

Embassy of Denmark, Yangon.

## Concept Note

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**Denmark – Myanmar Country Programme 2016-2020**

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July 2015

## **Strategic questions to guide the Programme Committee Meeting**

The concept note is prepared at a time where the programme is still to be formulated in details. This will influence the final theory of change, results framework and risk matrix which are therefore only preliminary at this stage.

On this background the following three questions are proposed to guide the discussions in the Programme Committee:

- 1) Is the programme sufficiently aligned to Government partnerships? With Myanmar as a partner country - and with the Country Programme - Denmark will be moving into closer collaboration with the Government for contributing to democratic systems, institutions and capacities to support a sustainable development vision for the country. Is the programme for the next five years proactive enough in this regard?
- 2) Myanmar has huge capacity challenges on many levels – e.g. democratic systems, economic development and social service deliveries – which need to be met to support sustainable development of the country. Does the programme address the capacity development challenges in a realistic and effective way?
- 3) Does the sustainable coastal fishery programme adequately reflect the need for sustainable economic growth in coastal communities, the concern for livelihoods of ethnic minorities and the sound management of coastal, natural resources?

## 1. Introduction

The Country Programme is based on the analyses and strategic considerations outlined in the Denmark-Myanmar Country Policy. The Country Policy Paper states the overall development objective for the future Danish engagement in Myanmar to be *A peaceful and democratic society with improved prosperity through sustainable economic growth.*

The Country Programme will meet this objective through the follow three thematic objectives:

1. *Peace, democratization, human rights and reforms promoted*
2. *Access to and quality of basic education improved*
3. *Inclusive and sustainable economic growth enhanced, including livelihoods for ethnic populations*

The Country programme will be aligned with Denmark's own priorities for development cooperation as outlined in "The Right to a Better Life" and will where feasible take departure in national development policies and plans.

Myanmar is a new priority country for Denmark. After a period where development assistance was mainly channelled through multilateral organisations and civil society, Denmark is now entering a new phase of development cooperation with Myanmar applying a long term bilateral Country Programme entailing increasing dialog and direct collaboration with the Government of Myanmar. The design and priorities of the Country programme should be seen in this context. An objective for the coming Country programme 2016-2020 will – beyond the primary objective of contributing to develop results in Myanmar - be to build trust, partnership, dialogue and insight between the two countries.

## 2. Conclusions from preparatory analysis

Myanmar is undergoing a **complex and wide ranging transition towards a more democratic, open and prosperous society** with greater political rights, enhanced media freedom, the release of political prisoners, involvement of civil society, open constitutional debates, and an opening of the economy internationally.

**This transition will take time.** It will not be straight-forward as there are numerous development challenges the country will have to overcome to reach the vision of becoming a modern, democratic middle-income country by 2030.

One of the most challenging issues is to **create peace and cash in on the peace dividend of development.** Myanmar is still marred by armed conflicts. A National Ceasefire Agreement is being negotiated between the government, the military and the armed ethnic groups, but the timeline is uncertain. It is essential with a peace and reconciliation process between all stakeholders to meet the vision for a more inclusive and peaceful nation based on democratic principles, respect for human rights and a federal structure as well as more equitable resource sharing.

**Myanmar is still a poor country.** The World Bank has estimated that 37.5 percent of the population in 2010 lived in poverty concentrated in rural and ethnic areas and with another 1/3 of the population just above the poverty line. With an estimated GDP per capita of approximately US\$ 1,200 Myanmar is a low-income country in an Asian perspective. The majority of the population lives in rural areas with over half the workforce employed in a predominantly low-productivity agriculture sector.

**Myanmar has among the worst social indicators in Asia.** Myanmar is ranked 150 out of 187 countries in UNDP's Human Development Index, and the country is only going to fulfil a few of the Millennium Development Goals by the end of 2015, including elimination of gender disparity in education and a two-third reduction of under-five child mortality.

**Development of human capacity has been neglected** during the last decades resulting in an educational system deteriorated at all levels. It is estimated that **over one million children are still out of school**, less than 70% of primary school age children complete a full course of primary education at the correct age, and only about 20 percent finish lower secondary school.

The **reform and implementation capacity** of the executive, legislative and judiciary is limited after decades of highly centralized and arbitrary rule in a command economy. **Public institutions are in need of major reforms** and upgrading with respect to public services, financial management, public administration and human resources.

The recent economic reforms and the opening up of the economy have **helped accelerate economic growth** to current levels of 7.5-8 percent in the years 2013-2015 but it is primarily driven by extraction of natural resources, construction and tourism with very little growth in rural areas. There are still **major impediments to conducting business in Myanmar** and the country is thus ranked a mere 177th out of 189 countries in the World Bank's Doing Business index. Major issues include a lack of access to finance, electricity and to land, corruption and an inadequately skilled workforce.

**The human rights situation has generally improved since 2011** with notable improvements including the release of more than 1,000 prisoners of conscience, lifting of pre-publication censorship for the press and greater freedom of expression, assembly and association, much larger space for civil society and the establishment of a National Human Rights Commission in 2011. However, developments over the last years have not changed the fact that **Myanmar faces many challenges from a human rights, democracy and rule of law perspective** such as the suppression of the Muslim population in Rakhine State, land rights issues, excessive legal actions against journalists, limitations in the right of assembly and free speech, limitations in religious freedoms, and the arbitrary arrest and detention of political prisoners.

Transparency International puts Myanmar near the bottom of its **Corruption Perceptions Index**, 172nd out of 176 countries – and last among the ASEAN countries.

**Gender equality in Myanmar is relatively high** in a regional perspective. According to the UNDP Gender Inequality Index (GII), Myanmar ranks 83 out of 151 countries. There are, however, still significant challenges in gender equality notably related to violence against women, wage employment with women mostly concentrated in the lower-ranks and lower-skilled jobs, as well as access to equal participation in politics as the proportion of seats held by women in parliament is much lower than for other countries in the region.

### **3. Strategic considerations and justifications**

**Lessons learned from Danish development activities** in Myanmar are mainly obtained through support for Danish and international NGOs and the UN system as well as multi-donor trust funds. There has been good achievements in support for meeting basic needs through improved service deliveries, e.g. through the multi donor trust funds 3MDG (in health), the Quality Basic Education Program/Myanmar Education Consortium (in education) and the Livelihood and Food Security Trust Fund (development activities on local level). The support for good governance and human rights has in

itself contributed to key elements of the reform processes, e.g. opening up the media sector through support for International Media Support and Democratic Voice of Burma, but has also been an important platform for an active political dialog with Myanmar. This said it is also a fact that support for development of democratic systems and institutions in Myanmar, e.g. exemplified with the UNDP Country Programme, takes time and needs to take departure in the country's own capacities to avoid supply-driven support with modest national ownership and low sustainability.

The former development assistance was characterized by a wide range of smaller projects. This reflects the engagement in a period after the lifting of the international sanctions where there - by nature - was high uncertainty with respect to the role of international development assistance in Myanmar. With the recent years of reforms and democratization it is now time to shift from this "trial-and-error" approach to a more focused and programmatic approach with increasing direct collaboration with and engagement of national partners, alignment to national priorities and ensuring aid effectiveness through a strong focus on harmonization between development partners.

**Change takes time.** Myanmar is a country undergoing a multi-dimensional reform and transformation process with respect to developmental, political, cultural and peace-making efforts. Even though remarkable changes have happened during a span of only a few years it is reasonable to believe that turning Myanmar into a peaceful and democratic society with improved prosperity will take time.

**Development partners must be realistic and patient in their efforts to support this process.** The nature of foreign assistance to Myanmar is now shifting into more comprehensive and larger development assistance programmes with an increasing focus on support for state-building, institutions and human capacity. Denmark will be a part of this change process with the new, bilateral country programme indicating a long term commitment to be a partner for Myanmar's development. It will require a closer relationship with the Government and other stakeholders and it will call for realism, patience and flexibility in the Danish engagement.

With present donors boosting their investments and new coming in there is a genuine risk of losing out on **principles of aid harmonization and alignment**. To reduce this risk Denmark will contribute to realizing the Nay Pyi Taw Accord for Effective Development Cooperation (2013) through engaging in multi-donor arrangements and coordination efforts.

**The Country Programme will be lean and focused but it is to be delivered in a complex context.** Three thematic programmes, eight development engagements and eight development partners is the plan. This will ensure a realistic match with the resources at the Embassy to manage interventions but also that sufficient resources are set aside to support a solid Danish dialogue and engagement with national authorities and stakeholders within the engagement areas. This will build trust and strengthened relations between Myanmar and Denmark in these first years of a more consolidated bilateral cooperation. The choice of the three thematic programmes is founded on a combination of experiences from former Danish interventions in Myanmar and a needs assessment based on demands identified in dialogue with national stakeholders and intervention areas of other development partners.

**Basic democratic values and structures need to be promoted.** The thematic programme for Peace, Democratization, Human Rights and Reforms is closely linked to a strategic focus on the Human Rights Based Approach (HRBA) applied by Denmark. Aspects like access to justice, participation, non-discrimination, transparency and accountability will be addressed in concrete interventions and will be linked to the right holder/duty bearer relationship between the people and the Government

**Basic education is a prerequisite for progress, democracy and development.** Support for basic education will be an important Danish contribution to the social development of Myanmar.

Strategically, this continues an existing Danish engagement in the education sector and builds on a close collaboration with other development partners and an increased dialogue with the Government. It may pave the way for Global Partnership for Education to release its investment allocated for Myanmar and it will have strong efforts on getting educational services to disadvantaged groups not reached by the official education system.

