



Australian Government

Department of Foreign Affairs and Trade



Aid Program Performance Report 2013-14

Burma

September 2014

Key Messages

This report summarises the Australian aid program's progress in Burma from July 2013 to June 2014. The program is implemented in accordance with the *Australia-Myanmar Aid Program Strategy 2012-2014* and reflects the priorities of the Australian and Myanmar Governments. The report finds that the program has made good progress, with success in:

- › supporting the development of a comprehensive and prioritised education sector plan to guide government, donor and private sector investment and provide advice on the revitalisation of Burma's tertiary education sector, including Rangoon University
- › working with local and international organisations to support ongoing negotiations between government, military and ethnic armed groups, to engage women in the peace process and help establish a lasting peace
- › supporting the government to deliver key health and education services and promoting economic growth by increasing incomes and providing access to financial services and agricultural technologies for poor rural women and men
- › establishing a new public financial management reform program to build government capacity for efficient, accountable and responsive public service delivery
- › establishing a program to support an enabling environment for trade by strengthening the investment climate and conducting the inaugural Australia-Burma High-Level Consultations on development cooperation in July 2013.

Context

Burma's reform agenda represents an unprecedented opportunity for Australia to help Burma realise its potential, accelerate economic growth, create stability, solidify democracy and improve the lives of millions of people. Burma's development challenges are significant. It has among the lowest development indicators in the region and is off-track to meet key Millennium Development Goals (particularly health and education indicators) by 2015.ⁱ An estimated one-quarter of Burma's population lives in poverty (below US\$1.25 per day).ⁱⁱ Around 10 per cent of Burma's population do not have access to enough food and over a third of children under five are stunted.ⁱⁱⁱ Education and Health standards are among the worst in the region and tracking progress is hampered by a lack of quality baseline data. Each year around 48,000 children die before the age of five from easily preventable diseases and only half of all children complete primary school.^{iv} Less than 18 per cent of women in Burma have attended secondary school^v and women's political participation remains the lowest in the region with women holding only 4.6 per cent of parliamentary seats.^{vi}

Decades-long ethnic conflicts in Burma have contributed to ongoing instability. The UN estimates 828,000 people in Burma are in need of some form of humanitarian assistance^{vii} with over 640,000 internally displaced people and around 400,000 refugees living in surrounding countries.^{viii} There has been positive progress towards a Nationwide Ceasefire Agreement but ongoing conflict in some parts of the country highlights the continued fragility of this process. Long-running ethnic conflicts have hampered economic growth in the past and a return to conflict has the potential to reverse recent economic gains. The economy has suffered from years of isolation, with per capita income (PPP) estimated to be \$856 (among the lowest in Asia). According to the World Bank, Burma was considered one of the hardest places in the world to conduct business in 2013.^{ix}

Despite significant challenges, Burma is showing signs of economic growth and political transformation as the country's reform process progresses. Burma is attempting to make multiple transformations: from authoritarian military rule to democratic and accountable governance; from a centrally-directed to a market-oriented economy; and from decades of internal conflict to peace. In 2013-14, Burma's political leadership demonstrated continued commitment to transformation including through increased public spending in education and health^x, large-scale legislative reform, and steps to open up space for democratic processes

and debates.^{xi} Economic growth is forecast at 8.25 per cent in 2013-14^{xii}, compared to 5.3 per cent in 2010.^{xiii} Human rights are receiving greater attention and preliminary agreements have been struck with many ethnic armed groups, a key step in the negotiations towards a nationwide ceasefire. With Australia's assistance, Burma delivered its first census in over 30 years in March 2014, was accepted as a candidate to the Extractive Industries Transparency Initiative in July 2014 and is re-establishing its position in the region by chairing ASEAN in 2014.

In 2013-14 a number of high-level visits between Australia and Burma occurred, including a visit to Australia by Burma's Opposition Leader, Aung Sung Suu Kyi. Australia's Governor General, the Minister for Foreign Affairs, and the Minister for Immigration and Border Protection visited Burma in 2013-14. These high-level engagements underpin the ongoing transition of Australia's aid program to Burma from one which, prior to 2010, was largely humanitarian, to a program which now works directly to support Burmese systems and priorities.

Australia's aid program aims to create an environment conducive to economic growth and increased trade by strengthening government capacity, promoting peace and stability and supporting the development of a healthy, educated population that can meet the needs of an open and growing economy. Australian aid aims to help improve trade prospects through aid for trade activities, promoting private sector growth and strengthening public financial management capacity. Australia is building strong linkages through the scholarships program and alumni network and by fostering partnerships between public sector agencies, universities and vocational institutions.

Expenditure

In 2013-14 Australia's aid program grew to an estimated \$85.5 million^{xiv} from \$75.5 million in 2012-13. Increased levels of aid at this juncture in Burma's history have helped Australia build influence and lay the foundation for a deeper, longer-term engagement. While official figures are difficult to confirm, in 2013-14 Australia was considered among the five most significant aid investors with Japan (US\$1 billion), the EU (€90 million^{xv}), UK (US\$100 million^{xvi}), and US. Australia's official development assistance to Burma in 2013-14 accounted for approximately 0.07 per cent of Burma's estimated 2013 gross domestic product.^{xvii}

Table 1 - Expenditure in FY 2013-14 (Source: AidWorks and External Budget Branch, DFAT)

Objective	A\$ million	% of bilateral program
EDUCATION	28.276	33
HEALTH	13.026	15
LIVELIHOODS	7.106	8
PEACE AND HUMANITARIAN	18.939	22
REFORM AND GOVERNANCE	6.938	8
DFAT GLOBAL AND REGIONAL PROGRAMS	8.933	10
OTHER	2.328	3
Total	85.549	

Note: DFAT Global and Regional Programs and Other include scholarships, fellowships, volunteers, Australian Civilian Corps, Australian NGO Cooperation Programs, Regional activities and program administration.

Progress towards objectives

Australia has achieved good results since the commencement of a longer term development program in February 2010, contributing towards rebuilding the capacity of people and institutions in Burma in areas vital to the country's development. The performance of the Australian aid program to Burma is measured against a set of objectives articulated in the

Burma program Performance Assessment Framework (PAF) drawn from the *Australia-Myanmar Aid Program Strategy 2012-2014*. These objectives form the basis for how progress of Australia's current aid investments in Burma will be demonstrated in this report.

Table 2 - Rating of the program's progress towards Australia's aid objectives

Objective	Previous Rating	Current Rating
1. IMPROVING THE DELIVERY OF BASIC EDUCATION TO THE POOR	Green	Green
2. IMPROVING THE DELIVERY OF HEALTH SERVICES TO THE POOR	Green	Green
3. IMPROVING THE LIVELIHOODS OF THE RURAL POOR	Green	Amber
4. ADDRESSING THE NEEDS OF CONFLICT AND DISASTER AFFECTED PEOPLE	Green	Green
5. SUPPORTING REFORM AND IMPROVED GOVERNANCE	Amber	Green

Note: Green ratings indicate that progress is as expected at this point in time and Amber ratings indicate that progress is somewhat less than expected at this point in time

Education

OBJECTIVE 1. IMPROVING THE DELIVERY OF BASIC EDUCATION TO THE POOR	Green
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The education objective in 2013-14 was rated green due to improvements in education access and the quality of teaching in basic education and strong progress on education reform, in line with identified PAF milestones. Australia is the lead donor in education in Burma supporting increased enrolment, retention and quality, in line with the Government's priorities. In 2013-14 Australia invested over \$30 million^{xviii} through the UNICEF led Quality Basic Education Programme (QBEP); the Myanmar Education Consortium (MEC); the School Grants and Stipends Program in partnership with the World Bank; technical assistance and research; and long and short-term scholarships (40 recipients) and awards (66 recipients).

President Thein Sein continues to champion education reform and push for rapid action to improve education services. The scale of need remains significant, and whilst progress towards education MDGs show 95 per cent of children completing primary school, this masks significant drops in secondary enrolment rates and poor competency levels.^{xix} The provision of education remains highly politicised, with the quality and reach of services varying across the country. Proposed changes to the curriculum, budgeting, language of instruction and the responsibilities of different levels of government remain challenging and contested.

Objective 1.a: Improved quality of teaching and learning practices in basic education in government and complementary schools

Australia's investment has contributed to increased enrolment, including 15,327 children benefiting from early childhood development interventions (90% of program target)^{xx} and 34,726 children received nutritional support (93% of target)^{xxi}, promoting enrolment in areas where food is scarce. Partner reporting indicates an additional 24,330 school enrolments (83% of target)^{xxii} and UNICEF has made progress in influencing broader early childhood care and development policy with the government now distributing early learning education materials. Due to increased capacity, the Ministry of Education took over the provision of basic education supplies to schools in 2013, distributing school books and financial support to students.

