

## MYANMAR'S TRANSITION:

### DONOR-DRIVEN AID AND DONOR CAPACITY DEFICIT

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### Transition in Myanmar

- 1988- huge protests calling for end to BSPP rule, crushed by military who took direct control of state.
- 1990- elections: NLD won, military maintained power, beginning of sanctions.
- 1990s/ 2000s: steadily broadening and deepening sanctions, domestically National Convention convened to write new constitution.
- 2003: 7-point Roadmap to (disciplined-) Democracy.
- 2008: Referendum
- 2010: general elections (NLD boycotted)
- 2012: by-elections (NLD victory)
- 2015: general elections (NLD victory)
- 2016: ASSK is de-facto leader... BUT,

### Military in Politics

- Commander-in-Chief appoints:
  - Minister of Border Affairs,
  - Minister of Defense,
  - Minister of Home Affairs,
  - One of the two vice-presidents
- So, controls key government ministries
- Parliament
  - Upper House: 56 military appointees (25%)
  - Lower House: 110 military appointees (25%)
- So, can block constitutional change

### Tatmadaw

- Basically totally autonomous
  - C-in-C is Min Aung Hlaing
    - Seems to be moderate/democrat
    - Can work with NLD and ASSK
    - May end up as President....?
- And,
  - 2015 purge of Shwe Mann
    - Showed the military still in total control



### National Defense and Security Council

- highest authority in the Government of Myanmar
- Members:
  - The President (NLD)
  - Vice-President (Tatmadaw)
  - Vice-President (NLD)
  - Speaker of the Pyithu Hluttaw (NLD)
  - Speaker of the Amyotha Hluttaw (NLD)
  - Commander-in-Chief of the Defense Services (Tatmadaw)
  - Deputy Commander-in-Chief of the Defense Services (Tatmadaw)
  - Minister for Defense (Tatmadaw)
  - Minister for Foreign Affairs (NLD)
  - Minister for Home Affairs (Tatmadaw)
  - Minister for Border Affairs (Tatmadaw)

## Development Aid

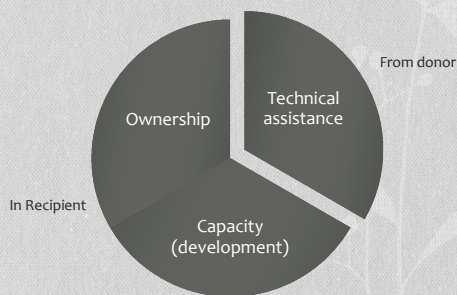
- Official Development Assistance



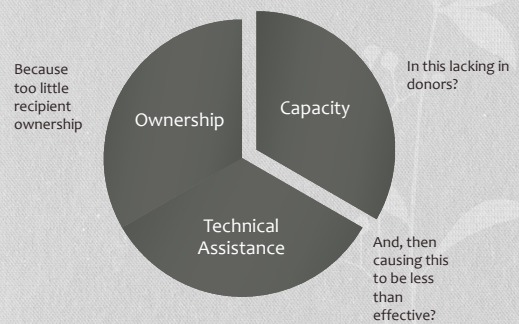
## ODA regime

- Relatively weak regime
- DAC of OECD
- WB/IMF, UN, etc.
- Donors/ Development Partners
- Recipients... ?
- 2011 Busan Partnership latest in string of international proclamations on development and ODA:
  - Ownership
  - Results focus
  - Partnership
  - Transparency and shared responsibility
  - Capacity
  - Alignment/ use of local systems

## Concepts

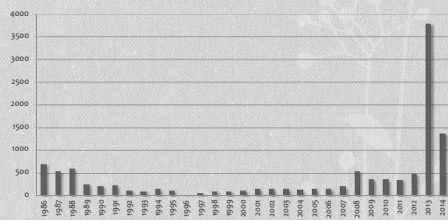


## Donor-Driven Aid



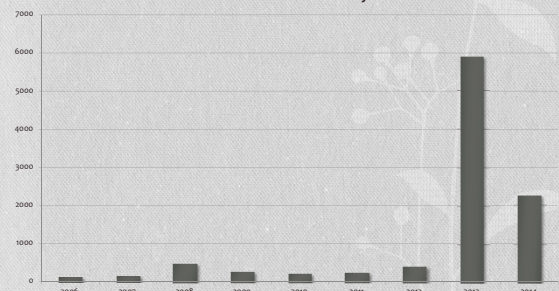
## Response of Donors- Net ODA

Total Net ODA to Myanmar (US\$ millions, constant prices)



## Response of Donors- ODA Commitments

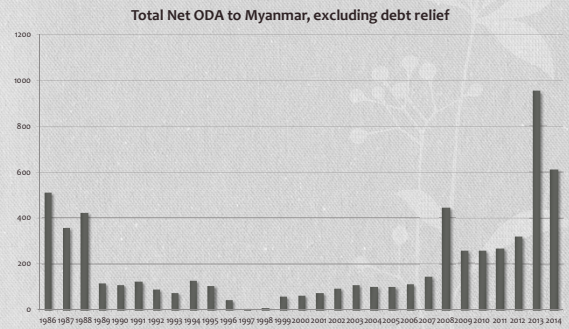
Total ODA Commitments to Myanmar



- According to the Moringa database:

- US\$6.9 billion in commitments (Jan 2012- Oct 2016)
- US\$1.81 billion in disbursements (Jan 2012- Oct 2016)

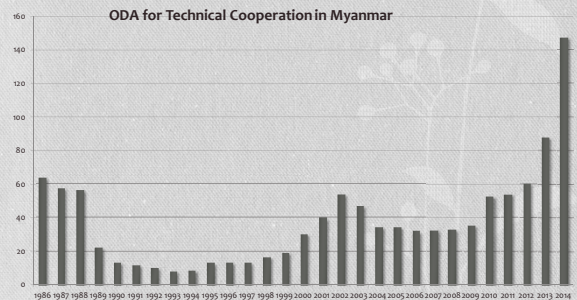
## Response of Donors- Excluding Debt Relief



## Debt Relief

- Myanmar received US\$3.555 billion in debt relief grants from OECD donors in 2013, and US\$851 million in 2014.

## Technical Cooperation



## Japan's Technical Assistance

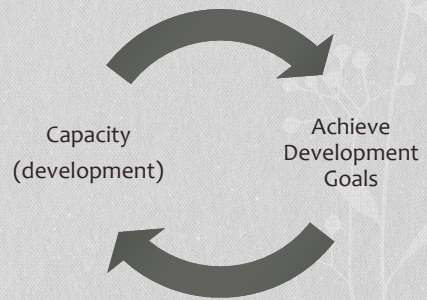
- In the 2000-2002 period over 70% of technical cooperation came from Japan.
- In the 30-year period from 1986 to 2014, 57% of total OECD donor Technical Cooperation to Myanmar came from Japan.

## Capacity

- Capacity means ability
- Amartya Sen: enabling individuals to increase capabilities to increase freedom.
- Increases ability of agent to reduce dependence.
- So, capacity and ownership are interdependent.

## Capacity Development

- Improving or enhancing abilities/ capabilities.
- Skills, techniques and knowledge.
- Education, both formal and non-formal.
- Capacity Development is both a goal of development as well as a necessary condition for development.

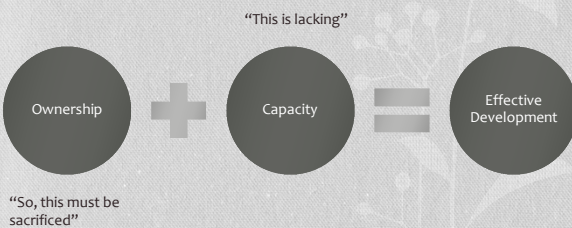


## Ownership

- Locals decide
- Participatory Development
- Inclusive Development
- Sovereignty issue



## Donors say,



## NPT Accord

- Nay Pyi Taw Accord is the basic framework for interactions between the GoM and the DPS/ Donors.
- It is a virtual carbon-copy of the Busan Partnership.
- Or, it is "the localisation of global development effectiveness principles in Myanmar" (2015 Myanmar Development Cooperation Forum Joint Statement, 2015)

## Capacity Deficit in Myanmar

- Resulting from years of:
  - Military Rule
  - Underdevelopment

## But, dramatic improvements in capacity of GoM

- Why do I say so?
  1. Dominant perspective of development community in Yangon. Based on interviews with donors officials, consultants, etc.
  2. Dramatic Increase in aid to Myanmar
  3. Dramatic increase in number of government development projects, from 100 in 2013 to 800 in 2015.
  4. Successful general elections of late-2015

So,

- Can now utilize government systems (ownership)
- But, poor coordination between government departments (this is not unusual)

## Budget Support

- In 2015 IGOs recommended that donors can now begin to provide ODA direct to GoM in the form of Direct Budget Support.
- Recognition that capacity in GoM has improved.
- Use of government systems is stated aim.
- UK and USA blocked this.
- Will likely start soon, anyway...

## Mohinga Database

- Joint effort by the FERD of MNPED (GoM) and DPWC (donors)
- Transparency and Effective aid (key commitments of Busan and other international declarations).
- Considerable differences between OECD/ donor data and Mohinga.
- Many donors reluctant to provide data.
- Only after pressure from civil society groups

## Code of Conduct for TA

- To improve effectiveness of TA/ harmonization and alignment.
- GoM requested/ ASSK herself.
- End of 2015 release.
- Not yet released, but is finished.
- According to consultants involved; “full of holes”, “watered down”, basically “unworkable”.
- Donors are reluctant to abide by their own commitments.

## Window Shopping

- Donors are doing this, in the word of one senior official in FERD of MNPED.
- Anecdotal, but relevant.
- Very low level of ownership.

## Relic of sanctions

	2009	2010	2011	2012	2013	2014
MYANMAR	1.8	0.6	0.3	2.4	0.14	0.69
CAMBODIA	4.6	3.5	5.6	4.4	3.9	3.3
AFGHANISTAN	8.7	10.4	7	12.4	12.3	13.8

Percentage of total ODA that flows “through the public sector for government and civil society”

## UK government

- “Our present policy is that none of our bilateral aid is provided through central government systems”
  - (DFID Burma Operational Plan 2014).
- It seems they have to say so, but why?

## Conclusions

- Enormous progress
- Serious challenges
- Serious deficit in capacity of donors.
- Highlighted by contradictions in ownership, harmonization, transparency, alignment.