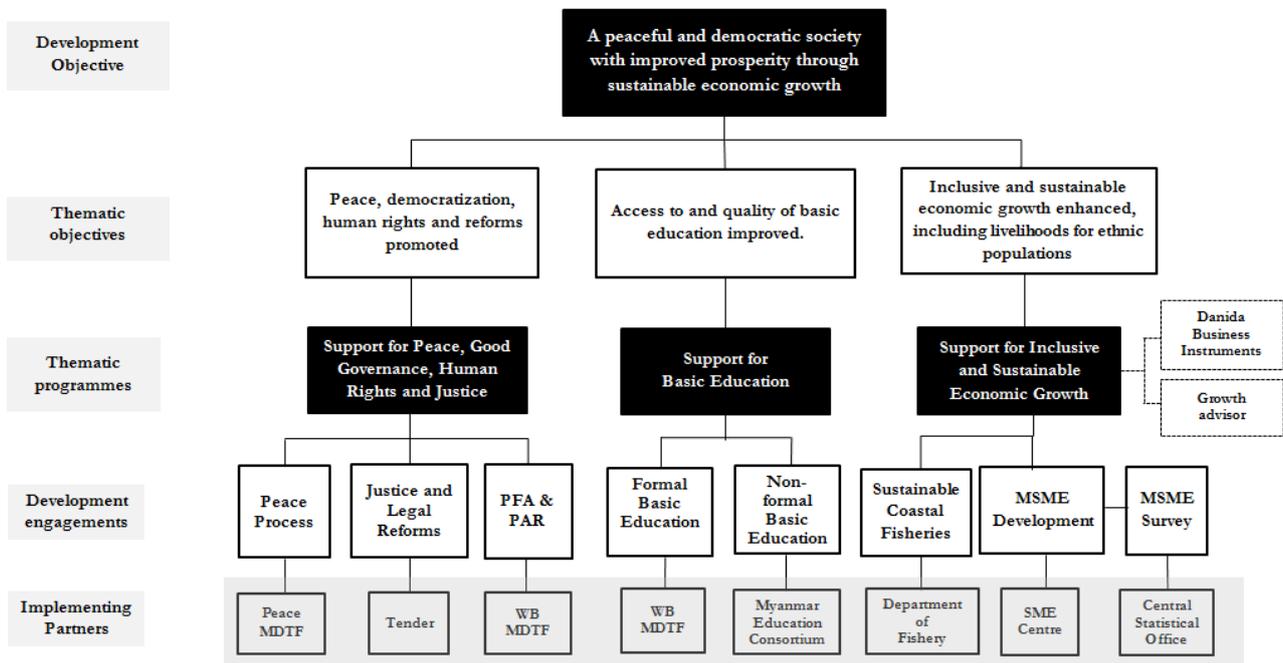
**No development will come without economic growth, but it has to be sustainable and inclusive.** The thematic programme for sustainable economic growth will focus on two areas with presently little investments by other development partners. Firstly, the notion of inclusive, green growth will be the foundation for support to co-management of coastal fisheries resources. A rights-based access to natural resources, fair distribution of revenues and mutual benefits of improved value chains are some of the aspects to be address in co-management of fisheries resources between local communities, the private sector and the Government. Secondly, the focus on Micro, Small- and Medium-sized Enterprises (MSMEs) will put attention to a part of the private sector that needs to flourish in Myanmar to create decent jobs and economic opportunities for ordinary people. This engagement also holds promises for stronger commercial cooperation between Denmark and Myanmar in the years to come.

**Continued engagement of the civil society.** Civil society will play an important role within the planned support for peace building, justice sector reforms and basic education. These pathways for support to civil society engagement are assessed to be vital for contributing to a transparent, participatory and inclusive reform and transformation process in Myanmar. It will also be a supplementary channel for support to the people of Myanmar and will be an important platform if the Government loses momentum in the reform processes.

**The screening notes for human rights based approach, gender, climate change and environmental issues** confirm that the programme will have good opportunities for keeping basic societal and democratic principles high on the agenda as mainstream concerns. It is important that these concerns are presented as opportunities – and not obstacles - for Myanmar to become a sustainable, free and fair society. E.g. the HRBA approach will be cross-cutting, seeking the peace-dividend, empowerment of marginalized groups and gender sensitivity within all thematic programmes.

In a likely changing environment in Myanmar during the five years period of the Country Programme, **flexibility will mainly be managed through an elaborated Theory of Change with a strong focus on monitoring of assumptions and risks.** The Country Policy Paper outlines three scenarios for the development in Myanmar within the next five years. They will guide the active political dialogue with the Government of Myanmar and other stakeholders with a view to promote peace, democracy, respect for human rights and reforms even though from a different point of departure depending on which scenario unfolds. As scenarios will often differ in details as reality catches up the concrete engagements will be shaped by recurring assessments of the most relevant and timely opportunities for engaging in Myanmar.

## Danish Country Programme for Myanmar



### 4. Theory of Change - the narrative

The overall objective for the Danish development engagement with Myanmar is to contribute to the democratic and economic development of the country. Myanmar has a 20 year's National Comprehensive Development plan to guide this process. International development assistance is judged to be important for realizing the plan with respect to economic investments, but not at least for developing capacities and skills in Myanmar to be able to realize the desired economic and political transformation. Within the coming five year period the commitment from the Government to continue the reform and peace processes is a key precondition for reaching the goals of the Danish support. Key indicators for this commitment will be fair elections in November 2015, a national ceasefire and initiation of the political dialogue for a national peace agreement, improvements in the human rights situation, a surge in equitable and sustainable interim growth indicators and improvement of social indicators, especially within health and education.

Denmark will apply a realistic approach having in mind the limited capacities of Myanmar partners. Human and institutional capacities will be supported as part of the Danish engagements which have to build on strong harmonization with other development partners to maintain a critical dialogue to keep the Government accountable for the reforms and peace process.

The development programme will focus contributions within three areas of engagements; Peace, Good Governance, Human Rights and Justice; Basic Education; and Inclusive and Sustainable Economic Growth. Seen in the perspectives of Myanmar's development challenges it is judged to be a good blend of long term engagements where the Danish support is assumed over time to contribute significantly to the development of Myanmar. Although it is three distinct thematic areas they are - when combined - decisive and interdependent building blocks for a democratic and prosperous Myanmar.

Building peace will be a key factor for Myanmar. Even though this will mainly be an internal process among national stakeholders there is an important role to play for international development partners, not only to contribute to the peace dividend from development interventions but also to advocate for transparency, accountability and inclusiveness in the process. It will be a challenging endeavour and development partners should stay engaged to provide international mediation, knowledge and skills if requested. The Myanmar Peace Fund will provide broad support for the peace efforts facilitating an enabling environment for a political dialogue on peace and reconciliation as well as piloting development interventions with high peace dividend. Supporting a largely political process raises considerations for improved justice and rights, not at least for marginalized, poor citizens including a number of ethnic minorities. Denmark will contribute to build the voice and capacity of these groups to be able to claim their rights towards the Government as duty bearer within the peace and development processes. To realize this aim Denmark will contribute to enhanced human rights training at universities, capacity building on human rights among lawyers already in practice, piloting the idea of para-legal aid and build the capacities of CSOs to promote and advocate for human rights. Finally, the judicial system in itself needs to improve knowledge and code of conducts that apply international laws and standards for human rights and hereby strengthening their independence from the political system (see annex B for major contribution paths of support for justice and legal reforms)

A precondition for developing an equitable and prosperous Myanmar is to improve service deliveries in social sectors such as health and education. Denmark will focus on basic education and the goal is to contribute to a comprehensive and inclusive basic education system in Myanmar that hopefully will provide basic educational services for the large number of children who do not yet attend school and retain the more than  $\frac{3}{4}$  million children who drop out of primary school each year. This concurs with the vision of the Government and its recent embankment on significant reforms to boost quality and effectiveness of education. A revised Educational Law and a National Education Sector Plan is under finalization and national spending for education has doubled since 2012. Denmark has contributed to these processes and will continue its engagement for improving access to and quality of basic education in Myanmar. The support will stand on two legs; it will both seek to improve the Government's own system for basic education as well as provide support for non-formal education. The engagement will embrace a continued and extended school grant and stipend programme and support for increasing the quality of the education, mainly through boosted education at teacher's colleges, improved in-service training of existing teachers and in-school support for head teachers. One of the challenges is that the formal basic education system does not reach out to all children in Myanmar. Denmark will support non-formal complimentary basic education through monastic schools, ethnic schools and dedicated CSOs with outreach to out-of-school children, e.g. street children. (see annex B for major contribution pathways of support for basic education)

If Myanmar is to be lifted out of poverty it will depend on the ability to promote inclusive and sustainable economic development - by the Government as well as the private sector. With a relatively low position on the development ladder, Myanmar's economic progress will to a large extent depend on the transformative power of the present mostly resource-dependent economy. One import step in this transformation is to ensure sustainable use of natural resources, building on sound policies and regulations from the Government as well as a level playing field to foster a vibrant and accountable private sector. Myanmar's vast coastal marine fisheries resources have a high economic value for the country but are under significant threat due to overexploitation. They need urgent management attention. Denmark will contribute to this by supporting the Government and involved stakeholders in piloting a co-management approach. This will not only aim at managing the marine fish resources as such but will also capacitate involved stakeholders to develop approaches for sharing rights and access to resources, and principles of local versus central resources management responsibilities. To this will be added support for testing various innovative approaches to management and restoration of coastal

marine resources and improvements of the value chains for the fisheries. The goal is to contribute to reverse a present negative trend in fisheries resources and hereby sustain an important economic activity for the country.

As part of its transformation towards a more prosperous society Myanmar needs to create employment, primarily in the private sector. Denmark will contribute to promoting micro, small and medium size enterprises as an important driver for developing the private sector and create jobs in Myanmar. The engagement of Danish companies, by own means or facilitated by Danida Business Instruments, and the transfer of Danish know-how with respect to the creation of functional labour markets will contribute to create decent jobs and regulations that will benefit Myanmar workers but also in the long run the competitiveness of the Myanmar productive sector in an international perspective.

