasting partnership and promoting closer engagement with the country as a whole.

As in other transition countries, EU development support in Myanmar/Burma is strongly linked to the on-going political transition and will require coordinated support and the deployment of all EU instruments and tools in a comprehensive, consistent and synergetic manner. In light of the fluidity and unpredictability inherent to countries in transition, maximum flexibility should be ensured in order to allow for an appropriate and tailored response. When preparing Annual Action Programmes, all programmes and projects that might have an environmental impact will undergo a specific environmental assessment to analyse such impact and propose mitigation measures. In these cases, A Strategic Environmental Assessment (SEA) or an Environmental Impact Assessment (EIA) will be carried out.

### **1.1. Strategic objectives of the EU's relationship with the partner country**

The overall EU strategic objective is rooted in the desire to support peace, security and stability in the country, while promoting inclusive growth and sustainable development, through the on-going reform process. To this end, the EU aims to support political, social and economic development, to foster respect for human rights and to assist the government in rebuilding its place in the international community. In concrete terms, the strategic objectives as outlined in the EU's Comprehensive Framework are:

- *To support peace and national reconciliation*  
Peace is a pre-condition for consolidating democracy, promoting development and protecting human rights. If the peace process is derailed, inter-communal violence continues and security remains elusive, all other development assistance will risk being ineffective. Achieving lasting peace requires in the short term an end to hostilities across the country, the conclusion of an inclusive peace agreement leading to inclusive politics, rehabilitation and development in ethnic areas as well as unhindered humanitarian assistance to tend to the needs of the most vulnerable. In the long term, peacebuilding requires more legitimate national and regional institutions, strengthened human security<sup>5</sup> and community resilience, means to address injustice and viable employment and livelihood opportunities.
- *To assist in building a functioning democracy*  
While a functioning democracy can only be built by the people of Myanmar/Burma, European experiences and lessons learned regarding political transition and democratisation can be a source of inspiration and advice in a number of areas. Among them, constitutional review, strengthening of the role of the Parliament, enhancing human rights and the rule of law as well as fostering a strong civil society and effective social dialogue figure prominently.
- *To foster sustainable development and trade*  
In order to ensure political stability and economic prosperity, it is paramount to reduce poverty, in particular in rural areas. This requires inclusive growth and sustainable development in its three dimensions, i.e. economic, social and environmental, for instance through improved climate resilient rural livelihoods and food security as well as

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<sup>5</sup> Human security focuses primarily on protecting people while promoting peace and assuring sustainable development. It emphasizes aiding individuals by using a people-centred approach for resolving inequalities that affect security.

rebuilding the education system. The EU will help establish a trade and investment partnership and provide support for trade and private sector development. The EU continues to promote the elimination of all forms of forced labour, as well as the adoption of sustainable and responsible business standards, such as Decent Work and the practice of the highest standards of integrity and corporate social responsibility (CSR). As Myanmar/Burma is particularly vulnerable to climate change, environmental concerns should be mainstreamed into the full spectrum of its development activities.

- *To support the re-integration of Myanmar/Burma into the international community*  
After years of international sanctions and isolation, Myanmar/Burma is gradually re-integrating itself into the international community. The EU can offer support in terms of regional integration, notably in ASEAN, and promoting adherence to and implementation of relevant international agreements, in particular with regards to human rights and non-proliferation.

The EU will work in partnership with the government, international and local partners to promote peace, democracy, inclusive growth and sustainable development for the benefit of the Myanmar/Burma people over the programming period 2014-2020. Moreover, European experiences and lessons learned regarding political transition, democratisation and peace processes will be actively shared.

In Myanmar/Burma, the EU and its Member States agreed to plan their support for the country jointly in order to increase effectiveness, avoid gaps and overlaps and ensure better value for money. A “Joint EU Development Partners Transitional Strategy for Myanmar/Burma 2014-16” was agreed in late 2013, setting out the overall EU approach to the country and specifying which donor will work in which sector along with their indicative financial allocations which total some EUR 1 billion over the three years. The strategy also includes joint commitments to support overall development effectiveness in Myanmar/Burma. This Multiannual Indicative Programme (MIP) represents the bilateral programme for the contribution from the EU budget managed by the European Commission. The next Joint EU and Member States’ Strategy will run from 2016 to 2020 to align with the election and national planning cycle, and the MIP will be reviewed at this time to ensure coherence. For the programming period 2014-2020 the EU plans to maintain its high levels of development assistance of up to EUR 100 million per year, which requires better development partner (DP) coordination. The government has recently stepped up efforts to cooperate with development partners and ensure that foreign aid is used effectively to support the on-going reforms, notably through the Myanmar Development Cooperation Forum held in January 2013 and 2014.

## **1.2. Choice of sectors**

Myanmar/Burma's national development framework is set out in the Framework for Economic and Social Reforms (FESR) for 2012-15, which serves as a precursor to the 20-year National Comprehensive Development Plan expected to be finalised by the end of 2014. The choice of priorities has been made following extensive discussions with Myanmar/Burma stakeholders, including at the EU-Myanmar Task Force in November 2013 and during the Asia Programming Seminar held by Commissioner Piebalgs in March 2014, and is in line with the government’s own development objectives. In addition to the EU's bilateral assistance, Myanmar/Burma will continue to benefit from EU thematic programmes such as the European Initiative for Democracy and Human Rights (EIDHR) and the Civil Society Organisations and Local Authorities (CSO-LA) programme. It will also be eligible

for regional programmes, notably those implemented through ASEAN, and continue to be eligible for support from other EU instruments such as the Instrument contributing to Stability and Peace (IcSP). Humanitarian assistance is provided for conflict-affected populations and victims of natural disasters.

Information and Communication Technologies (ICT) are cross-cutting and their applications are proven drivers for creating more inclusive and sustainable growth, innovation and entrepreneurship and supports effective development and capacity building for the chosen focal areas.

Under this MIP 2014-20, the areas chosen for EU development support, all consistent with Agenda for Change<sup>6</sup> priorities, are as follows:

### **1.2.1. Rural development / Agriculture / Food and nutrition security (35% of envelope)**

Despite the projected growth of Myanmar/Burma's cities in the coming years, over 70% of the population remained rural in 2014. Agriculture remains the mainstay of the economy, accounting for 40% of GDP and providing employment for over 60% of the labour force. Nearly a quarter of people whose primary economic activity is agriculture have no access to land of their own for cultivation<sup>7</sup>. Productive potential is far from being fully utilised and yields remain well below the average in the region and inferior to their historical highs.

The sector faces numerous and considerable challenges including: slow onset as well as sudden large-scale natural disasters; numerous pests and diseases affecting production; conflicts in, and displacements from, fertile and productive areas; skewed land distribution (large-scale development projects are expected to further increase competition for land); lack of basic infrastructure to connect rural areas to population centres resulting in high transport and marketing costs; lack of reliable power supply; lack of rural financial services which hampers growth with only an estimated 10% of financing needs currently met by existing formal institutions<sup>8</sup>; research and extension services are largely absent, leading to poor quality inputs and sub-standard management practices. Forest resources have been severely affected by unsustainable commercial logging, fuel wood consumption and conversion to commercial plantations. The Forest Law Enforcement, Governance and Trade (FLEGT) process is expected to strengthen forest governance and to reduce illegal timber trade. Myanmar/Burma will soon enter the preparatory phase for the negotiation of a Voluntary Partnership Agreement. Marine resources are severely depleted by over-fishing and illegal unreported and unregulated fishing (IUU). The EU promotes responsible fisheries in Myanmar/Burma in line with the Food and Agriculture Organisation (FAO) code of conduct for responsible fisheries.

These fundamental challenges have resulted in entrenched structural poverty. Approximately one third of the country's children suffer from chronic undernutrition (stunting). The nationwide prevalence of moderately underweight children is 32%. The average proportion of

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<sup>6</sup> European Commission, EU Development Policy: an Agenda for Change

[[http://ec.europa.eu/europeaid/what/development-policies/documents/agenda\\_for\\_change\\_en.pdf](http://ec.europa.eu/europeaid/what/development-policies/documents/agenda_for_change_en.pdf)]

<sup>7</sup> The Farm Land Bill, passed in 2012, should secure access to land for a number of farmers. However customary land tenure, which is mainly found in the upland regions, is not recognised by the existing land laws, as it is considered as fallow, vacant or virgin land.

<sup>8</sup> Integrated Household Living Conditions Assessment (IHLCA 2), UNDP and the Ministry of Planning, 2011.

total household expenditure on food is 68%<sup>9</sup>. Around 26% of Myanmar/Burma's population lives below the poverty line<sup>10</sup>. The share of rural poverty in total poverty is 87%. Therefore, investing in the rural economy will not only contribute significantly to national growth, but is likely to have the highest social returns. The government recognises this and has encouraged investment in livelihoods and food and nutrition security as a pillar of its national development plan.

Myanmar/Burma is particularly vulnerable to climate change. Climate change projections for Myanmar/Burma highlight a general increase in temperature across the whole country, increased drought periods, increased risk of flooding and increased occurrence and intensity of extreme weather events<sup>11</sup>. These concerns need to be mainstreamed across all development activities, and particularly in this sector.

As expressed in the 'Agenda for Change', the EU aims to ensure a smooth transition from humanitarian aid and crisis response to long-term development cooperation and has been promoting the principles of Linking Relief, Rehabilitation and Development (LRRD) for a number of years. This approach will be particularly relevant for this focal sector and will be mainstreamed in the activities to be carried out based on risk-informed planning. In addition, under this focal sector, interventions will be nutrition sensitive (e.g. diversified food production, focus on nutritious food, hygiene education), according to the commitments of the EU in this regard. Conflict and gender analysis will inform conflict and gender sensitive approaches across the actions to be implemented. Where possible, EU bilateral grant resources can be blended with loans from the European Investment Bank<sup>12</sup>, EU Member States' Development Banks, as well as with other international and regional financial institutions with the aim of maximising our development impact.

### **1.2.2. Education (35% of envelope)**

Education is the sector that has seen most change in the shortest time, in terms of government policy and its openness to engage in reforms. Access to education is expanding and enrolments have increased at the primary and secondary levels. The Comprehensive Education Sector Review (CESR), launched in 2012, is expected to deliver by the end of 2014 an education budget for 2015-16 and a budgeted National Education Sector Plan for 2016-21 that will align with the government planning cycle.

The CESR is expected to highlight a number of critical challenges and constraints to achieving the education vision and goals. There is wide disparity in access to, and duration of, quality education opportunities for different children and population groups. Primary net enrolment rates<sup>13</sup> stood at 87%, dropping to 58% and 32% for middle and high school respectively. Net enrolment rates are lowest for the poor<sup>14</sup>. The primary completion rate<sup>15</sup> was estimated by the government to be 67% in 2010/11<sup>16</sup> but could in fact be as low as

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<sup>9</sup> Integrated Household Living Conditions Assessment (IHLCA 2), UNDP and the Ministry of Planning, 2011.

<sup>10</sup> The poverty rate is highest in Chin (73%), Rakhine (44%), Taninthary (33%), Shan (33%) and Ayeyarwady (32%). The same study showed that Ayeyarwady, Mandalay, Rakhine and Shan account for two-thirds of total food poverty and over half of total poverty in Myanmar/Burma.

<sup>11</sup> Maplecroft Climate Change Vulnerability Index 2013 -

[[http://www.preventionweb.net/files/29649\\_maplecroftccvisubnationalmap.pdf](http://www.preventionweb.net/files/29649_maplecroftccvisubnationalmap.pdf)]

<sup>12</sup> The EIB is currently negotiating a Framework Agreement with Myanmar/Burma.

<sup>13</sup> As measured by the Multiple Indicator Cluster Survey in 2009/10.

<sup>14</sup> World Bank, PID, Myanmar/Burma Decentralizing Funding to Schools, 2014.

<sup>15</sup> Those completing Grade 5 or at least taking the end of year examination.

<sup>16</sup> Ministry of Education, Myanmar.

54%<sup>17</sup>. There is a significant dropout problem with nearly one million primary school age children out of school, as well as high repetition rates and large numbers of over-age entrants into primary school.

Whilst access to education is improving, low investment in educational facilities, resources, teacher training and quality inputs in classrooms has hindered improvements in educational quality. Only about 11% of young people aged 18-21 enrol in higher education (2009-10), with marked disparities between urban and rural areas and socio-economic status<sup>18</sup>. Access to technical and vocational training is even more limited: household survey data suggest that only 1.7% of 16-19 year-olds is enrolled in various forms of skills training, with access to training largely limited to affluent urban populations<sup>19</sup>. This situation is even worse among conflict-affected and displaced populations. In both subsectors, teaching quality and methods are a major concern, curricula are out-dated and lack relevance to the labour market, teaching and learning resources and equipment are limited or obsolete and, as a consequence, graduates are not 'employment-ready'. This is a serious problem, as a skilled workforce will be critical for national development and to support Myanmar/Burma's successful entry into regional and global markets. Capacity to implement reform at all levels, and to plan, budget and monitor education delivery remains weak. In particular, township education offices are understaffed and lack capacity given their pivotal roles in the context of decentralisation. Legislation and the policy framework for education remain outdated. The lack of reliable information, in education as in other key development areas, is also a major constraint.

Past EU support to basic education, through the Multi Donor Education Fund (MDEF), implemented by UNICEF, has been successful in addressing access and quality issues at the basic level and made some progress in building capacity. Ongoing support through the trust fund expands beyond supporting basic education service delivery in selected townships, and includes the strengthening of the education system through support to capacity building and institutional development at all levels.

In conflict-affected areas, strong coordination and synergies are established with the EU-funded "Children for Peace" initiative, aiming at providing emergency education.

Regarding gender mainstreaming, and in particular increased participation of girls and women in education, future EU-funded education programmes should reflect a strong focus on and proactive approach to empowering effective female participation in education, teacher training, educational management and curriculum design.

Future EU funding to the education sector in Myanmar/Burma will mirror specific priorities and objectives articulated in the National Education Sector Plan to be developed by the government. This forthcoming plan will provide an opportunity for the EU to better deliver on its aid effectiveness commitments, by fostering ownership, partnership and dialogue with counterpart government institutions and will offer opportunities to scale-up system-building support, building upon previous EU support. Conflict analysis will inform conflict sensitive approaches across the actions to be implemented. Continuing support for these actions is fundamental in sustaining the momentum of reform as embarked upon by the government in the field of education. Moreover, support to the education sector in Myanmar/Burma is

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<sup>17</sup> 2010 UNICEF Multiple Indicator Cluster Survey.

<sup>18</sup> Myanmar Comprehensive Education Sector Review, Phase 1: Rapid Assessment; Technical Annex on the Higher Education Subsector (26 March 2013).

<sup>19</sup> Myanmar Comprehensive Education Sector Review, Phase 2: In-Depth Analysis; Technical Annex on the Technical Education and Vocational Training Subsector (draft, 4<sup>th</sup> February 2014).



considered an investment in people to promote stronger linkages between education, employment and poverty reduction, thereby meeting the needs of a modern industrialised market economy.

### **1.2.3. Governance / Rule of law / State capacity building (14% of envelope)**

Five decades of dictatorship have eroded state institutions and undermined citizens' confidence in the state's capacity to deliver. However, since the change of government in 2011 the authorities have been looking at international and regional/ASEAN experiences and best practices to inform reforms and have invited policy advice and support from the EU.

Public administration is in need of structural reform, as there are several bottlenecks that impede its efficient functioning. These structural constraints are compounded by a culture of patronage, a lack of accountable institutions, individual and institutional capacity constraints, and weak service delivery. There has been slow progress in rolling-out the planned decentralisation process due to a lack of policy, planning and a clearly designated authority. However, an area where concrete progress has been made is public finance management: a reform plan has been formulated and is being implemented.

