

EN

**EUROPEAN UNION**

**Development Cooperation Instrument**

**Multiannual Indicative Programme (2014-2020)**

**MYANMAR/BURMA**



# 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 Since then, restrictions imposed on the opposition have been partially withdrawn, political prisoners released, freedom of expression improved and economic reforms initiated.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

---

<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

---

<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

---

<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

---

<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

---

<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,

---

<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

---

<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).*

---

<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

<b>Specific Objectives</b>	<b>Expected Results</b>
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

<p>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>	<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>
<p>SO 3. Preventive, balanced and professional approach by law enforcement agencies, based on international practices and respect for human rights.</p>	<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>
<p>SO 4. More credible, transparent and inclusive elections and increased participation, transparency and accountability of the democratic process.</p>	<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>
<p>SO5. Decent work and respect of labour standards is promoted, including by government institutions and workers' and employers' organisations</p>	<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

---

<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

---

<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.

---

<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.

---

<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>: <i>USD 824.19 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>

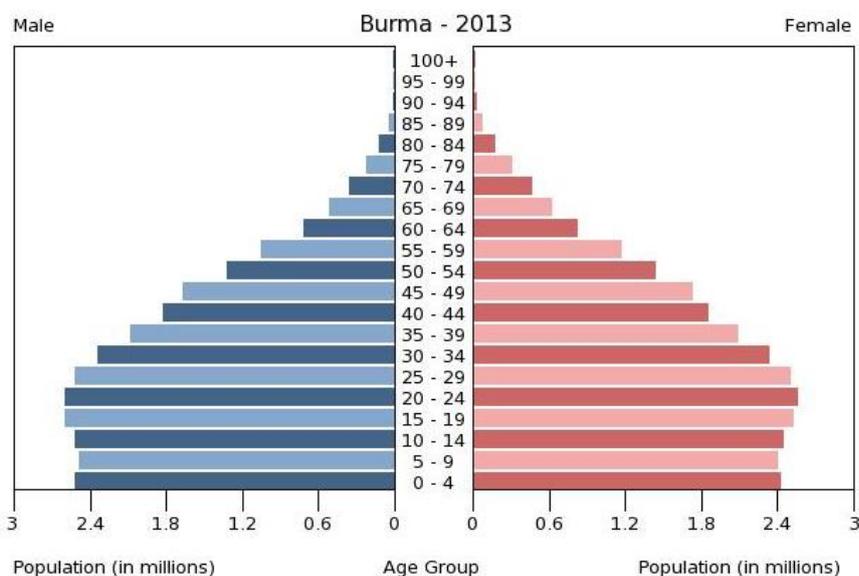
<sup>40</sup> <http://info.worldbank.org/governance/wgi/index.asp> Percentile rank (0-100)

<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>

<b>DEMOGRAPHY</b>	
<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
<b>GEORGRAPHY / TOPOGRAPHY</b>	
<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