## 5. Thematic Programme objectives and summaries

The country programme will contribute to the programme objectives through three thematic programmes with a number of contribution pathways as outlined below.

### 5.1. Support for peace, democratization, human rights and reforms

The thematic programme will have the following thematic objective *Peace, democratization, human rights and reforms promoted*. It will focus on support for realizing a fair and inclusive **peace and reconciliation process** as a contribution to the future development of Myanmar as a democratic and peaceful society. This contribution pathway will be supported by a critical support to meet the urgent need of improving rule of law and embark upon a long-term **justice sector reform**. The support for justice and legal reforms will be a new intervention for Denmark. The contribution pathway for **reform of the civil service system** will carry on through the continuous support for public financial management and administration reforms. Building the capacities of the Government for effective service delivery will provide a significant peace dividend.

The thematic programme will have three development engagements as follows:

#### Peace process

The peace efforts are expected to be continued during the next years with a first step being a most likely National Ceasefire Agreement, followed by an inclusive national policy dialogue, a National Peace agreement and moving into a longer term demobilization and reconciliation process. It will be important for development partners to have a mechanism for rapid, coordinated and effective responses to the needs of this process, also providing a learning platform with respect to shared analytical work and applying best practices for conflict-sensitive support. The Joint Peace Fund for Myanmar will be such an instrument. It will support national policy dialogue, ceasefires, community-driven support for peace and promote the peace dividend through targeted development interventions. Denmark plans to commit at a level which will ensure eligibility for election to the Fund's Board and will as contributor be entitled to join the high level committee which approves the annual budget and work plan. There will be a technical secretariat and the administration executed by a trustee.

## **Justice and legal reforms**

There is broad agreement that Myanmar lacks a judiciary capable of delivering justice. If Myanmar is to be governed under a system of rule of law, the country will need well-educated lawyers. The legal education has for decades had low status and been of poor quality.

The primary purpose of the envisaged Danish support will be to contribute to the development of a high quality legal education, give vulnerable or marginalized groups access to legal assistance and build the capacity of lawyers and the judiciary to address human rights issues.

The Embassy will through tender enter into partnership with a suitable institution/organisation that can provide direct support to (i) university law department(s) to raise legal education standards through human rights law courses; (ii) bridge the gap between theory and practice through legal aid; (iii) increase access to human rights knowledge through a human rights resource centre; (iv) strengthening the capacity of CSOs to monitor and document human rights violations and advocate for effective responses; (v) increase capacity of existing lawyers to use international laws and standards on human rights; and (vi) improve the capacity of the judiciary to incorporate human rights in its decisions.

The support will enhance the capacity of law departments with a focus on strengthening teacher's ability to provide high quality legal education, contribute to national curriculum development in regard to human rights issues and ensure that students are exposed to the practical realities of vulnerable or marginalized groups through a legal education programme. This would sensitize the law students and help foster a professional understanding of the situation and legal challenges for this group of people.

Danish support in this field will also build capacity of the Supreme Court and the Attorney General's office, e.g. with respect to codes of ethics and support the state to fulfil its duties and obligations to comply with human rights standards. There will in addition be efforts to promote human rights and environmental standards within the private sector which over time will increase the competitiveness of responsible businesses operating in Myanmar.

## **Public financial management and administration reform**

The Government has embarked on a comprehensive public financial management and administration reform.

Denmark will continue to support the reform processes through the Myanmar Multi-Donor Partnership Trust Fund (MMTF) managed by the World Bank. The reform in the coming years will improve the ability of authorities to deliver services efficiently and transparently in line with citizen needs as well as improving the tax base.

Denmark is planning to expand the initial support for this multi-donor trust fund, as these reform areas will be crucial for Myanmar's continued development during the next five to ten years, not least in the social sectors that badly need more effective service delivery, predictable budgets and much greater fiscal and political decentralization.

## **5.2. Basic education**

The thematic programme will have the immediate thematic objective *Access and quality of basic education for all children improved.*

Education reform is one of the key priorities set out by the Government, and recently the government has substantially increased spending on education. However, the education sector is still massively under-funded, and there is a strong need for better educational policies.

The primary school system is very weak and there is a fundamental need to improve the quality of basic education by better training and accelerated hiring of teachers, to update the curriculum at all levels, to build better facilities, and to limit the out-of-pocket payments for private tuition and stationary which still keep many marginalized and poor students out of school. Education in the ethnic areas is a sensitive issue and for an extended period it will be necessary to support a complementary system of government and non-government schools in some areas where the trust and capacity for service delivery is still low and where legitimacy of the different stakeholders is still contested. In this perspective the education sector is going through an important and comprehensive sector review which will lead to the development of a new National Education Strategic Plan (NESP). When finalised, NESP will be the framework for national and external support to the sector and the basis for a submission for Global Education Partnership (GPE) funds.

Denmark has contributed to the UNICEF-implemented Quality Basic Education Programme (QBEP) through a multi-donor fund. The programme has gained significant results since its start in 2012, for the last two years with support from Denmark. It will terminate in 2016 as it is time to move close to Government implementation and ownership.

At this stage the best option for Denmark will be to work in close collaboration with other development partners within two initiatives; the planned expansion of the School Grant project under the World Bank Multi-donor Trust Fund (MDTF) through the Government of Myanmar; and the continued support for the Myanmar Education Consortium (MEC) with respect to non-governmental, complementary education services. Through supporting strategic focus areas within the two suggested options Denmark can make a significant contribution to the development of the education sector in Myanmar.

The thematic area will have two development engagements as follows:

### **Formal Basic Education**

Key development partners (e.g. Australia, EU and UK) are currently at the stage of designing the post 2015 phase of their support to the educational sector. There is an interest from several partners to expand the present School Grant and Stipend Programme under the World Bank MDTF to a more comprehensive programme which may address a number of major critical areas in the sector such as continuing decentralization through the school grants and stipends programme (better targeted student stipends), reform of teacher education (development of a national in-service teacher training programme), reform of national examinations, provide in-school support to head teachers and teachers and explore how to develop a sustainable textbook development, production, and management system involving a public/private partnership arrangements.

It still needs to be articulated into a clearly defined programme but it seems to be the only realistic option for key development partners to have a Joint programme for Basic Education in Myanmar. Denmark will commit support for the planned programme as a pathway to support the effort of the Government to improve service provision within basic education. The programme will be aligned to the Ministry of Education's own structures and implementation modalities, thus promoting the government's intentions of serious decentralisation. Denmark will engage strategically in the process of developing the proposed programme to ensure that Danish key policy areas are addressed (e.g. human rights, ethnic issues, decentralisation, the role of the private sector).

## **Non-formal Basic Education**

Denmark will continue its support to non-formal basic education through a development engagement with Myanmar Education Consortium (MEC). It has proven its ability to organise and stimulate local and international NGO activities throughout the country, focusing as it does on ethnic conflict and remote areas. MEC began in 2013 and the review in 2015 found good results for the relative short period of implementation but also major challenges with respect to strategic focus and management. The coming strategic plan for MEC 2016-2018 is expected to address these shortcomings and MEC will focus on hard-to-reach children (e.g. ethnic education), monastic education, out of school children (non-formal education, e.g. street kids) and disabled children, all aspects well within the development priorities of Denmark. It will also be considered to contribute to the shift of MEC from mainly service provider to a more strategic actor, e.g. MEC could invite partners to propose innovative approaches to improve learning, and in the case of successful innovations strive in negotiations with the Ministry of Education to scale these up progressively throughout the official system.

## **5.3 Inclusive and sustainable economic growth**

The thematic programme will have the following thematic objective *Inclusive and responsible economic growth improved, including livelihoods for ethnic populations.*

Denmark is committed to a human rights-based approach to assist in creating inclusive and sustainable economic growth and address the root causes of poverty and exclusion. When growth is sustainable, it builds on balanced economic, social and environmental development which ensures people's rights and promotes equality, including access to decent work, education, health and social protection. By promoting the full scale of human rights together with inclusive economic growth initiatives, Denmark is supporting the citizen's ability to create changes for themselves and their communities.

This thematic area will have two development engagements and the following contribution pathways:

### **Sustainable coastal fisheries**

Within the notion of green growth, Denmark intends to engage in coastal fisheries management to help promote a more sustainable, community-based and responsible exploitation of natural coastal and marine fish resources. The vision will be achieved by working closely with Myanmar authorities, especially Department of Fisheries, to create a more adequate legal and regulatory framework, and shift the mentality from an unsustainable and predominantly short-term revenue and growth-oriented policy paradigm towards sustainable long-term resource utilization and pro-poor paradigm. Extensive collaboration with local small-scale fishermen and their representative organizations is foreseen to develop co-management arrangements together with local authorities and other stakeholders in order to utilize coastal living aquatic resources sustainably and responsibly. There is a strong right holder/duty bearer aspect in the co-management approach and there will be focus on support for local communities to organise and advocate for their rights as well as for the government authorities to realize their duties in this respect.

The geographical focus will be coastal communities in Rakhine State and Tanintharyi Province. The target of the programme will be 12-14 coastal communities with different ethnic composition. A robust baseline will be established to measure attribution from development activities and to compare with general development trends in coastal areas of the country.

Fisheries resources are deemed to be a particularly important area of engagement, as it is the second largest contributor to employment opportunities and income in the primary sector after agriculture, providing direct employment to an estimated 3 million people. Small-scale artisanal fishermen and their families are among the country's poorest and most vulnerable groups, and the sector generates employment opportunities both among women and in several predominantly ethnic areas also identified as key areas for Danish support. However, the sector currently faces sharply increasing pressures from over-fishing (fish stock likely depleted >50%) by large scale offshore operations as well as small-scale inshore fisheries. This might lead to a complete collapse of the marine ecosystems thus threatening the livelihoods of millions of people dependent on this sector directly or indirectly.