The justice system in Myanmar/Burma is widely regarded as inaccessible, denying ordinary citizens the opportunity to exercise their rights. A culture of impunity and lack of accountability persists. Whilst some indications of change have been observed under the new government since 2011<sup>20</sup>, these are modest improvements against the vast needs. A report measuring global adherence to the rule of law finds Myanmar/Burma near the bottom of the list, ranked 89<sup>th</sup> out of 99 nations studied<sup>21</sup>. It is essential to establish an independent judiciary. In this post-conflict fragile state context, it is a priority for the EU to contribute to rebuilding state institutions to enable a more people-centred form of governance to take hold, improving public service delivery to meet people's needs and strengthening the involvement of the private sector and civil society, including workers' organisations and business intermediary and support organisations. Substantive reforms in this sector, including funding for institutional capacity building are much needed. Law enforcement agencies, including the Myanmar Police Force, need to be modernised and their functioning and practices brought in line with international standards.

A key element of the democratic reforms consists of ensuring credible, transparent and inclusive general elections in 2015 and beyond. It is essential that the results of these elections are seen by the people of Myanmar/Burma as legitimate and democratic, as anything less could derail the transition and destabilise the nation. The current legal framework is problematic and includes several restrictions that fall short of international standards. Supporting the reformers that are working on amendments is an EU priority, as is providing technical support to the Union Election Commission (UEC) in order to ensure the credibility of future elections. Transparency and accountability are also key to consolidating democratic reforms and strengthening checks and balances. It is essential to ensure a strong role for national and state/regional parliaments and to continue providing support to media,

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<sup>20</sup> The present judicial system was adopted in October 2010 by promulgating the Judiciary Law. The President appoints judges, controls financing of the court system, and may have the power to dismiss lower court judges – the parliament also has substantial power on financing and impeachment of judges. There is no independent process for appointing lower court judges – they are selected by Government-appointment processes that are the same for appointing civil servants.

<sup>21</sup> World Justice Project – Rule of Law Index 2014 [<http://data.worldjusticeproject.org/>]



civil society organisations and other actors that empower people in holding their government accountable. Support to the democratic reform process in Myanmar/Burma will be closely linked to the implementation of the EU Agenda for Action on Democracy Support in EU External Relations<sup>22</sup>.

Improving national statistics is one of the four key priority areas of the government's reform agenda (FESR). The current statistical system is obsolete and incapable of producing reliable statistics for effective policy development and planning processes. Key weaknesses are: (i) outdated legislation, rules and procedures; (ii) limited coverage and quality of data generated by administrative systems; (iii) inconsistency in data from different sources; (iv) lack of use of international statistical standards; (v) weak coordination within and among ministries and departments, and the level of authority of the Central Statistics Organization (CSO); (vi) insufficient human, financial, technical and IT resources<sup>23</sup>.

#### **1.2.4. Peacebuilding support (15% of envelope)**

Support to peacebuilding is a key EU priority since the sustainability of the democratic and economic transition is strongly contingent on national reconciliation. While important progress has been made since 2011, the situation in ethnic states remains fluid. Ceasefires have been agreed with most ethnic armies, but sporadic fighting has continued in a number of areas. Ongoing inter-communal violence between Buddhist and Muslim communities, occurring most notably in Rakhine State, but also affecting other parts of the country, with impunity of perpetrators of violent acts and those who incite hatred, pose a substantial risk to Myanmar/Burma's democratic and economic transition. The recruitment of child soldiers both into the *tatmadaw*<sup>24</sup> and the ethnic armed groups is being addressed through a National Action Plan, although it remains a persistent and serious problem. Moreover, many States in Myanmar/Burma remain covered in land mines and other ordnance of war, which poses a constant threat to the well-being of citizens, most acutely in the south-east of the country.

Considering the disproportionately adverse impact that 50 years of military dictatorship have had on Myanmar/Burma's ethnic states, the government has recognised that delivering services to these areas must be a priority of the development policy and planning. The ongoing instability in ethnic areas, which impedes the effective implementation of development activities, justifies a special emphasis on peacebuilding support in the programming period. The priorities set out in the other sectors will be open to a far greater degree of risk if sustained peace is not established. In this context, it is imperative that the EU and other international partners remain committed to supporting Myanmar's national reconciliation process. Without a sustainable nationwide ceasefire, an inclusive political dialogue and necessary mechanisms for transitional justice and ethnic reconciliation, alongside finding a durable solution to inter-communal violence, significant risks will remain for Myanmar/Burma's effective economic and political transition. The EU has already taken

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<sup>22</sup> See Council conclusions on Democracy Support in the EU's External Relations and its related Agenda for Action, Brussels, 17 November 2009. The implementation of the Agenda for Action entered in its second phase in 2014 and also covers Myanmar/Burma.

<sup>23</sup> The EU has been supporting the government since mid-2012 to build capacities to improve data production, analysis and dissemination. Our support specifically targeted CSO, which is responsible for data capture, compilation and dissemination of statistics, and focused on trade in goods statistics. The EU provided various trainings and supplied IT equipment to harmonise Myanmar/Burma statistics with ASEAN and international standards.

<sup>24</sup> 'Tatmadaw' is a Burmese term for the Myanmar/Burma Armed Forces.

the lead in supporting peace building initiatives such as the Myanmar Peace Centre, including a mine action centre, civil society activities in conflict-affected areas aimed at protecting human rights, improving livelihoods and fostering reconciliation and shared the recent experience on political transition and democratisation of EU Member States.

## **2. Financial overview**

<i>Sectors of intervention</i>	<i>Indicative amount (EUR)</i>	<i>% (indicative)</i>
Rural development / Agriculture / Food and nutrition security	241 000 000	35%
Education	241 000 000	35%
Governance / Rule of law / State capacity building	96 000 000	14%
Peace building support	103 000 000	15%
<i>Support measures</i>	<i>7 000 000</i>	<i>1%</i>
<b>Indicative total for 2014-2020</b>	<b>688 000 000</b>	<b>100%</b>

*Measures in favour of civil society across sectors (notably in peace building support and in governance) are approximately EUR 35 000 000 - 5% of the total. Support measures are EUR 7 000 000 - 1% of total.*

## **3. EU support per sector**

Given that the quality of national statistics requires further improvement, the task of defining accurate and suitable indicators measuring results and progress is thereby rendered more difficult. As such, the expected results and objectives should take into account the absence of reliable statistics. Actions under this sector should include measures which address the sustainable use of natural resources.

### **3.1. Rural development / Agriculture / Food and nutrition security (EUR 241 000 000 – indicative amount)**

#### **3.1.1. Overall and specific objectives**

The overall objective is to contribute to the eradication of poverty and hunger in rural areas of Myanmar/Burma through sustainable rural development, including environmentally sustainable agriculture.

**Specific objective 1:** Improved climate resilient food and nutrition security of rural households

**Specific objective 2:** Sustainably increased wealth in rural areas, with a specific focus on agriculture

**Specific objective 3:** Improved delivery of basic services to rural communities

### 3.1.2. Expected results

Specific objectives	Expected results
SO 1. Improved climate resilient food and nutrition security of rural households	1.1. Climate smart and nutrition sensitive agricultural production  1.2. Improved nutritional status in vulnerable rural households, especially among mothers and children
SO 2. Sustainably increased wealth in rural areas, with a specific focus on agriculture	2.1. Development of selected sustainable agricultural value chains and improved linkage to markets (including rural infrastructure)  2.2. Increased resilience to natural disasters in the most exposed and vulnerable rural communities  2.3 Better access to reliable and affordable energy, including renewable and carbon saving, among rural communities  2.4. Increased ownership, control and access to natural resources and their sustainable management and use in rural areas
SO 3. Improved delivery of basic services to rural communities	3.1. Strengthened institutional, technical and organisational capacity at national and sub-national levels for basic service delivery to rural areas

### 3.1.3. Main indicators by result

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

*This is a sector where interventions may result in environmental degradation/problems or where issues are exacerbated by environment/land use and deforestation/climate change/natural disasters. Programmes or projects will be subject to screening according to the procedure indicated in the Guidelines on the Integration of Environment and Climate Change in Development Cooperation<sup>25</sup> in order to identify the need for a Strategic Environmental Assessment (SEA), Environmental Impact Assessment (EIA) or Climate Risk Assessment (CRA).*

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<sup>25</sup> Guidelines on the Integration of Environment and Climate Change in Development Cooperation, European Commission, 2010, 160 pp., ISBN 978-92-79-14538-4

### **3.2. Education (EUR 241 000 000 – indicative amount)**

#### **3.2.1. Overall and specific objectives**

The objectives for the sector will be related to the outcomes of the Comprehensive Education Sector Review (CESR) and the Myanmar/Burma National Education Sector Plan 2016-21 that will result from it. This is expected to form the basis for a sector investment programme. Given the many challenges and constraints in the education sector, it will be necessary to look at basic (primary and secondary) education, technical and vocational education and training, when designing actions. When the MIP mid-term review is carried out, the objectives and expected results will be reassessed, and possibly revised, to align with the national education sector plan. Overall, EU support will contribute to Myanmar/Burma achieving education-related Education for All and Millennium Development Goals.<sup>26</sup>

**Specific objective 1:** Increased access to, and completion of, quality and equitable education

**Specific objective 2:** Strengthened education system (planning, management and governance)

**Specific objective 3:** Improved relevance of education to labour market needs

#### **3.2.2. Expected results<sup>27</sup>**

<b>Specific Objectives</b>	<b>Expected Results</b>
SO 1. Increased access to, and completion of, quality and equitable education	1.1. Increased enrolment, progression and completion rates in education, including among disadvantaged students and children vulnerable to child labour  1.2. Reduced cost barriers to education  1.3. Improved quality of education
SO 2. Strengthened education system (planning, management and governance)	2.1. Enhanced management of township and school systems  2.2. More efficient education sector planning and budget allocation
SO 3. Improved relevance of education to labour market needs	3.1. Secondary education and technical and vocational education and training realigned to labour force needs

<sup>26</sup> In higher education, the Erasmus+ programme will offer opportunities for Myanmar/Burma, including in inter-institutional cooperation programmes and student and staff mobility, as well as capacity building. Erasmus+ will be financed under the Multiannual Regional Indicative Programme for Asia for the period 2014-2020.

<sup>27</sup> Results will be defined on the basis of the national education sector plan 2016-21 and are expected to include the below.

### 3.2.3. Main indicators by result

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

*This is a sector for which one would not anticipate the need to have a deep environmental assessment unless an intervention would include the construction of educational buildings and facilities for which climate change/disaster preparedness mainstreaming then maybe required. If agreed upon in the national education sector plan, environment, climate change and disaster preparedness could be mainstreamed in curricula. When relevant, programmes or projects will be subject to the environmental screening procedure indicated in the Guidelines on the Integration of Environment and Climate Change in Development Cooperation in order to identify the need for an SEA, EIA or CRA.*

## **3.3. Governance / Rule of law / State capacity-building (EUR 96 000 000 – indicative amount)**

### 3.3.1. Overall and specific objectives

The overall objective is to support the Myanmar/Burma government's democratic and institutional reform agenda.

**Specific Objective 1:** Policy-making capacity of government institutions is increased and public administration is more efficient, accountable and responsive to citizen's needs.

**Specific Objective 2:** Legal and institutional capacity of justice sector and law enforcement agencies is strengthened and access to independent, impartial and transparent justice and legal aid is improved.

**Specific Objective 3:** Preventive, balanced and professional approach by law enforcement agencies, based on international practices and respect for human rights.

**Specific Objective 4:** More credible, transparent and inclusive elections and increased participation, transparency and accountability of the democratic process.

**Specific Objective 5:** Decent work and respect of labour standards is promoted, including by government institutions and workers' and employers' organisations.

### 3.3.2. Expected results

Specific Objectives	Expected Results
SO 1. Policy-making capacity of Government institutions is increased and public administration is more efficient, accountable and responsive to citizen's needs	1.1. A participatory approach contributed to better formulated and implemented policies and an efficient public administration is more accountable and responsive to citizen's needs  1.2. Civil service implements its tasks more efficiently and offers a higher quality of service and transparency to citizens, including through the use of more accurate and reliable official statistics

SO 2. Legal and institutional capacity of justice sector and law enforcement agencies is strengthened and access to independent, impartial and transparent justice and legal aid is improved.	<p>2.1. Improved administration of justice, efficacy of law enforcement agencies and level of independence from political and other forms of influence</p> <p>2.2. Enhanced legal knowledge, skills and institutional capacity of the judiciary</p> <p>2.3. Increased access to justice, especially for vulnerable groups</p>
SO 3. Preventive, balanced and professional approach by law enforcement agencies, based on international practices and respect for human rights.	<p>3.1. Myanmar Police Force empowered to effectively prevent and stop communal and inter-religious violence in a timely manner and in respect of human rights</p> <p>3.2. Strengthened democratic oversight over and improved relationship between Myanmar Police Force and the general population, civil society and the media</p>
SO 4. More credible, transparent and inclusive elections and increased participation, transparency and accountability of the democratic process.	<p>4.1. An efficient, independent and transparent election administration by the Union Election Commission</p> <p>4.2. Enhanced citizen's participation and engagement of key stakeholders in the democratic and electoral reform process</p> <p>4.3. Inclusive general and by-elections that are credible and trusted by all stakeholders</p> <p>4.4. Main recommendations from EU and other election observation missions taken into consideration and implemented</p>
SO5. Decent work and respect of labour standards is promoted, including by government institutions and workers' and employers' organisations	<p>5.1. Significant reduction in forced or compulsory labour</p> <p>5.2. Strengthened respect for fundamental principles and rights at work and finalisation of decent work country program</p> <p>5.3. Increased capacity of government institutions and workers' and employers' organisations on employment, social dialogue, fundamental rights and principles at work, occupational health and safety and social protection</p>

### 3.3.3. Main indicators by result

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

*Most of the interventions under this sector are institutional in nature and therefore do not require an environmental assessment. Nevertheless, environmental aspects of government policies in this sector will be considered when necessary.*

### **3.4. Peace building support (EUR 103 000 000 – indicative amount)**

#### **3.4.1. Overall and specific objectives**

The overall objective is to contribute to lasting peace, security and stability in Myanmar/Burma.

**Specific Objective 1:** Formal and/or informal mechanisms ensure a permanent ceasefire that leads to an inclusive national political dialogue process

**Specific Objective 2:** Initial steps taken to reform the security sector

**Specific Objective 3:** Improved socio-economic recovery in conflict-affected communities

#### **3.4.2. Expected results**

<b>Specific objectives</b>	<b>Expected results</b>
SO 1. Formal and/or informal mechanisms ensure a permanent ceasefire that leads to a national political dialogue process	1.1. Sustained and effectively monitored cessation of conflicts across all states and regions
	1.2. Improved trust and confidence between the government, <i>Tatmadaw</i> and Ethnic Armed Groups
	1.3. An inclusive national dialogue process for political restructuring takes place and ensures transitional arrangements agreed upon by all stakeholders
SO 2. Initial steps taken to reform the security sector.	2.1. A framework established to reform different aspects of the security sector in line with international standards
SO 3. Improved socio-economic recovery in conflict-affected communities	3.1. Improved inter-faith and inter-communal relations
	3.2. Arrangements for formal and/or informal transitional mechanisms
	3.3. Formal and/or informal mechanisms facilitated full re-integration of returnees into local communities
	3.4. Confidence-building and demand-driven governance promoted in affected areas

#### **3.4.3. Main indicators by result**

The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Annex 3.

