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ANNEX
MID-TERM REVIEW
MULTI-ANNUAL INDICATIVE PROGRAMME 2011-2013
MYANMAR

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PART I — EXECUTIVE SUMMARY

The mid-term review exercise confirms the appropriateness of the Strategy Paper.

Since the Strategy Paper 2007–2013 was drafted, there have been few changes for the better in Myanmar. Myanmar remains one of the poorest countries in Asia, and its problems are exacerbated by the global financial crisis, leading, for instance, to falling remittances and crop prices. The political and human rights context remains difficult. Elections announced for 2010, while not providing for full democratisation, may offer some opportunity for increased involvement of civil society in political processes.

The overarching priority of the Strategy Paper and the need to work towards improving critical socio-economic indicators in the education and health sectors remain valid. The continued focus in the Multiannual Indicative Programme (MIP) 2011–2013 on health and education is therefore justified. Considerable support for livelihoods and food security is available with Commission funding outside the Strategy Paper, such as complementary support for displaced people and non-state actors.

The MIP will provide limited support to augment administrative capacity, to enable middle-ranking and junior officials to meet the requirements of rule-based governance after the scheduled 2010 elections.

The MTR analysis and extensive consultations have led to the following indicative allocations:

SECTOR	MIP 2007-2010	MIP 2011-2013
<u>Focal Area 1</u> — Education (Primary Education)	44 %	40 %
<u>Focal Area 2</u> — Health	56 %	50 %
<u>Non-Focal Sector</u> — Capacity building for government staff	-	10 %
TOTAL	100 % (€32 m)	100 % (~€33 m)

Despite the percentage decrease, the average amounts for individual actions in all areas of the new MIP 2011-2013 have been increased compared to the previous MIP 2007-2010, to maximise impact and reduce transaction costs.

Cross-cutting issues, such as gender, disaster risk reduction, environment, and climate change, will be mainstreamed. As development will only be sustainable if governance is improved, all development programmes will integrate the promotion of governance as a cross-cutting issue, to help advance democracy and human rights and strengthen local civil society. All interventions should therefore primarily look for opportunities to help build the capacity of local stakeholders, communities and organisations.

PART II — CONCLUSIONS OF THE MTR PROCESS

1. Changes in the country context

Decades of internal turmoil have deeply traumatised Myanmar society, both culturally and politically. There is little chance of fundamental political change in the short term. The country will continue to be fragile, with a military-dominated government and a poor human rights record. The Government announced elections for 2010. In a best-case scenario, the country will reach the first rung of the democracy ladder and improve its governance. The next few years could be the most volatile in Myanmar's contemporary history, with unpredictable potential for positive, albeit gradual change. There are opportunities for strengthening civil society and grass-roots organisations, as political parties emerge and a limited space opens up for the establishment of organisations serving the interests of people. It has to be expected that the EU Common Position on Myanmar, which limits the type of possible assistance and its means of delivery, will remain more or less unchanged. The difficult political relations, characterised by a mutual denial of dialogue and punitive EU sanctions, set the frame for development relations.

The provision of assistance by the international community to vulnerable people and communities in the Irrawaddy Delta, following the devastation wrought by Cyclone Nargis in May 2008, including an estimated 140000 deaths, was facilitated by the Tripartite Core Group. This brought together the Government of the Union of Myanmar, ASEAN and the UN, and has on the whole helped to establish constructive relations between donors and the Myanmar government. Outside the post-Nargis context, the Commission has established a process of technical consultation with the Government on the Millennium Development Goals, which has opened up channels of communication and a closer working relationship, facilitating a better understanding by the Commission of the serious capacity constraints faced by the Myanmar civil service.

The overall objective of the Strategy Paper for Myanmar is poverty reduction. Although no reliable statistics are available, the situation may have not improved since the last SP and MIP were drawn up. Myanmar is today in a state of deep-rooted structural poverty. The civilian administration lacks the capacity to reform itself and redress the situation without substantial and systematic external assistance. Despite, or because of, vast natural resources, Myanmar remains one of the least developed countries. After decades of armed conflict and isolation, the country may be unable to achieve the Millennium Development Goals by 2015 without a substantial increase in external assistance and the development of relevant national strategies. Recent research indicates that more than one third of all households — both urban and rural — have insufficient income to cover basic food and non-food needs. The price of paddy rice in early 2009 was an estimated two-thirds of farmers' break-even price. Myanmar has difficulties in exporting beans and pulses, unable to compete on price. Agricultural credit has become difficult to obtain. In early 2009, the World Food Programme estimated that six million people in Myanmar were in need of food aid.

The issue of non-compliance with internationally recognised labour standards has been raised in the International Labour Organisation fora during a considerable number of years. In this context the European Union expressed concerns that all the urgent calls to improve core labour standards, in particular as concerns forced labour in Myanmar, as yet have not been met and that significant progress has been absent.

Myanmar's problems are exacerbated by the global economic crisis. If it was thought that Myanmar's relative isolation would shield it from the worst effects of the turmoil, due to its small export sector, it was nonetheless not immune to external shocks. Migrant workers are returning to Myanmar, having lost employment in Thailand and elsewhere. Remittances are decreasing, depriving families of an important support mechanism. There has been a sharp fall in demand for non-agricultural produce. For instance, in the last three months of 2008, 35 garment factories in Yangon were reported to have closed down with the loss of 50 000 jobs. Tourism numbers continue to be insignificant, with a major impact on those who depend on tourism for a living.

Since the Strategy Paper 2007–2013 was drafted, the Government of the Union of Myanmar, as part of its 'Road Map to Democracy', has finalised a constitution, which has been endorsed by the population in a referendum. This provides for an elected National Parliament, with a substantial number of seats reserved for the military. An election is scheduled for mid-2010. Although the new constitution, the anticipated elections, and the nature of the parliament are designed to ensure continued tight control of the country by the military regime, the elections do at least provide an opportunity for representatives of civil society and for community-based organisations to begin to assert themselves.

The policy of the Myanmar government towards the ethnic regions of the country remains unchanged. Military aggression and oppression, particularly in Kayin (Karen) State, is causing refugees to cross into Thailand. Repression of the Rohingya Moslem minority people in Northern Rakhine State has resulted in a steady flow of Rohingya fleeing the region by boat. However, there have been recent indications that the government is willing to engage with the international community over the problems of Northern Rakhine State.

The Myanmar's standing in the world has remained largely unchanged since the Strategy Paper was drawn up. The European Union, the United States, and other Western powers, to greater or lesser degrees, impose formal and informal sanctions and thus isolate the country and its people from contacts outside the immediate region. Investment from other countries, in particular China, India and Thailand, helps to ensure that Western sanctions remain ineffective in terms of changing the behaviour of the government.

The situation in the health sector has remained largely unchanged since the Strategy Paper was prepared. Malaria continues to be the leading cause of mortality and morbidity, and HIV and tuberculosis (TB) remain highly prevalent. Maternal and child health indicators in Myanmar are poor for the region and rank low in the world, with under-5 mortality at 103 per 1000 live births, and maternal mortality ratio estimated at 360 per 100 000 live births. It is estimated that 70% of deliveries are performed at home, with 43% not being attended by a skilled health worker. Malnutrition is widespread among under-5 children; around one third of children are severely stunted and underweight. Regarding the health care system, although comprehensive and disaggregated data on the coverage and utilisation of health care services are not available, disparities are a major concern. Some of the most vulnerable population groups, including poor households in peri-urban, rural, remote or border areas, have very limited access to health services. The health sector remains grossly underfunded.

The situation is largely the same in the education sector. Efforts have been made to increase enrolment in primary schools, which is now reported to have exceeded 80%. Retention and

completion remain a problem. Considerable efforts need to be made to improve the accessibility and quality of the system. Partly as a result of a historically inadequate taxation system, public investment in education and health remains extremely low, not exceeding 0.5% of GDP in either case. This explains the poor quality of the system, e.g. lack of qualified professionals at all levels, weaknesses in teaching methodologies and material used, poor infrastructure, and substantial financial burdens on parents and communities, reducing access to school for low-income populations.

The environmental situation has also remained largely unchanged since the Strategy Paper was drawn up. Myanmar's rich natural resources continue to be unsustainably exploited. One of the greatest threats facing Myanmar's environment is illegal logging, which is rapidly degrading the country rich forests. This exacerbates the development challenges. Soil quality is deteriorating due to overuse or misuse of land. Myanmar's deforestation rate is one of the highest in Southeast Asia. There is little will shown by the authorities to address environmental issues, despite the likely worsening of the situation due to climate change (desertification, flooding).