Increasing the fishing intensity (more boats at sea) as now practiced will not over time solve the challenge of improving the livelihoods in coastal communities. The marine resources cannot sustain this growth strategy. Solutions should be found in sustainable management of the present resources for them to rehabilitate and to be utilized at a level of no depletion. This must be supported by creating alternative livelihoods and incomes for coastal communities. The support will have a focus on improving value chains within the fish processing and trade sectors to create employment and increased income. This will include working with local fishery communities on handling, processing and transport (improved quality at entry and better prize from middlemen and local markets) and with the local private sector on quality assurance and market access nationally, regionally and internationally. Sustainable utilization of marine resources can only be achieved with a triangular co-management arrangement between the Government, private sector and local communities.

### **Micro, Small and Medium-sized Enterprises (MSMEs)**

State-controlled conglomerates have long dominated the private sector in Myanmar which has stifled the development of smaller scale enterprises which can provide employment opportunities, innovation and more broad-based economic development. There is thus a need for private sector initiatives aimed at supporting micro, small and medium-sized businesses to promote inclusive and broad-based economic growth in an economically and environmentally responsible way. MSME will play an important role in the need for shifting from highly seasonal, low return employment into higher income, more permanent jobs.

Denmark plans to support the development of a dynamic and innovative MSME sector. One goal will be to build the capacity of domestic MSMEs to meet the procurement needs from national and international investments in terms of quality, quantity and timeliness of an increased productivity and in general to build their capacity to understand and operate within the new emerging markets. MSMEs are often informal and hereby have limited access to finance and other key service for them to grow and become more productive and competitive. On this background the programme will have a focus on contributing to an enabling environment for MSMEs to make it easier, less bureaucratic and less expensive to formalise their operations.

One of the first steps will be to conduct a MSME survey and map barriers for their operations. This will be carried out through an engagement with the Central Statistical Office (CSO) under the Ministry of Planning and will be technically supported. The survey is expected to give important insight into the MSME sector and thereby create the basis for formulating sound policies for the development of this important sector.

Further, support will be provided for the SME Centre under the Ministry of Industry to cultivate business development services (BDS) for MSMEs. The support may involve technical support from external partners, e.g. the Building Markets initiative. Modalities for BDS provided by the set-up is still

to be formulated, but may involve a challenge fund which in an open and competitive process identify and co-finance on grant basis pilot interventions in selected MSMEs. One critical approach will be to create a sustainable business environment for provision of BDS so private companies will have to pay (at least partly) for these services.

It will be investigated if approaches to BDS can be piloted in relation to engaging with MSMEs in coastal communities.

## **6. Preliminary results framework and monitoring mechanisms**

Myanmar is characterized by very few statistical data on development issues. Many new interventions need to establish their own baseline to be able to measure results on outcome level. This will likely also be the case for several of the Danish engagements. It is important that the final design of the engagements include a thorough but also realistic approach for collecting data to inform the monitoring and evaluation (M&E) of the Country Programme. Denmark will seek national partnerships for this task, e.g. collaboration with the Central Statistical Office, research organisations and universities.

The M&E system will though as far as possible take departure in existing data systems, e.g. build in relation to multi-donor arrangements (e.g. within education, PFM/PAR and the expected Peace Fund). These arrangements already have a focus on capturing results. As an example there is an increasingly improved baseline for primary education, established through the QBEP and its evaluation system.

The results monitoring on impact level will refer to the ranking within international development indices (e.g. Human Development Index) and outcome of national surveys (such as World Bank household surveys etc.). There will be focus on how impact monitoring will relate to fulfilment of the Sustainable Development Goals (SDGs) whenever the system is operational and embedded in Myanmar.

The formulation will further develop outcomes, indicators and targets for each development engagement, based upon the result chains identified within the Theory of Change.

The evaluability of the programme will be enhanced through the continued ToC process. The Country Programme will be subject to a piloting of the Real-Time Evaluation concept to be developed together with the Evaluation Department, likely with a focus on evaluation of outcomes from the bilateral engagement within coastal fisheries management.

A preliminary Results Framework is outlined in Annex C.

## **7. Preliminary assessment of risks**

The link between the scenario presented in the Country Policy paper and the preliminary risk matrix (annex D) is that the worst scenario (the second alternative scenario) is integrated as a major risk situation for the programme.

### Contextual risks

The main contextual risk in the short run is the pre-election political development and the outcome of the general elections, expected for 8th November 2015. The election may be compromised by electoral fraud or vote rigging. This may result in political reactions from the opposition not accepting the

election, creating public unrest and an unsafe environment in parts of the country. If this situation escalates with military interventions it will foster international reactions and eventually adjustment of engagements, including within development assistance.

First step in the peace process is to get a national ceasefire signed to pave the way for a political peace process with multiple steps, each with their risk profile. The peace process will run for the full Country Programme period (and beyond) and realistically the process will be complicated with risks of backtracking. In parallel with this, the Government expects to continue its waves of reform processes with respect to democratization, public administration, decentralization and economic development which will all need thorough risk management.

It cannot be ruled out that a major natural disaster will hit Myanmar during the programme period. This may change priorities for the Government as well as development partners and the Danish Country Programme.

### Programmatic Risks

A major operational risk for the programme will be national ownership; operational and on the political level. Increasing engagement with the Government is also engagement with a system characterized by limited human capacities and ineffective institutions. The risk is that implementation is taken over by engagements themselves, compromising sustainability and long term development impacts.

The major risk links to the implementation and management capacity of partner institutions. The programme will have a realistic approach to deliveries and goals within the programme period and see expected results in the light of the need for ongoing effort to build capacity among partners.

Even though significant public sector reforms have been pushed forward during the last years it may be slowing down after the election and until the new incoming government finds its pace.

Development assistance is now coming to Myanmar in a scale that is not seen before. This creates a risk for overstretching the already limited absorption capacity and foster ineffectiveness in delivery of international aid. It is important that development partners have a firm commitment to harmonization and alignment to mitigate this risk.

### Institutional Risks

Myanmar is a country with high international attention. The new Danish engagement involving an increased partnership with the government constitute a reputational risk, not at least with respect to human rights issues. It is important that this is mitigated through a persistent critical political dialogue.

Fraud and corruption is a risk in an imperfect governmental system and in the cultural setting of Myanmar. National programme partners has limited capacity to deal with international development partners, e.g. with respect to financial management. This risk must be mitigated through ensuring that building capacities for management is a cross-cutting issue within all interventions where the need is identified.

A Preliminary Risk Management Matrix will inform the further formulation of the Country Programme.

## 8. Management set-up

The programme is designed to match the staff resources at the Embassy. It is lean with eight implementing partners and it is expected that the number of development engagements can be kept at the same level.

Furthermore, several of the engagements will be support for multi donor facilities where the administrative burden will be low leaving more resources for strategic and policy dialogue with the Government and other partners. This includes the support for the Myanmar Peace Fund, PFM/PAR and the education sector.

Notable the World Bank Multi Donor Trust Fund for Myanmar has an objective of working closely with the Government and using the Government's own structures and mechanisms for delivery of support. The MDTF has already with a good track record used government system to deliver services in the educational sector under the School Grant and Stipend programme. Denmark is presently contributing to the MDTF through the support to the PFM and PAR reforms and expects to join an extended School Grant programme planned to start in 2016. This raises issues regarding modalities for working with the Government, fiduciary risks and how to pave the way over time for sector/general budget support through capacity development and reforms. The World Bank MDTF is implemented under the strict risk management regime of the Bank but there is no doubt that the goal over time is to bring the Government in a position where they can manage their own affairs. This is a vision shared by Denmark but it is also pertinent to underline that there is still some way to go for key budget support principles to be in place in Myanmar (see annex D for assessment according to the five budget support criteria).

The remaining three engagements on sustainable coastal fisheries, justice and legal reform and support for MSME development will need a more hands-on involvement from the Embassy with respect to financial management, implementation and policy dialogue.

Support for sustainable coastal fisheries will be implemented in collaboration with the Department of Fishery. There will be a Danida senior advisor assisting the Government in policy development. In addition, capacity development will be provided through technical support for financial management. To support the implementation in selected coastal communities an additional Danida advisor will assist in the technical and practical application of co-management.

Support for justice and legal reforms will be subject to international tendering. The support for MSME development will be a combination of international tender (the survey) and likely strategic support to national partners from a Danida senior advisor.