*Interventions that require attention for environmental concerns could be envisaged, ranging from livelihood diversification to institutional support, as the ethnic population is mostly*



*rural and relies extensively on natural resources. When relevant, programmes or projects will be subject to the screening procedure indicated in the Guidelines on the Integration of Environment and Climate Change in Development Cooperation in order to identify the need for an SEA, EIA or CRA.*

### **3.5. Donor coordination and policy dialogue**

Donor coordination in Myanmar/Burma is guided by the Nay Pyi Taw Accord Action Plan for Effective Development Cooperation agreed in January 2013. The Action Plan sets out how the government and development partners will work together to support the country, building on experiences and lessons learned from elsewhere. Under the Accord, the EU has pledged to use conflict-sensitive and inclusive approaches to support peace and state building and specifically to build internal knowledge of conflict situations (i.e. through conflict and political economy analysis) and work through established structures to provide transparent and equitable assistance in cease fire and conflict affected areas. It has been regularly updated over the past year with on-going discussions to use it as a monitoring tool regarding aid effectiveness. This structure consists of:

- **Myanmar Development Cooperation Forum:** held each January / February with a mid-year review, this is a high level platform for policy dialogue and discussion consisting of government, parliament, development partners, civil society, private sector, and other representatives.
- **Foreign Economic Relations Department – Development Partners Working Committee meetings:** held every 2 months or so, these bring together the Foreign Economic Relations Department of the Ministry of National Planning and Economic Development (the main government interlocutor with development partners) and the Development Partners Working Committee (a grouping of the Heads of Cooperation of the 8 main development partners (DPs) in Myanmar/Burma – Asian Development Bank (ADB), Australia, Department for International Development (DFID) of the United Kingdom, EU, Japan International Cooperation Agency (JICA), UN, USAID, and World Bank (WB) which serves to represent all DPs in Myanmar/Burma).
- **Sector Working Groups (SWG):** created by the government to provide advice and line up external support behind nationally-owned strategies and avoid gaps and overlaps. Established in 16 sectors, each group is chaired by a government official assisted by one bilateral and one multilateral DP co-lead. Membership is drawn from relevant government, ministries and DPs. Some groups have members drawn from civil society and the private sector. A dashboard gives details of the membership and achievements plus online folders for each group.
- DPs meet by themselves in the **Development Partners Group**, which brings together all Heads of Cooperation, and in its de facto executive committee, the Development Partners Working Committee. Further outreach is needed to expand the group to include any emerging DP, including those involved in South-South cooperation.

The Agriculture and Rural Development Sector Working Group is chaired by the Ministry of Agriculture and Irrigation and co-led by USAID and the Food and Agriculture Organisation of the United Nations. Additionally, the Ministry of Livestock, Fisheries and Rural Development has convened DPs to form the Consortium of Development Partners for rural development to ensure an effective and coordinated implementation of the rural development strategy.

Originally established to guide implementation of the Comprehensive Education Sector Review, the Joint Education Sector Working Group has been confirmed in the Nay Pyi Taw Accord as the principal group for the education sector. It is led by the Ministry of Education and co-led by UNICEF and Australia. There are two other formal coordination groups: the Development Partner Coordination Group is the key mechanism for discussing and aligning common policy messages to be raised in the working group and in other forums; and the Education Thematic Working Group has a larger membership and primarily focuses on technical issues.

The Public Administration Reform Process Cross-Sector Working Group focuses on civil service reforms, including strengthening of public administration, decentralisation, institutional/policy changes and initiatives, and capacity development. The scope of this group may be expanded to cover good governance at a later stage, i.e. strengthening democratic institutions, such as the Parliament, judiciary, civil society, etc. The group aims to ensure that sectoral priorities and ‘quick win’ initiatives are identified as well as medium/longer term strategies are elaborated by the government and implemented in a coordinated manner with support from development partners.

The sub-working group on Public Administration was established to promote discussion and ensure coordination among DPs on supporting the government in reforming the current public administration system, strengthening its capacities in public service delivery and management, and other special focus areas as needed. This group helps taking forward the actions discussed and agreed at the group mentioned above. The government has elaborated a Public Financial Management Reform Strategy that could be instrumental in facilitating the implementation of development cooperation through the budget support modality in the future. The strategy is already supported by a number of DPs; it is therefore not foreseen that the EU will provide additional support in this area in the initial programming period though we will continue monitoring developments in view of a possible engagement should the need arise.

An informal DP Governance Reforms Working Group was created in early 2012 as a platform for DP coordination on governance related topics. As DP assistance started to increase, there emerged a need for this group to form sub-groups that would allow focused discussions and closer coordination on specific governance areas, such as: the rule of law and access to justice; human rights, civil society and media; democratic institutions and processes, including parliament, elections and support to related institutions; public administration and capacity building, including local governance and decentralisation; and public financial management including anti-corruption work.

The informal DP sub-working group on rule of law and access to justice was set up in recognition of the importance and complexity as well as the need to share programming information among DPs, to coordinate the planning and implementation of assistance, and to seek a streamlined approach to communication with the host government and national rule of law counterparts. The group meanwhile expanded to include implementing agencies.

The Democratic Institutions and Processes Sub-working Group was created to coordinate support for electoral assistance (i.e. election administration, oversight/monitoring, electoral processes and electoral legal framework), parliamentary strengthening, and political party development.

The Peace Donor Support Group is the principal vehicle for DP support. It has been set up to provide political and practical support to the peace process and was first convened in June

2012. Norway, Australia, UK, EU, UN, and World Bank founded the group and later USA, Japan and Switzerland joined in May 2013. One of the most visible interventions, funded by the group is the Myanmar Peace Support Initiative (MPSI), which is the Secretarial tool of the Peace Donor Support Group<sup>28</sup> and is piloting humanitarian and peace and trust building projects in new ceasefire areas.

Following a January 2013 request by the government for support in undertaking a Joint Peacebuilding Needs Assessment (JPNA) in conflict-affected areas, a number of donors (UN, WB, UK, and the EU) together with the Myanmar Peace Centre formed a joint task force to develop an approach for this undertaking which is inspired by the Post-Conflict Needs Assessment (PCNA) and Post Disaster Needs Assessment (PDNA) Global Framework<sup>29</sup>. The core objective of this exercise is to build a shared understanding among stakeholders of the needs and priorities of communities emerging from armed conflict. The JPNA will likely take place after the signing of the nationwide ceasefire agreement.

Donor support to Myanmar/Burma's law enforcement agencies is coordinated in the Foreign Law Enforcement Community Group (FLEC) in which the EU as the most substantial donor to the reform of the Myanmar Police Force plays a significant role.

Civil society representatives, from a broad and inclusive selection of organisations, are invited to the annual Myanmar Development Cooperation Forums and are members of several Sector Working Groups. The Development Partners Working Committee Secretariat provides regular briefings to them on on-going development effectiveness work and maintains a dedicated online knowledgebase for their use. Discussions are currently underway on how to further involve civil society in the coordination structures that have been established.

### **3.6. The government's financial and policy commitments**

The Framework for Economic and Social Reform 2012-15 sets out priorities, sequencing and sector plans along with a number of quick wins. "Growth with equity", poverty reduction and rural development are central themes. Ten critical reform areas have been identified and government has committed to ensuring that social and environmental benefits are pursued too as opposed to exclusively economic ones. The FESR will serve as an interim guidance document until the 2011-31 National Comprehensive Development Plan (NCDP) is finalised later in 2014. A series of five year plans will then be drafted to define the actions that need to be taken to implement the NCDP.

Under the national budget for the financial year 2014-2015, government expenditure is projected to be Myanmar Kyat (MMK) 21.9 trillion (USD 22.7 billion)<sup>30</sup>, representing 29.2% of GDP – an increase of around MMK 3 trillion (USD 3 billion) from the 2013-2014 budget.<sup>31</sup> 88% of this expenditure will take place at the union level, while 12% will be spent by local governments at the State/Regional level. The new budget saw modest increases in both health and education spending to MMK 653 billion (USD 676 million) and MMK 1.140

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<sup>28</sup> The Peace Donor Support Group is the main international coordination mechanism for peace related efforts, which includes western government donors and Japan, the World Bank and the UN.

<sup>29</sup> United Nations Development Group: Post-Conflict Needs Assessments. [[http://www.undg.org/content/post-crisis\\_transition/post-conflict\\_needs\\_assessments\\_\(pcna\)](http://www.undg.org/content/post-crisis_transition/post-conflict_needs_assessments_(pcna))]

<sup>30</sup> Currency conversion rate used is 965 Kyats = 1 USD (01/04/2014).

<sup>31</sup> <http://www.irrawaddy.org/burma/burma-govt-health-education-budgets-likely-remain-low-2014.html>

trillion (USD 1.18 billion) respectively, though the total budget for the two sectors remains less than the military budget<sup>32</sup>.

Rural development has been prioritised in the FESR. A Rural Development Strategy was launched in November 2013 with a focus on eight priority areas: a) agriculture; b) livestock and fisheries; c) rural productivity and cottage industry; d) micro savings and credit enterprises; e) rural cooperatives; f) rural socio economy; g) rural renewable energy; and, h) environmental conservation. The strategy adopts a pro-poor approach and introduces a bottom-up planning process. The government hopes to reach 3 million rural poor within the next 30 months, and expects to start implementing the strategy at village level by May 2014. The President's office strongly supports the Minister for Livestock, Fisheries and Rural Development to take a leading role in policy development. In parallel, the Ministry of Agriculture and Irrigation is developing a National Plan for Agriculture. Another key programme is the National Plan of Action for Food and Nutrition drafted in June 2013 under the guidance of the Ministry of Health. This document is also expected to be articulated soon with a specific plan to scale up nutrition (SUN). Concerning land tenure security, a draft national land policy will be presented to the President in 2014. The drafting exercise has been led by the Ministry of Environmental Conservation and Forestry with the involvement of the Ministry of Agriculture and Irrigation, and the Ministry of Livestock, Fisheries and Rural Development.

The 30-Year Education Development Plan (2001-31) lays out strategies to promote greater access and to improve the quality of basic education. Its ten goals include completion of basic education, education quality, vocational education, education management, community participation in education, non-formal education and educational research. The FESR outlines the need to put in place as soon as possible an overarching education sector reform policy and strategy that focuses on expanding the quantity and quality of education and that recognises the complementary roles of government, private sector and non-government actors in service provision. The Comprehensive Education Sector Review, the first since 1993, represents a major opportunity to support the government in doing so. Public expenditure in education has tripled over the last three years, starting to re-balance public funding with private spending. It remains low by international standards<sup>33</sup> but public education spending is likely to continue to increase, both in absolute terms and as a share of the government budget.

Key components of reforming government institutions are embedded in the 2008 Constitution. The FESR specifically outlines "Governance and Transparency" and "Effective and Efficient Government" as two out of the ten critical reform areas, and specifies that administrative reforms include: (i) the reform of public administration and the civil service; (ii) progress in decentralisation, (iii) strengthening local governance and (iv) fighting corruption to build a clean government.

National League for Democracy leader Aung San Suu Kyi was appointed by the Parliament in 2012 as the chairperson of the Parliamentary Committee for Rule of Law and Tranquillity though reforms in the sector have kept pace with other developments in the country. In early 2013 the office of the President and Aung San Suu Kyi as the chairperson of the above

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<sup>32</sup> The defence budget has remained virtually unchanged from the previous two years, at 2.37 trillion kyats (USD 2.45 billion) or around 11% of the total budget. This figure means that military spending in Myanmar/Burma continues to represent over 3% of GDP, well over the ASEAN regional average of 1%. However, this still represents a significant decrease from funds allocated to the military under the previous regime.

<sup>33</sup> World Bank project information document - Myanmar/Burma Decentralizing Funding to Schools, 2014

parliamentary committee approached the EU with requests to assist with training of the Myanmar Police Force in both crowd management (including human rights aspects) and community policing. In response, the EU started a pilot project to support the reform of the Myanmar Police Force.

The Myanmar National Human Rights Commission was formed in September 2011 and has been an active voice in promoting respect for human rights but lacks real authority. With Myanmar/Burma's re-engagement with the international community, the government has given priority to the signing and ratification of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. The government has indicated a will to sign the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment.

The Union Election Commission (UEC) is the principal technical and strategic body for elections in Myanmar/Burma. Following successful by-elections held in 2012, the EU was the first international partner to mobilise technical cooperation to support the work of the UEC, following and building on recommendations provided by an EU expert mission that was deployed after the by-election in 2012. In addition to ongoing EU support throughout 2013 and 2014, the UEC has been actively co-operating with the International Foundation for Electoral Systems to build capacity at all levels ahead of the by-elections in 2014 and the general elections in 2015. The UEC Chairman assured the EU of his commitment to hold inclusive, credible and transparent elections. The EU has offered to send a full observation mission for the general elections in 2015.

The government is making sincere efforts to end the armed conflicts by conducting peace talks with the ethnic armed groups and the military. The government's Union Peace Support Group, led by U Aung Min, has taken bold and encouraging steps towards establishing a nationwide ceasefire. The Myanmar Peace Centre has played a central role in brokering the peace talks thus far and will continue to serve as the predominant forum for future negotiations. The EU has noted a strong will from the government to conclude the talks.

### **3.7. Environmental assessment**

Myanmar/Burma has a very diverse ecology and biodiversity. It features abundant natural resources, in particular timber, minerals, gems, crude oil and natural gas. The sustainable extraction of these resources is a major challenge for development and environmental conservation. Deforestation remains a central issue: forest cover went from 58% of the total land area in 1990 to 47% in 2010, an average annual deforestation rate of 1%. Myanmar/Burma's forest degradation is caused by unsustainable commercial logging, fuel wood consumption, unplanned and unrestricted agricultural and aquaculture expansion, shifting cultivation, conversion to commercial plantations (palm oil or rubber) and infrastructure development.

Climate change and natural disasters are another threat to the natural environment and resources of Myanmar/Burma and therefore to the livelihoods of communities. These are poorly equipped to deal with the impacts as witnessed during cyclones Nargis in 2008 and Giri in 2010. In terms of coping capacity, Myanmar/Burma is the third most vulnerable country in the world to climate change. Out of 233 countries, it is the second most vulnerable both for sea level rise and agricultural productivity loss, and the fifth most vulnerable to

extreme weather<sup>34</sup>. In view of Myanmar/Burma's high exposure to environmental risks, resilience-building<sup>35</sup> strategies should be integrated into policies, in particular Climate Change Adaptation and Disaster Risk Reduction (DRR). Development cooperation and humanitarian response should be co-ordinated into broader policy frameworks as a means to improve crisis prevention and preparedness. An important step for building resilience in Myanmar/Burma would be the development of a joint humanitarian development strategic planning based on: a) joint analysis of vulnerabilities and risks; b) focus on the most vulnerable areas and populations; c) shared objectives and priorities, d) coordinated action and e) regular monitoring and evaluation.

In 2010 access to safe drinking water and improved sanitation was 70% and 79% respectively compared to 63% and 67% in 2005. This is a significant increase even though regional inequalities and disparities between urban and rural areas remain. Although only about 30% of the population is urban, demographic pressure and expected industrial development mean that waste water treatment, air pollution and solid waste disposal need urgent attention.

Overall, environmental protection and conservation is undermined by low capacity at all governance levels (inadequate policies, lack of regulations, lack of monitoring, weak implementation of regulations and a limited enforcement system). In addition, there are insufficient financial resources allocated to environmental protection, weak inter-ministerial coordination for effective mainstreaming and lack of transparency in the extractive industries. The government is committed to joining the Extractive Industries Transparency Initiative. Since 2011, the Ministry of Environmental Conservation and Forestry has stepped up its efforts to equip the country with relevant and updated policies and strategies. Notably, the Environmental Conservation Law enacted in March 2012 will guide Myanmar/Burma's effort towards sustainable management of natural resources and environmental conservation. The newly created Department of Environmental Conservation will be responsible for the implementation of environmental conservation and management and ensure the country has pollution control standards and environmental impact assessment regulations currently lacking. In recent years, an active network of local environmental non-governmental organisations (NGOs) has emerged as a key player in supporting the government with the drafting of policies and regulations.

The EU welcomes the willingness of the government to address environmental risks, in particular those related to deforestation and the loss of biodiversity. It therefore encourages the government to begin a dialogue with the EU on ways to ensure the sustainable management of forests and harvesting of timber<sup>36</sup>. It will work with the authorities to promote transparency and accountability in extractive industries as well as in environmental protection, in particular through Forest Law Enforcement, Governance and Trade.