2. Developments in EU policies

Since the Strategy Paper was drafted, several priorities for the EU have come to the fore and become relevant, to a greater or lesser extent, for assistance to Myanmar. The MIP 2007–2010 was unable to provide directly relevant support in these areas, but thematic and regional programmes play an important role here. That support will be continued in the period 2011–2013.

Climate change: the effects of global warming on Myanmar may be considerable. Changing rain and temperature patterns may make food production more difficult in the agriculture-based economy. The risk, gravity, and frequency of natural disasters (e.g. cyclones) may increase. Myanmar has ratified the *Climate Change Convention* (25 November 1994) and the *Kyoto Protocol* (13 August 2003)¹. To address climate change and mitigating measures, activities complementary to the MIP are supported by the Food Security thematic programme and the new Food Facility. This support is in line with the Myanmar government's increasing interest in climate change and disaster risk reduction measures.

Migration: the issue remains significant. Examples include the continuing exodus of refugees from Myanmar, in particular those fleeing conflict and persecution in the south-east of the country, Rohingya Moslems seeking to leave North Rakhine State, and large numbers of economic migrants to Thailand and other South-east Asian countries. The Commission continues to provide considerable support to refugees and displaced people through the Aid to Uprooted People programme (financed from the Asian Regional MIP). The education and health programmes under the Myanmar MIP target the most vulnerable people, including IDPs. On 30 March 2004, the Government of the Union of Myanmar ratified the *Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention Against Transnational Organised Crime (...)* and the *Protocol Against the Smuggling of Migrants by Land, Sea and Air, supplementing the*

¹ <http://maindb.unfccc.int/public/country.pl?country=MM>.

United Nations Convention Against Transnational Crime. No other agreements are envisaged in the near future.

Children's rights: the Government of the Union of Myanmar signed the *Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflicts* on 12 November 2001 and has shown an increasing readiness to engage on children's rights. This has made it possible for the EC to support several initiatives in line with the EU Guidelines on children's rights. Discussions are ongoing between the UN country team and the government on a future Monitoring and Reporting Mechanism for Children Affected by Armed Conflict. There is potential for future support.

Regional cooperation: Myanmar is not a signatory to the EU-ASEAN agreement. Within the limits imposed by the EU Common Position, the Commission seeks wherever feasible to involve Myanmar systematically in regional programmes. Myanmar has participated in the EU-ASEAN Statistical Capacity Building Programme (Rising food prices: the poor in Myanmar suffer from high food prices. The Commission has responded by including Myanmar among the beneficiaries of the Food Facility. Myanmar will also benefit from a global assessment of its statistical system, through a joint cooperation initiative involving the EU, the FAO Regional Office, ASEAN, ESCAP and the UN Country Team.

Drugs: the Commission has focused on drugs and drugs trafficking since the establishment of the SP/MIP. Although no specific funds for drugs-related activities have been made available for Myanmar, drugs-related issues are dealt with under the 3DF (e.g. HIV and AIDS support and awareness raising for injecting drug users) and through work support under the Food Security thematic programme (e.g. development of alternative crops in former opium-poppo growing areas)

Aid for Trade: due to the restrictions of the EU Common Position, the Commission cannot pursue its Aid for Trade policy to any significant extent with Myanmar. However, increasing efforts are being made to involve Myanmar in regional/global programmes that may indirectly help to develop more trade policy capacity and trade competence (e.g. Erasmus Mundus, supporting learning mobilities and partnerships between EU and third countries higher education institutions, ECAP). In addition, DG SANCO supports food safety, in particular for prawn production and export.

Aid effectiveness: the Commission and EU Member States have stepped up their work on aid effectiveness since the introduction of the SP/MIP. This global approach (EASCAB), while its involvement in other regional programmes is currently being studied²: The Commission has helped with ASEAN's constructive involvement in the response to Cyclone Nargis, through co-financing under the Instrument for Stability of the ASEAN-led Post-Nargis Joint Needs Assessment and Periodic Review of progress in recovery.

Civil society and non-state actors: the Non-State Actors thematic programme is supporting a range of initiatives in Myanmar. These not only deliver aid to vulnerable populations, but also help build the capacity of civil society and community-based organisations. It is intended that this work will be complemented by support for certain key agencies under the Instrument

² Sustainable Consumption and Production — SWITCH ASIA, Intellectual Property Rights — ECAP III, ASEAN Air Transport Integration Project AATIP, Trans-Eurasia Information Network Phase 3 (TEIN3).

for Stability. The 3DF (Three Diseases Fund) provides grants to community-based organisations.

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Aid effectiveness: the Commission and EU Member States have stepped up their work on aid effectiveness since the introduction of the SP/MIP. This global approach is continuing, in particular since the establishment of the Accra Agenda for Action. The EU's work on division of labour is advancing in different countries. In Myanmar, aid effectiveness needs to take account of special circumstances: donor constraints (e.g. imposed by the EU Common Position) make it impossible to use government systems for aid delivery or to work under government leadership. There are no prospects for budget support. Donors are few, and the partner country is not a signatory to the Paris Declaration or the Accra Agenda for Action. Nevertheless, the Commission, working with donors like the UK, Sweden, and Australia, has been able to increase aid effectiveness through joint initiatives such as the 3DF, the Multi-Donor Education Fund (MDEF), and the Livelihoods and Food Security Trust Fund (LIFT). These harmonised approaches are aligned with national policy plans. This has reduced the risk of overlapping and has strengthened coordination and information sharing among donors on funding decisions. Donors participating in these Trust Funds regularly exchange information, and include others that have not yet joined, in order to align their assistance and avoid duplication. The limited number of donors in Myanmar, together with the limited number of sectors in which they can operate, makes the concept of division of labour somewhat redundant. Rather, donors prefer to pool funding in Trust Funds to maximise the effectiveness of their support.

The Commission has been behind the establishment of the Partnership Group for Aid Effectiveness, which meets every few months, and the drive to involve South-South donors in the aid effectiveness process.

World Bank presence in Myanmar is limited, except for the Global Fund for Avian Influenza, some involvement in the response to Cyclone Nargis and the annual visits under International Monetary Fund Article IV. The Asia Development Bank is not present. The absence of its know-how in development policy is the result of Western sanctions.

LRRD³: the Commission has been supporting the transition from relief to development in those areas where DG ECHO provides humanitarian support, particularly in border areas and the cyclone-affected areas. With regard to the latter, the Commission has contributed to the preparation of a recovery plan through consultations with key stakeholders, and intends to provide support for recovery through LIFT.

3. Performance and lessons learnt

Cooperation performance

Focal area 1: Education

Funds for the **Education focal sector** have been channelled through the Multi-Donor Education Fund (MDEF) to the UNICEF programme '*Improving access to Quality Basic Education in Myanmar*'. The programme targets early childhood development, quality basic education, and life skills in 245 townships, with a focus on 20 disadvantaged townships. It is aligned with the Myanmar government's national plan 'Education For All'.

While the MDEF achieves results, progress has been slower than anticipated. With donor agreement, activities were curtailed during 2008, as UNICEF was needed more for emergency work. The UNICEF core programme had to be partially suspended for a few months. Following Nargis, the MDEF programme has included a further five townships in the Delta. Following donor concern about demonstrably quantifiable results from the programme, UNICEF has strengthened the monitoring of activities and analysis of the data collected.

MDEF operates in a restricted environment. Nevertheless, donors have concerns about the organisational set-up and structure of the programme: it has not sufficiently allowed support for education to be channelled through NGOs and a range of other actors. Policy dialogue on education between donors and the Myanmar government has so far been limited. The 3DF was planned by donors, who retain decision-making authority on how funds are used, and is executed on their behalf by a UN agency. By contrast, MDEF is a programme developed by a UN agency and co-financed by donors. The government counterpart has played a different role: the Ministry of Health has been more collaborative than the Ministry of Education.

The overall performance of cooperation activities can be considered successful. Commitments have been made on time, with €28 million of the €32 million envelope for the 2007-2010 envelope committed in early 2007, and the remaining €4 million scheduled for commitment in 2010. Timetables for payments have been respected. The constraints of the EU Common Position have been taken into account in decisions on channelling funds. Alignment with government strategies has been ensured. However, government agencies could not be tasked with implementation. The performance of the 3DF has so far been better than that of the MDEF, in terms of disbursements, the range of implementing partners and the establishment of fruitful policy dialogue with the government. The method of delivery for the 3DF — providing grants to UN agencies and international and local NGOs — has been

³ LRRD – Linking Relief, Reconstruction and Development

successful, despite the inherent constraints (e.g. difficult access, limited numbers of implementing partners).