Australia's investments are impacting learning environments with 299,962 children receiving school supplies (100% of target)^{xxiii}; 10,476 out of school children enrolled in non-formal education (83% of target)^{xxiv} and 6,728 teachers gaining recognition as competent to apply improved teaching methods (134% of target)^{xxv}. An assessment of primary enrolment rates and survival rates to grade 5 in targeted townships was hampered by limitations in national data. Australia supported an Early Grade Reading Assessment and sectoral assessments to form a stronger evidence base to measure future progress.

An independent mid-term review of QBEP in June 2014 highlighted positive progress in child friendly teaching approaches. The mid-term review recommended that QBEP focus on providing technical analysis and advice to strengthen government service provision, recognising the potential to duplicate government engagement in the sector.

In partnership with UNESCO, the Strengthening Teacher Education in Myanmar project commenced in 2014. This focusses on pre-service teacher training and linking teacher education to new practices in schools and enabling teaching in multiple contexts with diverse groups of children.

Australia is also balancing investments in the formal government education system with investments in local non-government and civil society groups delivering education services in newly accessible areas. During 2013, a freer environment for civil society enabled Australia, through MEC, to work with local education providers already delivering much needed services in the non-government education system, helping to build the competency of non-government education providers. The MEC team has focused on developing activities that adopt 'do no harm' principles, particularly for work in newly accessible areas. Over 150 expressions of interest were received for funding and 13 selected partners commenced projects in June 2014 across 13 states and regions, supporting children in rural and remote areas. Activities cover early childhood development, primary schooling, and education programs for disabled children and out of school children. MEC's results overall have however been slightly lower than expected, due to start-up delays.

Disability inclusive education is a priority for MEC, which developed disability guidelines to inform the selection of organisations supporting disability inclusive education. Two new MEC partners focus on this area. MEC also developed a gender strategy in 2013 and is working with partners to build their capacity to implement gender responsive projects. While Australia has designed education investments to respond to the educational needs of girls and boys, there have been challenges to ensuring progress, including a lack of sex disaggregated data, mainly from QBEP investments. Future reporting aims to address this.

Australia is providing gender sensitive teacher training, providing adolescent health modules and completing early childhood research and preparing gender guidelines for the MEC program and associated training. Australia's education program needs to better measure progress towards gender equality and ensure that programs are improving education for girls and increasing the safety of the school environment.

Objective 1.b: Implementation of the Myanmar Government's Framework for Economic and Social Reform

Australian support for education reform has continued to align with the Myanmar Government's key policy priorities outlined in the Framework for Economic and Social Reform (FESR). Australia has rapidly established a position of influence in the sector and used this to encourage increased government spending and improved education quality, planning and budgeting to support sustainable changes across the system.

Australia and other donors' investments to the Comprehensive Education Sector Review (CESR) process have informed the development of a new Education law and developed an evidence base for new policies, legislation and budgets. The CESR has informed the Government's 2014-15 budget which has led to the recruitment of 50,000 new teachers and a tripling of the education budget. The CESR is providing the evidence base for the first costed education sector plan and corresponding annual budget for 2015-16.

Australia increasingly supported government systems, partnering with the Ministry of Education and the World Bank to expand the Myanmar Government's school grants and stipends program. Australia helped improve the government's management approach and assessment, increasing the possible benefits for schools, and helped introduce a conflict sensitive approach for the expanded program. The investment will help strengthen the education system by decentralising

education financing and empowering school managers and officials at 43,000 government schools.

Australia also helped to strengthen education management to enable planned reforms to be realised. Over the past year, UNICEF enrolled 758 master trainers, head teachers and township officers (68% of target) in school management and leadership training.^{xxvi} This is lower than the target of 1,117, along with a lower number of townships developing standardised Township Education Plans.^{xxvii} The lack of progress is due to UNICEF's focus on supplementing service delivery rather than addressing capacity constraints in the sector. This was highlighted in the mid-term review. The next phase of QBEP will focus more on building government capacity.

Australia provided funding, through the World Bank, to support the Ministry of Education's first early grade reading assessment in January 2014, establishing a baseline for reading performance in Burma's primary schools.^{xxviii} Data will assist with the preparation of the Myanmar Government's investments in reading ability, education curricula and sector planning and will inform assessments of Australia's investments.

Whilst remaining focused on basic education, Australia was able to respond to requests for additional support in tertiary education. Australia fostered links between Australian and Burmese tertiary education systems including a partnership between the Australian National University and Rangoon University, and the provision of technical advice to the Parliamentary Committee working to revitalise Rangoon University as a centre of recognised academic learning and research. This built on analysis of the tertiary sector funded by Australia as part of the CESR and an Australian funded study tour of senior Burmese education reformers. The New Colombo Plan will provide an opportunity for students to study in Burma in 2015.

Health

OBJECTIVE 2. IMPROVING THE DELIVERY OF HEALTH SERVICES TO THE POOR

Green

Progress towards the health objective is rated green as Australia's support has led to improved service delivery at a national level through targeting the poorest states and regions. Australia's aid to the health sector in Burma is promoting economic growth and stability by supporting service delivery with the government to improve the health of Burma's current and future workforce and helping to reduce the threat of communicable diseases.^{xxix}

Australia's investment to the health sector has been consolidated through the Three Millennium Development Goal (3MDG) Fund which plays a critical role in expanding access to health services for Burma's poor.^{xxx} As the second largest contributor to 3MDG^{xxxi}, Australia provided \$13 million in 2013-14 working in partnership with the United Kingdom, the European Union, Denmark, Sweden, Switzerland and the United States.

President Thein Sein has identified health system reform as a critical priority with political pressure to speed up reform prior to the national elections in 2015. Consequently the Ministry of Health (MOH) developed a new strategic health plan aimed at achieving universal health coverage to enhance health, social cohesion and sustainable human and economic development. Australia's investment in 3MDG is well positioned to align with these reforms.

3MDG is catalysing reforms to build a more robust national health system including through support to strengthen accessibility of medicines, reliable information management systems, health workforce reforms and engagement of private sector in service delivery. 3MDG is also seeking to enhance health services accountability and responsiveness to beneficiaries through capacity development of target communities, civil society organisations and the public sector. In 2013, 3MDG developed a strategy and action plan with inclusion of gender and disability approaches to support policy development and capacity building for implementing partners.^{xxxii}

Australia's future engagement in the health sector will need to consider increased donor engagement in the sector. Japan has pledged \$50 million to sector reforms and the World Bank

has pledged \$200 million to help accelerate progress toward Universal Health Coverage. Whilst increased funding is needed, the diversity of players makes coordination more challenging. Australia's role as a lead donor to 3MDG and as a representative on the Health Sector Working Group provides considerable visibility with the Myanmar Government to maintain focus and momentum on health reforms and inclusive engagement with stakeholders across the sector. Australia's position as a leading donor also enabled advocacy for fair and equitable access to health services in Burma, including in conflict affected areas.

Objective 2.a: Increased access to and availability of essential maternal and child health services for the poorest and most vulnerable in targeted areas

Progress has been positive in the first year of 3MDG implementation and key Australian milestones related to maternal and child health services for the poorest and most vulnerable are either being exceeded or are close to being on track. Addressing Millennium Development Goals 4 and 5^{xxxiii}, there were strong achievements to combat preventable maternal and child mortality with Australian support resulting in 5,800 additional births (76% of target) attended by a skilled birth attendant^{xxxiv}, 1,900 pregnant women (169% of target) supported for emergency obstetric care referral^{xxxv}, 9,300 children (95% of target) immunised with DTP3 or Pentax 3 vaccines^{xxxvi} and 11,000 children (117% of target) against measles.^{xxxvii}

3MDG results reflect health service delivery to an estimated population of 1.9 million. In 2014, the Fund will expand service delivery to an estimated population of 4.5 million, and aims to achieve population coverage of 8 million by 2016 in seven poor states and regions. Challenges in expanding service delivery to conflict affected states required diligence to ensure approaches which do no harm. A framework has been developed for conflict sensitive engagement in areas emerging from conflict including Kayah, Shan, Kachin and potentially Rakhine States.

Objective 2.b: Increased access to and availability of HIV, TB and malaria interventions

Progress was made in addressing communicable diseases with increases in access to harm reduction services and drug-resistant malaria containment activities as well as innovative initiatives launched to deliver joint tuberculosis and HIV services in prisons. Achievements include 6,300 intravenous substance abusers (82% of target) receiving harm reduction services^{xxxviii}, with service coverage estimated at 25 per cent of the total intravenous substance abuse population. Drug resistant malaria activities were scaled up with activities in 52 drug-resistant malaria containment townships (up from 26)^{xxxix}, and more than 11,000 confirmed malaria cases treated within 24 hours of onset of symptoms (58% of target). Anticipated targets for malaria treatment were not met due to an overall decline in malaria incidence.