## 9. Indicative budget

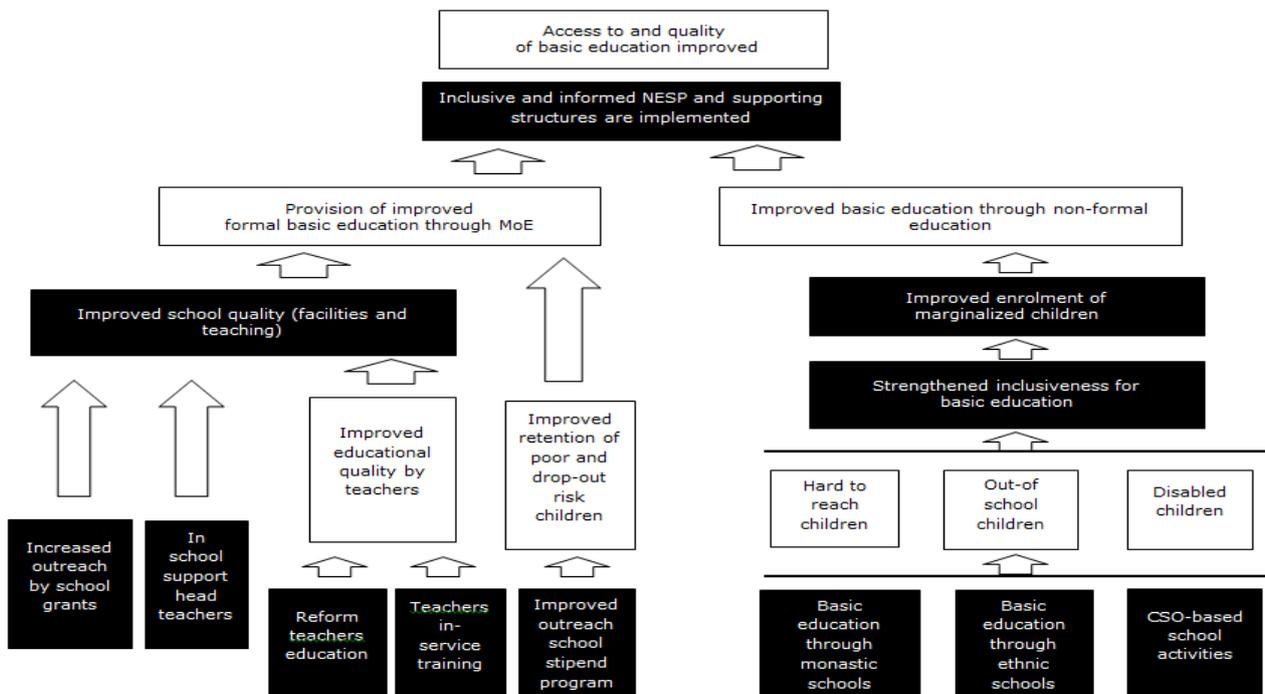
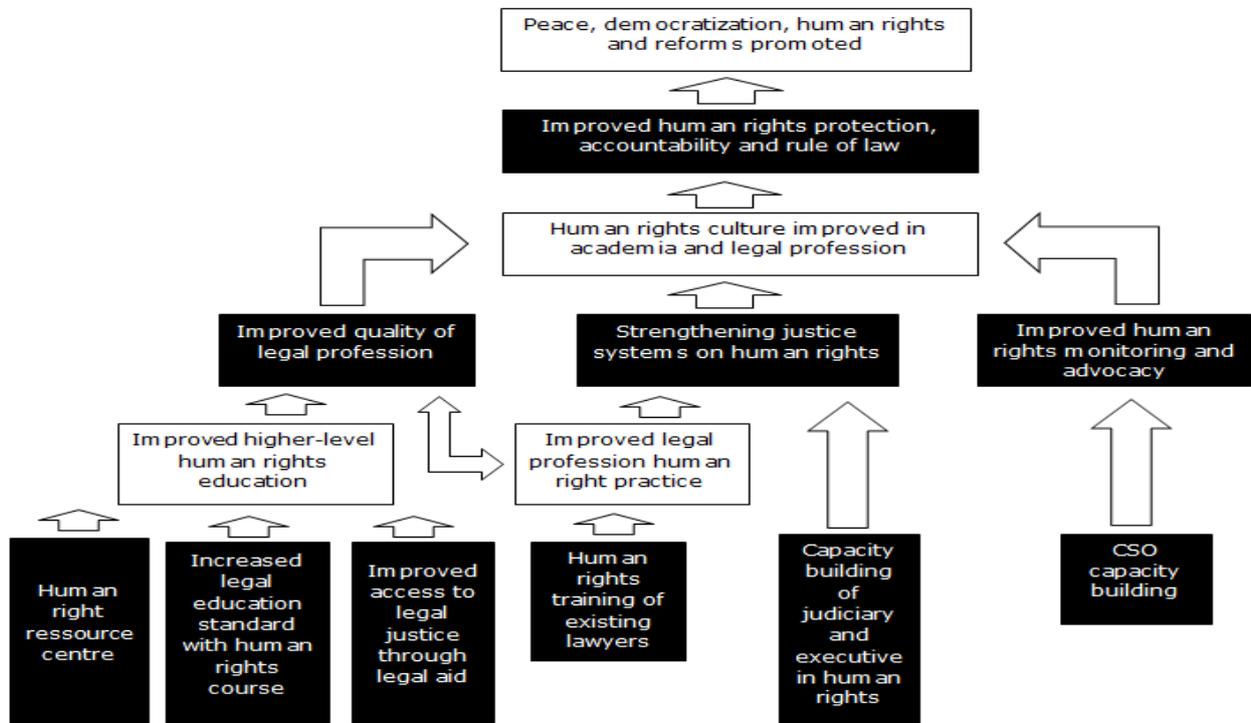
Thematic Programmes	Total DKK (millions)
<b>Peace, Democratization, Human Rights and Reforms</b>	<b>200</b>
- Joint Peace Fund for Myanmar	60
- Integrated Justice Programme	65
- PFM and PAR support	60
- Un-allocated funds	10
- Programme review	5
<b>Basic Education</b>	<b>150</b>
- MDTF for Quality Improvement of Basic Education	120
- Myanmar Education Consortium	30
<b>Sustainable, Economic Growth</b>	<b>210</b>
- Coastal Fisheries	140
- Micro, Small and Medium Enterprises	70
- Unallocated funds	10
<b>Total</b>	<b>560</b>

With reference to several important political milestones and reform processes expected to be realized by Myanmar during the programme period it is decided to keep a minor part of the budget as un-allocated funds to be allocated under the thematic programme on Peace, Democratization, Human Rights and Reforms as well as the support for Inclusive and Sustainable Economic Growth. Un-allocated funds will amount to DKK 10 million, around 2% of the Country Programme budget.

## Annex A: Process Action Plan for the Country Programme for Myanmar

Time line	Activity	Documentation	Responsible
20 August 2015	Meeting in Danida Programme Committee.	Concept Note and annexes. List of received responses from the public consultation and summary conclusions from Danida Programme Committee.	KVA and Embassy
Primo September 2015	Summary of meeting drawn up and upload to Danida Transparency	Chairman's summary	KVA
Primo September 2015 – Ultimo February 2016	Development of Country Programme Document and Development Engagement Documents.	Country Programme Document and Development Engagement Documents (DEDs)	Embassy
Ultimo January 2016	Draft ToR for the appraisal forwarded to TAS.	Draft Terms of reference for the appraisal.	Embassy
Ultimo February 2016	Forward draft Country Programme Document and Development Engagement Documents to TAS.	Draft Country Programme Document including DEDs and associated partner documentation.	Embassy
Ultimo April – Primo May 2016 (25 April – 7 May)	Appraisal mission.	Appraisal Debriefing Note and recommendations summary.	UFT
Ultimo May 2016	Finalisation of the Appraisal Report.	Appraisal Report.	UFT
Ultimo May – Ultimo August 2016	Finalisation of the Country Programme Document and Development Engagement Documents.	Final Country Programme Document and Development Engagement Documents.	Embassy
Ultimo August 2016	Country Programme Document with appropriation cover sheet forwarded to KVA.	Final Country Programme Document, completed recommendations summary, and appropriation note.	Embassy
Medio September 2016	Presentation to the Danida External Grant Committee.	Summary from Danida External Grant Committee	Embassy
Primo October 2016	The minister approves the country programme.	Approved Country Programme.	MFA
Primo October – primo December 2016	Signing of legally binding agreements (commitments) with partner(s).	Government-to-government agreement(s) and/or other legally binding agreements.	Embassy
Medio December 2016	Book commitment in MFA's financial systems within budgeted quarter.		KVA

**Annex B: Major contribution pathways<sup>1</sup> within support for a) Justice and Legal Reforms and b) Basic education**



<sup>1</sup> Flow diagrams for remaining engagements await further formulation

## Annex C: Preliminary Results Framework

Country Programme		<b>Denmark-Myanmar Country Programme 2016-2020</b>	
Development objective of the programme		A peaceful and democratic society with improved prosperity through sustainable economic growth	
Impact Indicators		Improved ranking on; Human Development Index (UN) and the Global Peace Index (Institute for Economics and Peace). Reference to SDGs	
Thematic Programme		<b>Support for Peace, Democratization, Human Rights and Reforms</b>	
Thematic Programme Objective		Peace, democratization, human rights and reforms promoted	
Outcome Indicator		New or revised legislation with reference to international human rights laws	
Engagement Title		<b>Support for the Joint Peace Fund for Myanmar</b>	
Outcome		A final and sustainable settlement to ethnic armed conflicts in Myanmar achieved	
Outcome indicator		<i>a. Number of armed ethnic clashes</i> <i>b. Number of IDPs</i>	
Baseline	Year	a. tba <sup>2</sup>	2015 (Transnational Institute (TNI))
		b. 649,000	2014 (TNI)
Target	Year	a. tba	2020 (TNI)
		b. tba	2020 (Government of Myanmar and TNI)
Engagement Title		<b>Integrated Justice Programme</b>	
Outcome		Improved legal and human rights counselling in local communities	
Outcome indicators		<i>a. Number of litigations with reference to human rights</i>	
Baseline	Year	a. tba	2015 (baseline to be established by ICJ)
Target	Year	a. tba	2020
Engagement Title		<b>Support for PFA and PAR</b>	
Outcomes		a. Improved national tax basis b. Increased credibility of budget allocations for line ministries	
Outcome indicators		<i>a. Enhanced tax to GDP ratio</i> <i>b. Average percentage of compositional variance over the 3 previous years</i>	
Baseline	Year	a. 6.2 %	a. 2012/13 (Ministry of Finance and World Bank)
		b. 23.9 %	b. 2013
Target	Year	a. >10%	a. 2018/19 (Ministry of Finance and World Bank)
		b. <15 %	b. 2019
Thematic Programme		<b>Support for Basic education</b>	