The Commission may share the remaining €4 million, earmarked in the MIP 2007-2010 for education in 2010, between the two large ongoing programmes: education (MDEF) and health (3DF), in order to continue support until the next allocations are made.

Focal area 2: Health

Funds for the **Health focal sector** are channelled to the multi-donor Three Diseases Fund (3DF), established in response to the withdrawal in 2005 of the Global Fund for HIV and AIDS, Tuberculosis, and Malaria. Implementation of the **3DF is progressing satisfactorily**. So far, donors have committed €86 million. 30 projects are being implemented by UN agencies and by local and international NGOs. The total funds contracted (grants signed and operational expenses), as of December 2009, are €60 million. Contracts are being negotiated for an additional €18 million.

The Fund can be judged a success in relation to the following:

- Effective provision of assistance to target groups.
- Donor coordination and harmonisation. Six donors pool their resources, use a single set of procedures, and speak with one voice.
- Alignment with government strategy and policy dialogue with the government.
- Involvement of a wide range of implementing partners, including local NGOs.
- Strong oversight by the Commission as Fund Board member.

The 3DF is proving that it is possible to provide aid successfully to vulnerable populations in Myanmar, through a large multi-donor programme, while working within the context of government strategies. LIFT, financed by the Commission from the Food Facility and the Food Security thematic programme, will work on livelihoods and food security and follow the same model.

A **Mid-Term Review** (MTR) of the 3DF was held in July-September 2009. The conclusions provide useful pointers for both the remaining two years of the Fund and for the preparation of future support. They confirm the adequacy of the Fund's operational and institutional arrangements and the governance structure.

The overall conclusion of the review is that the Fund has performed well and has made a significant contribution to containing the three diseases. The supporting donors, the Fund Board and the Fund Management have worked well to mobilise resources and operationalise the Fund speedily and to good effect.

The review stated that the 3DF donors and the Myanmar government should recognise that the overall disease burden can be reduced only through sustained support for the health system. This will require a significant increase in funding, nationally and internationally.

Regarding the impact of the 3DF on the three diseases, the review concluded that the Fund has been successful in averting deaths and reducing illness, albeit at modest levels. It has met approximately 10% of the needs, and has contributed 30-50% towards the national targets. This corresponds to the operational plans. The conclusion is that the effect of the 3DF is significant, given the level of needs compared with available resources.

Regarding its indirect impact, the 3DF has demonstrated that it is possible to successfully provide health services to vulnerable groups. This has been useful for leveraging resources, and for opening the way for return of the GFATM. It has provided a better understanding of the epidemics (particularly TB and HIV) through funding of studies and small-scale research as well as national surveys. Through the Technical Support Groups and other interaction, there is now a shared understanding of who is doing what.

The review made recommendations regarding the future. It recommended a redesigned second phase for 3DF, moving fund allocations to a model using the 3DF as commissioning agent and Implementing Partners (IPs) as service providers, with the 3DF forming the middle tier between national plans and the service delivery plans of IPs. Strategic planning should be linked to decisions on resource allocation. During the current phase, a closer working relationship between the public health system and partners should promote collaborative learning at national and local levels. These conclusions were discussed at the second Annual Review Meeting (ARM) of the 3DF (2009). The forum reaffirmed the conclusion of the MTR that the 3DF has been successful. A significant beginning has been made, but much more remains to be done. Major themes from the 2009 ARM included: increased collaboration, trust and partnership; a need to address other health needs beyond the three diseases; and the limitations of vertical programmes in terms of meeting the basic health needs of hard-to-reach communities.

Additional Action: Thematic programmes

As a complementary tool to promote aid objectives, thematic programmes support projects primarily implemented by UN agencies, international and local NGOs, Community-Based Organisations (CBOs) and other non-state actors.

Support for *Livelihoods and Food Security* has been provided through the **Food Security Thematic Programme (FSTP)**: €10 million was allocated to increasing agricultural production and productivity, improving access to basic health, enhancing people's skills off-farm and in-farm, developing alternative sources of income, and promoting hygiene and nutrition education. As from 2009, assistance has been channelled through the **Livelihoods and Food Security Trust Fund (LIFT)**. The Fund covers the whole country, but initially prioritises the cyclone-affected areas. It will run for five years with an estimated budget of €80 million. The Commission has contributed a total of €33.9 million to the Fund from the FSTP and the Food Facility. The latter has been instrumental in promptly assisting the victims of Cyclone Nargis, bridging the gap between emergency and medium- to long-term recovery. This support, combined with the Food Security Thematic Programme, has made the Commission a leading donor in helping the rural economy and meeting the needs of vulnerable populations.

Myanmar has benefited from funding under the **Non-State Actors and Local Authorities programme** (NSA/LA) (€2 million in 2008, €2.5 million in 2009 and 2010). This is in addition to the CSP, and complements other thematic programmes such as the *European Instrument for Democracy and Human Rights* (EIDHR). The programme specifically finances measures to strengthen the capacity of non-state actors to deliver services, when possible in partnership with local authorities. In 2009, Myanmar received for the first time a country allocation of €600 000 under the Country-Based Support Scheme (CBSS) of the **European Instrument for Democracy and Human Rights** (EIDHR). The Delegation has consulted partners and donors, UN agencies, and local and international NGOs, to adapt this instrument to the special circumstances. In addition to the thematic programmes, Myanmar benefits from the **Aid to Uprooted People programme** under the Regional Strategy Paper (€8 million for 2007/2008 and €9 million for 2009/2010). The AUP complements the activities of the Food Security Thematic Programme by providing assistance to improve living conditions and livelihood opportunities in hard-to-reach areas, especially along the borders. It has proved to be an efficient tool for LRRD by creating a viable foundation for longer-term development in those areas where ECHO operates and has invested significant budgets. DG ECHO funding for the period 2007-2010 amounted to € 64.5 million. This included €39 million for the victims of Cyclone Nargis. The AUP has complemented the SP by providing assistance for basic health care and mother and child health.

4. Quality improvements

The successful implementation of the MIP 2007–2010 indicates that the intervention sectors identified in the 2007–2013 Strategy Paper were appropriate. For a country where poverty reduction is the over-arching concern, health and education remain priorities.

PART III: MULTIANNUAL INDICATIVE PROGRAMME FOR 2011-2013

During the period covered by the Multiannual Indicative Programme (2011-2013), there will be an indicative allocation of approx. €33 million for assistance to Myanmar. This does not preempt any future decisions by the European Union's budgetary authorities. The allocation will be devoted to two focal areas: Education and Health. An additional action will be support for civil service capacity building.

The indicative breakdown of the allocation per focal area is as follows:

Focal Sector 1: Education 40%

Focal Sector 2: Health 50%

Additional Action: Administrative Capacity Building 10%

1. Focal Area 1 — Education (40% of MIP⁴)

1.1. 1.1 Priorities and goals

EU assistance will continue to help the children of Myanmar enjoy the right to education, with a special focus on the most vulnerable, the children of ethnic groups, and children residing in hard-to-reach areas.

1.2. 1.2 Specific objectives and target beneficiaries

The specific objective of the programme is to increase equitable access to, and improve completion rates for, quality basic education, with extended learning opportunities for all children, especially the most vulnerable, the children of ethnic groups, and children residing in hard-to-reach areas.

1.3 Expected results (outputs)

The expected results from the programme include:

1. Improved access to, and quality of, early childhood development (ECD) programmes in disadvantaged and hard-to-reach areas;
2. Increased equitable access to primary education and sustainable school improvements through the Child-Friendly School (CFS) approach, together with lessons learned from research-based practice and innovations;
3. Children and young people making informed decisions to protect themselves and practice healthy living;
4. Improved educational planning and management through development and strengthening of the Management Information System and other monitoring tools.

⁴ All allocations in this document are indicative and approximate.

SMART performance indicators will be used to measure programme achievements. They will most likely include the following:

Net enrolment numbers in primary schools in targeted areas (and retention rates where available)

Percentage of children in targeted areas attending primary schools that fulfil most of the CFS criteria

Percentage of children in grade 1 who have attended pre-schools

Number of children attending ECD programmes in project areas

Percentage of targeted ECD centres complying with quality standards

Percentage of basic education schools where national primary and secondary life skills are taught

Number of out-of-school children benefiting from extended and continuous education and learning activities.