Due to the strength of the national programs, most communicable disease services were delivered by MOH with assistance from the United Nations, with non-government organisations taking a much smaller role than in the delivery of maternal and child health services. Interventions were delivered to poor and vulnerable communities across a wide geographical area. Communicable disease interventions face funding shortfalls due to high needs. Global Fund financing has not been at expected levels and there are crucial gaps in addressing multi drug resistant tuberculosis and other emerging health threats. In response, 3MDG increased funding for communicable diseases from \$45 million to over \$70 million, ensuring continuation of essential services and disease containment.

Livelihoods

OBJECTIVE 3. IMPROVING THE LIVELIHOODS OF THE RURAL POOR

Amber

The livelihoods objective is rated amber due to delays in implementation of key programs. In 2013-14 Australia invested over \$7 million in agricultural and rural development with a focus on improving food security, welfare and net incomes of rural households (objective 3.a) and improving access to markets and financial inclusion of the rural poor (objective 3.b). Most PAF

milestones against the objectives were achieved, though these reflected low expectations of progress in 2013-14 due to anticipated challenges in the operating environment.

The Myanmar Government is committed to reducing poverty in Burma from 25 to 15 percent by 2015. Growth in the agriculture sector, which accounts for an estimated 70 per cent of the work force and around 36 per cent of GDP^{xi}, is important to achieving this goal. This potential, however, needs to be assessed in line with broader trends in the economy which note new sectors are emerging that are having an increasingly important role in economic growth (e.g. telecommunications, extractive industries, manufacturing and services). Limited productivity growth and constraints to trade have the potential to limit progress in the sector and weigh down Burma's overall economic growth.

Australia's current support is focused on addressing poverty and targeting development assistance to Burma's poor and vulnerable people living in rural areas. Australia has helped improve food security, welfare and net incomes of rural households through support to the Livelihoods and Food Security Trust Fund (LIFT) since 2009. By the end of 2013, Australia's support to LIFT enabled 7,639 poor households (93% of target) in rural areas to increase their net incomes from agricultural and off-farm activities^{xli}, and 25,750 poor beneficiaries (208% of target) to increase food security by at least one month.^{xlii} Australia has also enabled 15,575 poor households (151% of target) to access financial services and credit for livelihoods activities.^{xliii} Women represented 69 per cent of financial borrowers for agricultural activities, and 86 per cent of borrowers for non-agricultural activities.^{xliiv} LIFT is helping to develop laws, policies, systems and practices to help guarantee women's economic rights and equal opportunities in livelihoods activities, including advocating for women's equal rights to land in national land use legislation.^{xliv}

Other significant developments in 2013-14 include efforts by LIFT to engage commercial businesses in agricultural activities and to expand activities into newly accessible areas due to progress through the peace process. LIFT also commissioned the United Nations Capital Development Fund (UNCDF) to conduct nationwide research on barriers to small and medium enterprise development. UNCDF worked closely with the Government in undertaking the research and is now preparing a road map on addressing constraints to financial inclusion and promoting private sector growth. The ACIAR Multidisciplinary Research Program to Improve Food Security in Burma, funded by DFAT, supports agricultural and rural development research and policy. By building capacity in Burma's government and research institutions to undertake research into better food production techniques and improve policies in the sector, the ACIAR program will help improve Burma's trade prospects and the livelihoods of rural households involved in production. After a delay of almost two years, ACIAR signed a memorandum of understanding with the Ministry for Agriculture and Irrigation in November 2013 that permitted the program to become fully operational, achieving the 2013-14 PAF milestone. Since signing the MOU, ACIAR established a research management team and commenced research and training activities, including training for 1,152 people on improved farming techniques, and convening a national symposium on fisheries and aquaculture research. As the program becomes fully operational, DFAT expects program improvements including increased results.

CARE's program, Strengthening Partnerships and Resilience of Communities in northern Rakhine State (SPARC), continued to experience setbacks due to the ongoing impact of communal violence. SPARC activities were put on hold in 2012 following outbreaks of violence with resources redirected to provide immediate humanitarian support to affected communities. Outbreaks of violence in Rakhine State in 2013 and 2014 continued to present barriers to implementation. SPARC is slowly resuming activities, achieving the 2013-14 PAF milestone. If conflict continues, CARE may consider shifting the focus of SPARC to humanitarian assistance to respond to needs on the ground.

With new opportunities emerging in Burma through the changing economic landscape, it is timely to question how Australia's aid can most effectively help to reduce poverty and promote

economic growth in rural areas. This question will be examined in the course of preparing the Burma Program's Aid Investment Plan, due to be developed by July 2015.

Peace and Humanitarian

OBJECTIVE 4. ADDRESSING THE NEEDS OF CONFLICT AND DISASTER AFFECTED PEOPLE

Green

While it is difficult to clearly attribute progress in Burma's peace process to Australian support, the objective was rated green because Australia's funding has helped increase participation and confidence in the peace process with most 2013-14 PAF milestones achieved.^{xlvi} 2013-14 has seen continued efforts on behalf of all parties (the Myanmar Government and ethnic armed groups) to reach a Nationwide Ceasefire Agreement. Since the previous reporting period, ceasefire discussions have evolved from bilateral discussions with individual armed groups to a period of sustained, increasingly formalised negotiations between the Myanmar Government and ethnic armed groups collectively.

In a positive development, 2013-14 has also seen growing involvement from the Tatmadaw (Burmese military) in the negotiation process. In July 2014, parties agreed a third draft of the Nationwide Ceasefire Agreement text and continue to work towards finalising the agreement before the 2015 national elections in Burma. While recent progress has been positive, the peace process remains fragile with a lack of accurate and credible information about conditions in conflict-affected areas. Australia is working with the World Bank and other donors to help resolve this and strengthen the evidence base for our programs.

Despite progress in the peace process, a number of humanitarian challenges remain, including large-scale displacement as a result of conflict and sectarian violence. Periodic clashes continue to occur between the Tatmadaw and various armed groups in Kachin and northern Shan States with more than 100,000 people still displaced since the outbreak of conflict in 2011. Access to displaced people in non-government controlled areas remains difficult.

In Rakhine State, more than 140,000 people remain displaced following communal violence in 2012 and a number of smaller outbreaks of violence in 2013-14 that have further exacerbated humanitarian need, including targeting of UN offices and international NGOs, resulting in the destruction of property and relocation of aid workers. This violence had a significant impact on the ability of humanitarian agencies to deliver vital services and it has taken months for aid efforts to return to normal scale.^{xlvii} Australia has consistently raised concerns regarding ongoing violence directly with the Myanmar Government and encouraged efforts to resolve the underlying causes of the situation.

Australia increased its humanitarian assistance to refugees along the Thai-Burma border. Recent changes in Burma have increased the possibility for voluntary repatriation to Burma, but all parties agree that the time for return is not yet right.^{xlviii} Australia provides funding for essential food, shelter, health and education services. Australia supports programs to assist refugees prepare for potential voluntary return to Burma when people are ready and conditions are conducive. This includes providing vocational training for skills in demand in Burma and funding information centres in refugee camps to provide up-to-date and accurate information about the peace process and conditions in Burma to inform people's decisions about their future.

Objective 4.a and 4.b: Widespread confidence that peace negotiations and political dialogue will lead to a lasting end to conflict; and formal peace process continues despite major changes in domestic political environment, and pressures from groups opposed to process

Good progress was made in 2013-14 against Australian peacebuilding and humanitarian assistance objectives with most major milestones reached. While Australia does not directly participate in the peace negotiations, our aid aims to strengthen the locally-led process.

Australian support helped increase the ability of the Myanmar Government and ethnic groups to engage effectively in the process by providing staffing support and training. Australian advisors to the Myanmar Peace Center and support to ethnic groups was targeted to assist parties participate and articulate their negotiating positions.

Australia has continued support for Norwegian People's Aid to expand aid into conflict-affected areas and build confidence in the peace process. The second phase (March 2014 – March 2015) is designed to expand the target population and move beyond short-term humanitarian assistance, by focusing on early recovery through livelihoods and small scale development. Activity reports indicate evidence of increased engagement and improved relations between target communities, government and military authorities at the local level through informal mechanisms for dialogue - an indicator of improved local confidence in the peace process.

Australia is working with the Centre for Peace and Conflict Studies (CPCS) on a program of analytical work that will focus on monitoring perceptions, concerns, and political-conflict dynamics at the local level in ceasefire areas through periodic, qualitative data collection. The intention is to develop a rich, regularly updated snapshot of current trends in conflict-affected areas, to gauge key transformative changes such as confidence in the peace process, trust in officials and perceptions of personal security. This information will help inform Australia's aid to conflict-affected areas and ensure support is conflict sensitive.