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<sup>34</sup> Maplecroft Climate Change Vulnerability Index 2013 -

[[http://www.preventionweb.net/files/29649\\_maplecroftccvisubnationalmap.pdf](http://www.preventionweb.net/files/29649_maplecroftccvisubnationalmap.pdf)]

<sup>35</sup> Resilience-building is an overarching goal as outlined in the European Commission's Communication on Resilience [[http://ec.europa.eu/europeaid/what/food-security/documents/20121003-comm\\_en.pdf](http://ec.europa.eu/europeaid/what/food-security/documents/20121003-comm_en.pdf)]

<sup>36</sup> United Nations Environment Programme (UNEP) and UN Habitat are currently producing a State of Environment report for Myanmar/Burma. The first draft of such report should be available in July 2014 and should be a sound document to help the EU have an overview of the environmental concerns so as to undertake the screening more effectively.

### **3.8. The overall risk assessment of intervention**

Principal risks in the programming period are highly political. If left unchecked these political challenges risk spiralling into major social and developmental set-backs. Political pressure to deliver immediate, tangible results and accelerate implementation of reforms ('quick wins') ahead of the general elections in 2015 remains considerable. Balancing this political imperative with the need to allow time for more measured decisions informed by sound evidence and thorough analysis remains a key challenge, and this may affect the quality of sector planning. It is difficult to foresee a smooth transition of authority resulting from the elections in 2015. A change of government after the 2015 elections may lead to substantial alterations to strategies that have been devised thus far. This risk is moderate as new policies and strategies proposed by the government, often following consultations with development partners to adhere to international standards, are discussed in parliament where representatives of the opposition also sit.

The biggest risk to the reform process is inter-communal violence that began ostensibly in Rakhine State in 2012, spread to other parts of the country in early 2013, and intensified at the end of 2013/beginning of 2014. As campaigning intensifies in the run up to the elections in 2015, hate speech and religious intolerance are increasingly used as a political tool to incite hatred, inflame tensions and create violence. The plight of stateless Rohingya is a human rights and humanitarian issue which has implications for Myanmar's neighbours and the wider region – Bangladesh, Thailand, Malaysia and Indonesia – which hosts tens of thousands of Rohingya asylum seekers. With Myanmar/Burma's ASEAN chairmanship in 2014, the government is making efforts to contain the situation.

The failure of the peace process also presents a significant risk to Myanmar/Burma's future. This eventuality would have grave repercussions for the Government and particularly for the decentralisation process. The peace process needs to go hand in hand with constitutional amendments and include political autonomy, security and share of national wealth and revenues and respect for minority rights and culture. Federal reforms that may emerge from the political dialogue that are not based on a broad consensus among the elite may prompt the military to block the current reform process<sup>37</sup> or even, however unlikely, to stage a coup. This risk is, however, moderate as a ceasefire agreement looks to be signed shortly setting the basis for an inclusive and participatory political dialogue to ensue.

Myanmar/Burma is a disaster-prone country and it may be subject to destructive floods, earthquakes, cyclones and a number of other natural phenomena that put its entire population at risk. At present, the strategies, procedures and infrastructure to prepare for and respond to such crises are insufficient and will need considerable improvement in order to bring them in line with international standards. These risks are disproportionately assumed by the most vulnerable people and will need to be accounted for when mainstreaming Disaster Risk Reduction across sectors.

Concerns arise from the distinct lack of human resources to deliver on the reforms that have been promised. Fifty years of isolation has created gaps in capacity at all levels of the union structure that will require strong international support to overcome.

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<sup>37</sup> The army stands for 25% of seats in the Parliament, composed of military personnel appointed by the Defence Services' Commander-in-Chief. Any constitutional amendment requires more than 75% of the votes.



Overlap with other development partners presents a risk though this risk is low as EU programming has been drafted after consultations with development partners so that complementarities and synergies have been ensured.

#### **4. Support measures**

*Support measures of EUR 7 000 000, 1 % of the total budget, will be allocated. This allocation has been set aside for measures aimed at supporting the preparation and implementation of actions under the MIP including through feasibility studies, consultation and planning workshops, outreach, audits, evaluations and other activities as necessary to ensure a high quality design and implementation of actions.*

## Attachments

### 1. Country at a glance

*Improving national statistics is one of the four key priority areas in the reform agenda (FESR). The current statistical system is obsolete and incapable of producing reliable statistics for effective policy development and planning process. Key weaknesses of the statistical system are: (i) outdated legislation, rules and procedures; (ii) limited coverage and quality of data generated by administrative systems; (iii) inconsistency in data from different sources; (iv) lack of use of international statistical standards; (v) weak coordination within and among ministries and departments, and the level of authority of the Central Statistics Organization (CSO); (vi) insufficient human, financial, technical and IT resources. As such, the figures below should be observed with the understanding of a wide margin of error.*

<b><u>Country at a glance:</u></b>	<b><u>EU position in the country:</u></b>
<ul style="list-style-type: none"><li>▪ Country Rank: <i>Least Developed Country</i></li><li>▪ Human Development Index<sup>38</sup>: <i>Rank 150</i></li><li>▪ GDP per Capita 2010<sup>39</sup>: USD 824.19 <i>estimated ranking: 162</i></li><li>▪ Worldwide Governance Indicators:<sup>40</sup><ul style="list-style-type: none"><li>i) Voice and Accountability - 4</li><li>ii) Political stability/ absence of violence - 18</li><li>iii) Gov. effectiveness - 4</li><li>iv) Regulatory quality - 2</li><li>v) Rule of law - 6</li><li>vi) Control of corruption - 11</li></ul></li><li>▪ Red flags for food security: <i>Y</i></li><li>▪ Member of the G7+ initiative for fragility<sup>41</sup>: <i>N</i></li></ul>	<ul style="list-style-type: none"><li>▪ EU rank (volume of aid in the country<sup>42</sup>): 2</li><li>▪ Number of donors in the country: 20-25</li><li>▪ EU% of Official Development Assistance (ODA) in the country: (2011) 12.5%</li><li>▪ EU allocation for current multiannual financial framework: EUR 90 million/year, with a maximum allocation of EUR 688 million.</li></ul>

*Unless specified otherwise, the statistics below have been collated from the CIA World Factbook: Myanmar<sup>43</sup>*

<b>Name:</b>	Republic of the Union of Myanmar
<b>Language:</b>	Myanmar/Burmese as national language, plus several ethnic languages and local dialects, English only in cities as a secondary language
<b>Area:</b>	676 578 km <sup>2</sup> (France: 547 660 km <sup>2</sup> )

<sup>38</sup> <http://hdr.undp.org/en/data/profiles/>

<sup>39</sup> <http://data.worldbank.org/data-catalog/world-development-indicators>

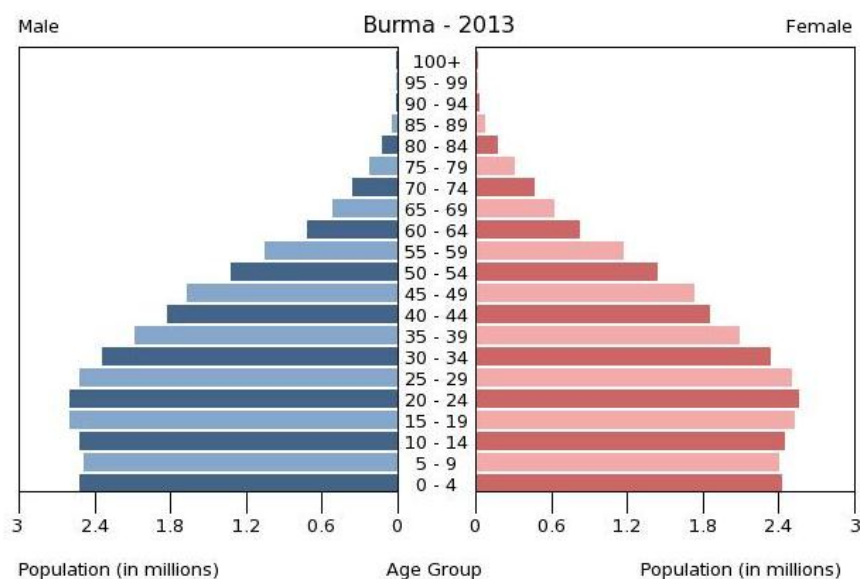
<sup>40</sup> <http://info.worldbank.org/governance/wgi/index.asp> Percentile rank (0-100)

<sup>41</sup> <http://www.g7plus.org/>

<sup>42</sup> <http://stats.oecd.org/qwids/>

<sup>43</sup> <https://www.cia.gov/library/publications/the-world-factbook/geos/bm.html>

DEMOGRAPHY	
<b>Population:</b>	51 419 420 (preliminary census data released in September 2014)
<b>Population growth rate:</b>	1.05%
<b>Net migration rate:</b>	-0.3 migrants / 1 000
<b>Yangon population:</b>	4.3 million
<b>Mandalay population:</b>	1 million
<b>Nay Pyi Taw population:</b>	1 million



<b>Life expectancy:</b>	Male: 63, Female: 68
<b>Ethnic groups:</b>	Bamar: 68%, Shan: 9%, Karen: 7%, Rakhine: 4%, Chinese: 3%, Indian: 2%, Mon: 2%, other: 5% Ethnic identity is mostly a question of self-attribution.
<b>Religions:</b>	Buddhist: 89%, Christian: 4% (Protestant/Baptist: 3%, Catholic: 1%), Muslim: 4% (disputed), Animist: 1%, other: 2%  In the Burman heartland, a mixture of religions with a solid Buddhist majority; Chin, Kachin are predominately Christian; the northern part of Rakhine State has a Muslim majority
<b>Urban population:</b>	32.6%
<b>Literacy:</b>	92.7%
<b>School life expectancy (primary to tertiary):</b>	9 years; high enrolment but lower retention rates
GEORGRAPHY / TOPOGRAPHY	
<b>Land use:</b>	Forest: 47%
	Arable: 16%

	Permanent crops: 2%
	Other: 35%
<b>Regions (provinces with a Burman majority):</b>	Ayeyarwady, Bago, Magway, Mandalay, Sagaing, Taninthayi, Yangon
<b>States (provinces with a non-Burman majority):</b>	Chin, Kachin, Kayah, Kayin, Mon, Rakhine, Shan
<b>Union territory:</b>	Nay Pyi Taw
<b>MACRO-ECONOMIC INDICATORS</b>	
<b>GDP growth rate 2014<sup>44</sup>:</b>	7.8% (projected)
<b>GDP growth rate 2013:</b>	7.5%
<b>GDP growth rate 2012 :</b>	7.3%
<b>GDP composition:</b>	Agriculture: 38.8%, Industry: 19.3%, Services: 41.8%
<b>Labour force:</b>	33.41 million
<b>Labour force by occupation:</b>	Agriculture: 70%, Industry: 7%, Services: 23%
<b>Education expenditure:</b>	0.8% of GDP
<b>Military expenditure:</b>	4.8% of GDP
<b>Budget surplus/Deficit:</b>	-4.2% of GDP
<b>Current account balance:</b>	- USD 655 million (2012 estimate)
<b>Export partners:</b>	Thailand: 40.5%, India: 14.7%, China: 14.2%, Japan: 7.4%
<b>Import partners:</b>	China: 37%, Thailand: 20.2%, Singapore: 8.7%, South Korea: 8.7%, Japan: 8.2%
<b>Electricity production:</b>	5.7 billion kWh
<b>Crude oil production:</b>	20 200 bbl/day
<b>Refined petroleum products:</b>	16 700 bbl/day
<b>Natural gas:</b>	12.1 billion cum
<b>INFRASTRUCTURE</b>	
<b>Airports:</b>	64
<b>Railways:</b>	5 031 km
<b>Roads:</b>	34 777 km (358 km highways)
<b>Naval terminals:</b>	2 (Moulmein, Sittwe)
<b>River ports:</b>	Yangon (Yangon River)
<b>HEALTH</b>	
<b>Population living with HIV/AIDS:</b>	240 000
<b>HIV/AIDS deaths</b>	18 000
<b>Underweight children under 5 :</b>	22.6%

<sup>44</sup> Asian Development Bank Outlook 2014. [<http://www.adb.org/countries/Myanmar/Burma/economy>]

# Map of Myanmar/Burma



Myanmar Information Management Unit

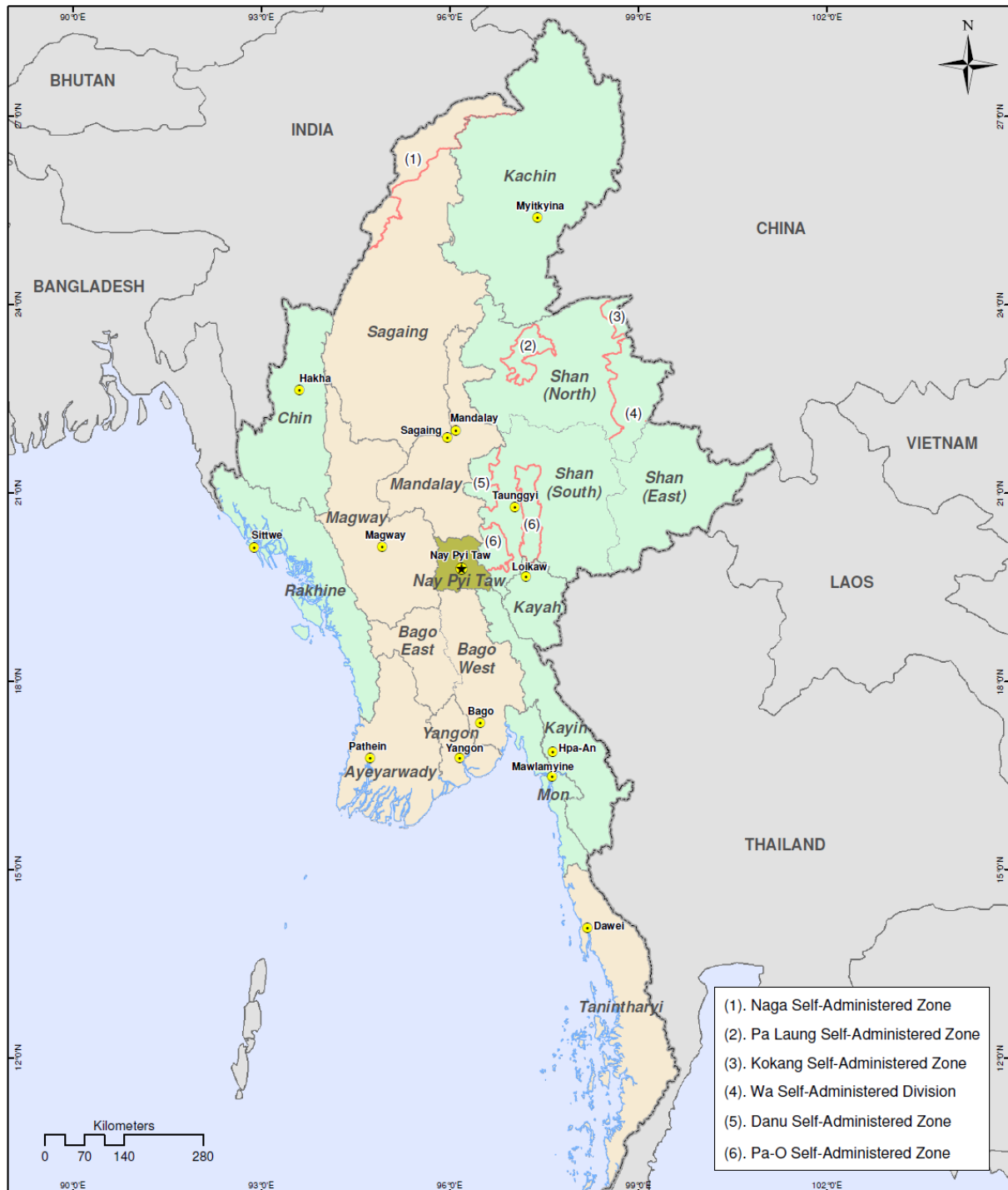
## Myanmar Location of States, Regions and Self-Administered Zones



Humanitarian Aid and Civil Protection



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra  
Embassy of Switzerland in Myanmar



Map ID: MIMU1053v01  
Creation Date: 20 August 2013.A4  
Projection/Datum: Geographic/WGS84

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www.themimu.info

### Legend

- Capital
- State Capital

- Sea
- State and Region Boundary
- International Boundary
- Self-Administered Boundary

- State
- Region
- Nay Pyi Taw

Data Sources :  
Base Map - MIMU  
Boundaries - WFP/MIMU  
Place names - Ministry of Home Affairs (GAD) translated by MIMU

Disclaimer: The names shown and the boundaries used on this map do not imply official endorsement or acceptance by the United Nations.