The exact formulation of the indicators and the baselines and targets will be defined at a later stage, once programme preparation is advanced.

1.3. 1.4 Programmes to be implemented in pursuit of these objectives and the type of assistance to be provided

EU assistance for education is likely to be provided through a combination of different means, subject to evaluation and identification work:

- The UNICEF-implemented Multi-Donor Education Fund. This programme has been supported by the EU under the MIP 2007-2010, as well as by the UK, Denmark, Norway and Australia. It is anchored within the government's Education for All strategy and focuses on early childhood learning, child-friendly schools, and life-skills training. Although the programme has achieved successes, it has not maximised the potential for involvement of NGOs, and its implementation has been slower than anticipated.

- Grants awarded to NGOs, preferably through the MDEF, to support their work, in particular with pre-primary education and with ethnic minorities.

- International implementing agencies for the construction or rehabilitation of schools.

Assistance will be accompanied by a process of policy dialogue with the Ministry of Education.

Risk factors affecting implementation include the following:

Political developments at national and/or local levels

Further decrease in public investment in education

Insufficient capacity to absorb funds, due to the small number of partners and low capacities

Insufficient number of international and national implementing partners

Access restrictions for implementing partners

Changes in regulations and policies

Lack of reliable data, and difficulty in collecting such data

Issues related to the purchase, transport and distribution of supplies

1.4. 1.5 Integration of cross-cutting themes

It is not possible to understand, and effectively deal with, education support without considering and acting upon the wider social and economic situation in the country. Good governance, human rights and equity (including gender and ethnic group) issues, HIV/AIDS prevention, and the creation of a protective environment will be cross-cutting themes to make education and learning useful and relevant to the daily lives and struggles of Myanmar's children and young people.

The learning needs of minorities will be addressed in consultation with the minority groups themselves, as well as with the relevant technical departments concerned, to ensure that all children have access to quality education and learning opportunities.

1.5. 1.6 Financial envelopes

40% of available MIP funds will be allocated to education.

1.6. 1.7 Activities under other EU budgetary instruments in Myanmar

Myanmar is eligible to participate in the Erasmus Mundus programme. It provides scholarships for students and academics to pursue higher education at European universities and supports networks of Asian and European universities for the transfer of know-how and establishing beneficial linkages.

2. Focal Area 2 — Health (50 % of MIP)

1.7. 2.1 Main priorities and goals

The overall objective will be to improve the health status of the population in Myanmar as a contribution to poverty reduction and attainment of the health-related MDGs.

1.8. 2.2 Specific objectives and target beneficiaries

With the return of the Global Fund in Myanmar, EU assistance is likely to focus less on the prevention, treatment and care of HIV/AIDS, malaria and TB.

The exact scope of future assistance needs to be defined with other 3DF donors. The focus should be on expanding access to quality basic health care services for underserved populations, especially mothers and children, by strengthening basic health systems.

Target beneficiaries will be the underserved populations and the most vulnerable rural communities in as many as possible of the accessible townships in Myanmar.

1.9. 2.3 Expected results (outputs)

i) Improved delivery of primary health care services and high-impact interventions, with a focus on mothers and children. This component will support the delivery of basic health services (essential health and nutrition services, including drugs, vaccines and safer deliveries) to improve coverage of conflict-affected and underserved populations, particularly mothers and children.

ii) Reduced barriers to access to primary health care services. The objective of this component is to improve the knowledge and experience of health authorities, to reduce barriers to access to primary health care services, particularly for women, vulnerable groups and the poor.

iii) At township level and below, improved capacities in e.g.: health care financing; pharmaceutical supply; health planning, budgeting and management; and monitoring and evaluation.

SMART performance indicators will be used to measure programme achievements. They will most likely include the following:

Percentage of births attended by skilled personnel

Utilisation rates of health services

Percentage of 1-year-old children and pregnant women having received vaccines according to national guidelines

Number of referrals for emergency obstetric care.

Process indicators might be used to measure the progress made in the planning and management of health services.

The exact formulation of the indicators and the baselines and targets will be defined at a later stage, once programme preparation is further advanced.

1.10. 2.4 Programmes to be implemented in pursuit of these objectives and the type of assistance to be provided

The preferred method of intervention is a multi-donor trust fund, providing grants to UN agencies and international and local NGOs for implementation. The 3DF may be modified to enable it to take charge of the new activities or, if considered more appropriate by the majority of donors, a new fund might be created.

Assistance will be accompanied by a process of policy dialogue with the Ministry of Health.

Risk factors affecting implementation include the following:

Political developments at national and/or local levels

Further decreases in public investment in health and reduced government commitment

Insufficient capacity to absorb the funds made available, due to the small number of partners and low capacities

Restrictions in terms of access

Changes in regulations and policies

Lack of reliable data, and difficulty in collecting such data

Issues related to the purchase, transport and distribution of supplies

1.11. 2.5 Integration of cross-cutting themes

EU assistance will contribute to the emergence and strengthening of civil society organisations. International NGOs receiving support from the trust fund will seek ways to engage and support nascent community-based organisations and local NGOs as they emerge. By stimulating health communication, EU assistance will contribute to the development of more credible mass media. Human rights and good governance as cross-cutting concerns will be integrated in the design of interventions in the health sector, in particular as regards ethical standards in treatment. Improving access to health services for ethnic minorities living predominantly in poor and remote areas and gender-specific access issues will be particular areas of concern. Myanmar is prone to cyclones, landslides, earthquakes, tsunamis, fire and draughts. Building capacity in disaster management issues is a national priority. Therefore, disaster risk reduction (DRR) measures will be mainstreamed in livelihoods and food security interventions, especially in areas prone to natural disasters.

1.12. 2.6 Financial envelopes

50% of available MIP funds will be allocated to health.

1.13. 2.7 Activities under other EU budgetary instruments in Myanmar

In addition to the funds allocated under the MIP 2011-2013, the Commission could potentially make available resources from the thematic programme 'Investing in People' to accompany activities implemented under the programme.

3. Additional action: Civil service capacity building (10 % of MIP)

1.14. 3.1 Main priorities and goals

EU assistance will focus on improving the competence of administrators up to a certain rank, in order to enable them to carry out their jobs more effectively. This will be of fundamental importance, as there will be a strengthened role for government and governance after the elections. This action is compatible with the Common Position⁵.

1.15. 3.2.3.2 Specific objectives and target beneficiaries

The objective of the intervention is to strengthen the capacity of the civil service. Beneficiaries are civil servants.

1.16. 3.2.3.3 Expected results (outputs)

Administrators in different ministries carry out their duties in a more competent, responsible and efficient manner.

⁵ Article 3 para (a) of the Council Common Position 2006/318/CFSP of 27 April 2006, renewing restrictive measures against Burma/Myanmar (OJ L 116/77 of 29 April 2006), states that development programmes are authorised if in support of human rights, democracy, good governance, Such programmes are to be implemented through UN agencies, non-governmental organisations, and through decentralised cooperation with local civilian administrations. In this context, the European Union will continue to engage with the government of Myanmar over its responsibility to make greater efforts to attain the UN Millennium Development Goals.

- 1.17. 3.2.3.4 Programmes to be implemented in pursuit of these objectives and the type of assistance to be provided

Assistance will be provided through, for example, technical assistance, training, workshops, and study visits, in accordance with the work programme to be established in consultation with the Myanmar Government.

- 1.18. 3.2.3.5 Integration of cross-cutting themes

There will be a particular focus on cross-cutting issues such as gender, climate change, the environment and DRR. A particular focus will be given to gender and environmental protection. The latter should focus on illegal logging/FLEGT, and disasters risk reduction. Capacity building in the civil service shall prioritise the fight against illegal logging, including through the EU Forest Law Enforcement, Governance and Trade (FLEGT) action, and promote the reduction of deforestation and forest degradation (REDD).

- 1.19. 3.2.3.6 Financial envelopes

10% of the indicative budget will be allocated to activities under this focal area.

- 1.20. 3.2.3.7 Activities under other EU budgetary instruments in Myanmar

Government officials are encouraged to take part in training and capacity-building initiatives organised under regional EU-support programmes, for Asia as a whole and for ASEAN. Should the authorities request technical assistance, including in a regional context, the EU should seek to provide it, subject to the availability of funding.

4. Cross-cutting issues

As under the MIP 2007-10, **gender** and women's empowerment will be mainstreamed in the areas of education and health.