Australian aid, through the Norwegian Refugee Council, has provided National Registration Cards to 13,665 people in southern Shan State, of whom 7,405 are female.^{xlix} Of these, 8,135 people received their National Registration Card for the first time – exceeding Australia's milestone of 5,000 (163% of target). These cards will allow people to access education and health services, start businesses and vote in upcoming elections. Australian support to the Shalom Foundation aims to strengthen the role of women in the peace process by providing negotiation skills training and building a network of peers to provide support and mentoring.

Objective 4.c: Targeted development /humanitarian needs addressed in ceasefire areas, without exacerbating conflict

Australian humanitarian funding continues to provide appropriate and effective assistance to people affected by conflict in Burma. Australia's assistance supports partners who address the needs of the most affected people by coordinating efforts with other humanitarian actors. In 2013-14, Australia provided \$10 millionⁱ in humanitarian assistance in Burma, including: \$5 million to the World Food Programme to help provide emergency food assistance to 1.3 million people across the countryⁱⁱ; \$2 million to the UN Office for the Coordination of Humanitarian Affairs Emergency Response Fund to support a coordinated approach to humanitarian preparedness and response; \$1.7 million to Save the Children to provide education and child protection programs for 21,000 displaced people in Rakhine Stateⁱⁱⁱ; and \$1.3 million to Oxfam to provide clean water, sanitation and emergency food for 16,249 displaced people in Kachin State.ⁱⁱⁱⁱ Funding for these activities was provided late in June 2014 and implementation will be rolled out in 2014-15.

Australia increased funding for the 120,000 long-term^{lv} refugees from Burma living in camps in Thailand to \$4 million for food, shelter, health and education services and vocational training. This funding included the provision of food assistance and shelter to 8,400 refugees^{lv} (50.5% female) (100% of target) and the design of a community-managed ration targeting system to ensure the most vulnerable households receive support.^{lvi} Stunting in the camps remains high and further work is required to analyse the causes in 2014-15 so food and nutrition responses can be better targeted. Australia provided access to quality basic health services for 13,440 refugees^{lvii} (100% of target) delivered by the International Rescue Committee and Première Urgence - Aide Médicale Internationale. An independent evaluation found IRC's health services to be a model of good practice in refugee (overcrowded) contexts.^{lviii} Australia's support provided basic education to 8,100 children^{lix} (100% of target) in seven camps and supported efforts to ensure that the qualifications of teachers and learning of children is recognised by the Myanmar

Government.^{lx} Over 3,700 refugees (62% female) (205% of target) were trained in vocational skills^{lxi} and the Myanmar Government has agreed in principle to recognise the vocational training qualification of refugees. Australia's support also improved refugee committee election guidelines, and increased women's refugee committee representation participation in camp management.^{lxii}

Burma has been identified as a priority country for Australian Civilian Corps (ACC) support. In 2013-14 four ACC deployments supported humanitarian objectives in Burma. Through UNHCR, UNICEF and UNFPA, these deployments included support for internally displaced persons camp coordination, child protection, addressing sexual and gender-based violence, water, sanitation and hygiene monitoring, and women, peace and security issues.

Governance

OBJECTIVE 5. SUPPORTING REFORM AND IMPROVED GOVERNANCE

Green

Australia's progress against its reform and governance objective is rated green in light of the Myanmar Government's progress in advancing major reforms with Australia's support. Progress against relevant PAF milestones^{lxiii} has been achieved: census data has been collected; a conflict-sensitive strategy for data dissemination is almost complete; a clearer consensus has been established across government and with donors on major public financial management reforms; and the Myanmar Government has advanced the development and delivery of its agenda for the ASEAN economic pillar.

Given Burma's fluid operating context, Australia adopted a flexible and responsive approach to support Burma's immediate reform priorities while undertaking analysis and establishing critical partnerships to lay the foundation for a longer-term program. While this approach was relevant at the time of design, it has resulted in program fragmentation^{lxiv} with subsequent resource implications and challenges in ensuring quality monitoring and evaluation (M&E). Gender equality, in particular, is not sufficiently reflected in program objectives or M&E systems. A political-economy assessment and review of the program's objectives, approach and focus will be undertaken in September 2014, to identify reform areas in line with Australia's new aid policy.

Objective 5.a and 5.b: Reform momentum in Burma has been sustained or accelerated; and reforms that support economic development, democratisation and government accountability have been delivered

There is an urgent need for basic data in Burma to improve government decision making to build a strong economy, and deliver services in line with needs.^{lxv} Australia was one of the first donors to support (\$3 million^{lxvi}) the United Nations Population Fund (UNFPA) to help Burma conduct its first census in 30 years. Australia's early support for the census was a catalyst for other donors to provide assistance, without which, UNFPA may have withdrawn support, leaving a newly formed civilian government to conduct the census. Australia also mobilised at short notice the Australian Bureau of Statistics (ABS, \$130,000) to design and deliver training to enumerators to help improve data quality. The government released preliminary census data in September 2014.

Evidence suggests Australian support helped improve the technical conduct and conflict-sensitivity of the census. Both the ABS and UNFPA reported the Myanmar Government took on board technical advice. Australia also led donor advocacy for increased conflict-sensitivity and lent international support to the government's efforts to work with ethnic armed groups to negotiate data collection in areas outside government control. As a result, the government successfully delivered the census in every district of seven of nine conflict-affected states, and without incident in most parts of the country.^{lxvii} Over 70 per cent of enumerators were women, who are being paid, where possible, through the formal banking sector, introducing them to financial services for the first time. There were, however, serious issues in delivering the census

in Rakhine State where the Rohingya were not able to self-identify, in violation of international standards. Lessons learned have been important in informing a conflict-sensitive approach to census data dissemination.^{lxviii}

A number of other important reforms that support economic development, democratisation and government accountability have been progressed. A key focus for Australia in 2013-14 was addressing critical information gaps to inform important public revenue management reforms. Unless Burma can plan, mobilise, deploy and report on how it uses its financial and human resources, front line service delivery will not improve. Australia funded the World Bank (\$1.7 million) to help the Government undertake its first Public Expenditure Review to map how government expenditure is prioritised and spent, and developed a Financial Sector Development Masterplan to promote responsible investment and financial inclusion.

With support from Australia, the World Bank's analytical work^{lxix} directly informed the design of the government's five-year \$55 million public financial management (PFM) reform program^{lxx} to help the government efficiently collect revenues and allocate resources for service delivery. This work was essential in building government capacity and ownership of the reform agenda. It also established mechanisms that successfully facilitate inter-government coordination and reform consistency^{lxxi} and provided a platform for donor coordination.^{lxxii} These results have helped Australia achieve its two milestones in this area which focused on establishing a clearer consensus between government and donors on priority areas for PFM reforms. By contrast, our support to the World Bank's Financial Sector Development Masterplan has struggled in implementation due to its reliance on the nascent Central Bank and weak donor coordination.

Australia also worked closely with the International Finance Corporation in 2013-14 in establishing a program to improve the enabling environment for trade and investment. The emphasis of the program is to develop and implement policy frameworks to promote the private sector and to improve dialogue and trust between business and government. Australia provided \$600,000 towards the program in June 2014 and will report on results in 2015.

The second key focus for Australia in 2013-14 was supporting institutions for a transparent, accountable and responsive state. Australia provided \$2 million^{lxxiii} to the United Nations Development Programme's (UNDP) democratic governance program (2013-2015) which aims to strengthen accountable, responsive public institutions, promote adherence to rule of law and human rights, and support inclusive political processes that place emphasis on women. The rule of law and access to justice activities have been the most successful in providing relevant sectoral analysis that formed the basis for improved relations and program engagement with justice sector actors (e.g. the Union Attorney General's Office and the Supreme Court).

The UNDP program has made limited progress in its 18 months. The breadth of the objectives appears to have limited UNDP's ability to identify and support relevant reforms. For example, UNDP is working with the Union Civil Service Board as the key counterpart for Public Administration Reform (PAR), yet the President's Office has since created a separate Delivery Unit which has become the focus of PAR efforts. At our suggestion, the UNDP will undertake a program evaluation early 2015, which will help inform future funding decisions.

Australia's support to the Revenue Watch Institute (RWI) (\$500,000, 2013-15) helped improve transparency and accountability for natural resource management. RWI helped local civil society to engage in extractives governance, including in the implementation of the Extractive Industries Transparency Initiative (EITI) process. Burma was recently accepted into the EITI process, helping ensure Burma's people have the right to see how resources are managed.