<sup>2</sup> tba: to be assessed

Thematic Programme Objective		Access and quality of basic education for all children improved	
Outcome Indicator		a. Completion rate by 5 <sup>th</sup> grade	
Engagement Title		<b>MDTF for School Grant Project</b>	
Outcomes		a. Improved retention of poor and drop-out risk children b. Reading abilities improved c. Improved educational quality by teachers	
Outcome indicators		a. <i>Number of school stipends per year</i> b. <i>Reading scores of 2<sup>nd</sup> grades</i> c. <i>Teachers in-service trained</i>	
Baseline	Year	a. 11,000 b. tba c. 0	a. 2013 (Ministry of Education and World Bank) b. 2015 c. 2015
Target	Year	a. 50,000 b. tba c. tba	a. 2020 (Ministry of education) b. 2020 c. 2020
Engagement Title		<b>Myanmar Education Consortium</b>	
Outcome		Basic education inclusiveness improved	
Outcome indicator		Number of Monastic and Ethnic schools made complimentary to official school system	
Baseline	Year	tba	(to be provided by MEC as part of implementation plan for new strategy 2016-18)
Target	Year	tba	

Thematic Programme		<b>Support for Sustainable Economic Growth</b>	
Thematic Programme Objective		Inclusive and responsible economic growth improved, including livelihoods for ethnic populations	
Outcome Indicator		Livelihood and wealth assessments (household surveys)	
Engagement Title		Support for sustainable development of coastal fisheries	
Outcome		a. Improved sustainable management of marine fish resources b. Income of local fish communities enhanced	
Outcome indicator		a. <i>Fish yields / effort (unit)</i> b. <i>Income from fishery value chains in local communities</i>	
Baseline	Year	a. tba b. tba	2014 (catch statistics Department of Fisheries) 2015 (baseline to be determined during formulation)
Target	Year	a. tba b. tba	2020 2020
Engagement Title		<b>Support for Micro, Small and Medium-sized Enterprises</b>	
Outcome		a. Improved enabling environment for MSMEs to operate b. Improved turn-over for MSMEs	
Outcome indicator		a. <i>Doing Business Index</i> b. <i>Profit of MSME's</i>	
Baseline	Year	a. 177 b. tba	2014 (World Bank) 2016 (statistics provided by Myanmar Central Statistical Office)
Target	Year	a. tba b. tba	World Bank Central Statistical Office

## Annex D: Preliminary Risk Management Matrix

Contextual Risks					
Risk Factor	Likelihood Rare/Unlikely/Likely/ Almost certain	Justification	Impact Significant/Major/ Minor/Insignificant	Justification	Risk response / effect of risk on Programme
Serious political, social and economically instability which prompt military intervention	Unlikely	Military has itself initiated comprehensive reforms to transform the country into a more democratic and open society	Significant	Military intervention countrywide will create unrest, stall reform processes and reinstall international sanctions	The country programme may be adjusted with respect to type of interventions, partner choice, scope of the engagement and volume
Major set-back in peace process	Likely	It will be a bumpy process with likely set-backs. The National Cease Fire is expected to be agreed, but the political process to follow will be difficult and long-lasting	Minor	Most of the programme will only marginally be affected by the peace process in itself. More long term impact of a successful peace process will be positive	Major set-backs may be mitigated through increased support for the Peace Fund
Lack of broad acceptance of election result	Likely	Election results will most likely - no matter which result - be questioned	Minor – Major	Impact will depend on the political process to follow, especially the positioning of the opposition in a new Parliament	It will depend on the outcome of the election. If fraud and vote rigging is documented by international election observers, international response may be significant with an impact for the programme
Impact from major natural disasters	Unlikely	A major natural disaster on national level is impossible to predict (for the next five years). The	Major	If the country is hit by a major natural disaster like cyclone or earthquake it will likely impact several	Preparedness for natural disasters should be a cross-cutting issues in the programme, e.g. within coastal management and

		magnitude on the level of two major events (Nagis in 2008 and Tsunami in 2004) is unlikely while severe but local events are likely		interventions, either directly or indirectly.	education.	
Programmatic Risks						
Risk Factor	Likelihood	Justification	Impact	Justification	Risk response	Combined residual risk
Limited operational ownership from national partners	Likely	Myanmar is in a process of building political systems and institutions. To this comes a blurred political environment which will likely make national engagement and participation a challenge	Major	The overall objective of the programme is to contribute to development embedded in national and sustainable systems. This can only happen if Myanmar itself takes an active role and perform leadership	Take departure in the present national context and move forward with respect for national participation and leadership	Minor
Limited capacity of national partners	Likely	Work close with national authorities and institutions. It is well-known that there is capacity gap on implementation and management of development interventions	Significant	The low capacity will be a major impediment for successful implementation.	Capacity development an important cross-cutting issues in all interventions; technically and with respect to participation	Minor
Development partners (DP) fail to harmonize and align	Likely	Many new DPs are entering the country as well as present DP increasing their engagement. In a fluid national political	Significant	Due to low absorption capacity among national partners it is crucial that DPs coordinate and involve national	Strong focus on promoting the principles of the Nay Pyi Taw Accord and	Insignificant

		environment and with strong vested interests from DPs coordination and national ownership will likely be compromised		partners. If this does not happen, effectiveness and sustainability of aid will be significantly reduced	information sharing through the aid information management system (AIMS)	
Delay of civil service reform	Likely	The public administration reforms (PAR) have ambitious targets for the coming years. It will be a political challenge and a financial burden to implement them.	Significant	Implementation builds on stronger involvement of Government and its institutions. The effectiveness of this engagement will depend on reforms of e.g. public salary systems, decentralisation etc.	Continues support for PAR and Public Financial Management	Minor
<b>Institutional Risks</b>						
<b>Risk Factor</b>	<b>Likelihood</b>	<b>Justification</b>	<b>Impact</b>	<b>Justification</b>	<b>Risk response</b>	<b>Combined residual risk</b>
Staff caught in conflict, death	Rare	Armed conflicts and religious/ethnic tensions is a security issue in parts of the country, also where program will be active (e.g. Rakhine)	Significant	Programme implementation will be seriously compromised in case of such events	UN safety norms will be followed strictly to minimize risks	Insignificant
Corruption	Likely	Corruption is widespread and endemic in Myanmar	Minor	Programme not active within sectors and activities with high corruption risks (infrastructure, major procurements)	There will be a strong focus on proper financial management	Insignificant

## Annex E: Preliminary assessment of country level criteria for budget support

	Criterion	Comments
1.	<p><b>Fundamental values</b>            Myanmar has challenges with respect to human rights and discrimination. It is a divided society with inequities in distribution of wealth, access to opportunities and services, among others based on ethnicity and religion. It is an emerging democracy with parliament and relatively free speech, but it is also still dominated by the military and its elite with its privileges. Rule of law is shaky and the judiciary is with low capacity under influence by the military.</p>	<p>Myanmar is, despite recent years of reform and democratization, not yet a well-functioning society that meets all basic fundamental values for a democracy. There though seems to be a political will to direct the country towards a functional democracy, but it will take time. It is important for Denmark to support these progressive forces, also good intentions in the Government to implement reforms and build systems and capacities to run the State. General budget support is premature, but closer collaboration with Government institutions may help to create the basis for sector budget support within the next programme period.</p>
2.	<p><b>Solid national policies and plans for poverty reduction, good governance and sustainable development.</b>            There is still a weak system of development strategies for Myanmar, on national and sector level. It is a challenge to create national ownership to strategy processes, often they are supply driven by external actors and development partners. There need to be more engagement by parliament and realism in prioritizing and budgeting development effort. The public sector needs to build its capacity to do this job of strategic think and planning, implementation and monitoring of progresses. It is new for Myanmar and its government to deal with international donors on the scale they are now entering the country. They need capacity to manage these investments in a proper and accountable way, and to set the development agenda for DP to adhere to.</p>	<p>There is a lack of national policies and sector investments plans to align with through budget support. There is a need for building a culture for proper and transparent planning. There are signs that some sectors do develop sector investments plan, but e.g. from the education sector the process has been supply driven by DPs with little national ownership. There is still a way to go before national investment plans are mature for budget support, but present activities with Government can turn out to be important stepping stones for this process</p>
3.	<p><b>Stable macro-economic framework.</b>            Macro-economic situation has been relatively stable during the last years but with the increasing foreign direct investment there is an increasing balance of payments deficit. Inflation is also increasing (around 7% p.a. at the moment). Competitiveness on the global market is weak, mainly due to low quality of goods for export. Low skills and relative high wages in the labour forces also influence competitiveness.            National tax revenue is increasing but is still low. A lot of economic activities are not under taxation, e.g. in the resource sector and within the huge informal business sector</p>	<p>Macro-economic stability is not bad, but it is still fragile. There is a need for strong fiscal policies.</p>

4.	<p><b>Public financial management</b></p> <p>With reference to the World Bank MDTF on support for PFM/PAR reforms in Myanmar, and the capacity development in the public sector provided by UNDP, there is still room for improvement with respect to public finance management, including credibility of the budget, anti-corruption measures, comprehensiveness and transparency, policy-based budgeting, predictability and control in budget execution, accounting, recording and reporting and external scrutiny and audit.</p>	<p>The Government does make progress on these issues and with the ongoing civil service reform there is hope that several of the present shortfalls may be met during the next five year. Transparency in the budget process and anti-corruption measures are just two of the key issues which need improvement before budget support can be applied.</p>
5.	<p><b>Transparency and oversight of the budget</b></p> <p>As mentioned there is room for improvement on transparency in the budget process and the inclusiveness towards parliament, decentralised authorities and the citizens themselves. Despite opening up media information is still scarce. The budget process will be further challenged with the decentralisation roll-out.</p>	<p>Again, transparency, oversight and accountability of the national budget are not at a level where budget support can be provided. But under strict risk management measures Government system can be tested and improved on a pilot basis. An example is the piloting of using Government systems within the support for the National School Grant project under the World Bank management.</p>
	<p><b>The Danish Mission's conclusion</b> – is it assessed to be feasible to provide budget support and if not which major obstacles have been identified.</p>	<p>It is presently not found feasible to provide general budget support for Myanmar. Major obstacles are lack of systems and capacities at all levels, within planning of sector investments, financial management, oversight and transparency. On the other hand, the basic building blocks for proper financial management are available in the national system and if the political will is strong enough during the next years, and the support from DPs relevant and timely, it may be possible to provide full-fledged budget support as part of the next Country Programme period</p>