Food security will be supported through the newly established Livelihoods and Food Security Multi-Donor Fund (LIFT), while **Aid to Uprooted People (AUP)** and **Non-State Actors (NSA)** will continue to be directly supported under the EU's dedicated thematic budget lines.

Other cross-cutting themes to be addressed in programmes include **conflict resolution**, **environmental protection** and **DRR**, with particular regard to climate change, **good governance**, the **rule of law** and **human rights**, in particular **children's rights**. Particular attention will be paid to the issue of **Children Affected by Armed Conflict**, both in actions under the focal sectors, including projects on education, health, food security and capacity building in public administration, and under thematic instruments such as the NSA/LA and the EIDHR.

5. Risk assessment

Political environment. The possibility of changing relations with Myanmar and the outcome of the elections in 2010 may influence the EU's assistance and Commission funding decisions: a negative scenario may entail a shrinking humanitarian space and difficulties in aid delivery, while positive developments may in contrast open opportunities for better

dialogue and increased assistance. The Commission will remain flexible in reacting to developments in the period 2010-2013.

The humanitarian space around the elections. The period preceding and following the elections may see a vacuum in decision-making at national level and access restrictions. This may affect the regular implementation of programmes. Mitigation strategies will be considered in coordination with donors and the international community.

Changes in national plans. The new government may introduce changes in national plans, policy and regulations, which may call for revising assistance priorities and modalities.

Lack of trust between communities and authorities, between authorities and donors, between authorities and implementing agencies. This may affect aid delivery and even weaken or interrupt programmes. The Commission will maintain a regular dialogue with donors, concerned line ministries and implementing agencies to encourage trust building and ensure aid delivery and implementation.

Divergent views among donors. Donors, UN agencies and NGOs may not always hold a common view on how to proceed with programmes and how to contribute to poverty alleviation. Existing coordination mechanisms are expected to facilitate the identification of a common approach.

Lack of reliable data. This may constrain the effective identification of sector areas and populations to assist. Actions to strengthen data collection and analysis will be considered in collaboration with concerned agencies.

Insufficient absorption capacity. The limited presence of implementing agencies and the lack of skilled human resources may hamper the implementation of programmes, especially in hard-to-reach areas. The transfer of technical expertise and advocacy for opening of a humanitarian space will be considered.

Extreme weather conditions, security considerations or population movements may prevent aid delivery and implementation. Myanmar is prone to natural disasters and faces pockets of instability within its territory. Emergency situations may erupt and hinder the implementation of EU-funded programmes.

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LIST OF ACRONYMS

ASEAN	Association of Southeast Asian Nations
AUP	Aid to Uprooted People Programme
DRR	Disaster Risk Reduction
EASCAB	EU-ASEAN Statistical Capacity Building Programme
ECAP	European Commission-ASEAN Intellectual Property Rights Cooperation Programme
EIDHR	European Instrument for Democracy and Human Rights
EU	European Union
FSTP	Food Security Thematic Programme
GFATM	Global Fund Aids, Tuberculosis & Malaria
LIFT	Livelihoods and Food Security Trust Fund
LRRD	Linking Relief Rehabilitation and Development
MDEF	Multi-Donor Education Fund
MDG	Millennium Development Goals
MIP	Multiannual Indicative Programme
NGO	Non-Governmental Organisation
NSA/LA	Non-State Actors and Local Authorities programme
SP	Strategy Paper
TB	Tuberculosis
TCG	Tripartite Core Group
UN	United Nations
UNICEF	United Nations Children's Fund
3DF	Three Diseases Fund

MYANMAR

Annex 1: Country at a glance

a) Macro-economic indicators

Basic data

	2005	2006	2007	2008	2009e	2010e	2011f
1. Population (in million)	47,97	48,40	48,78	49,20	49,90	50,30	n/a
annual change in %	0,80		0,80	0,80			n/a
2a. Nominal GDP (in millions €) [US\$ millions]	11221,00	11888,00	16312,00	22664,00	26756,00	26629,00	n/a
2b. Nominal GDP per capita (in millions €) [US\$ at PPP]	444	440	433	434	428	412	n/a
2c. annual change in %	14						n/a
3. Real GDP (annual change in %)	13,60	3,40	3,40	1,10	1,00	3,10	n/a
4. Gross fixed capital formation (in % of GDP)							

International transactions

5. Exports of goods and services (in % of GDP)	3,6	12,0	10,0	2,5	-2,2	2,8	n/a
of which the most important:...(in % of GDP)	Industry 19,9	Industry 8,2	Industry 9,0	Industry 7,8	Agriculture 1,2	Services 4,2	n/a
6. Trade balance (in % of GDP) [US\$ million]	2 028	2 211	3 206	3 268	2 603	2 847	n/a
7. Current account balance (in % of GDP) [US\$ million]	576,00	760,00	1285,00	1254,00	698,00	600,00	n/a
8. Net inflows of foreign direct investment (in % of gross fixed capital formation)							
9. External debt (in % of GDP)							
10. Service of external debt (in % of exports of goods and non-factor services)	2,5	n/a	n/a	n/a	n/a	n/a	n/a
11. Foreign exchange reserves (in months of imports of goods and non-factor service) [Total international reserves US\$ million]	782	1 248	2 312	3 412	3 561	3 762	n/a

Government

12. Revenues (in % of GDP)	4,6	4,4	4,2	4,4	4,3	4,1	n/a
of which: grants (in % of GDP)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
13. Expenditure (in % of GDP)	6,7	7,1	7,2	8	8,8	8,9	n/a
of which: capital expenditure (in % of GDP)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14a. Deficit (in % of GDP) including grants	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14b. Deficit (in % of GDP) excluding grants	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15. Debt (in % of GDP)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Debt stock [US\$ million]	6645	6828	7373	7946	7276	7096	n/a

Other

16. Consumer price inflation (annual average change in %)							
17. Interest rate (for money, annual rate in %) [lending]	n/a	n/a	n/a	n/a	n/a	n/a	n/a
18a. Exchange rate (official rate) [Kt:US\$]	6	6	6	5	6	6	n/a
18b. Exchange rate (free-market rate) [Kt:US\$]	1 095	1 280	1 290	1 185	1 090	1 250	n/a
19. Unemployment (in % of labour force, ILO definition)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
20. Employment in agriculture (in % of total employment)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Sources

e: estimate
f: forecast

WorldBank/THE ECONOMIST Intelligence Unit

WorldBank

THE ECONOMIST Intelligence Unit

THE ECONOMIST Intelligence Unit

WorldBank

THE ECONOMIST Intelligence Unit

THE ECONOMIST Intelligence Unit

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THE ECONOMIST Intelligence Unit

THE ECONOMIST Intelligence Unit

THE ECONOMIST Intelligence Unit

THE ECONOMIST Intelligence Unit

e: estimate; f: forecast

Sources : IMF, WorldBank, The Economist (Intelligence Unit)

Annex 2

Indicative Budget Allocation

Focal Sector 1	Education	40 %
Focal Sector 2	Health	50 %
Additional Action 1	Capacity building of government staff	10 %
		100% (€40 Mio)

The CSP 2007-2013 earmarks some € 65 million for Myanmar for the period 2007-2013. The current MIP covers 2007-2010 with the total amount of € 32 million. The EU has the political will and recognises the practical necessity to increase the overall allocation.

Annex 4

Description of MTR drafting process

Broad-based stakeholder consultations were held in Myanmar (Yangon and Nay Pyi Taw) and in Thailand (Chiang Mai) during the period of 23-26 February 2009.

Interlocutors were: Myanmar Government cabinet members, senior level officials of various line ministries, Burmese civil society members, members of the main political opposition party (National League for Democracy) in Myanmar, UN agencies and international and local NGOs implementing programmes in Myanmar, other multi-lateral and bilateral donors, business operators and representatives of ethnic nationalities. Political activists and the exiled opposition members in Thailand were also consulted. EU Member States' missions in Yangon and in Bangkok were extensively consulted and debriefed. Member States were fully supportive of the general direction pursued by the Commission with its assistance programmes in the chosen sectors. Member States also expressed appreciation of the Commission's leadership role in the Myanmar donor community as well as the substantial contribution by the Commission to the establishment and implementation of various large-scale multi-donor trust funds in the social sectors (health, education, livelihoods). Member States further expressed support for strengthening such joint approaches and lauded the Commission for taking the initiative to improve aid effectiveness in Myanmar.