Mutual Obligations

Australia and the Myanmar Government have a Memorandum of Understanding on development cooperation and conducted the first round of High-Level Consultations on targeting of Australian development assistance on 29 July 2013. The Myanmar Government's broad ranging reform priorities for 2012-15 and guiding principles for longer-term development

are articulated in the Framework for Economic and Social Reform (FESR). Framework priorities include creating conditions for economic growth through improved education and health services; improving the investment climate; and maintaining the momentum for peace. While Australia's aid program is responsive to these broad priorities and Burma's rapidly changing context, during the consultations senior Australian officials highlighted the need for a more targeted approach to ensure Australia's support delivers real impact. Targeting of Australian assistance will be considered under the Aid Investment Plan to be developed by July 2015.

Program Quality and Management

In February 2014 a new Performance Assessment Framework (PAF) was developed to frame the progress of Australia's aid objectives. While broadly useful in terms of guiding performance reporting, in practice the PAF has some problems. Outcome reporting between objectives is inconsistent and in some cases PAF objectives are too high-level. A number of milestones were beyond Australia's control and the rapidly changing context rendered other indicators irrelevant.^{lxxiv} The milestones for 2014-15 will be adjusted to ensure they are appropriate and provide an effective measure of Australia's contributions.

Availability of reliable data (including gender-disaggregated data) in Burma remains a consistent challenge across all program areas. For example, limited data in the education sector prevented a clear assessment of key targets including the net primary enrolment rate.^{lxxv} National data to assess progress has not been received due to delays in the compilation of Ministry of Education data, and it is too early in the MEC program to measure impact from activities.

The Australia-Myanmar Aid Program Strategy 2012-2014 will be extended into 2015. This strategy will be replaced by an Aid Investment Plan (AIP) which will include performance benchmarks from 2015-16 onwards. Annex D outlines revised objectives and benchmarks which will be reported in next year's APPR as an interim measure.

On 3 April 2014, the DFAT Aid Investment Committee met to discuss the Burma aid forward pipeline. While rapid scale up in Australian assistance to Burma was recognised as appropriate, reducing program fragmentation and further consolidation remain essential. In a country of significant need, careful targeting of aid will continue to be important to avoid dilution of impact and profile. New development players across all sectors enable Australia to reconsider the sectoral spread of our program over the forward pipeline and opportunities to further align with new Australian Government priorities.^{lxxvi} Focusing on strengthening systems of governance, building national and institutional capacity and supporting political reforms, will help enable the government of the day.

In line with the Australian Government's new development policy and performance framework, the Burma Program made modest but steady progress toward reducing the number of individual investments. The average investment size for Burma increased from 9.6 per cent of total expenditure in June 2012 to 15.2 per cent in June 2014 and over 90 per cent of programmed funds are currently invested in high-value investments worth over \$10 million.

Australia is committed to supporting women and promoting gender equality in Australia's aid to Burma. Women in Burma have the same basic rights as men, with women represented in the professional sphere and parity in primary school enrolment rates. However, these statistics mask an entrenched gender disparity. Women are often relegated to lower paying and less influential professional roles and struggle to effectively participate in and influence the reform agenda. Burma's laws remain largely inconsistent with the promotion and protection of women's rights to substantive equality, despite acceding to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1997 and recently developing a National Strategic Plan for the Advancement of Women (2013-22).

While Australia's activities responded to violence against women and girls^{lxxvii} and supported improved education outcomes, progress to improve gender integration and the quality of gender data across Australia's programs in Burma has been mixed and too slow. More needs to be

done to promote girls and women as equal beneficiaries of the reform underway, and to leverage this 51.8 per cent of the population to drive development and economic growth. The capacity of Burmese civil society organisations and government institutions to engage on gender issues is limited, as it has not been viewed as a priority to date by the Myanmar Government or local organisations. This has made it hard to find entry points to improve development outcomes for girls and women across all sectors. Australia is supporting improved education outcomes, engagement in the peace process, economic empowerment, and improved health outcomes for women and girls. The interventions are however small scale, with only 34 per cent of investments in 2013-14 identify gender equality as a significant objective.

In 2014-15, Australia will prioritise promoting women's economic empowerment and continue to push implementing partners to improve gender reporting. Australia will revisit gender analysis to better understand the Burmese context, build partner capacity for gender reporting and develop a more consistent approach across all sectors in addressing gender.

Analysis of Quality at Implementation (QAI) Reports

In 2013-14 QAI reports were completed for 8 activities. Broadly, QAI ratings in 2013-14 improved or remained static against 2012-13 ratings. However, only two programs had significant reduced or low ratings which will be discussed here.

The Multidisciplinary Research Program implemented by ACIAR was the only program which received low ratings, consistent with ratings in the previous year, marking the program an Investment Requiring Improvement. The program continues to be relevant to Burma's needs in the sector, but effectiveness and efficiency are low (ratings of 2 respectively) due to the prolonged implementation delay. ACIAR will begin participating in the high-level donor working groups in 2014-15, supporting government policy and increasing Australia's engagement in the agriculture sector. Gender equality received a low rating (2). While the program design acknowledges the importance of gender considerations and anecdotal evidence suggests that women are benefiting from capacity building programs, the program does not yet have a gender strategy in place and gender-disaggregated data is not being reported. A program gender strategy will be prepared in 2014-15 and gender-disaggregated data will be provided where possible in future reporting to allow better oversight of women's participation. A mid-term review of the program in 2015 will provide an opportunity to further assess the program and ongoing commitments. DFAT is working with ACIAR to address issues requiring improvement.

The Burma Basic Education program had a reduced rating for gender equality, dropping from a rating of 5 (good quality) in 2012-13 to a rating of 3 (less than adequate quality). The good rating in 2012-13 was justified by the integration of gender equality at all stages of the project cycle narrative though progress towards gender equality and women's empowerment in practice was mixed in 2013-14. Progress was seen in establishing a gender strategy for the Myanmar Education Consortium. However, QBEP reporting of gender issues, evidence of gender responsive activities or inclusion of gender-disaggregated outputs was poor. Encouraging commitment to and reporting on gender outcomes by partners will continue to be challenging.

Performance of key delivery partners

In 2013-14 Australia started to explore investments with new partners, including opportunities to work with the private sector, as new providers emerged. Australia partnered with the World Bank in education through the school grants and stipends program. Australia contributed a strong understanding of Burma's political environment and education sector in support of the World Bank's recognised technical, financial and capacity building expertise to improve the government's program. Australia's partnership with the World Bank on the public financial management reform program brought significant financing and technical expertise. As World Bank programs expand in Burma, it will be important for the Bank to use existing coordination mechanisms and to work closely with Australia and other donors on key decisions and government engagement.

The majority of Australia's aid continues to be implemented through multi-donor trust funds, minimising fragmentation, duplication and the risk of overwhelming an already stretched government. However the ability of these mechanisms to respond to the evolving context will test their ongoing relevance. Australia's approach to aid delivery will be examined through the AIP.

In the education sector UNICEF had mixed results adapting to the pace of change in Burma and the opening up of the education system. A mid-term review of QBEP questioned the program's service duplication and encouraged an increased focus on building government capacity during the next phase of the investment. Australia is also working with UNICEF to improve gender outcomes under QBEP.

Australia's partnership with the World Food Programme (WFP) in education will conclude later this year. Whilst it addressed a recognised gap in the sector, WFP was unable to tailor a longer-term investment that aligned with the rest of Australia's programs in the sector. UNDP's performance in Burma has been hampered by an overly ambitious scope. While they have had some success in the justice sector, they have not met expectations in other areas of their work. For example, in the democratic governance program they have struggled to build the necessary relationships with government to support, or foster ownership of, parliamentary or public administration reforms. Key deliverables including annual work plans and results frameworks have also been very late, affecting UNDP's ability to effectively measure progress against any baseline data in the first year of implementation. These delays did, however, provide UNDP space to begin to scale-back the program to something more achievable.

In preparing for the national census UNFPA failed to focus on political risks and the adoption of processes that were inclusive and conflict sensitive. Donors encouraged UNFPA to implement mitigation measures and engage with civil society, ethnic, and religious representatives. The government's eleventh-hour decision to not allow self-identification by the Rohingya ethnicity, in an attempt to prevent an eruption of violence, showed the limited influence on government of donors and the UN. Despite this set-back, the UNFPA-organised official observer mission highly praised the data collection and preparation phases. In June 2014, UNFPA commissioned a conflict sensitivity review of the next phase, data dissemination, to improve perceptions about the credibility of the data and make the process more inclusive.

Performance of the United Nations Office for Project Services (UNOPS), as the Fund Manager of the 3MDG Fund, has not always met the expectations of the Fund Board. During 2013 Australia was able to further efforts to improve the Fund Manager and program performance whilst acting as interim 3MDG Fund Chair. Australia's chairing of the 3MDG Fund in 2015 provides further opportunities to ensure program quality and build Australian visibility and influence.