## Annex F: HRBA/gender screening note

Basic info			
Title	Denmark-Myanmar Country Programme 2016-2020		
Country/ region	Myanmar		
Budget in DKK mill.	610 million DKK		
Starting date and duration	October 2016 (five years)		
Human Rights Based Approach			
Assess whether a Human Rights (HR) Based Approach has been applied in the programme:			
Human Rights Assessment and Standards			
Issues:	yes	no	Explain:
Have major HR analysis relevant for the country been consulted (UPR, OHCHR, EU HR Strategy, other relevant donor documents)	(√)		HR analyses including EU Human Rights strategy and UPR 2011 in particular have been consulted. Country program focuses reflect key recommendations of UPR 2011 such as 'improve domestic legislation and judiciary system to be in line with international human rights standards and obligations including intensifying human rights education', 'ensure ethnic and religious minorities are granted fundamental rights', 'implementing the Government's reform policy and action plans to address socio-economic inequality in order to achieve further progress to improve the situation of human rights'. Presently, most of the engagements of the Country programme are not formulated in details so the UPR recommendations will still be relevant to have in mind during the more detailed formulation work in autumn 2015. The next UPR is Myanmar is planned for end 2015. If it is implemented as planned (collide with the election) it can inform further analysis of the planned engagements with respect to HR issues to be further assessed during appraisal in end January 2016.
Have key international <b>HR standards</b> and/or mechanisms influenced choice and formulation of outcome areas?	√		Myanmar country programs in Education, Governance & Human Rights, and Economic Growth have been influenced by the core international human rights principles and instruments such as - International Convention

			on the Elimination of All Forms of Racial Discrimination, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural, Convention on the Elimination of All Forms of Discrimination against Women, Convention on the Rights of the Child, Convention on the Rights of Persons with Disabilities, Convention on Economic, Social and Cultural Rights
Where relevant, is application at national level, including <b>major gaps between human rights in principle vs. human rights</b> in practice, evaluated and identified?	√		Myanmar has ratified and accepted the obligations of a number of international treaties. However, there are still significant gaps in application of human rights principles at national level that includes suppression of Muslim population in Rakhine state, limitations in religious freedoms, limited women's civil and political participation, human right violations towards ethnic minorities, introducing discriminatory bills such as Religious Convention Bill, the Buddhist Women's Special marriage Bill and the Population Control Healthcare Bill.
Are <b>key recommendations from UPR</b> for the thematic programmes and from any treaty bodies, special procedures, INGOs, HNRIs etc. that require follow up at national level considered?	√		Recommendations from UPR that require follow up such as at national level are considered. This includes recommendation with respect to media, the freedom of association, freedom of expression and access to fair justice.
Are rights-holders identified?	√		People of Myanmar and particular attention has been paid to children, disabled, poor and marginalized population and ethnic minorities, small-scaled fishing communities, local micro small and medium size enterprises.
Are duty-bearers identified?	√		Relevant ministries of government of Myanmar, State and Regional Governments, Parliament, Judiciaries, Human Rights Commission.

**Assess whether Human Rights Principles have been applied in the preparation and in the design of the programme?**

<b>Non-discrimination:</b> Are any groups among rights-holders excluded from access and influence in the thematic programme areas identified?	√		No group among the rights-holders is excluded from access or influence in the thematic programme. The thematic program aims to promote inclusiveness in terms of social and political rights, access to justice, education and economic opportunities targeting population in general and particularly those who are poor and marginalized. However discriminatory legislation and customary perception remains a challenge in
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			meaningful participation of women in decision making process.
Are disaggregated data available on most vulnerable groups?	√		There is no disaggregated data directly related to human rights available in Myanmar. Data used in the design process of the program was generated from different sources such as Central Statistical Organization (CSO), assessment and research reports of key international institutions such as WB, ADB and UN agencies. Disaggregated data will be further generated in the program formulation phase.
List any key support elements included to promote non-discrimination	√		Support for developing capacities for paralegal justice and human rights will help establish the basis conditions for non-discriminatory justice. Support for the peace dividend within all engagements will promote livelihoods and rights of marginalized groups and ethnic minorities  Support for non-formal and ethnic education will increase access to primary education among poor and disadvantaged children in marginalized areas
<b>Participation and inclusion:</b> Are barriers for participation, inclusion and empowerment of rights holders identified?	√		Social and cultural norms create barrier for women in their active participation in the decision making process.  Marginalisation of disadvantaged population (e.g. Muslim population) create barrier for participation of certain population groups.
List any key support elements included to promote participation and inclusion			Support to co-management of coastal fishery resources promotes a rights-based access to natural resources and enhances participation of local communities, the private sector and the Government in co-management of marine resources.  Legal aid support will strengthen voices of rights holders and empower marginalized people to claim their own rights and thus support participation of women and marginalized people in political and economic and social environment.
<b>Transparency:</b> Is the extent to which information is accessible to rights holders including marginalised groups assessed? Where relevant, whether information is available in other than official languages of the country in question should be indicated.	√		Myanmar is one of the most ethnically diverse countries with more than one hundred ethnic groups speaking different dialects. Challenges exist in accessing information about key policies, constitutions, regulations, justice systems and complaint mechanisms due to language barriers. Targeted program intervention will promote

			equitable access to information. The program will ensure that its support and actions are rooted in an understanding of the perspectives and experiences of people coming from different ethnic, social, political and economic backgrounds. Through working with the civil societies and community based organization, and local governments, the program will ensure that information is made accessible to targeted rights holders and also through the use of local/ethnic languages.
List any key support elements included to promote transparency			This will be done during the formulation phase
Are key <b>accountability</b> mechanisms in the relevant area – both horizontal and vertical listed?			This will be done during the formulation phase
Are obstacles, e.g. capacity and political-economy incentives that duty-bearers and rights holders face to exercise their obligations and rights listed?			Low public trust in the justice system, low judiciary capable of delivering justice, corruptions, low legal education standard, low human rights education, low administrative and financial management capacities of the authorities
List any key support elements included to promote accountability			

### Results/Indicators

List any indicators designed to monitor the realisation of specific human rights			a. to be defined as part of formulation b. c.
List any indicators designed to monitor the integration of the four principles			a. to be defined as part of formulation b. c.
List any key indicators chosen to track capacity of key partners (both rights holders and duty bearers)			a. to be defined as part of formulation b. c.

### Dialogue Partners

Define key dialogue partners (duty bearers) to be addressed by the country programme	√		National, Regional, State and Local Governments, Relevant Ministries of the Government, Judiciaries, Teachers and Education Professionals, Attorney General Office
Define key alliance partners, including other likeminded donors, multilateral partners and CSO's	√		World Bank, Australia, European Union, United Kingdom, Myanmar Education Consortium, Human Rights Institute, Micro Small and Medium Enterprise Centre, Building Market
State major dilemmas/risks associated with the policy dialogue and proposed mitigation measures (incl. reference to Framework for Risk Assessment annex D)	√		The Embassy is keen to implement the country programme on the basis of the Myanmar government's own policies and priorities. Relevant government authorities are consulted throughout country program development process and will be consulted

		<p>further during formulation. Elections are due in Myanmar towards the end of 2015. There remain risks of political instability and policy discontinuity.</p>
<b>Gender Screening Tool</b>		
<p>Are key challenges and opportunities for gender equality identified?</p>		<p><u>Challenges</u></p> <ul style="list-style-type: none"> <li>- Limited access to and control of resources particularly access to productive resources and information and decision making power</li> <li>- Social and cultural norms create barrier for women in their active participation in the decision making process</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>- Positive policy environment -Gender equality and women's rights are embedded in the national and sectorial strategic plans and policies (for example, FESR, the NCDP).</li> </ul> <p>A more comprehensive gender analysis will be made during formulation phase.</p>
<p>Are reference made to CEDAW-reporting, UPR, and other relevant gender assessments?</p>		<p>Several assessments including EU's comprehensive framework for Myanmar highlight issues of gender gaps and other documents consulted for development of the program.</p>
<p>Identify opportunities/constraints for addressing gender equality issues</p>		<p>Gender equality in Myanmar is marked by large differences within sectors, geography (e.g. rural/urban), and cultures. This creates barrier for women in their active participation in the decision making process</p> <p>Women are identified as target beneficiaries in social protection policies, but a gender lens does not appear to have been systematically applied to social protection interventions.</p> <p>Government's new focus on poverty reduction and inclusive growth provides opportunity to address gender equality and women's empowerment. Macroeconomic and inclusive growth policies can create opportunities for decent employment opportunities for women. Myanmar women's entrepreneurship has increasingly become recognised as an important source of employment and potential growth.</p>

Describe key strategic interventions to promote gender equality within each thematic programme?			Through gender mainstreaming across the thematic areas of the country program, the country program will integrate issue of gender equality and women empowerment. The country program will seek to narrow/close the gender gap in access to primary education, ensure access to justice, and improve the position of women in society and promote entrepreneurship.
Explain how gender specific purposes will be reached, which strategic approach, what activities are planned			TBD
Define expected outputs.			TBD
Identify gender equality indicators aligned with national targets on gender if possible.			TBD