## 2. Donor matrix showing the indicative allocations per sector for 2012/13 in EUR<sup>45</sup>

	Agriculture / Rural Development / Food Security	Civil Society & Human Rights	Education	Governance / Rule of Law / State Capacity Building	Health	Humanitarian Assistance	Infrastructure	Media	Peace	Private Sector	Water Sanitation & Supply	Other	Total
Denmark	5.30	0.50	0.03	0.47	0.84	4.60		1.02	0.82	1.11	0.76	3.20	18.65
France													
Finland												7.20	7.20
Germany	7.00		16.80							8.25		14.75	46.80
Italy	23.35			4.30						8.30		2.20	38.15
Sweden	19.20	8.50		3.00	3.01	9.10			3.40	6.20		4.40	56.81
UK				26.40		11.50				0.80	0.90	9.60	49.20
Norway	2.60		2.00	7.60	3.60	5.90						1.20	22.90
Switzerland	7.70				13.80	0.07			0.30				21.87
Australia	20.00		30.00	20.00	20.00								90.00
Canada												3.80	3.80
Israel	0.07	0.01	0.04		0.02	2.50							2.64
Japan	8.22			8.08	21.66	41.70	113.40	0.65			6.40		200.11
New Zealand	5.40		4.50										9.90
South Korea	11.14			3.11	2.33		3.11						19.69
United States		8.41	3.66		16.21	14.26						7.20	49.74
Luxembourg												5.00	5.00
Ireland	0.20	0.15											0.35
Netherlands		0.70				3.20							3.90
EU	6.84	5.65	13.99	2.25	13.01	0.66	0.59	0.45	10.56	0.11	1.55	3.51	59.17
<b>Total</b>	<b>117.02</b>	<b>23.92</b>	<b>71.02</b>	<b>75.21</b>	<b>94.48</b>	<b>93.49</b>	<b>117.10</b>	<b>2.12</b>	<b>15.08</b>	<b>24.77</b>	<b>9.61</b>	<b>62.06</b>	<b>705.88</b>

<sup>45</sup>The government is currently working with EU support to establish the Aid Information Management System (AIMS) which will accurately map aid disbursements to Myanmar/Burma in the future. As such, the figures below will be subject to revision once this system has been operationalized. The current data was collected in May 2014 in conjunction with development partners and data from the 'Partnership Group for Aid Effectiveness' report (March 2013) and the 'Myanmar Partner Development Activity Report' (November 2013) prepared by the Foreign Economic Relations Department of the Ministry of National Planning and Economic Development.

### 3. Sector intervention framework and performance indicators<sup>46</sup>

#### *Rural development / Agriculture / Food and nutrition security*

<b>Specific objective 1: Improved climate resilient food and nutrition security of rural households</b>			
<b><u>Expected results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of verification</u></b>	<b><u>Baseline</u></b>
1.1. Climate smart and nutrition sensitive agricultural production	1.2.1. Number of farmers having diversified food crop production	FAO/World Food Programme (WFP) Crop and Food Security Assessment. EU SMILING project surveys and data	To be inserted
	1.2.2. Productivity gain resulting from use of improved agricultural practices		
	1.2.3. Number of farmers employing climate change resilient varieties and techniques		
1.2. Improved nutritional status in vulnerable rural households, especially among mothers and children	1.3.1. % of stunting in children under 5 in rural areas	Food and Nutrition Survey of Ministry of Health	(2013) 35.1%
	1.3.2. Household Dietary Diversity Score (disaggregation focus on young children, reproductive age women and adolescent girls)	LIFT Baseline Survey Results 2013' and forthcoming LIFT reports	(2013) 5.34
	1.3.3. Share of food expenditure in total household expenditure	Integrated Household Living Conditions Survey	(2007) 69.4%
	1.3.4. Quality of food security and nutrition data collection and analysis	FAO/WFP assessments	

<sup>46</sup> Due to the lack of reliable baseline data in Myanmar/Burma, the indicators and their means of verification are currently underdeveloped. The sophistication of the indicators may be enhanced after the general elections in 2015 when the EU will conduct a comprehensive review, by which time greater access to relevant data may be available.



Specific objective 2: Sustainably increased wealth in rural areas, with a specific focus on agriculture			
2.1. Development of selected sustainable agricultural value chains and improved linkage to markets (including rural infrastructure)	2.1.1. Number of farmers reporting increased agricultural income through specific environmentally sustainable value chains	Commissioned studies by the government and specific programmes	No data at present
	2.1.2. % of farmers with reliable access to public markets	Myanmar Agricultural Census	(2010) 11%
	2.1.3. % of rural population with access to formal financial services and cash grants	FAO: 'A diagnostic of Myanmar Agricultural and Rural Economy and Policies'	(2013) 10%
2.2. Increased resilience to natural disasters in the most exposed and vulnerable rural communities	2.2.1. Existence/implementation status of national measures to improve resilience and natural disaster response, including the possible adoption of a national plan	National development plan	No national plan at present
2.3. Better access to reliable and affordable energy, including renewable and carbon saving, among rural communities	2.3.1. Electrification rate in rural areas	ADB – 'Myanmar: Energy Sector Initial Assessment' (Oct 2012) and subsequent ADB reports	(2012) 16%
	2.3.2. Household access to renewable energy sources and low-carbon technologies		
2.4. Increased ownership, control and access to natural resources and their sustainable management and use in rural areas	2.4.1. Number of land certificates issued by the relevant authority (currently the Settlement and Land record Department of the Ministry of Agriculture) for plots below five hectares	Public records from Settlement and Land record Department of the Ministry of Agriculture	No data at present – registration process to begin in the near future

Specific Objective 3: Improved delivery of basic services to rural communities			
3.1. Strengthened institutional, technical and organisational capacity at national and sub-national levels for basic service delivery to rural areas	3.1.1. Number of government staff in relevant ministries <sup>47</sup> trained in financial management, administration, technical support, strategic planning, management and DRR systems	Project surveys conducted by EU-funded implementing agency	To be assessed prior to start of training
	3.1.2. Number of government staff demonstrating improved knowledge of the food security and nutrition situation		

### Education<sup>48</sup>

Specific Objective 1: Increased access to, and completion of, quality and equitable education			
Expected results	Indicators	Means of verification	Baseline
1.1 Increased enrolment, progression and completion rates in education, including among disadvantaged students and children vulnerable to child labour	1.1.1. Net enrolment rates at primary and secondary levels	Ministry of Education Education Management Information System (EMIS) data UNESCO data Other surveys (such as Multiple Indicator Cluster Survey, Integrated Household Living Conditions Survey, Demographic Health Survey)	(2010/11) Primary: 84.6%; Lower Secondary: 47.2%; Upper Secondary: 30.0%
	1.1.2. % of out-of-school children (primary and secondary)		(2009/10) 5-9 years: 11.4%; 10-15 years: 17.57%; 16-19 years: 42.52%
	1.1.3. Completion rates at primary and secondary levels		(2010/11) Primary: 68.6%; Lower Secondary: 65.7%; Upper Secondary: 30.3%
	1.1.4. Transition rates to secondary education		(2007-11) Primary/Lower Secondary: 81%; Lower/Upper Secondary: 93%
	1.1.5. Drop-out rates at primary and secondary levels in rural areas		(2007-11) Primary: 13.9%; Lower Secondary: 22.7%; Upper Secondary: 42.9%
	1.1.6. Transition rates at primary		(2007-2011): Primary/Lower

<sup>47</sup> Includes Ministry of Agriculture and Irrigation, Ministry of Fisheries and Rural Development, and Ministry of Environmental Conservation and Forestry

<sup>48</sup> Disaggregated by gender, age and location whenever aligned with National Education Sector Plan and relevant data is available.

	and secondary levels in rural areas		Secondary 66%/63% (M/F); Lower/Upper Secondary 64%/68% (M/F)
1.2. Reduced cost barriers for education	2.1.1 Total available budget for Government school grants and students stipends	Ministry of Education EMIS data UNESCO data Other surveys (such as Multiple Indicator Cluster Survey, Integrated Household Living Conditions Survey, Demographic Health Survey)	No data at present
	2.1.2 Proportion of household income spent on education		
1.3. Improved quality of education	1.3.1. Teacher/student ratio at primary and secondary levels	Ministry of Education EMIS data UNESCO data Other surveys (such as Multiple Indicator Cluster Survey, Integrated Household Living Conditions Survey, Demographic Health Survey)	(2010) Primary: 17.3; Secondary: 34.1
	1.3.2. Student/classroom ratio at primary and secondary levels		(2014) 41:1
Specific Objective 2: Strengthened education system (planning, management and governance)			
2.1. Enhanced management of township and school systems	2.1.1. Number of new or updated sub-sector policies	Ministry of Education EMIS data Other surveys Annual Budgets (2014-20) Ministry of Education data World Bank analysis	No data at present
	2.1.2. Number and percentage of schools preparing school development plans		No data at present
2.2. More efficient education sector planning and budget allocation	2.2.1. Ratio of public spending on education to total public spending		5.3% of total budget (2014/15)
	2.2.2. Ratio of public education expenditure on salaries		(2009-10) 85%

<b>Specific Objective 3: Improved relevance of education to labour market needs</b>			
3.1. Secondary education and technical and vocational education and training realigned to labour force needs	3.1.1. Status of modernised secondary education curriculum	Ministry of Education Project surveys conducted by EU funded implementing agency Data provided by Ministry of Science and Technology and other relevant ministries	Secondary education curriculum outdated
	3.1.2. Number of new TVET programmes introduced		No data at present

***Governance / Rule of Law / State Capacity-Building***

<b>Specific Objective 1: Policy-making capacity of government institutions is increased and public administration is more efficient, accountable and responsive to citizen's needs</b>			
<b><u>Expected results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of Verification</u></b>	<b><u>Baseline</u></b>
1.1. A participatory approach contributed to better formulated and implemented policies and an efficient public administration is more accountable and responsive to citizen's needs	1.1.1. % of trained civil service personnel demonstrating improved understanding and implementation of policy process	Pre- and post-training capacity needs assessment by EU-funded implementing agency	To be assessed prior to start of training
	1.1.2. Number of public consultations held by state institutions with involvement of civil society organisations (CSOs), media and other stakeholders	Government consultations as and when announced	No data at present
	1.1.3. Level of political participation in transition process	Bertelsmann Transformation Index sub-index on political participation	Score of 4 out of a maximum 10 (2014)
1.2. Civil service implements its tasks more efficiently and offers a higher quality service and transparency to citizens, including through the use of more accurate and reliable official statistics	1.2.1. Number (and %) of civil service personnel trained, who show improvement in performance and knowledge	Pre- and post-training capacity needs assessment by EU-funded implementing agency	To be assessed prior to start of training
	1.2.2. Existence / implementation status of a sector strategy under the national development plan	National development plan (under formulation)	No sector strategy at present
	1.2.3. Public satisfaction with service delivery	Project surveys conducted by EU-funded implementing agency	Survey to be conducted prior to start of project

<b>Specific Objective 2: Legal and institutional capacity of justice sector and law enforcement agencies is strengthened and access to independent, impartial and transparent justice and legal aid is improved</b>			
2.1. Improved administration of justice, efficacy of law enforcement agencies and level of independence from political and other forms of influence	2.1.1. Number of corruption cases involving judges/prosecutors investigated/prosecuted per year	Transparency International Corruption Perception Index (CPI)	Ranked 157 of 177 countries with a score of 21 out of a maximum 100 (2013)
	2.1.2. Myanmar/Burma score and ranking on the Corruption Perception Index (CPI)		
2.2. Enhanced legal knowledge, skills and institutional capacity of the judiciary	2.2.1. Number of judges trained according to international standards	Annual Sector Reviews – Judiciary and Myanmar Police Force	Survey to be conducted prior to start of project
2.3. Increased access to justice, especially for vulnerable groups	2.3.1. Number of people provided with legal services (disaggregated, to the extent possible, by sex, location and ethnicity)	Observation rights in annual sector reviews Court records/records from legal aid centres	No data at present
	2.3.2. % of users who perceive courts as fair and unbiased	Project surveys conducted by EU-funded implementing agency	Survey to be conducted prior to start of project
<b>Specific Objective 3: Preventive, balanced and professional approach by law enforcement agencies, based on international practice and respect of human rights</b>			
3.1. Myanmar Police Force empowered to effectively prevent and stop communal and inter-religious violence in a timely manner and in respect of human rights	3.1.1. Number of police officers successfully trained to international standards (sex disaggregated)	Annual Reviews of Myanmar Police Force and project reports (including in-out assessments of officers at beginning and end of training, where feasible)	Interpol estimates that the Myanmar police force has a strength of 93,000, of which about 30,000 in crowd management units; as of June 2014, the EU has trained 2999 officers to international standards in crowd management
3.2. Strengthened democratic oversight over and improved relationship between Myanmar Police Force (MPF) and the general population, civil society and the media	3.2.1. Number of neighbourhoods in which MPF operates according to community policing model	MPF reports Officially published laws and guidelines Parliamentary proceedings Media reports Civil society reports Project Reports	As of Spring 2014 the EU had introduced the community policing concept in two pilot areas in Yangon, with extension to some rural areas foreseen. This initial
	3.2.2. Number of MPF officers trained in community policing approach		

	<p>3.2.3. Level of trust between citizens and MPF</p> <p>3.2.4. Status of revised legal framework for MPF</p> <p>3.2.5. Frequency of interaction between MPF/Ministry of Home Affairs and Parliamentarians, including reporting to Parliament</p> <p>3.2.6. Level of engagement of MPF with civil society and media</p>	Surveys of MPF – community relationship, where appropriate	<p>roll-out includes a baseline survey of MPF-community relations.</p> <p>Compilation of legal framework currently governing MPF has been conducted by on-going EU project</p> <p>Stocktaking of current interactions between MPF/Ministry of Home Affairs and Parliament has been conducted by ongoing EU project</p> <p>A baseline study of civil society relations with and attitudes towards MPF has been conducted under on-going EU project</p>
<b>Specific Objective 4: More credible, transparent and inclusive elections and increased participation, transparency and accountability of the democratic process</b>			
4.1. An efficient, independent and transparent election administration by the Union Election Commission	4.1.1. Extent to which electoral institutions' are capable of organising an accountable and transparent electoral process	World Bank's World Wide Governance sub-indicator on voice and accountability; EU-funded project surveys	Percentile rank - 4; governance score - 1.65 indicating weak governance on a scale of - 2.5 (very weak) to 2.5 (very strong) (2012)
4.2. Enhanced citizen's participation and engagement of key stakeholders in the democratic and electoral reform process	4.2.1. Level of engagement of civil society, representatives of minority groups (ethnic minorities, displaced populations, refugees, for example) and the public in the electoral reform process	Bertelsmann Transformation Index sub-index on political participation related to the degree of free and fair elections	Score of 4 out of a maximum 10 (2014)
4.3. Inclusive general and by-elections that are credible and trusted by all stakeholders	4.3.1. Assessment by observers of credibility of all elections in programming period	The Economist Intelligence Unit's Democracy Indicator; With Government approval, election observation mission reports (including, if available, the EU EOM and EEM reports)	Ranked 155 of 167 countries with a score of 2.35 out of a maximum 10 (Democracy Index, 2012)