Risks

Table 3 Management of key risks to achieving objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?
The rapidly changing context in Burma, including the upcoming elections in 2015, means that any Australian investment occurs in a high risk environment.	Australia's aid program is designed to be responsive, flexible and able to adapt.	Australia's aid program will remain responsive to the evolving operating context and the program approach will be assessed as part of the AIP process.
The impact of Australia's investment could be lessened through fragmentation.	All health programs (3DF, JIMNCH & JUN MNCH & HAARP) have been consolidated under 3MDG.	Reducing fragmentation remains essential and will be considered as part of the AIP process.

The peace process presents both an opportunity and a risk: the resumption of violence if a nationwide ceasefire is not reached and potential for large-scale refugee returns.	Worked with partners who have long-standing relationships with ethnic armed groups, conflict-affected communities and/or government to build confidence and create incentives for stakeholders to remain engaged.	Australian support will continue to provide practical solutions to improve and sustain confidence in the peace process. Australia will strengthen monitoring of the peace context to inform risk management.
Decades of poverty and authoritarian rule have resulted in a disempowered public service and opaque government processes	Australia has established a new public financial management reform program to build government capacity for efficient, accountable and responsive public service delivery.	Australia will continue to strengthen and explore options to build government capacity.

Management Responses

- › Complete education program design aligning to Myanmar Government reform agenda and Australia's bilateral priorities. Extend program to meet identified national gaps in service delivery while promoting an inclusive national education system. This will consider the ongoing effectiveness of trust funds and other partners in responding to the rapidly changing education sector in Burma.
- › Ensure that Australia's engagements in the health and livelihoods sectors are in line with the Myanmar Government's reform agenda and benefit Australia's bilateral relationship.
- › Allocate further resources to mainstream gender into existing programming and ensure program focal points are effectively skilled, undertake further gender analysis, update gender stocktake identifying actions to improve gender results, seek improved gender reporting and collection of sex-disaggregated data from partners and prioritise gender equality in emerging economic diplomacy programs.
- › Revise and finalise governance strategy taking account of appropriateness and viability of reforms supported and alignment with Australia's new aid policy.
- › Monitor progress towards a Nationwide Ceasefire Agreement and look for ways to consolidate our support to the peace process to limit fragmentation. Consideration will be given to closer alignment of Australian peacebuilding support with governance programs to rationalise management costs and reinforce complementary objectives.
- › Work with partners to ensure that programs take a conflict-sensitive approach to programs in post-conflict areas and sites of communal violence.
- › Continue to improve the evidence base for programs, particularly in conflict-affected areas, by supporting targeted analytical work.
- › Seek opportunities to increase Australia's contribution to economic growth in Burma including through private/public partnerships.
- › Work with ACIAR to improve QAI ratings and establish the Multidisciplinary Research Program to Improve Food Security as Australia's hallmark program of assistance to Burma's agriculture sector.
- › Rangoon Post will continue to constructively engage with the Myanmar Government to monitor and manage political risks.
- › Develop an Aid Investment Plan articulating Australia's forward aid priorities, objectives and benchmarks by 1 July 2015.

Annex A - Progress in addressing 2012-13 management responses

Management consequences identified in 2012-13 APPR	Rating	Progress made in 2013-14
Strategy		
Convene the inaugural Australia–Myanmar High Level Consultations with the Ministry of National Planning and Economic Development in the second half of 2013.	Achieved	Inaugural Australia–Myanmar High Level Consultations on development cooperation were held in Nay Pyi Taw on 29 July 2013.
Commence development of a country situational analysis in late 2013 to feed into a new country strategy that will underpin the program's direction in 2015 and beyond.	Partly achieved	Burma's Aid Investment Plan will be completed in the first quarter of 2015 and will be informed by analysis currently underway.
Develop and implement a performance assessment framework based on the current Aid Program Strategy 2012–2014.	Achieved	Completed in February 2014. Refer to Program Quality and Management.
Program		
Maintain our advocacy for responsible donor behaviour, leading by example on the application of the Nay Pyi Taw Accord and supporting the government's coordination capacity, while assuming a more manageable involvement in the daily mechanics.	Achieved	Australia continued to play a lead role in the education sector, co-chairing the donor working group and encouraging coordinated approaches with new donors including the World Bank. Selection as 3MDG 2015 chair will provide the opportunity to promote good donor principles.
Assess capacity to make a difference in key sectors and consider reducing involvement in those where our partners are able to represent our interests or new donors are emerging.	Partly achieved	Australia's capacity to make a difference in key sectors and scope for a reduction of involvement will be considered as part of the Aid Investment Plan process.
Consolidate existing investments in health and education, maintain our donor leadership in education and improve gender integration and the quality of gender data.	Partly achieved	Australia maintained strong leadership in education, working closely with the Myanmar Government to further reforms. Further work is needed to maintain leadership and influence through the provision of targeted and tailored technical assistance and advice. Australia has continued to consolidate health investments working through a multi-donor trust fund in partnership with the Myanmar Government. Gender integration and quality of gender data remains an issue.
Manage the increasing risk of activity proliferation and program fragmentation and the potential this has to reduce aid effectiveness.	Achieved	In June 2013 there were 63 activities and the program achieved a reduction to 51 activities by June 2014.
Complete the Governance Delivery Strategy and finalise the draft Education Engagement Strategy, which will lay the foundations for future engagement in these sectors and help inform the next country situational analysis.	Partly achieved	DFAT's Governance Delivery Strategy has been drafted and endorsed by senior management. As per 2013-14 management consequences, the strategy requires updating as a result of the new government policy position. DFAT's Education Strategy, as informed by a new integrated structure, is being developed in 2014-15 to advise the Aid Investment Plan.
Sustain advocacy on key issues that impact on the peace process to complement service delivery programs and expand the reach of existing investments.	Achieved	Australia continued to advocate for conflict-sensitive approaches by programs expanding into conflict-affected areas
Management		
Secure support from senior management to ensure an adequate allocation of resources to deliver the newly established governance program, and to minimise excessive fragmentation due to pressure from domestic and other interests.	Partly achieved	While additional resources were secured and excessive fragmentation was mitigated, the governance program remains under-resourced.
Continue devolving program resources to reflect increasing responsibility for program management at Post.	Partly achieved	While progress was made during the reporting period to continue the devolution process where relevant, this is no longer a priority following the integration of AusAID and DFAT.


Note: ■ Achieved. Significant progress has been made ■ Partly achieved. Some progress has been made, but the issue has not been resolved ■ Not achieved. Progress in addressing the issue has been significantly below expectations


Annex B Quality at Implementation ratings


Investment name	Approved budget and duration	QAI year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
PFHAB	\$11,348,343.32	2013-14	Exempt					
	4/2005-9/2014	2012-13	4	5	5	4	3	5
Livelihoods and Food Security Trust Fund	\$19,000,000	2013-14	5	5	5	4	4	4
	12/2009-6/2015	2012-13	5	4	5	5	4	3
ACIAR Multidisciplinary Research Program Burma	\$12,000,000	2013-14	4	2	2	3	4	2
	2/2011-6/2016	2012-13	5	2	2	4	4	3
CARE SPARC	\$7,728,649	2013-14	Exempt					
	11/2010-2/2017	2012-13	Exempt					
Joint UN Maternal Newborn & Child Health Program	\$5,000,000.00	2013-14	5	4	4	4	4	4
	2/2012-10/2013	2012-13	5	4	4	4	3	4
Three Millennium Development Goals Fund	\$100,600,000	2013-14	6	4	4	4	4	5
	3/2012-5/2017	2012-13	6	3	4	4	4	5
Burma Basic Education	\$66,700,000	2013-14	5	5	4	4	4	3
	2/2012-6/2016	2012-13	5	4	4	4	4	5
Humanitarian and Peace building Support in Myanmar	\$21,300,000	2013-14	5	5	4	4	4	3
	10/12-6/2015	2012-13	Exempt					
Assisting Myanmar's Conflict-Affected & Displaced	\$28,000,000	2013-14	6	5	5	5	4	4
	4/2013-6/2016	2012-13	Exempt					
Myanmar-Australia Partnership for Reform	\$20,000,000	2013-14	5	4	4	5	5	4
	6/2013-6/2015	2012-13	N/A					

Definitions of rating scale:


Satisfactory (4, 5 and 6)


 = 6 = Very high quality


 = 5 = Good quality

 = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

 = 3 = Less than adequate quality; needs significant work

 = 2 = Poor quality; needs major work to improve

 = 1 = Very poor quality; needs major overhaul

Annex C - Evaluation and Review Pipeline Planning

List of evaluations completed in the reporting period

Name of Investment	AidWorks number	Name of evaluation	Date finalised	Date Evaluation report Uploaded Into AidWorks	Date Management response uploaded into AidWorks	Published on website
Improving Access to Maternal and Child Health Care	INJ170	Joint Lesson Learning	March 2013	19 July 2013	N/A	March 2013
Joint UN Maternal Newborn and Child Health Programme	INK437	Independent Joint Review	January 2014	1 August 2014	N/A	N/A
UNICEF Child Protection Program	INK588	Mid-term review (UNICEF Internal)	November 2014	30 July 2014	N/A	N/A

