



*Ministero degli Affari Esteri*

DIREZIONE GENERALE PER LA COOPERAZIONE ALLO  
SVILUPPO

Task Force Afghanistan Pakistan Myanmar

## QUADRO PAESE “STREAM” 2015-2017

(January 2015)

### MYANMAR

#### **1. Background and main reasons for the presence of Italian Development Co-operation**

Myanmar has been selected as a priority country in Italian Development Co-operation Guidelines due to the high poverty ratio and the decision to support, jointly with the International Community, the reform process started in 2011 and proceeding towards a gradual democratization and opening of the country to international relations in the development and economic areas. Since then, several economic and political reforms have been launched, although their implementation is only at the preliminary stage.

At the macroeconomic level, Myanmar has registered good performances in the last two years, with an average GDP growth rate of 6,5%. However, over 25% of the populations is living under the poverty line and the annual per capita income is estimated to be around 1.100 USD (ranking Myanmar at the 158th place worldwide, according to 2012 United Nations data).

Italy has relaunched its Development Co-operation Programme in Myanmar since 2011, through the funding of several bilateral and multilateral projects. These initiatives intend to support the efforts of the Myanmar Government to carry out inclusive policies in favour of the population in need, with the aim to progressively reduce poverty and internal inequalities and promote general sustainable development. Grant contributions have mainly been channelled through a financial tool of the Italian Government devoted to international peace missions, named “Decreto Missioni”. In 2015, it is foreseen to maintain the same financial flows level experienced in 2014.

#### **2. Other relevant international donors, coordination and opportunities for division of labor, joint evaluation exercises (harmonization)**

Among the main donors there are the Government of Japan, the World Bank, the European Union and the United Kingdom. Italy is part of the existing coordination mechanisms (EU, bilateral and multilateral donors, sectoral working groups, etc.). The former donor coordination venue (PGAE), since 2011 chaired by DFID

together with the UN, has been replaced in July 2013 by a formal Government-Development Partners (DPs) mechanism launched under the leadership of the Ministry of National Planning and Economic Development. All bilateral and multilateral donors active in Myanmar participate to the plenary meeting of the new mechanism. Furthermore, a EU joint programming exercise has been recently finalised, with the approval in Bruxelles of the “Joint European Union Development Partners' Transitional Strategy for Myanmar (2014 -2016)”. The strategy foresees six priority sectors of intervention (peace building, governance, rural development, education, health and private sector) integrated by four crosscutting areas such as gender, environment, civil society and human rights.

### **3. Other actors of the Italian Co-operation System in the country (NGOs, universities, local authorities, private sector) and strategies for their involvement.**

A number of Italian development partners are planning and implementing programmes in Myanmar, including NGOs (CESVI, THD Italia, AVSI, OIKOS, Progetto Continenti, INTERSOS and New Humanity) in association with international and local NGOs, Italian Local Governments (City of Turin) and public institutions (ISTAT, IAO), as well as Universities and research bodies (IAMB, IPALMO, University of Viterbo, Rome, Florence, Bologna). The presence of Italian private companies (among those ENI can be listed) is still limited, yet growing.

### **4. General objectives of Italian Co-operation in the country, counterpart sharing and consistency with international guidelines on aid effectiveness.**

In this phase the main goal of the Italian Development Co-operation in Myanmar is to support the reform process and contribute to the implementation of a National Development Plan, focused on the fight against poverty, the revitalization of the economy and the short-midterm improvement of the living conditions of the Myanmar people.

Therefore, the Italian Development Co-operation aims at strengthening Myanmar National Authorities' capacities in designing and implementing inclusive social and economic development strategies. Special focus is on rural areas, where approximately 70% Myanmar population currently lives, and where human development indicators are particularly low. Gender issues are mainstreamed through all initiatives.

### **5. Priority development sectors and expected results**

In line with the above general objectives, during the three-year period 2015-2017 the strategy and the resources of the Italian Development Co-operation policy will be centred on those priority sectors identified within the above-mentioned Joint European Union Development Partners' Transitional Strategy. In this regard, the focus is on rural development, governance and private sector development.