## Annex F: Climate Change and Green Growth screening note

Basic Information		
Programme title:	Denmark-Myanmar Country Programme 2016-20	
Country/region:	Myanmar	
Estimated allocation:	610 Million DKK	
Brief description of the Programme support:	The programme will focus on three thematic areas; Peace, democratization, human rights and reforms; Basic education; and Inclusive and sustainable economic growth	
Dates (expected):	Programme committee: 18 June 2015	Appraisal: January 2016
Climate change screening		
Assess the status of policies and strategies to respond to climate change in the country and sector. If the issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and assess the potential impact on the program (see also “next steps” section, below).		
Issue:	Yes No	Comments and further work to be done:
1. Are the processes and <b>impacts of climate change documented</b> (e.g. in national communications to the UNFCCC)?	<input checked="" type="checkbox"/> <input type="checkbox"/>	National first communications to UNFCCC assessing GHG emission was established in 2012. Second communications underway.
2. Is there a <b>national climate change policy or strategy</b> , including estimates of the economic costs of adaptation?	<input type="checkbox"/> <input checked="" type="checkbox"/>	Myanmar has not issued particular climate policy statement but there are some provisions and ministerial statements that contain climate policy.
3. Have <b>nationally appropriate mitigation actions (NAMAs) and or Low Carbon Development Plans</b> been identified (e.g. targets for renewable energy production)?	<input type="checkbox"/> <input checked="" type="checkbox"/>	A NAMA is under preparation, but uncertain when it will be finalized
4. Has a <b>national adaptation programme of action (NAPA)</b> been approved identifying key sectors where adaptation is required?	<input checked="" type="checkbox"/> <input type="checkbox"/>	NAPA launched in 2012 that specifies 32 priority activities (referred to as Priority Adaptation Projects) for effective climate change adaptation for 8 main sectors i) Agriculture; ii) Early Warning Systems; iii) Forest; iv) Public Health; v) Water Resources; vi) Coastal Zone; vii) Energy, and Industry; and viii) Biodiversity

5. Are there effective and operational <b>meteorological</b> and <b>disaster preparedness organizations</b> ?	<input checked="" type="checkbox"/> <input type="checkbox"/>	Department of Meteorology and Hydrology is a state-owned organization under Ministry of Transport and Communications with a full responsibility to collect, analyse and disseminate information relating to weather events and issue warning. Myanmar also receives technical support from other global and regional meteorological centres. The country has a national action plan on disaster risk reduction (2009-2015).
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Summarize the overall assessment of climate change impacts and responses:

Myanmar is highly vulnerable to climate change and was placed second place globally in terms of vulnerability from extreme weather events in the period 1991-2010.<sup>3</sup> Myanmar experiences the following climate hazards/extreme weather events: i) cyclones/ strong winds; ii) flood/storm surge; iii) intense rains; iii) extreme high temperatures; and v) drought. Drought is the most severe weather event in the country, followed by extreme day temperatures, cyclones/strong winds, intense rain and flood/storm surge.<sup>4</sup> Some of the observed impacts of climate change include diminishing marine stocks and fresh water resources, saline water intrusion, crop failure due to unstable weather, increasing incidence of disease, decreasing forest products.

When compared to other countries in the region, Myanmar is less prepared to respond to the challenges posed by climate change. The country does not have a climate change policy and law. However there are some provisions and ministerial policy that contains private policy such as National Environment policy, Forestry Policy, Energy Policy, etc. The country has made efforts in mitigation and adaptation through enactment of Environmental Conservation Law in 2012, preparation of NAPA in 2013, reforestation of watershed areas and extending Protected Area System and conserving biodiversity across the country.

**Screening of Country Green Growth Framework**

Assess the status of policies and strategies for green growth and the procedures for environmental impact assessment in the country and sector. If an issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and indicate further work to be undertaken (see also “next steps” section, below).

<i>Issue:</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<i>Comments and further work to be done:</i>
1. Do national procedures and legislation for <b>Strategic Environmental Assessment (SEA)</b> and <b>Environmental Impact Assessment (EIA)</b> exist?	<input checked="" type="checkbox"/> <input type="checkbox"/>	Myanmar requires the investors comply with Myanmar Environmental Conservation Law. There is requirements for Initial Environmental Examination (IEE), Environmental Impact Assessment (EIA), if necessary, and designing an Environmental Management

<sup>3</sup> UNHABITAT  
<sup>4</sup> NAPA 2013

		Plan (EMP)
2. Are there operational <b>Green Growth Strategies/actions plans</b> and/or <b>National Environmental Action plans</b> ?	<input type="checkbox"/> <input checked="" type="checkbox"/>	
3. Are there regularly updated <b>state of the environment reports</b> and <b>green growth monitoring systems with indicators</b> ?	<input type="checkbox"/> <input checked="" type="checkbox"/>	Last Myanmar National Environmental Performance Assessment Report in 2008. Myanmar Environmental Portal launch in 2014 which provide readily available environmental information and data for government planners.
4. Is there sufficient <b>institutional and human capacity for green growth</b> and <b>environmental management</b> in the sector concerned?	<input type="checkbox"/> <input checked="" type="checkbox"/>	
Summarize the overall impression of the Country Green Growth Framework:		
<p>The concept of green growth in Myanmar is still in its early stage and green growth is predominantly conceptualized as environmental conservation. Myanmar has not exclusively developed GG Strategies actions plans and National Environmental Action Plans. However the government is working to put in place the policies, laws and regulations needed to properly manage the country's natural resources and environment, that includes - Environmental Law enacted in March 2012, and the rules of June 2014. Environmental Impact Assessments Procedures are currently being drafted. National Biodiversity and Action Plan in 2011, Environmental Quality Guidelines have been prepared and the Environmental Quality Standard is being developed.</p> <p>Myanmar processes significant renewable energy resources. Access to productive energy however is very limited in many parts of the country. Local entrepreneurs are to some extent unaware about renewable energy technologies and associated business opportunities.</p>		
<b>Climate change and Green Growth opportunities and risks of programme</b>		
Assess how climate change and environmental opportunities and risks will arise through the programme:		
<i>Will the programme ...</i>	Oppor- tunity:	Risk: None:
1. ... support <b>green growth initiatives</b> including livelihood improvements and resource efficiency	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
2. ... support the creation of <b>decent</b> and <b>green job</b> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
3. ... contribute to <b>effective management and efficient use of natural resources</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
4. ... have direct or indirect impact on <b>climate change</b> (e.g. through increasing or reducing emissions of greenhouse gases)?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>
5. ... have direct or indirect impact on <b>occupational health and safety</b> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
6. ... lead to changes in land and resource <b>tenure and access</b> rights, including the <b>rights of indigenous peoples</b> ?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>
7. ... include activities within or adjacent to <b>protected or environmentally sensitive areas</b> ?	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>

8. ... have direct or indirect impact on the <b>resilience of communities in the face of natural disasters?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Summarize and explain climate change and green growth opportunities:</b>			
<p>Myanmar is heavily dependent on natural resources. Over extraction of resources, are causing severe environmental and ecosystem degradation. Public awareness of environmental issues is fairly low. Myanmar's susceptibility to climate change and the ever-increasing pressure on the natural resources and environment are major challenges. The Government has responded to these challenges by putting in place policies and legal framework needed to manage the country's natural resources and ensure environmental protection. The thematic programme for sustainable economic growth will strive to build on the government's efforts in developing new policy and legal framework and implementation of resource conservation. The program will support co-management and sustainable use of coastal fishery resources as well as fostering accountable private sector. The intervention will promote a rights-based access to natural resources, fair distribution of revenues and mutual benefits of improved value chains are some of the aspects to be address in co-management of fishery resources between local communities, the private sector and the Government.</p>			
<b>Summarize and explain climate change and green growth risks:</b>			
Weak governance, low level of awareness, institutional and technical capacity in implementation of green growth initiatives.			
Identify requirements for undertaking an Environmental Impact Assessment (EIA). Categories are: [ A ] Full EIA required; [ B ] Partial EIA required; [ C ] No EIA required <sup>5</sup> .			
<i>Intervention Name</i>	<i>Category A, B or C:</i>		
1: Joint Peace Fund development activities	B		
2: Basic Education	C		
3: Management coastal fisheries resources	B		
<p>Will national regulations and procedures for EIA be applicable to activities of the programme that have potential environmental impacts? – Yes <input checked="" type="checkbox"/> - No <input type="checkbox"/></p>			
<p>When will the EIA be undertaken?: as far as possible during formulation, eventually during implementation as part of planning of concrete interventions</p>			
<b>Next Steps – process action plan</b>			
Need for further work during the preparation, appraisal and implementation of the programme arising from the climate change and green growth screening:			
<i>Suggested activity:</i>	<i>Action needed</i>	<i>Comments and elaboration:</i>	
1. Assessment of green growth and climate change opportunities in sector development plan.	<input checked="" type="checkbox"/>	Will be done as part of programme implementation	
2. Assessment of capacity for green growth and climate change management in the sector/country.	<input type="checkbox"/>		
3. Prepare ToR for and conduct Country Analytical Work.	<input type="checkbox"/>		
4. Prepare ToR for and conduct SEA(s) of sector policies or plans.	<input checked="" type="checkbox"/>	May be considered as part of the co-management of coastal fisheries resources	

<sup>5</sup> Category A = Intervention is likely to have adverse environmental impacts that may be sensitive, irreversible, and significant in scale/scope; B = Intervention is likely to have negative impacts, but which are less significant, not as sensitive, numerous, major or diverse; C = The environmental risk of the intervention are of little or no concern.

5. Prepare ToR for and conduct EIA(s) for programme interventions.	<input type="checkbox"/>	
6. Initiate donor harmonisation in the sector on green growth and climate change.	<input checked="" type="checkbox"/>	There will be an effort to improve present donor coordination group for marine resources, at the moment headed by FAO
7. Other...?		
<b>Signature of Screening Note</b>		
<i>Place and date</i>		
.....		
(name)		
Danish Mission in		