4.4. Main recommendations from EU and other election observation missions taken into consideration and implemented	4.4.1. Number of changes in Union Election Commission's rules and regulations administered for all elections	UEC's policy documents and public announcements	No data at present
<b>Specific Objective 5: Decent work and respect of labour standards is promoted, including by government institutions and workers' and employers' organisations</b>			
5.1. Significant reduction in forced or compulsory labour	5.1.1. Number of persons taken out from forced labour and number of complaints on forced labour	The International Labour Organisation's (ILO) Supervisory System	Serious shortcomings according to ILO and various Human Rights NGOs
5.2. Strengthened respect for fundamental principles and rights at work and finalisation of decent work country program	5.2.1 Track record regarding the implementation of ILO core labour standards	The ILO Supervisory System	Serious shortcomings according to ILO and various Human Rights NGOs
5.3. Increased capacity of government institutions and workers' and employers' organisations on employment, social dialogue, fundamental rights and principles at work, occupational health and safety and social protection	5.3.1 Number of enterprises and workers covered by collective agreements 5.3.2 Modification of the labour code facilitating registration of employers and workers organisations, Membership of workers and employers in respective workers' and employers' organisations 5.3.3 Elaboration and implementation of a national strategy for Occupational Safety and Health (OSH) 5.3.4 Launch of a national Social Protection Floor (SPF) - initiative	ILO data and findings, information from the International Trade Union Confederation, International Organisation of Employers, national social partners and civil society, other international organisations such as WHO and World Bank	Current labour regulations are outdated and not in line with international labour standards; OSH and SPF strategies do not exist at present

### *Peacebuilding support*

<b>Specific Objective 1: Formal and/or informal mechanisms ensure a permanent ceasefire that leads to a national political dialogue process</b>			
<b><u>Expected results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of Verification</u></b>	<b><u>Baseline</u></b>
1.1. Sustained and effectively monitored cessation of conflicts across all states and regions	1.1.1. Existence / implementation status of a Nationwide Ceasefire Agreement agreed and signed by all parties	Agreed and signed Nationwide Ceasefire Agreement	On-going negotiations for nationwide ceasefire agreement, but no agreement as yet



	1.1.2. Existence/implementation status of a Code of Conduct for Tatmadaw and ethnic armed groups	Agreed and signed Code of Conduct	On-going negotiations for a code of conduct but no agreement as yet
	1.1.3. Number of intra-state armed clashes (including bomb blasts)	Myanmar Peace Monitor/Burma News International (BNI) Reports	(Mar/Apr/May 2014) 10; 23; 35
1.2. Improved trust and confidence between the Government, <i>Tatmadaw</i> and Ethnic Armed Groups	1.2.1. Existence / implementation status of a joint ceasefire monitoring mechanism, with an appropriate dispute resolution mechanism that documents and reports armed clashes to the relevant authorities and stakeholders, in designated areas	Agreed and signed joint ceasefire monitoring mechanism; Myanmar Peace Monitor (BNI) Reports	Pilot ceasefire monitoring mechanisms launched. Dispute resolution mechanism currently under discussion in peace talks.
	1.2.2. Perceived trust in the peace process ( <i>Tatmadaw</i> , ethnic groups, public, CSOs and other stakeholders according to data availability)	Project surveys conducted by EU-funded implementing agency	Survey to be conducted prior to start of project
1.3. An inclusive national dialogue process for a political restructuring takes place and ensures transitional arrangements agreed upon by all stakeholders	1.3.1. Extent to which ethnic groups, the Government and other stakeholders (political parties, CSOs, community-based organisations (CBOs) ) agree on a structure of governance (including a system for sharing natural resources) that is enshrined in the constitution	Constitutional amendments National Political Dialogue Secretariat reports Extractive Industries Transparency Initiative (EITI) Reports	On-going negotiations for amending structure of governance but no agreement as yet
	1.3.2. Extent to which minorities (ethnic groups and women) are involved in the national dialogue process.	National Political Dialogue Framework Secretariat reports	No political dialogue process as yet
<b>Specific Objective 2: Initial steps taken to reform the security sector</b>			
2.1. A framework established to reform different aspects of the security sector in line with international standards	2.1.1. Size of military in terms of budget and % of total national budget	Annual military budget Military Sector Review	(2014) 2.37 trillion kyats (EUR 1.7 billion); 11% (approx.) of total national budget
<b>Specific Objective 3: Improved socio-economic recovery in conflict-affected communities</b>			
3.1. Improved inter-faith and inter-communal relations	3.1.1. Extent to which formal and/or informal mechanisms to promote, facilitate and sustain inter-faith and inter-communal dialogue exist	Agreed, signed and implemented informal and/or formal mechanisms that act as forums for regular discussion Office of the Coordination for Humanitarian Affairs (OCHA) and	Government commitments to establish 'Centre for Harmony and Diversity' and other commitments in Rakhine Action Plan.

		Office of the High Commissioner for Human Rights (OHCHR) reports	
	3.1.2. Number of clashes resulting from inter-faith and inter-communal violence	Myanmar Peace Monitor (BNI) Reports	(Mar/Apr/May 2014) 1; 2; 0
3.2. Arrangements for formal and/or informal transitional mechanisms	3.2.1. Existence/implementation status of transitional arrangements (service delivery by ethnic groups in ethnic territories) by all relevant stakeholders, including ethnic minorities	Agenda/agreed points emerging from political dialogue	Transitional arrangements to be discussed in national political dialogue
3.3. Formal and/or informal mechanisms facilitated full re-integration of returnees into local communities	3.3.1. Numbers of IDPs and refugees	UNHCR Country reports Thai Border Consortium reports Population movement profiles	(Mid-2013) IDPs: 632,000; Refugees: 415,373
3.4. Confidence-building and demand-driven governance promoted in affected areas	3.4.1. Existence / implementation status of small grants facility aimed at delivering aid into the ethnic affected territories (areas covered by ceasefires and mutually identified conflict-affected zones) that is agreed upon in an action plan by all stakeholders	Action plan that emerges from a joint needs assessment	Joint needs assessment currently being negotiated amongst donors – including possibility of small grants facilities
	3.4.2. Indicator on progress of basic infrastructure (to be defined according to a joint needs assessment)	Action plan that emerges from a joint needs assessment	To be confirmed after joint needs assessment

#### **4. Indicative timetable for commitment of funds**

EU commitments (EUR million)

	<b>Indicative allocation</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Rural development / Agriculture / Food and nutrition security</b>	241	60	12	60	-	65	-	44
<b>Education</b>	241	-	70	60	50	-	61	-
<b>Governance / Rule of law / State capacity –building</b>	96	42	28	10	-	-	-	16
<b>Peacebuilding support</b>	103	18	20	30	-	25	-	10
<b>Support measures</b>	7	2	-	3	-	2	-	-
<b>Total commitments</b>	688	122	130	163	50	92	61	70

## **5. Useful Information – websites**

1. EU Delegation to Myanmar/Burma [[http://eeas.europa.eu/delegations/myanmar/index\\_en.htm](http://eeas.europa.eu/delegations/myanmar/index_en.htm)]
2. European Commission - EuropeAid website [[http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)]
3. EU External Action Service [<http://www.eeas.europa.eu/>]
4. European Parliament [<http://www.europarl.europa.eu/portal/en>]
5. European Council [<http://www.european-council.europa.eu/>]
6. Council conclusions on the Comprehensive Framework for the European Union's policy and support to Myanmar/Burma (July, 2013) [[http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/138272.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/138272.pdf)]

## Summary multiannual indicative programme EU Myanmar/Burma 2014-2020

### 1. A few key data

- **Alignment on the national development plan:** *Aligned with the Framework for Economic and Social Reforms 2012-2015 (FESR) - National development plan to be finalised in 2015*
- **Programming period:** 2014-2020
- **Joint Programming:** *EU and Member States have agreed that 2014-2016 will be a transition period to allow for synchronisation and in view of elections in 2015.*

### 2. Strategic objectives for EU relationship with the country

Myanmar has embarked on a remarkable process of reform since March 2011. Dealing with a legacy of conflict, poverty, oppression and weak institutions will be the work of decades. EU policy priorities are reflected in the **EU-Myanmar Comprehensive Framework**<sup>1</sup>, adopted by the Council on 22 July 2013, which sets out the framework for EU policy and support to ongoing reforms.

EU goals are to support political, social and economic development, fostering respect for human rights and assisting the government in rebuilding its place in the international community. European experiences and lessons learned regarding political transition and democratisation should be actively shared. The EU is now fully engaging with the government to support its development agenda and with EU Member States through joint programming. The EU is playing a leading role in development partner coordination.

### 3. Choice of priorities, justification, indicative allocations foreseen per priority and choice of assistance modalities (if applicable)

Myanmar's national development framework is set out in the FESR, which serves as a precursor to the 20-year National Comprehensive Development Plan. The choice of priorities has been made following extensive discussions, including at the EU-Myanmar Task Force in November 2013 where Commissioner Piebalgs discussed priorities with government Ministers. The areas chosen for support, all consistent with Agenda for Change<sup>2</sup> priorities, are as follows:

**Rural development / Agriculture / Food and nutrition security:** Over 70% of the population remains rural and continued investment in the rural economy is likely to give the highest social returns. Modalities could include projects (including additional support to the multi-donor Livelihoods and Food Security Trust Fund), or, if eligibility criteria are met, sector budget support. Leveraging investment projects through blending will be explored. The indicative allocation for this priority is 35%.

**Education:** This sector has seen most change in terms of government policy and openness to engage. The Comprehensive Education Sector Review (CESR) will define Myanmar's education policy. Improving education outcomes is key for the transition towards a modern industrialised economy. Modalities could include projects (including additional support to the multi-donor education trust fund or support through international organisations such as the World Bank) or, if eligibility criteria are met, sector budget support. Leveraging investment projects through blending will be explored. The indicative allocation for this priority is 35 %.

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<sup>1</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/138272.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/138272.pdf)

<sup>2</sup> European Commission, EU Development Policy: an Agenda for Change

[[http://ec.europa.eu/europeaid/what/development-policies/documents/agenda\\_for\\_change\\_en.pdf](http://ec.europa.eu/europeaid/what/development-policies/documents/agenda_for_change_en.pdf)]

**Governance / Rule of law / State capacity building:** The government wants to strengthen the judiciary, fight corruption and improve management at all levels. In a post-conflict fragile state context, it is a political imperative for the EU to contribute to rebuilding state institutions to enable a more people-centred form of governance to take hold, improving public service delivery and strengthening involvement of civil society. Modalities would be mainly projects (including with civil society and through international organisations). The indicative allocation for this priority is 14%.

**Peacebuilding Support:** The sustainability of the democratic transition strongly depends on the evolution of the national reconciliation process of inclusive political dialogue aimed at lasting peace. While progress has been made, the situation in ethnic states remains fluid with sporadic fighting in a number of places. The ongoing inter-communal violence between Buddhist and Rohingya Muslim communities in Rakhine State poses a huge risk to Myanmar's democratic transition. The context of fragility justifies a special emphasis to support 1) inclusive peace processes, 2) reconciliation through trust and confidence building, notably by assisting Myanmar in reforming legislation and ensuring accountability for past abuses, 3) linking relief, rehabilitation and development through basic service delivery, infrastructure rehabilitation and income generation, and 4) building the capacity of government and community structures to ensure respect for the rights of minorities. Modalities could include projects (including with civil society and international organisations, possibly through a multi-donor trust fund). The indicative allocation for this priority is 15 %.

#### **4. Succinct description of sector specific objectives and corresponding expected results**

##### **Sector 1: Rural development / Agriculture / Food and nutrition security**

Specific objectives are improved climate resilient food and nutrition security of rural households, sustainably increased wealth in rural areas, and improved delivery of basic services to rural communities. Expected results include climate smart and nutrition sensitive agricultural production, improved nutritional status, sustainable agricultural value chains, increased resilience, better access to reliable and affordable energy, improved natural resource management and strengthened capacity for rural service delivery. Output indicators include diversification in crop production, productivity gain from improved agricultural practices, Household Dietary Diversity Score, level of access to formal financial services, level of access to renewable energy, and security of tenure for smallholders.

##### **Sector 2: Education**

The overall objective is related to the CESR outcome that will provide the basis for a sector investment programme. Specific objectives are increased access to, and completion of, quality and equitable education, strengthened education system and improved relevance of education to labour market needs. Expected results include increased enrolment, progression and completion rates, reduced cost barriers, improved quality, enhanced management of township and school systems, more efficient planning and budget allocation, and secondary, technical and vocational education and training realigned to labour force needs. Output indicators include enrolment, completion and drop-out rates, share of education in national budget, changes in planning and budgeting, and availability of vocational training opportunities.

##### **Sector 3: Governance / Rule of law / State capacity building**

Specific objectives are improved efficiency, effectiveness and accountability of public administration, strengthened justice sector capacity, improved access to justice and legal aid, more professional approach by law enforcement agencies and more credible, transparent and inclusive elections. Expected results include more professional, efficient and accountable public administration, improved justice system, strengthened democratic oversight, improved police effectiveness and accountability in line with best international practices and full respect of human rights and an improved electoral process. Output indicators include public perception of service delivery, Corruption Perception Index, level of political participation in transition, access to legal redress, and ability of electoral institutions to organise an accountable and transparent electoral process.

#### **Sector 4: Peacebuilding support**

Specific objectives are improved institutional framework for the peace processes, reform of the security sector and improved socio-economic recovery in conflict-affected communities. Expected results include monitored cessation of conflicts, improved trust and confidence, inclusive national dialogue, framework to reform the security sector, improved inter-faith and inter-communal relations, ethnic areas re-populated with returns of migrants, refugees and internally displaced persons (IDPs), and promotion of confidence-building and demand-driven governance. Output indicators include perceived trust in the peace process, level of involvement of minorities in the national dialogue, national accord concluding the political dialogue, numbers of IDPs and refugees, and progress with basic infrastructure benefiting conflict affected populations.

#### **5. Indicative allocation foreseen**

Commissioner Piebalgs announced support of up to EUR 90 million per year at the EU-Myanmar Task Force. The total allocation is proposed to be EUR 688 million over the period 2014-2020.

<i>Sectors of intervention</i>	<i>% (indicative)</i>
Rural development / Agriculture / Food and nutrition security	35
Education	35
Governance / Rule of law / State capacity building	14
Peacebuilding support	15
Support measures	1
<b>Total</b>	<b>100</b>

# **Joint EU Development Partners' Transitional Strategy for Myanmar**

**2014-16**

## **1. Introduction**

The civilian government headed by President U Thein Sein that came to power in March 2011 has embarked upon a remarkable transition process and launched a comprehensive reform agenda which has ended the country's isolation from the wider world. Myanmar aims to achieve democratisation, domestic peace, and sustainable and inclusive growth, but is challenged by an historical legacy that includes a weak democratic culture and a poor human rights record, ethnic conflicts, deep-rooted poverty, and fragile state institutions.

The rapprochement between the government and Daw Aung San Suu Kyi has been remarkable. Her party, the National League for Democracy (NLD), ran and won most of the seats in the April 2012 by-elections, a ballot deemed to be free and fair, and a significant improvement over the 2010 elections. The current Government has also identified concluding comprehensive settlements to end all armed conflict in the country as a national priority. Since August 2011, it has successfully negotiated bilateral ceasefire agreements with 14 out of 16 ethnic armed groups. The expected signing of a nationwide ceasefire agreement later this year is scheduled to be followed by a national political dialogue addressing the concerns of ethnic groups who are seeking greater political and economic autonomy for their regions. These reconciliatory steps boosted confidence in the Government's commitment to political reform, both domestically and internationally.