The consultations with all interlocutors were constructive and open-minded. In-depth and substantive discussions took place with Government ministries and high level civil servants. This is significant, given the highly politicised environment in Myanmar where the EU is often seen as a sanctions-only interlocutor. The Commission is perceived – by the administrators, parts of local civil society and the NGO community alike - as a constructive dialogue partner and has established a clear leadership position among donors in Myanmar. Stakeholders expressed appreciation for having been consulted throughout the design and implementation of the EC's Strategy Paper. Most importantly, it is felt that the EC had - in spite of the politically highly constrained working environment in Myanmar – succeeded in building a coherent set of interventions, supported from the MIP and from other regional and thematic programmes at disposal.

Participants in stakeholder consultations

a) Government of the Union of Myanmar (23-24 February 09, Yangon and Nay Pyi Taw)

1. Ministry of Social Welfare Relief and Rehabilitation
2. Ministry of Education
3. Ministry of Planning
4. Ministry of Agriculture and Irrigation,

5. Ministry of Foreign Affairs
6. Ministry of Health
7. Central Statistical Department

b) UN and donors (23 February 09, Yangon)

1. UNDP
2. UNICEF
3. FAO
4. WFP
5. WHO
6. OCHA
7. IOM
8. UNHCR
9. UNAIDS
10. DFID (Department for International Development)
11. AusAID
12. SIDA
13. JICA
14. USA
15. French Embassy
16. Italian Embassy
17. German Embassy

c) Civil society - LNGOs (23 February 09, Yangon)

1. International Development Enterprises - IDE
2. EGRESS Myanmar
3. UNFCCI
4. SHALOM Foundation

5. Myanmar Business Coalition on HIV/AIDs

d) NLD (23 February 09, Yangon)

e) INGOs (25 February 09, Yangon)

- 1 ACF
- 2 ActionAid
- 3 ADRA
- 4 AMI
- 5 CARE
- 6 CESVI
- 7 EMDH
- 8 Handicap International
- 9 IFRC
- 10 Medecins du Monde
- 11 Oxfam
- 12 Terre des Homme -Italy
- 13 World Vision

f) EU Member States (25 February 09, Yangon)

1. Italy
2. France
3. Germany
4. UK

g) Exile Burmese Opposition in Thailand (26 February, Chiang Mai)

1. All Burma Federation of Student Unions (Foreign Affairs Cttee)
2. ALTESEAN Burma (Alternative ASEAN Network on Burma)

3. Association for Assistance to Political prisoners (AAPP)
4. Burma Relief Centre
5. Committee for Internally Displaced Karen People (CIDKP)
6. Democratic Party for a New Society (DPNS)
7. Forum for Democracy in Burma (FDB)
8. Network for Democracy and Development (NDD)
9. Ethnic Community Development Forum
10. Ethnic Nationalities Council-Union of Burma (ENC)
11. United Nationalities League for Democracy-Liberated Areas (UNLD-LA)
Peace Building
12. EuroBurma
13. Foreign Affairs Training
14. Forum for Democracy in Burma
15. Heinrich Boell Foundation
16. HIV/AIDS Information for Myanmar (HIM)
17. Human Rights Education Institute of Burma
18. Irrawady Magazine
19. Johns Hopkins Bloomberg School of Public Health
20. Karen National Union
21. Karen Environmental & Social Action Network (KESAN)
22. Kareni National Progressive Party
23. Mae Tao Clinic
24. Members of Parliament Union – Burma (MPU)
25. Migrant Assistance Program (MAP)
26. Mizzima News
27. National Coalition Government (NCGUB)
28. National Council Union of Burma (NCUB)
29. National Health & Education Committee (NHEC)

30. National Democratic Front (NDF) Burma,
31. National League for Democracy – Liberated Area (NLD-LA)
32. National Reconciliation Program (Union of Burma)
33. Network for Democracy and Development (NDD)
34. Open Society Institute (OSI)
35. SDU
36. Shan Herald Agency for News (S.H.A.N)
37. Shan Women’s Action Network (SWAN)
38. Thailand Burma Border Consortium (TBBC)
39. Teacher Training Center for Burmese Teachers (TTBT)
Thinking Classroom Foundation
40. Thabyay Education Network
41. Vahu Development Institute
42. Women’s League of Burma (WLB)

h) EU Member States (27 February 09, Bangkok)

- 1 Austria
- 2 Bulgaria
- 3 Czech
- 4 Denmark
- 5 France
- 6 Germany
- 7 Hungary
- 8 Luxembourg
- 9 Netherlands
- 10 Spain
- 11 Sweden

2. Annex 5: Country Environmental Profile

3.

1. Summary

Myanmar is a poor country in spite of its vast natural resources⁶. Government priorities set to attract foreign investments have led to significant environmental deterioration in relation to the unsustainable exploitation of these natural resources. Weak institutional frameworks and capacities to address environmental issues translate into inadequate or vague policies, lack of regulations, limited enforcement system, as well as to insufficient financial resources allocated to environmental protection.

Major environmental concerns in Myanmar arise from unsustainable logging and mining activities, which are responsible for soil erosion, pollution and losses of biodiversity. Unsustainable agricultural practices such as pesticides utilisation, improper crop rotations and irrigation practices lead to soil degradation and water and soil pollution. In cities, environmental problems associated to urbanization include air and water pollution as well as an increase in wastewater and solid wastes generation.

2. Background

Myanmar occupies a land area of 678,500 km² on the north-western portion of the South East Asian mainland. The population is estimated by the UN and others at between 50.5 and 54 million (data for 2010)⁷, with almost three-quarters of the people living in rural areas River plains⁸. Myanmar's economy relies largely on agriculture and its natural resources (forest products and mineral resources).

3. State of the Environment

Forest and Deforestation. Myanmar is rich in forest resources, with about 60% of the world's natural reserve of teak⁹. It is estimated that Myanmar is losing forest cover at a rate of 1.4 % per year, i.e. one of the highest rates of deforestation in Southeast Asia, a region that itself has the highest rate of deforestation in the world¹⁰. Commercial – i.e. very often illegal – logging is probably the main threat to Myanmar's forest resources, due in particular to the increasing

⁶ E.g. crude oil, timber, tin, antimony, zinc, copper, tungsten, lead, coal marble, gyps, gems, and natural gas (Country Environmental Profile-Myanmar, Japanese International Cooperation Agency, 1999)

⁷ <http://esa.un.org/unpp/p2k0data.asp>, <http://www.citypopulation.de/Myanmar.html>

⁸ Preliminary assessment of Myanmar's environmental law, Alan K.J. Tan, Faculty of Law, National University of Singapore, <http://sunsite.nus.edu.sg/apcel/dbase/myanmar/reportmy.html#Top> (17/06/2005)

⁹ Global Witness "A Choice for China – Ending the destruction of Burma's northern frontier forest", October 2005

¹⁰ Global Witness "A Conflict of Interests – The uncertain future of Burma's forests", October 2003

demand from neighbouring countries such as China, India and Thailand. Illegal logging takes place on a massive scale along the border with China: it has been estimated that about 98% of Myanmar's timber export to China is illegal.⁴

Other significant factors include the clearing of forest for agribusiness, encroachment, and the cutting of timber for fuel.

Soil erosion and land degradation. As a result of a massive deforestation and mining activities, severe soil erosion by wind and water has been observed. In a recent report, land degradation occurs in 0.96 million hectares, representing 7.8% of the cultivable land area. Among them 0.66 million hectares are due to salinisation and alkalinisation of soils¹¹.

Marine and coastal resources degradation. Fishing activities play a significant role in the economy since the fishing sector provides two thirds of the animal proteins in the diet of people with marine catches representing 60-75% of the total catch. The total catches of marine fish have since 1996-1997 been superior to the Maximum Sustainable Yield (MSY) of 600,000 tonnes. Marine resources should therefore be considered over-exploited¹².

The increase of shrimp farming activities has an impact on the coastal resources and habitats, especially on mangroves and coastal forests. Mangroves are threatened by the sedimentation occurring in the Ayeryawaddy Delta due to intense deforestation in central Myanmar¹³. Destruction of mangroves in turns contributes to the loss of marine resources (impact on fishery stocks). Although no vulnerability study for Myanmar has been conducted, the loss of mangroves makes undoubtedly the local communities living on the coast more vulnerable to natural disaster and flooding (vulnerability to climate change).

Coral reefs are found away from river deltas and mainly around islands particularly in the Mergui Archipelago and around the Coco Islands north of the Indian Andaman Islands¹⁴. Reports from different sources indicate that coral reefs are affected by over fishing, poaching and sedimentation.