List of evaluations planned in the next 12 months

Name of Investment	AidWorks number	Type of evaluation	Purpose of evaluation	Expected completion date
Burma Basic Education	INK545	Mid-Term Review – Myanmar Education Consortium	To improve existing program and inform future phase of program	31 January 2015
Burma Basic Education	INK545	Mid-Term Review – Quality Basic Education Program	To improve existing program and inform future phase of program	30 November 2014
Support to Democratic Governance in Myanmar	67364	Mid-Term Evaluation	To improve existing program	31 August 2015
Myanmar-Australia Partnership for Reform	INL035	Program Review	To inform future phase of program	December 2014

Annex D - Performance Benchmarks 2014-15

Aid objective	2014-15 benchmark	Rationale for selecting this performance benchmark
Objective 1 Performance Benchmarks: Improving Basic Services		
1.1 Improve quality of teaching and learning practices	Sustained gains in primary enrolment and completion and transition rates to middle school (as defined in the Burma Education Strategy).	Australia's support to the education sector in 2013-14 accounted for over 30 percent of Australia's ODA to Burma, most of which targeted basic education. The Myanmar Government has identified education as a key area for reform.
1.2 Improve child and maternal health outcomes	25,000 children under one year old immunised and 2,500 life-saving referrals for pregnant women who need emergency obstetric care.	Australia's support to the health sector in 2013-14 accounted for 14 percent of Australia's ODA to Burma, predominantly focussing on maternal and child health.
Objective 2 Performance Benchmarks: Supporting People & Promoting Prosperity		
2.1 Increase access to markets, financial inclusion and opportunities for private sector development	6,300 households with increased access to financial services, and markets.	Support for improved agricultural practices and increased access to finance in rural areas is important to increasing economic opportunities for poor people in Burma, where the agriculture sector accounts for about 36% of GDP and around 70% of employment in the country.
Objective 3 Performance Benchmarks: Promoting Stability and Improved Governance		
3.1 Improve confidence in the peace process	7,000 of people in ethnic minority populations in former conflict affected areas with citizen scrutiny cards.	Australia is helping to build confidence in the peace process and form an environment conducive to successful peace negotiations and a sustained nationwide ceasefire.
3.2 Address humanitarian needs of people affected by conflict and natural disasters	Australian humanitarian assistance is effective and appropriate (as defined in Australia's Humanitarian Action Policy and Protection in Humanitarian Action Framework).	Responding to the humanitarian needs of people in disaster or conflict-affected areas will remain a key element of Australia's aid and foreign policy engagement. The Humanitarian Action Policy and Protection in Humanitarian Action Framework commit Australia to delivering effective and appropriate humanitarian assistance.
3.3 Strengthen institutions and support reforms which promote sustainable economic growth, democratisation and government accountability	Provisional and main census data and preliminary report disseminated; new voter registration system piloted; Burma's government starts to base budget allocations on policy, outputs and outcomes; medium-term fiscal framework started.	Decades of military rule and isolation have left Burma without strong institutions, processes, rules and capacity to create an environment for sustained, equitable growth and development. Key challenges include lack of basic data, outdated laws and regulations, new parliament, and weak institutional capacity.
Objective 4 Performance Benchmarks: Improving Operations		
4.1 Improved management efficiency through consolidation of investments.	Less than one third of program investments are low value (under \$3 million)* and more than 90% of programmed funds will be maintained in investments greater than \$10 million.**	The Australian aid program to Burma needs to consolidate and focus investments in order to avoid dilution of impact and profile. *Baseline at September 2014: 38% or 8 of 21 active initiatives are low value (under \$3 million). **Baseline at September 2014: 91% of programmed funds are in high-value initiatives (over \$10 million).

Note: All quantitative benchmarks (1.2, 2.1 and 3.1) are pro rata targets, commensurate with Australia's financial contribution

Annex E - Endnotes

- ⁱ The Economic and Social Commission for Asia and the Pacific, Asian Development Bank and UNDP, *Asia-Pacific Aspirations: Perspectives for a Post-2015 Development Agenda*, <<http://www.unescap.org/resources/asia-pacific-regional-mdg-report-201213-asia-pacific-aspirations-perspectives-post-2015>>
- ⁱⁱ <http://www.adb.org/countries/myanmar/main>
- ⁱⁱⁱ Ministry of National Planning and Economic Development and Ministry of Health, *Myanmar Multiple Indicator Cluster Survey 2009-2010 Final Report*, Nay Pyi Taw, Myanmar, 2011 and <http://scalingupnutrition.org/sun-countries/myanmar>
- ^{iv} Ministry of National Planning and Economic Development and Ministry of Health, *Myanmar Multiple Indicator Cluster Survey 2009-2010 Final Report*, Nay Pyi Taw, Myanmar, 2011.
- ^v <http://www.imf.org/external/np/speeches/2013/120713.htm>
- ^{vi} Compared to 18 per cent in Cambodia, and 25 per cent in Laos.
- ^{vii} <http://reliefweb.int/report/myanmar/2014-strategic-response-plan-myanmar-december-2013>
- ^{viii} UN Office for the Coordination of Humanitarian Affairs, *Myanmar: Countrywide Displacement Snapshot (November 2013)*, <<http://reliefweb.int/report/myanmar/myanmar-countrywide-displacement-snapshot-november-2013>>
- ^{ix} http://data.worldbank.org/indicator/IC.BUS.EASE.XQ?order=wbapi_data_value_2013+wbapi_data_value+wbapi_data_value-last&sort=asc
- ^x Although this is still a very small portion of the total national budget the education budget – allotted 5.43 percent in 2013-14 – will be increased to 5.92 percent in 2014-15, while the health budget will increase from 3.15 to 3.38 percent according to the website of the Office of the President <<http://www.dvb.no/news/health-education-spending-to-increase-in-2014-burma-myanmar/35887>>
- ^{xi} A number of steps have been taken to open up democratic debate and engagement in the country – including a new Association Law (drafted in close consultation with civil society), increased government engagement with civil society (including to seek candidacy under the Extractive Industries Transparency Initiative) and the establishment of regular dialogue between civil society, political parties and government on electoral reform.
- ^{xii} IMF - <http://www.imf.org/external/np/sec/pr/2014/pr14284.htm>
- ^{xiii} ADB, 2014. *Asian Development Outlook 2014*. Manila. <<http://www.adb.org/countries/myanmar/economy>>
- ^{xiv} Preliminary outcome, subject to change. Provided by External Budget Branch, DFAT.
- ^{xv} <http://www.dvb.no/news/eu-pledges-burma-up-to-e90-million-a-year-in-development-assistance-myanmar/34426>
- ^{xvi} <http://www.irrawaddy.org/interview/uk-official-talks-development-aid-military-ties-burma.html>
- ^{xvii} The CIA World Factbook <<https://www.cia.gov/library/publications/the-world-factbook/geos/bm.html>> estimates Burma's 2013 GDP (PPP) at US\$111.1 billion. The ratio of Australia's ODA to Burma's GDP is based on Australia's USD80.5 million contribution in 2013-14.
- ^{xviii} Total expenditure on education in 2013-14 was \$31.381 million which includes \$3.104 million from DFAT Global and Regional Flows.
- ^{xix} UN Stats, *Millennium Development Goal Indicators*, (2010), <http://mdgs.un.org/unsd/mdg/Data.aspx>

^{xx} QBEP program target of 22,000 children accessing ECD with DFAT's 36.14% contribution to QBEP funding representing a DFAT target of 7,951. Total QBEP result 28,813. *QBEP 2013 Annual Report p11-12*. MEC program target of 17,100 children accessing ECD with DFAT's 75% contribution to MEC funding representing a DFAT target of 12,825. Total MEC result 4,914. *MEC 2013 Annual Report Annex 5*.

^{xxi} Education for Food program target of 37,500 children received nutritional support with DFAT's 100% contribution to World Food Program funding representing a DFAT target of 37,500. Total result has been extrapolated from provisional figures provided by WFP for total number of people reached (79 million people). It has been determined that Australia's \$1,926,782 funding to the Education for Food program constituted 2.03% of all WFP funding in Burma (USD\$95,117,699), and consequently reached 34,726 people. Figures have been provided by WFP, taken from the contributions page of the WFP website, and harvested from Resourcing Proposals provided by WFP throughout 2013.

^{xxii} QBEP program target of 24,000 additional school enrolments with DFAT's 36.14% contribution to QBEP funding representing a DFAT target of 8,674. *QBEP 2013 Annual Report p11-12*. MEC program target of 5,250 additional school enrolments with DFAT's 75% contribution to QBEP funding representing a DFAT target of 3,938. MEC result of 3,248. *MEC 2013 Annual Report Annex 5*.