The EU and Member States have responded in a gradual and measured way to the opening and reforms. Based upon the progress made in 2011 and early 2012, the Council of the European Union suspended EU sanctions in April 2012. This was followed by period of increasing engagement at all levels in response to further political and economic reforms, and in April 2013 EU sanctions apart from the arms embargo were lifted altogether. The suspension of EU restrictive measures enabled the EU and Member States to engage directly with the Government for the first time. The Council Conclusions of July 2013 set out a Comprehensive Framework for the European Union and Member States' policy and support to Myanmar/Burma for the next three years.

The EU Comprehensive Framework sets out the EU and Member States' goals and priorities towards building a lasting partnership and promoting closer engagement. The goals are to support political, social and economic development, while fostering respect for human rights and assisting the government in building its place in the international community. It is a collective effort involving actions by EU Member States and EU institutions to support peace, democracy, development and trade.

The Comprehensive Framework states that authorities in Member States and EU Institutions will work together to plan their programmes of assistance and will be guided by the Framework. In this context the EU is fully engaged in development partner coordination efforts locally in the framework of the Nay Pyi Taw Accord agreed in January 2013 and are proceeding towards Joint Programming of EU and Member States development aid, as agreed by the Heads of EU Missions in Myanmar.



In November 2013, the EU-Myanmar Task Force gave a visible signal, offering a high level platform to pull together EU resources to help the transition move forward while taking into account the priorities set out in the Comprehensive Framework for the European Union's policy and support to Myanmar.

Against this background, this Joint EU Strategy for Myanmar has been prepared and agreed at the local level by the following European Union Member States delegations and EU Institutions and bodies with ongoing and planned development cooperation in Myanmar:

Czech Republic  
Denmark  
EU (EEAS and European Commission)  
Finland  
France  
Germany  
Hungary  
Ireland  
Italy  
Luxembourg  
Netherlands  
Poland  
Sweden  
UK

The period of this first, Transitional Strategy has been set at 2014-16 to allow the subsequent strategy to align with the next Government's presumed planning cycle and elections expected in late 2015.

It should be taken into account that all financial information provided in this Strategy document is in the form of indicative estimates only and does not represent a formal commitment by any of the development partners concerned. These figures will subsequently be revised on an annual basis. It should also be recognised that this Strategy focuses on setting out the main lines of European Union and Member States' future support for 2014-16. It does not seek to go into details of how individual European Union development partners will carry out their work in the agreed sectors and areas, whether through trust funds, individual programmes, what modalities or which implementing partners, for example. Such issues will instead be left to the bilateral formulation and implementation plans that each will develop according to their internal rules and procedures. These plans will nevertheless be guided by the EU Comprehensive Framework and this Joint Transition Strategy, in terms of sector focus, financing and duration.

It should be noted that this Joint Transition Strategy includes new financial commitments to be made by the EU and its Member States for the 2014-20 period. It does not include financial commitments made in 2013 and before which have begun implementation and which will continue to be implemented in 2014 onwards. These previous commitments represent the ongoing portfolio of EU and Member States projects and programmes which amount to some EUR 480 million (USD 648 million) as of the end of 2013.

## **2. Summary of Country Analysis**

The country analysis builds upon, and is informed by, the experience and knowledge of European Union development partners present in the country, as well as from a Political Economy Analysis commissioned jointly by the EU and its Member States which was completed in February 2013.

Myanmar has suffered from an extended period of authoritarian rule, long-term ethnic strife, fragile state institutions, and deep-rooted structural poverty. Decades of military control eroded the rule of law and severely weakened the judiciary and state institutions. The country has not enjoyed domestic peace since independence in 1948. Ethnic areas along the borders with Thailand, China, India and Bangladesh have been plagued by internal armed conflict, with Government forces fighting a wide array of groups including communist insurgents, ethnic armies and narcotics militias. Myanmar moved from being one of the leading regional economies in the 1960s to having the lowest GDP per capita in Southeast Asia by 2010. More recent growth of 4-5% per annum has been mainly driven by the extractive industries and favoured investors close to the regime.

Under the new civilian Government that came to power in March 2011, Myanmar has embarked on an ambitious and comprehensive reform agenda. This seeks to transform the country by securing peace, entrenching democracy and reviving a stagnant economy. The new Government moved quickly to address long-standing conflicts and has signed deals with most of the major armed groups. Rapprochement has also been sought with Daw Aung San Suu Kyi, the chairperson of the National League for Democracy (NLD), who had previously been under long-term house arrest. Her release was followed by elections to the lower house of Parliament that saw the NLD win 43 out of the 45 available seats. Most political prisoners have now been released, a National Human Rights Commission has been set up, and significant progress has been made in areas such as freedom of assembly, association and expression, forced labour, and child soldiers. In the economic sphere, the national currency has been floated and parallel exchange rates removed. The Government has also begun to dismantle state monopolies, ending the near-stranglehold that the Union of Myanmar Economic Holdings Limited - a military holding company - had had on the fuel, vehicle, cigarette and beer markets.

These wide ranging reforms have undoubtedly improved the distribution of political and economic power, but more work remains to be done to lock the country into a path of equitable and inclusive growth. The current key priorities for the Government include (1) ensuring lasting peace in ethnic areas, (2) improving state-society relations and (3) maintaining a trajectory of economic growth that is both sustainable and pro-poor. For the first, existing ceasefire agreements need to be succeeded by political processes that address long-standing grievances, offer greater self-determination and provide an equitable allocation of natural resources. For the second, a new relationship between government and citizens needs to be institutionalised that entrenches responsiveness and accountability. For the third, a number of constraints need to be addressed including the legacy of decades of rent-seeking over production, poor health and education systems, a chronic lack of investment in infrastructure and technology, and international isolation.

The national development strategy is constituted by the Framework for Economic and Social Reforms (FESR) which runs from 2012 to 2015. This serves as a precursor to the 20-year National Comprehensive Development Plan that is currently under development and will subsequently be implemented by a series of five year plans. The FESR sets out priorities and sequencing along with outlines of sector plans and a number of quick wins. Priorities include peace building, the achievement of the MDGs, pro-poor growth and an equitable sharing of resources, LDC graduation, moving towards a stable and market-driven economy, promotion of FDI, and economic integration with ASEAN. Emphasis has been placed on strengthening good governance and transparency along with moving from top-down to bottom-up planning and promoting people-centred development. The FESR also highlights Myanmar's intentions to exploit a late-comer's advantage, building on lessons learned from other transitional countries' transitions and ensuring national ownership of aid. Most immediate priorities/deliverables include actions on governance, health, education, rural development, infrastructure, trade and private sector development. For the first time in recent history Government policy is therefore centred on sustainable pro-poor development and may be considered to serve as a sound basis for European Union and Member States' support to the country.

### **3. Lessons Learned from Previous Cooperation**

Up until 2011, the majority of aid to Myanmar was provided outside of Government structures and systems with development partners working on a relatively ad-hoc basis. Communication and coordination between agencies was limited with no single coordination structure grouping development partners together, no system of sector working groups, and no catch-all aid information management system. However, a series of multi-donor trust funds functioned well and were used by the majority of development partners. These continue to provide a valuable vehicle for aid coordination in the country today.

The reforms that began in 2011 along with the accompanying suspension of sanctions led many existing development partners to boost their aid while new development partners began to enter the country, creating a proliferation of projects, programmes and studies accompanied by a sharp increase in the number of missions. This has invoked considerable transaction costs on a Government that was already facing substantial capacity challenges, as well as on development partners. Officials in the civil service have very little experience of managing development partners and aid flows while development partners operating in the country have not been accustomed to receiving guidance from Government. Both sides have realised the importance of tackling these issues and learning from the experiences of other countries.

In January 2013, the Government convened the first Myanmar Development Cooperation Forum. This brought together a wide range of senior officials from both traditional and emerging development partners to discuss the reform process with Government officials and how it could be best supported. The Forum concluded with agreement on the Nay Pyi Taw Accord for Effective Development Cooperation that sets out how Government and development partners will work together to support the country, building on experiences and lessons learned from elsewhere. European Union development partners put forward a Joint Response at the Forum with specific commitments on how the EU and Member States will seek to support the implementation of the Accord.

During 2013, substantial efforts have been made by Government and development partners to put the principles of the Accord into practice. Highlights include:

- The establishment of sixteen Sector Working Groups (SWG) to provide advice and line up external support behind nationally-owned strategies and avoid gaps and overlaps. These are chaired by Line Ministries supported by development partner co-leads.
- The creation of a Development Partners Group that brings together all development partner Heads of Agency. A Working Committee of the eight main development partners in the country (including the EU and the UK) heads this and meets regularly with Government to ensure overall coordination and to take forward policy dialogue.
- The development of an Aid Information Management System.

An Aid Policy and accompanying management procedures are also under preparation. Development partners now need to invest in these new structures and systems to ensure that they gain legitimacy and momentum and are fully inclusive, especially as regards emerging development partners. The EU is working to support this process through the provision of dedicated technical assistance to Government and development partners.

#### 4. The EU Approach

The Treaty of Lisbon established the reduction and eradication of poverty as the primary objective of the European Union's development cooperation policy and has anchored development policy within EU external action. The European Consensus on Development<sup>1</sup> recognises that developing countries are mainly responsible for their own development based on national strategies to which EU aid should be aligned. The Consensus furthermore sets out a specifically European set of values that should underpin development work, namely respect for human rights, democracy, fundamental freedoms and the rule of law, good governance, gender equality, solidarity, and social justice.

The 2012 EU Agenda for Change,<sup>2</sup> endorsed by Member States, sets out EU development policy and reinforces these messages, emphasising the EU as a key partner, coordinator, convener and policy maker. It notes that to be fully effective the EU and its Member States must speak and act as one to achieve better results and to improve EU's visibility. The two pillars of the Agenda for Change argue for a concentration of support towards inclusive and sustainable growth and towards human rights, democracy and good governance. It notes the need to use aid as effectively as possible, particularly by formulating joint strategies and establishing division of labour between development partners. The latter concept is expanded upon in the EU Code of Conduct on Division of Labour<sup>3</sup> which recommends that each European Union development partner focuses their support on a limited number of sectors in order to increase impact. Accordingly, the EU will focus its bilateral cooperation activities on four focal sectors, while other sectors may be supported through its regional and thematic instruments.

These global commitments have been translated to the present-day context of Myanmar by the Foreign Affairs Council of the European Union which adopted the 'Comprehensive Framework for the European Union's policy and support to Myanmar/Burma' in July 2013<sup>4</sup>.

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<sup>1</sup> [http://ec.europa.eu/development/icenter/repository/european\\_consensus\\_2005\\_en.pdf](http://ec.europa.eu/development/icenter/repository/european_consensus_2005_en.pdf)

<sup>2</sup> [http://ec.europa.eu/europeaid/what/development-policies/documents/agenda\\_for\\_change\\_en.pdf](http://ec.europa.eu/europeaid/what/development-policies/documents/agenda_for_change_en.pdf)

<sup>3</sup> [http://europa.eu/legislation\\_summaries/development/general\\_development\\_framework/r13003\\_en.htm](http://europa.eu/legislation_summaries/development/general_development_framework/r13003_en.htm)

<sup>4</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/138272.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/138272.pdf)

This prioritises support to peace, democracy, social and economic development and trade, thereby also reflecting the goals of the FESR.

The Comprehensive Framework has been used as the basis for the present Strategy which focuses European Union support on six main areas:

Peace Building

Governance

Rural development

Health

Education

Trade and Private Sector Development

This will be accompanied by work on the important cross-cutting issues of civil society, gender, environment and human rights. The latter in particular is an issue of fundamental concern to European Union development partners. These cross-cutting issues also receive substantial funding from EU Development partners. Also key will be to help ensure an equitable distribution of the benefits of Myanmar's future development, including for example in the area of natural resources management.

A division of labour between the EU development partners along with indicative financial allocations to each sector are set out below. Each European Union development partner endeavours to specialise in their area of comparative advantage, taking into account the existing activities and capacities of other development partners and in support of national policies and strategies. These commitments have notably resulted in enhanced division of labour in the social sectors; for instance the EU is proposing to focus its support onto the Education sector, due to the strong presence of some Member States in Health.

At a local level these development partner principles have been taken forward through the Joint EU Response to the Nay Pyi Taw Accord, presented at the Myanmar Development Cooperation Forum in January 2013 and which sets out EU and Member State commitments. This was followed by an agreement of EU Heads of Mission in Myanmar to pursue Joint Programming and to adopt a Joint EU Strategy for Myanmar.

## **5. EU Focal Areas and Financing**

Briefs on the six focal areas are provided below along with the broad lines that European Union support will take and the indicative financial allocations for each.

### **Peace Building**

The ultimate success and sustainability of Myanmar's transition towards democracy will be highly dependent on the evolution of the situation in the ethnic states. As stated in the FESR and made clear in various speeches by President U Thein Sein, ethnic peace is recognised as a high priority by Government. A comprehensive peace effort is well underway and aims for a permanent settlement that will fully integrate ethnic groups into the political system in line with the 2008 Constitution. Substantial progress has already been made in Mon, Kayin and Kayah states but in other areas the situation remains volatile and has recently deteriorated in the areas of Kachin and Rakhine. In addition, inter-communal violence has recently flared

between Buddhist and Muslim communities. A further escalation of such violence could have a highly disruptive effect on the country's transition towards peace, reconciliation and development.

The President has established a Union Peace Making Central Committee and Working Committee to take forward peace negotiations. The Myanmar Peace Centre – established with EU support – provides a platform for peace building activities and a focal point for interaction with the international community and civil society organisations. It also serves as the secretariat for the afore-mentioned Committees.

The Myanmar Peace Support Initiative (MPSI), set up in January 2012 seeks to provide immediate support in areas where ceasefires have been agreed. MPSI is currently engaged in the development of pilot projects in Chin, Karen, Mon, Rakhine and Shan States that aim to build trust and stimulate dialogue in support of ceasefires as a precursor to providing development aid. The latter will be key in order to lock in peace and should encompass providing communities with access to health and education services along with income generating opportunities.

We encourage the immediate end of hostilities across the country, including in Kachin State, and support the early launch of inclusive political negotiations aimed at lasting peace settlements. We believe that negotiations should involve all stakeholders, including Government, political parties, non-state actors, and local community organisations, providing them with capacity building support where necessary. We also believe that the police force needs to be further reformed to provide a fully accountable and responsive service that can build trust among all communities and is able to respond effectively to future instances of public insecurity.

European Union and Member States' work on peace building will include support to on-going peace and reconciliation processes, including testing new approaches and capacity building, and tackling unexploded ordinance (UXOs). This area will be supported by Denmark, the EU, Finland, Germany, Ireland, the Netherlands, Sweden and the UK. The indicative annual financial contributions of European Union development partners are as follows:

- Denmark: € 2,000,000 / year.
- EU: €12,000,000 to €20,000,000 / year.
- Finland: €1,000,000 / year.
- France: €1,300,000 / year
- Germany: to be confirmed
- Ireland: € 100,000 / year.
- Netherlands: to be confirmed.
- Sweden: €2,500,000 / year.
- UK: €3,000,000 / year.

## Governance

The recent rapprochement between the Government, led by President U Thein Sein, and the National League for Democracy (NLD), led by Daw Aung San Suu Kyi, has been remarkable. The previous regime had refused to recognise the parliamentary majority won by the NLD in the 1990 general elections and declared the party illegal in 2010. In December 2011 however, the NLD was able to successfully register with the Union Election Commission and subsequently won 43 out of 44 contested seats in the 2012 by-elections. The Government's recognition of the result significantly boosted local and international confidence in their commitment to political reform. These positive steps have been accompanied by the emergence of a vigorous Parliament that engages in dynamic debates and subjects Ministers to robust scrutiny.