Water resources. The estimated overall water resource potential is in the order of 1.3 billion m³ with a total run-off generated from Myanmar's ten basins estimated to be 875 km³. The bulk (89%) of all surface water resource withdrawals are used for irrigation with the remainder being used for domestic and industrial purposes. Groundwater resources are mainly used for domestic supplies (51.4%), with a share of 47% being extracted by irrigation and some 1.6% taken by industrial users¹⁵. Although Myanmar is perceived as being rich in water resources some areas are facing major water supply limitations. Water resources and water use management is lacking efficiency. Therefore, reform of the water management system and strengthening of the relevant authorities is necessary¹⁶. According to a report¹⁷, approx. 68% of the population in Myanmar

¹¹ Country Environmental Profile-Myanmar, Japan International Cooperation Agency, 1999

¹² Myanmar Agricultural Sector Review and Investment strategy, Volume 1, FAO and UNDP, 2004

¹³ WWF, http://worldwildlife.org/wildworld/profiles/terrestrial/im/im1404_full.html (20/07/2005)

¹⁴ ASEAN Regional Centre for Biodiversity Conservation, <http://arcbc.org/biss/MarinePA/MMR.htm> (20/07/2005)

¹⁵ Myanmar Agricultural Sector Review and Investment strategy, Volume 1, FAO and UNDP, 2004

¹⁶ Country Environmental Profile-Myanmar, Japan International Cooperation Agency, 1999

¹⁷ Environmental Indicators South East Asia, United Nations Environment Programme, Regional Resource Centre for Asia and the Pacific, 2004

has access to safe drinking water with an increase of 4% since year 1990. However, other sources report much lower values (approximately 40%)¹⁸.

Urban Pollution. In major urban areas, air pollution from vehicles, as well as, household and industrial wastewater and solid wastes are becoming important. However it is difficult to estimate the extent of these pollutions. Myanmar does not have any legislation and emissions standards to tackle these issues. In addition access to sanitation is limited (46% of the total population in 2000)¹⁹ and infrastructures for waste management (wastewater and solid waste) are limited. Because they are not properly addressed, wastewater and waste management are causing serious public health concerns among the poorest.

Biodiversity and Protected Areas²⁰. According to a biodiversity report, there are 7,000 known species of high plants, 300 known species of mammals, 310 species of breeding birds, 262 species of reptiles, 281 species of fishes in Myanmar. Intensive logging and mining activities are responsible for a loss/disruption of habitats and biodiversity. Poaching activities and illegal trade of wildlife contribute significantly to the depletion of the fauna and flora species. The release of fingerlings and fry into natural water bodies affects the natural biodiversity²¹.

In 2003, there were 45 protected areas (national park, wildlife sanctuaries, etc.) covering a total area of 3,599,000 ha (marine and littoral protected areas excluded) equivalent to 5.4 % of the total land area. The protected areas suffer from a lack of integrated management plan while revenues earned from the protected areas are passed on to the central government treasury²².

Other pollutions. Myanmar's agricultural policy is to increase production which has lead recently to an increasing use of water, chemicals and pesticides. In October 2002, it was reported that the annual demand for fertilizer had reached one million tons²³ although it is difficult to confirm this data. Improper use and storage of chemicals put ground water resources at risk.

Ground water and surface water pollutions as well as soil contamination are reported especially in the case of gold mining activities. During the amalgamation process using mercury or cyanide, polluted mud is washed downstream without proper disposal. Mining tailings i.e. the finely ground up materials left after the desired ore or mineral are removed) are responsible for water stream pollution²⁴.

4. Environmental Policy, Legislative and Institutional Framework

¹⁸ Asian Development Bank, Poverty Database, http://www.adb.org/Documents/EDRC/Statistics/Poverty/Spi_mya.pdf (20/06/2005)

¹⁹ Environmental Indicators South East Asia, United Nations Environment Programme, Regional Resource Centre for Asia and the Pacific, 2004

²⁰ Biodiversity and Protected Areas-Myanmar Country Profile, World Resources Institute, http://earthtrends.wri.org/pdf_library/country_profiles/Bio_cou_104.pdf (17/06/2005)

²¹ Myanmar Agricultural Sector Review and Investment strategy, Volume 1, FAO and UNDP, 2004

²² Biodiversity and Protected Areas Myanmar, Regional Technical Assistance , Poverty Reduction and Environmental Management in Remote Greater Mekong Subregion Watershed Project, <http://www.mekonginfo.org> (15/07/2005)

²³ A perspective on Burma, Tun Myint, <http://www.ref-msea.org/burma.pdf> (17/06/2005)

²⁴ Capitalizing on Conflict – How Logging and Mining Contribute to Environmental Destruction in Burma, Earth Right International with Karen Environmental & Social Action Network, 2003

The Myanmar Agenda 21, which was drafted in collaboration with UN Organisations and presented in 1997, contains programmes and activities to promote environmental protection. Regulations for Environmental protection are addressed through a number of environmental sectoral laws and regulation. Among the major regulations, there are the *Forestry Law*, *Mines Law*, *Fertilizer Law*, *Factory Act* and the *Protection of Wildlife and Wild plants and Conservation of Natural Resources Law*. In some sectors, there is a total lack of regulation and standards (for example no emission standards for wastewater and air pollution). Currently, the drafting of an Environmental Impact Assessment Law is in process. Major critics emphasize the fact that the existing regulations and policies are inadequate, too vague and ineffective. Moreover due to the lack of political will, institutional framework and capabilities, these regulations are poorly enforced.

Prior to 1989, no governmental agency existed to oversee environmental matters. The National Commission on Environment Affairs (NCEA) was created by the Burmese Military Regime in 1990 in order to coordinate activities in the field of environment. It is responsible for formulating broad policies on natural resources management, preparing environmental legislation for pollution control, monitoring and enforcement, and promoting environmental awareness. It is the focal point for environmental matters with International Organisations and foreign governments. The NCEA is under the control of the Ministry of Foreign Affairs and is composed of members who are head of departments from various sectoral ministries. Major ministries involved together with NCEA in environmental protection and conservation are the Ministry of Forestry, the Ministry of Agriculture, the Ministry of Public Health, the Ministry of Industry, and the Ministry of Livestock, breeding and fisheries. Generally speaking, the environmental institutional framework is very weak. It suffers from large budget constraints, inadequate manpower resources (capabilities and skills of staff are limited) and coordination problems. Enforcement of regulations is a major issue as it is rarely done in an equitable way.

5. EC and other international development assistance

In the past, EC intervention in Myanmar was limited to humanitarian assistance. The EU Common Position has evolved and includes the possibility of aid in selected sectors.

With regard to other international assistance, the United Nations Development Programme (UNDP) has been involved in promoting environmentally sustainable practices in watersheds as part of a Human Development Initiative (HDI). Other assistance has included water supply and sanitation (UNCHS, UNICEF), environmentally sustainable food security and micro-finance opportunities (FAO), and a teak-based agro-forestry project (International Tropical Timber Organization).

6. Conclusions

As reflected in the Common Position²⁵, environmental cooperation should prioritise actions against unsustainable logging.

To that end, the Commission will consider the FLEGT Action Plan and examine the potential for Myanmar to form a voluntary FLEGT Partnership with the EU to eliminate exports of illegally harvested timber from Myanmar. The ongoing political process may offer such a possibility.

Moreover, diagnostic environmental studies and activities aiming at strengthening the institutional and legislative framework are essential to lay the basis for improved environmental protection and awareness raising.

²⁵ Common Position 2006/318/CFSP of 27 April 2006 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:116:0077:0097:EN:PDF>, and subsequent updates

A. PATTERNS AND TRENDS OF FORCED MIGRATION IN MYANMAR

Myanmar's population is officially estimated at 49.20 million (in 2008). Internal and international migration have been part of the country's history for decades. It has various causes and takes different forms. This also entails a wide range of vulnerabilities and needs. Whether internal or cross-border, both forced and voluntary (economic) migrations occur on a relatively substantial scale. However, data collection on the different types of migration is almost nonexistent. Recent more qualitative researches offer insights into patterns and trends as well as vulnerabilities and needs. Most of these surveys focus on forced migration and more particularly the uprooted populations. Economic migration is a difficult phenomenon to grasp in Myanmar, due to large inaccessible parts of the country and migrants' fear to tell their story. The following categories of internal forced migration have been recently developed by the independent consultant Ashley South to facilitate strategic planning amongst humanitarian actors.