### ***a. Rural Development/agriculture and food security***

This broad sector entails those projects focusing on the modernization of agriculture, the enhancement of livestock and fisheries (both coastal and freshwater) and therefore aimed at the improvement of the nutritional and food security levels, as well as at the access to services of rural communities.

At multilateral level, resources have been channelled through the FAO Environmental Sustainable Food Security Programme. Moreover, on the bilateral channel, two new initiatives have recently been funded, in favor of the Yangon Animal Upgrading Centre and the Institute of Fisheries Technology of Yangon. The projects intend to ensure capacity building to the sectoral stakeholders with the overarching goal to enhance opportunities for local farmers and fishermen. In the livestock subsector, it is expected to ensure access to high-quality genetic material to 25.000 Myanmar breeders.

Bilaterally, it has also been approved in March 2014, a EUR 20 million soft loan to scale up the World Bank funded National Community Driven Development Project, implemented by the Ministry of Livestock, Fisheries and Rural Development. Project activities have not started yet, due to the ongoing negotiations with the relevant Myanmar Authorities for the signature of the related loan's agreements. Through this initiative it is intended to finance sub-projects - among others - for rural roads, school building, rural health centers rehabilitations, rural water supply and electrification, in 265 villages of 5 township with an estimated impact on around 17,000 people. With additional loan resources a larger number of township could be reached.

In the same framework, during the three-year period 2015-2017, it is foreseen the allocation of fresh resources for an outstanding amount of EUR 24 million. Grant contributions are estimated in EUR 4 million, whilst a new EUR 20 million soft loan is expected to be channelled through IFAD or the World Bank.

### ***b. Governance***

This sector is related to capacity and institutional building training activities, at both central (Parliament and Central Statistical Office) and sectoral level (Ministry of Hotels and Tourism, Ministry of National Planning and Economic Development, Local Authorities). The main expected outcomes entail the strengthening of the competencies of Myanmar Authorities officials as well as of the local civil society. In the same framework, during the period 2015 -2017, it is foreseen the allocation of fresh grant resources for about EUR 2 million.

### ***c. Private sector development, tourism and culture***

In the next three years the overall objective is to promote the development of Myanmar small and medium enterprises, which still face weaknesses, qualitatively and quantitatively. This is considered a priority by the Myanmar National Government, due to the trickle down dynamics on sustainable growth and employment. A solid partnership has been built up with UNIDO, for the development of entrepreneurial clusters.

Moreover, the Italian Development Co-operation has been also focusing on the sustainable tourism development, supporting the creation of an enabling environment based on the safeguard and the promotion of the Myanmar cultural heritage. Attention is devoted on the development of a sound regulatory and planning framework, as well as on the training of tourism sector officials and touristic operators. Among the expected results, there is the conservation and promotion of the Myanmar Art and Cultural Heritage, through a holistic approach, with particular focus on the effects on local community in terms of income generation. For the three-year period 2015-2017, and in the same framework, it is foreseen the allocation of fresh grant resources for about EUR 2,5 million.

#### ***d. Gender/Improving the living conditions of women***

All initiatives are implemented through a gender based approach, in line with the Italian Development Co-operation Guidelines on gender equality and women empowerment. Moreover, a financial contribution to UNFPA has been recently approved, to be devoted to a programme aiming at tackling gender based violence. In the next three years, additional EUR 750.000 have been budgeted for gender mainstreaming activities.

**Interventions criteria** will take onto account the principle of aid effectiveness, the commitments between the Donors' community and the Myanmar Government, and the European Joint programming. The Italian Development Co-operation will thus mainly promote:

- a) Financial support, through soft loan resources, to rural development programmes of Myanmar Government. In doing so, partnerships will be sought with multilateral actors as the World Bank and IFAD;
- b) Co-operation with those UN Agencies specialized in the priority sectors of intervention.
- c) Transfer of specialized know-how through a variety of Italian actors such as Universities, NGOs, local administrations and investigation centres, fostering the involvement of local institutions.