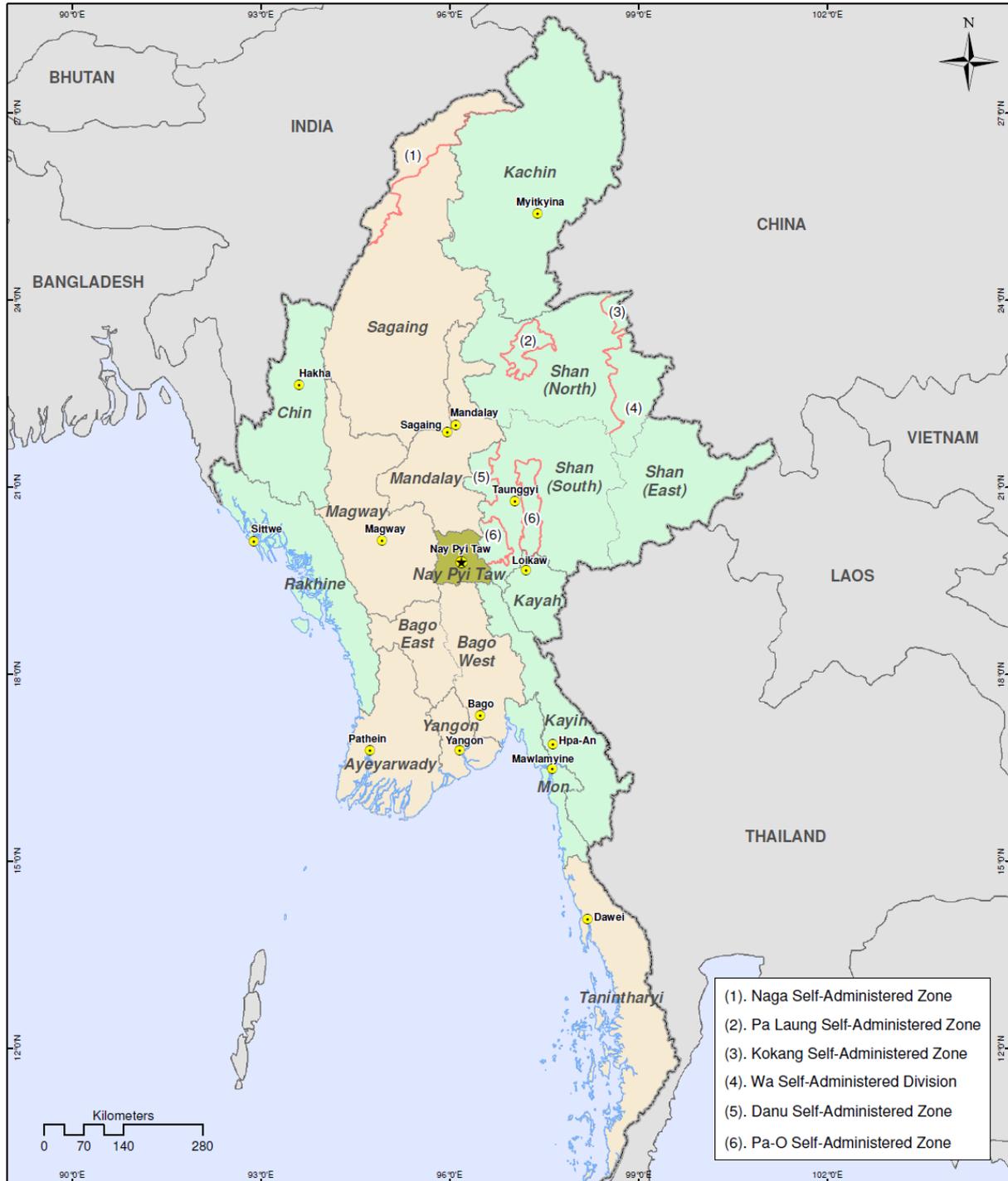


Myanmar Information Management Unit

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



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



<p>Map ID: MIMU1053v01 Creation Date: 20 August 2013.A4 Projection/Datum: Geographic/WGS84</p> <p>info.mimu@undp.org www.themimu.info</p>	<p><b>Legend</b></p> <ul style="list-style-type: none"> <li> Capital</li> <li> State Capital</li> <li> Sea</li> <li> State and Region Boundary</li> <li> International Boundary</li> <li> Self-Administered Boundary</li> <li> State</li> <li> Region</li> <li> Nay Pyi Taw</li> </ul>	<p>Data Sources :</p> <ul style="list-style-type: none"> <li>Base Map - MIMU</li> <li>Boundaries - WFP/MIMU</li> <li>Place names - Ministry of Home Affairs (GAD) translated by MIMU</li> </ul>
---	--	---

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.

<b>Specific objective 2: Sustainably increased wealth in rural areas, with a specific focus on agriculture</b>			
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

<b>Specific Objective 3: Improved delivery of basic services to rural communities</b>			
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>

<b>Specific Objective 1: Increased access to, and completion of, quality and equitable education</b>			
<u>Expected results</u>	<u>Indicators</u>	<u>Means of verification</u>	<u>Baseline</u>
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
<b>Specific Objective 2: Strengthened education system (planning, management and governance)</b>			
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		

3.2.3. Level of trust between citizens and MPF	Surveys of MPF – community relationship, where appropriate	roll-out includes a baseline survey of MPF-community relations. Compilation of legal framework currently governing MPF has been conducted by on-going EU project Stocktaking of current interactions between MPF/Ministry of Home Affairs and Parliament has been conducted by ongoing EU project A baseline study of civil society relations with and attitudes towards MPF has been conducted under on-going EU project
3.2.4. Status of revised legal framework for MPF		
3.2.5. Frequency of interaction between MPF/Ministry of Home Affairs and Parliamentarians, including reporting to Parliament		
3.2.6. Level of engagement of MPF with civil society and media		

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

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)]