^{xxiii} QBEP program target of 830,000 children receiving school supplies with DFAT's 36.14% contribution to QBEP funding representing a DFAT target of 299,962. Total QBEP result 758,054. *QBEP 2013 Annual Report p11-12*.

^{xxiv} QBEP program target of 24,000 out of school children enrolled in non-formal education with DFAT's 36.14% contribution to QBEP funding representing a DFAT target of 8,674. Total QBEP result 20,000. *QBEP 2013 Annual Report p11-12*. MEC program target of 5,250 out of school children enrolled in non-formal education with DFAT's 75% contribution to MEC funding representing a DFAT target of 3,938. Total MEC result 4,330. *MEC 2013 Annual Report Annex 5*.

^{xxv} A key milestone in the Performance Assessment Framework with a 2013/14 milestone of 5,000.

^{xxvi} A key milestone in the Performance Assessment Framework.

^{xxvii} A key milestone in the Performance Assessment Framework.

^{xxviii} The early grade reading assessment is a literacy and numeracy test in grades 1 and 5 undertaken every 2 years to determine if improvements are being achieved.

^{xxix} Reporting of Australia's results in the health sector is reliant on the national health management information system and is therefore unable to disaggregate results by sex.

^{xxx} Previous health programs focused on the three diseases (3DF), maternal and child health (JIMNCH and Joint UN MNCH) and harm reduction services (HAARP) have been transitioned into the 3MDG reducing fragmentation in our health investments.

^{xxxi} After the United Kingdom

^{xxxii} Plans include working with the government on policy (e.g. National Strategic Plan on Advancement of Women – under Ministry of Social Welfare) and Humanitarian Partnership for Accountability plans to undertake capacity building and practices of implementing partners on inclusivity and gender.

^{xxxiii} 4. Reduce Child mortality and 5. Improve maternal health.

^{xxxiv} A key milestone in the Performance Assessment Framework. PAF target of 22,933 with DFAT's 30% funding contribution to 3MDG representing a DFAT target of 7644.

^{xxxv} 3MDG program target of 3,400 with DFAT's 30% funding contribution to 3MDG representing a DFAT target of 1133.

^{xxxvi} A key milestone in the Performance Assessment Framework. PAF target of 29,512 with DFAT's 30% funding contribution to 3MDG representing a DFAT target of 9837.

xxxvii A key milestone in the Performance Assessment Framework. PAF target of 28,539 with DFAT's 30% funding contribution to 3MDG representing a DFAT target of 9513.

xxxviii 3MDG program target of 23,000 with DFAT's 30% contribution to 3MDG funding representing a DFAT target of 7666.

xxxix Meeting the Performance Assessment Framework milestone.

xl Asian Development Bank, Myanmar: Agriculture, Natural Resources, and Environment Initial Sector Assessment, Strategy, and Road Map (April 2014), page 4.

xli LIFT program target of 80,000 households with increased incomes with DFAT's 10.3% contribution to LIFT funding representing a DFAT target of 8,240. Total LIFT result 74,164. Draft LIFT 2013 Annual Report.

xlili LIFT program target of 120,000 beneficiaries with increased food security with DFAT's 10.3% contribution to LIFT funding representing a DFAT target of 12,360. Total LIFT result 250,000. Draft LIFT 2013 Annual Report.

xliv LIFT program target of 100,000 households with increased access to financial services with DFAT's 10.3% contribution to LIFT funding representing a DFAT target of 10,300. Total LIFT result 151,212. Draft LIFT 2013 Annual Report.

xlv Draft LIFT 2013 Annual Report, pp 10, 12.

xlii Draft LIFT 2013 Annual Report, p 52.

xlvi Only one PAF milestone was not achieved under the Addressing the needs of conflict and disaster-affected people objective: "As a result of our advocacy the Joint Peace Needs Assessment (JPNA) underway and considered credible by Government, donors and ethnic groups". The proposed JPNA was to be a World Bank-led needs assessment of conflict areas, but it stalled to allow the Myanmar Government and ethnic groups to focus on the Nationwide Ceasefire Agreement negotiations.

xlvi OCHA, Humanitarian Bulletin 5, 1-31 May 2014

xlvi United Nation, refugees and the Thai and Myanmar Governments.

xlvi Norwegian Refugee Council Progress Report June 2013 to Jan 2014

i Devolved humanitarian and Mandated Flexibility

ii World Food Programme Progress Report January 2013 – July 2014

iii Save the Children Proposal 2014-15

liii Oxfam Proposal 2014-15

liv 30 years

lv Pro rata calculation based on DFAT funds accounting for approximately 7% of delivery partner's (The Border Consortium) annual funding in 2013 for the approximately 120,000 refugees

lvi The Border Consortium Programme Report January – June 2014

lvii Pro rata calculation: 8,610 persons based on DFAT funding 41% of total funds for delivery partner's (IRC) health activities in three camps with the approximate population of 21,000, and 4,830 persons based on DFAT funding 7% of delivery partner's (PU-AMI) health activities in three camps with the approximate population of 69,000.

lviii Houston, L and Rharuen, P. Promoting the Health and Well-being of Displaced Persons in Thailand, August 2013.

lix Pro rata calculation based on DFAT funds accounting for approximately 27% of delivery partner's (Save the Children) funding focussing on the provision of basic education to a target of 30,000 children.

lx Save the Children Proposal 2013-2015

lxi Adventist Development and Relief Agency Final Report March 2014

lxii The Border Consortium Programme Report January – June 2013

lxiii The 2014-15 governance milestone, “shared priorities established by human rights institutions and the Australian aid program”, is not reported against because the activity it relates to was not funded by Australia due to sufficient funding from other donors.

lxiv The Governance program oversees 13 activities, implemented by 12 different partners.

lxv PAF Indicator 1 is ‘changes to the evidence base about the democratic aspirations and development needs of the people of Burma is available to the Government of Burma to inform policy development’.

lxvi Total donor contributions in support of the census were \$US48.7 million and Burma’s government contribution was \$US15 million.

lxvii Overall international observers considered the data collection a success with the exception of the areas inhabited by Rohingya in Rakhine State. Some observers, with a sound census background, said they had never witnessed such a good data collection exercise. Source: *The Republic of the Union of Myanmar 2014 Census Observation Mission Final Report*, by Prof. Nancy Stiegler, May 2014.

lxviii The UNFPA undertook a Review of Conflict Sensitivity Analysis and Strategy Options in the Context of Data Processing, Analysis, Release and Dissemination of the 2014 Myanmar Housing and Population Census, by R. Fernandez Castilla, Sarah Clarke, Eh Mwee and L Seng Kham in June 2014

lxix The Australian-funded PER and the UK-funded Public Expenditure and Financial Accountability Review

lxx *The Myanmar Modernization of Public Finance Management Project* (US\$55 million) aims to support efficient, accountable and responsive delivery of public services by modernising Burma’s PFM systems and strengthening institutional capacity. The World Bank will implement the Project, which will be funded through a World Bank IDA loan to the Government of Myanmar (US\$30 million), a United Kingdom grant (around \$16.5 million) and Australian DFAT grant of up to \$5 million to 30 June 2015, with a possible further investment of AU\$5 million in 2015/16 and 2016/17.

lxxi PFM reform steering and technical committees have been established and a broad consensus on the importance of improving PFM systems has been agreed between key stakeholders, including Ministry of Finance and Revenue, Ministry of Planning and Economic Development, the President’s Office, Legislative Assembly, Office of the Auditor General and four sector ministers.

lxxii Such as the Myanmar PFM Working Group comprising key development partners and government officials in the sector

lxxiii Total UNDP and donor contributions are almost \$US 16 million. As of 2014, Finland is now the largest bilateral donor (\$2 m), followed by DFAT (\$1.93 m), Denmark (\$1.05 m) and Japan (\$1.03 m).

lxxiv For example, in the case of objective 4 the PAF included several 2013-14 milestones that were beyond the control of Australian aid as well as one indicator that proved extremely difficult to calculate (% of conflict-affected households that received assistance).

lxxv Key 2013-14 milestones in the Performance Assessment Framework

lxxvi In January 2014 the World Bank announced a \$200 million commitment to help the Myanmar Government accelerate progress toward universal health coverage.

lxxvii Australia funded UNHCR (\$1 million 2013-14) for protection activities to prevent violence against women and girls in internally displaced persons camps in Rakhine State. Australia funds three specialist deployments through the Australian Civilian Corps (ACC) and Red R Australia to work on issues including child protection (with UNICEF in Kachin), protection and gender-based violence (with UNHCR in Rakhine) and women, peace and security issues, including implementation of UNSC Resolution 1325 (with UNFPA nationally).