1. Armed Conflict Induced Displacement

In this case, forced migration is either a direct consequence of fighting and counter-insurgency operations (e.g. forced relocation), or of armed conflict directly undermining human and food security. Such migration is regularly linked to severe human rights abuses across Kayin (Karen) State, in eastern Tanintharyi Division, southern Mon State, southern and eastern Kayah (Karenni) State, southern Shan State, and parts of Chin State and Sagaing Division. A certain amount of quantitative data is available for IDPs in eastern Myanmar. According to the NGO Thailand Burma Border Consortium (TBBC) and its local partner groups, there were a total of 470,000 IDPs in eastern Myanmar in mid/late-2009. These include 231,000 people in ceasefire areas, 111,000 in areas directly affected by armed conflict, and 128,000 people in government-controlled relocation sites. During 2009, an estimated further 75,000 people were forced or obliged to leave their homes by the effects of war or human rights abuses. Along the border with Thailand, over 3,500 villages were destroyed, relocated or otherwise abandoned since 1996, including 120 communities between August 2008 and July 2009. The increase of approximately 14,000 internally displaced persons since late 2004 is attributed primarily to escapes in Shan State, a significant inflow into Mon ceasefire areas, and methodological differences estimating populations in Tenasserim Division's relocation sites. These combined increases have outweighed reductions in the estimates for other groups of displaced populations. These estimates do not include displaced persons in urban areas. Vulnerabilities and needs vary, but for the majority, the following issues are important:

- Food and livelihoods security; free access to markets and for traders; appropriate agricultural techniques (indigenous systems are often undermined by conflict – a protection issue).
- Access to good health services and nutrition, especially for child-bearing women and children, and the elderly.
- Access to education, including culturally appropriate curricula, teaching materials and buildings, and properly trained and supported teachers.

- Physical protection from forced relocation; from family fragmentation; from serious human rights abuses (GSBV; forced labour, pottering and conscription; torture and murder); from landmines.
- Protection of land and property from destruction and confiscation; from environmental degradation; from excessive and arbitrary taxation

2. State-Society Conflict Induced Displacement

This type of forced migration is due to land confiscation by the Myanmar army or other armed groups, including in the context of natural resource extraction (e.g. logging and mining); displacement due to infrastructure construction (e.g. roads, bridges, airports); also forced migration as a product of predatory taxation, forced labour and other abuses. This form of displacement is related to the use of force, but does not occur in the context of outright armed conflict. All of the border states and divisions are affected by militarization and/or 'development'-induced displacement, including Rakhine (Arakan) and Kachin States, as well as a number of urban areas. Like IDPs, state-society conflict, military occupation- and 'development'-induced forced migrants' vulnerabilities - and consequent needs - will vary according to their response to displacement pressures, and mainly include:

- Physical protection - depends on the community setting (protection from forced labour and other human rights abuses); protection of women and unaccompanied minors; need for appropriate documentation.
- Protection of land and property tenure - from confiscation and/or environmental degradation; from excessive and arbitrary taxation; revise and respect .Housing, Land and Property laws and regulations.
- Resettlement needs (returnee refugees and IDPs):
 - More support for local NGOs and CBOs' resettlement/ return/ repatriation activities;
 - More support for NSAs' resettlement/ return/ repatriation planning and activities;
 - Appropriate documentation;
 - Protection against forced repatriation or relocation (UNHCR?).
- Rehabilitation needs:
 - More support for local NGOs and CBOs' rehabilitation activities;
 - More support for NSAs' rehabilitation planning and activities;
 - Appropriate documentation;
 - Community participation program planning and implementation.

3. Livelihood-Vulnerability Induced Displacement

This is the primary form of internal and external migration in and from Myanmar, like other developing countries. Main causes are inappropriate government policies and practices, limited availability of productive land, and poor access to markets, resulting in food insecurity; lack of education and health services; plus stresses associated with transition to a cash economy. Mandatory migration due to opium eradication policies and natural disasters are also included under this category. Livelihoods vulnerability-induced displacement occurs

across the country, especially in and from remote townships. Vulnerabilities and needs depend on the migration phase.

Outstanding needs before migration: human security in rural areas is often undermined by imposed policies, jeopardizing access to education and health care, and food security;

- Reinforce community coping mechanisms;
- Support local NGOs and CBOs community development, agriculture, education and health programs (human and financial resources); ensure donors' monitoring and evaluation;
- Support government's provision of roads, schools and hospitals, using appropriate methods and technologies; advocate for better resources, reduced fees and other 'local contributions'.

Outstanding needs during and after migration:

- Reinforce and support extension of community coping mechanisms.
- Support local NGOs and CBO development, training and education and health programs.
- Support government's provision of schools and hospitals; advocate for better resources and reduced fees.
- Support local housing initiatives; lobby/advocate housing with government.
- Protection from human trafficking: lobby/advocate with authorities, including for appropriate documentation, and protective policy environment

ESTIMATIONS OF INTERNALLY DISPLACED PERSONS IN 2009

State or Division	Population displaced in past 12 months	IDPs in hiding sites	IDPs in relocation sites	IDPs in ceasefire areas	Total IDPs
Shan State	37,700	22,000	27,700	85,700	135,400
Karenni State	800	8,250	4,600	45,300	58,150
Pegu Division	11,700	21,100	15,700	0	36,800
Karen State	22,800	54,300	18,500	52,300	125,100
Mon State	900	800	5,000	41,000	46,800
Tenasserim Division	1,100	4,550	56,500	6,700	67,750
Totals	75,000	111,000	128,000	231,000	470,000

Source: TBBC (2009): Protracted Displacement and Militarisation in Eastern Burma

B. MIGRANT WORKERS FROM MYANMAR RESIDING IN THAILAND

According to estimations around two to three million Myanmar workers are living and working in Thailand. Out of these 928,000 obtained a work permit during the last registration round starting in July 2009. If welcomed as an opportunity to improve the living conditions of migrant workers the two step process also draws a lot of criticism. The workers have to undergo nationality verification in order to obtain a valid passport without which the working permit valid for two to six years cannot be granted. This is especially difficult for Myanmar migrants for whom the verification process can only take place in centres on the Myanmar side of the border. The procedure is further complicated due to the political situation in Myanmar as well as the ineffectiveness of the bureaucratic process requiring complicated and lengthy procedures. In addition the lack of information on the procedure, rumours about corruption and high broker fees have made the verification process very unpopular to the point that a 2,877 Myanmar migrants had successfully completed the verification process by September 2009.²⁶

Certainly the registration process offers some benefits as registered migrants would be covered by health care and get right to compensation. However, registered workers are not allowed to change the employer and might therefore remain vulnerable to exploitation. In addition, migrant children face problems to enter Thai schools as they do not speak Thai fluently and in some cases they attend some unofficial migrant schools, which are not recognised by the government and only offer limited educational services.

In conclusion, the situation of Myanmar migrants in Thailand remains extremely precarious and is marked by high vulnerability and risk of exploitation. In addition to the violation of their rights migrants encounter social problems including discrimination. Even if Thai people generally acknowledge that migrants are working harder and in more difficult conditions and a study conducted in 2008 estimated their contribution to the Thai GDP between 3% and 6% in 2005, unregistered workers are still rather considered a security threat than an advantage for the economy.²⁷

C. MYANMAR REFUGEE POPULATION BY MAJOR COUNTRIES OF ASYLUM 2006-2008

According to the 2009 World Refugee Survey, 754,100 have fled to neighbouring countries where they live as refugees. Millions more are thought to have fled Myanmar but have not been able to register as refugees.

Around 130,000 refugees from Myanmar are living in Thai camps near the border which were first established in 1984. The total number of both unregistered and registered Burmese nationals living within Thailand might well exceed two million people.

Main destination countries for Myanmar refugees in the last three years (refugee and people in refugee-like situations)

²⁶ IOM International Organisation for Migration (2009), *Migrant Information Note Issue nbr 3, November 2009*

²⁷ ILO Regional Office for Asia and the Pacific (2008), *The economic contribution of migrant workers to Thailand: towards policy development*, pp. 8.

	<i>2006</i>	<i>2007</i>	<i>2008</i>
United States	11,639	5,334	5,171
Australia	2,558	433	455
Japan	269	371	746
Malaysia	21,544	29,474	33,781
Thailand	132,241	124,562	111,555
Bangladesh	26,268	27,544	28,337
India	1,812	1,812	1,967

Source: UNHCR