Good governance, accountability and transparency feature strongly in the FESR and have made regular appearances in speeches by the President. The Government has prioritised streamlining existing institutions and creating new ones where necessary, promoting the rule of law, enhancing citizen participation, tackling corruption, introducing results-based management, creating a culture of meritocracy, and improving public access to information. An overall strategy for public administration reform is currently under development.

While there is strong political will to take these reforms forward, it is clear that ingrained management styles, attitudes and behaviours will not change overnight. Nevertheless, a new political environment is already in evidence that expects and rewards reform, there is increasing legislative and media scrutiny of Government and overall an increasing willingness of the population to air their grievances can be observed. Together these trends are highly likely to increase the pressure for further positive change in future.

European Union and Member States' work on governance will include the promotion of democratisation, support to Parliament, the Union Election Commission and the 2015 elections, actions to entrench the rule of law and establish a professional judiciary, initiatives to strengthen transparency and accountability, capacity building support to civil servants, improvement of public finance management and statistical capacity, reinforcement of the media, support to the national census, technical assistance to assist with aid and development partner management, and support for Myanmar's ASEAN chairmanship. This area will be supported by the Czech Republic, Denmark, the EU, Finland, France, Germany, Hungary, Ireland, Italy, the Netherlands (focusing on capacity building in the water sector), Sweden, and the UK. The indicative annual financial contributions of European Union development partners are as follows:

- Czech Republic: €150,000 / year.
- Denmark: €4,500,000 / year.
- EU: €8,000,000 to €12,000,000 / year.
- Finland: €2,000,000 / year (to be confirmed).
- France: €270,000 / year
- Germany: to be confirmed
- Hungary: to be confirmed
- Ireland: € 50,000 / year.

- Italy: € 930,000 / 2014
- Netherlands: to be confirmed.
- Sweden: €3,500,000 / year.
- UK: €7,750,000 / year.

### Rural Development

Agriculture remains dominant in Myanmar's economy, accounting for 40% of GDP and providing employment for over 60% of the labour force. Most farmers are smallholders who combine a mix of crops, livestock, fishery and off-farm income-generating activities in order to diversify risk. The food crop sub-sector represents 80% of agricultural production with rice, pulses and beans as the main outputs and export commodities. Productive potential is not currently fully utilised with the result that yields remain below average and inferior to their historical highs.

The livestock sub-sector is characterised by small-scale production at the household level and plays an important role in supplementing incomes and improving nutrition. Aquaculture and inland fisheries have grown rapidly in recent years with medium to large production units emerging that offer significant employment potential. Small-scale fishery production however remains obstructed by an opaque administrative system of fishing rights and licenses. For marine fisheries, over-exploitation is perceived as a risk although no recent reliable estimate of resources and sustainable yields is currently available.

Overall, agricultural productivity has suffered from a lack of basic infrastructure to connect rural areas to population centres meaning that transport and marketing costs have remained high. The lack of financial services has further hampered growth with only an estimated 10% of financing needs currently met by existing institutions. Research and extension services are also largely absent, leading to poor input quality and sub-standard management practices.

The Government has however prioritised rural development in its reform agenda and is currently developing a Rural Development Strategy which we will seek to align to.

European Union and Member States' work on rural development will be supported by Denmark, the EU, France (incl. AFD), Germany, Ireland, Italy, the Netherlands and the UK. Work will include support to livelihoods and food security, tackling hunger and promoting good nutrition, supporting employment and income generating activities, enhancing agricultural productivity, promoting access to financial services for the poor, and activities to support integrated water resources management and irrigation. The indicative annual financial contributions of European Union development partners are as follows:

- Denmark: € 4,500,000 / year.
- EU: €30,000,000 to €38,000,000 / year.
- France: €4,000,000 / year
- Germany: to be confirmed
- Ireland: €100,000 / year.
- Italy: € 23,500,000 / 2014-2016.



- Netherlands: to be confirmed.
- UK: €15,500,000 / year.

## Health

Myanmar's health system faces many challenges in service delivery including inadequate funding, weak planning and management, a shortage of human resources, high turnover of health staff in rural areas, poor health infrastructure, and a lack of essential drugs and supplies.

The leading causes of death and illness in the country are tuberculosis, malaria and HIV/AIDS. Tuberculosis prevalence is at 525/100,000 while estimates of the number of malaria cases range from 4.2 to 8.6 million a year with 76% of the population living in malaria-endemic areas<sup>5</sup>. There is a concentrated HIV epidemic among most-at-risk groups. The maternal mortality rate is estimated to be 240/100,000 live births<sup>6</sup> and the under-five mortality rate to be 71/1,000 live births<sup>7</sup>, meaning that at least 2,400 pregnant women and 70,000 children die every year from largely preventable causes. The proportion of children with moderate or severe stunting is 48% while 28%<sup>8</sup> are moderately or severely underweight.

The Myanmar National Health Plan prioritises increasing the availability of essential services for the most vulnerable groups (mothers, babies and children) and preventing and treating communicable diseases such as tuberculosis, malaria and HIV/AIDS.

European Union and Member States' work on health will be supported by the Czech Republic, Denmark, the EU, France, Germany, Italy, the Netherlands, Sweden and the UK. Work will include support to interventions on basic health, training of medical professionals, capacity building for institutions and activities targeting sexual and reproductive rights and sanitation. The indicative annual financial contributions of European Union development partners are as follows:

- Czech Republic: €120,000 / year.
- Denmark: €2,600,000 / year until 2016.
- France: €2,800,000 / year.
- Germany: to be confirmed
- Italy: to be confirmed.
- Netherlands: €2,300,000 / year..
- Sweden: €6,500,000 / year.
- UK: €25,000,000 / year.

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<sup>5</sup> M&E Reference Group. Roll Back Malaria. 2009

<sup>6</sup> Trends in maternal mortality, 1990-2008, H4

<sup>7</sup> UNICEF, 2010. Levels and trends in child mortality. Estimates developed by the UN inter-agency group for mortality estimates

<sup>8</sup> MICS, 2009-2010

## Education

As with health, Myanmar's education sector has suffered from years of insufficient public expenditure. The Primary Completion Rate<sup>9</sup> was estimated by the Government to be 75.1% in 2008/09<sup>10</sup> but the 2010 Multiple Indicator Cluster Survey indicated that it could in fact be as low as 54.2%. There is a significant dropout problem with around 900,000 primary aged children out of school as well as high repetition rates and large numbers of over-age entrants into primary school. The quality of teaching also needs substantial improvement. Estimates of the secondary Net Enrolment Rate indicate that access to education also remains constrained at this level. Public universities have generally been neglected during recent decades and facilities are often run-down. There has however been progress in enrolment and the achievement of gender parity and education is high on Myanmar's reform agenda.

European Union and Member States' work on education will be supported by the Czech Republic, Denmark, the EU, France, Germany, Hungary, the Netherlands and the UK. Work will include support to the Comprehensive Education Sector Review, promoting access to primary education, supporting basic education facilities and teachers, building the capacity of complementary education systems, university partnering and the provision of scholarships for study in Europe. The indicative annual financial contributions of European Union development partners are as follows:

- Czech Republic: €40,000 / year
- Denmark: €2,600,000 / year
- EU: €30,000,000 to €38,000,000 / year
- Finland: to be confirmed
- France: €350,000
- Germany: to be confirmed
- Hungary: €250,000 / year
- Netherlands: to be confirmed
- UK: €2,000,000 / year

## Trade and Private Sector Development

Myanmar's current economic growth remains narrow-based with the country largely dependent on energy and agriculture. Extractive industries predominate including oil, gas, mining and timber. Manufacturing, tourism and services have seen mediocre growth, largely due to Western sanctions, inadequate infrastructure and technology, distorting trade policies, and a lack of skilled labour. Recent positive developments in terms of political and economic reform, followed by a suspension of EU sanctions, are however providing a more favourable environment for trade and investment in the country. Trade between the EU and Myanmar has been further enhanced by the June 2013 reinstatement of the Generalised System of

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<sup>9</sup> I.e. for those completing Grade 5, or at least taking the end of year examination.

<sup>10</sup> Ministry of Education, Myanmar.

Preferences under the Everything But Arms initiative, offering duty-free access to the EU market.

The "Agenda for Change" commits to greater support to partner countries to enhance the business environment, to promote regional integration and to help harness the opportunities that world markets offer, as a driver for inclusive growth and sustainable development. Support in this area will be provided in line with the EU Aid for Trade (AfT) Strategy and will be designed to help Myanmar integrate into the rules-based world trading system and to use trade more effectively in promoting the overarching objective of eradicating poverty.

European Union and Member States' work on trade and private sector development will be supported by Denmark, the EU (through its regional instruments), France, Germany, Italy, Luxembourg, the Netherlands and the UK. Work will include the promotion of responsible investment, support to the financial services, seafood, textile and tourism sectors, support to SMEs and pro-poor business, Public-Private Partnerships, labour rights and vocational training. The indicative annual financial contributions of European Union development partners are as follows:

- Denmark: €2,500,000 / year.
- EU: €1,000,000 / year.
- France: €2,000,000 / year
- Germany: to be confirmed
- Italy: €1,800,000 / 2014
- Luxembourg: €1,000,000 / year.
- Netherlands: €2,000,000 / year.
- UK: €3,800,000 / year.

In addition to the support that will be provided through development cooperation resources, the European Union and Member States will continue to pursue:

- A more transparent investment environment that can reduce the risk of corruption and tax avoidance by improving transparency throughout the supply chain. This will include support to initiatives such as the Extractive Industries Transparency Initiative (EITI), the Forest Law Enforcement, Governance and Trade (FLEGT) and the Timber Regulation.
- The realization of a greater FDI potential through the negotiation of a Bilateral Investment Treaty (BIT).

## **6. EU Actions on Cross-Cutting Issues**

We will work together to provide support on the key cross-cutting issues of human rights, civil society, gender and environment. We have agreed a Human Rights Country Strategy for Myanmar and a Gender Action Plan, while a Roadmap for Engagement with Civil Society is currently under development. Such issues are fundamental to the European Union approach to development and are key drivers for Myanmar's development.

By definition, support for cross-cutting issues is often embedded in larger programmes, for example in the case of gender mainstreaming. In these cases, the exact support provided by each European Union development partner to each issue can be difficult to extract from the larger programme. Below therefore, only stand-alone and programmable support initiatives to cross-cutting issues and their financing are detailed. The total support provided by European Union development partners to each issue is naturally much larger.

We believe that strengthening human rights will be key to securing a successful reform process in Myanmar. This should encompass political, civil, social, economic and cultural rights as well as support to minorities. We believe that the Government should follow-up on its commitments to facilitate the opening of an OHCHR country office and that the national Human Rights Commission should be granted the status, mandate and means to perform its duties effectively and independently in accordance with the Paris Principles. European Union work on human rights will be supported by the Czech Republic, the EU (through its thematic instruments), the Netherlands, Sweden and the UK. Work will include the establishment of an EU-Myanmar Human Rights Dialogue to promote constructive and open discussions on issues of mutual interest and concern, based on the principles of equality and cooperation. This will allow the highlighting of concerns and the exchange of best practices and expertise. Other work will support responsible investment policies and practices that respect human rights. The indicative annual financial contributions of European Union and Member State's development partners for support to **human rights** are as follows:

- Czech Republic: €60,000 / year
- EU: €1,500,000 / year
- France: €200,000 / year
- Italy: € 500,000 / 2014
- Netherlands: € 200,000 / year
- Sweden: €1,500,000 / year
- UK: €700,000 / year

We attach great importance to the involvement of civil society in building the institutions that are necessary for a modern inclusive democracy. Civil society has a critical role to play for the success of Myanmar's social and political transition as well as for ethnic conflict resolution. European Union and Member States' work with civil society will be supported by the Czech Republic, the EU (through its thematic instruments), France, Ireland, the Netherlands, Poland, Sweden and the UK. Work will include promoting the establishment of an enabling environment and the protection of civil society's rights, facilitating engagement with Government, exposing local organisations to international best practice, ensuring their involvement in our own planning processes, and channelling part of our support to the country through them. The indicative annual financial contributions of European Union and Member States' development partners in support to **Civil Society** are as follows:

- Czech Republic: €310,000 / year.
- EU: €5,000,000 / year
- Finland: to be confirmed
- France: €2,300,000 / year

- Ireland: €100,000 / year.
- Netherlands: to be confirmed.
- Poland: to be confirmed.
- Sweden: €5,000,000 / year.
- UK: €3,000,000 / year.

European Union and Member States' work on environment will focus on sustainable management and access to environmental resources as well as mitigation of the effect of climate changes. This will be funded by dedicated thematic instruments and mainstreamed in relevant EU cooperation activities, i.e. rural development, trade and private sector, governance. Particular attention will be dedicated to assessing the environmental impact of our cooperation activities. The indicative annual financial contribution of the EU towards **environment** is as follows:

- EU: €1,000,000 / year
- Finland: to be confirmed
- France: €5,300,000 / year

Finally, European Union development partners will work on cultural cooperation. This will include both cultural heritage activities, those more directly linked to development and the promotion of European culture. European Union work on culture will be supported by Italy and France. The indicative annual financial contributions of European Union development partners towards **cultural cooperation** are as follows:

- France: €300,000 / year.
- Italy: €1,000,000 / 2014

## 7. Risk Assessment

The above-mentioned Political Economy Analysis identified a number of risks to the reform process going forward. These are summarised in the following matrix:

Risk	Probability	Impact
Continuation or resumption of serious armed conflict	High (in Kachin)	Medium
	Medium (elsewhere)	High
Further outbreaks of serious inter-communal violence	High (in Rakhine)	Medium-High
	Medium-Low (elsewhere)	High

Reform progress vs. expectations gap leading to public protest and instability	Medium	Medium-High
Economic shocks negatively impacting on livelihoods (e.g. high exchange rate / inflation)	Medium	Medium-High
Rise in equality that further entrenches the elite	Medium	Medium-High
Rise in social tensions leading to state-society conflict (e.g. radicalisation of social or labour movements)	Medium	Medium
Political tensions around 2015 elections that undermine a smooth transition	Medium-Low	High
Declining rural livelihoods catalysing urbanisation and social dislocation	Medium-Low	Medium-High

It is to be expected that the successful implementation of the present Strategy will help to mitigate against these risks. Nevertheless, along with other development partners, European Union development partners will continue to monitor the situation on the ground and be prepared to take additional actions where necessary.

## 8. Monitoring & Evaluation

The FESR includes a commitment to establish a dedicated monitoring committee within the Ministry of National Planning and Economic Development. Respecting the principles of ownership and alignment, European Union development partners support the prompt establishment of the monitoring committee and will look to this body to provide monitoring and evaluation data, given that the present Strategy is designed to support the implementation of national reform plans. Reference will also be made to the monitoring of the Action Plan of

the Nay Pyi Taw Accord for Effective Development Cooperation, given its coverage of an extensive range of reform and development effectiveness indicators and its endorsement by Government and all development partners. In this way we will not seek to create a parallel track of European Union monitoring and evaluation but rather to reinforce the legitimacy of national processes. Supplementary information may however be obtained from relevant international processes such as:

Millennium Development Goals

Human Development Index

GNI per capita

Tax to GDP ratio

Gini Index

Poverty rate

Life expectancy

Public Expenditure and Financial Accountability (PEFA) assessments

The World Bank's Country Policy and Institutional Assessment (CPIA)

The World Bank's "Doing Business" report

Transparency International's Corruption Perception Index (CPI)

Relevant aid effectiveness indicators, drawn from the monitoring framework of the Global Partnership for Effective Development Cooperation

Finally, each European Union development partner may also pursue discreet monitoring and evaluation activities for their individual project and programme portfolios, as set out in their respective bilateral implementation plans.