Aid Program Performance

Report 2016-17

Myanmar

September 2017

Key messages

Australia wants Myanmar to succeed in its peace process, democratic development, and economic reform.

Throughout 2016-17, we worked together in support of a democratic, rules-based order in the region, including through regional and global forums, such as the Association of Southeast Asian Nations (ASEAN). Our ties also continued to grow through business, education and people-to-people links.

In support of our strategic vision, Australia’s aid program in Myanmar from July 2016 to June 2017 delivered against objectives under the Myanmar Aid Investment Plan 2015-2020 (AIP). Our aid activities implemented Australian and Myanmar Government priorities and continued to enhance our broader relationship with Myanmar across aid, trade, security and regional interests.

In 2016-17, Australia had significant opportunities to make a difference in the sectors within which we work. Our development assistance helped to shape early policy direction and harness government commitment to reform. This is significant because some of the decisions Myanmar takes now will have long-term implications for its growth, stability, development and reform.

We supported Myanmar Government priorities in human development (education), peace and stability, inclusive economic growth and government management, targeting areas where Australia can best contribute to development outcomes. Our chosen priorities are inter-related and development in one area provides opportunity for progress in all others.

Australia contributed to significant development achievements in Myanmar, including:

* Providing school grants to about 47,000 schools, reaching over 9 million children.
* Providing 158,000 disadvantaged students (54 per cent girls) with stipends to enable them to continue their education.
* Enabling 60,000 women and girls to access gender-based violence and sexual and reproductive health services in Kachin, Shan and Rakhine States.
* Increasing incomes for about 342,000 Myanmar households (32 per cent of which are female headed in Myanmar).
* Improving 2017 national by-elections, held in 19 seats.

Australia’s Aid Investment Plan 2015-2020 objectives in Myanmar:

* *Pillar one*: enhance human development by improving access to quality education, including support to schools, teacher training and scholarships;
* *Pillar two*: promote peace and stability through support to the peace process and elections, and humanitarian assistance as required; and
* *Pillar three*: promote inclusive economic growth and government management through support for private sector development, rural development and public financial management.
* Passing of legislation important for increasing private sector investment in Myanmar.

By delivering results, we demonstrated our position as a trusted and effective partner of the Myanmar Government and people.

Our development assistance was able to respond quickly and strategically as opportunity presented, and to adapt to the changing context in Myanmar. This approach will continue to be important over 2017-18, as shifts in policy and context likely continue and as we increasingly seek to align our aid engagement with our broader overall partnership with Myanmar.

Context

The context within which our aid was delivered in Myanmar brought both challenges and opportunities. Myanmar continues its democratic transition, with the new Government making slow, but continued progress to define and implement its reform agenda. Our support was delivered in a country where there are still significant human development challenges. In 2016-17, Myanmar remained one of the poorest countries in the region, placed at 145 out of 188 countries in the UN Human Development Index in 2017. GDP per capita is the second lowest in South East Asia.

Our official development assistance to Myanmar in 2016-17 ($78 million) was designed to help Myanmar meet some of these challenges and seize the opportunities. Australia’s aid represented 2.97 per cent of total aid to Myanmar in 2016-17, down from 4.2 per cent in 2015. We are the eighth largest donor to Myanmar. The largest donors are Japan, the United Kingdom, European Union and the USA.

We supported the Myanmar Government’s reforms and priorities in areas of education, inclusive economic growth, and peace (State Counsellor Aung San Suu Kyi’s stated top priority), in-line with Myanmar’s own plans, including Myanmar’s 12-point economic policy and the first National Education Strategic Plan.

This assistance is delivered in a complex and inconsistent development environment. Progress is uneven in different locations across the country, particularly in relation to peace and conflict and their affects. A degree of disconnect between civilian and military arms of government, and an imbalance of resources between these, can limit the impact of overall government efforts and increases the difficulties Australia faces in achieving outcomes. 2016-17 also demonstrated the expected lag between good policy development and tangible change on the ground.

***Pillar one:***Decades of under-funding and out-dated teaching methods have badly affected Myanmar’s education outcomes. Retention rates are particularly low, and gender parity for enrolment and completion rates varies between boys and girls in remote and conflict affected locations.

Education remained the flagship of the Australian aid program in Myanmar in 2016-17, in recognition both that an educated population is critical for achieving poverty reduction and economic growth, and that education is a sector in which Australia and its institutions have considerable expertise to offer.

Support for education strengthened Myanmar Government leadership in the sector, to help ensure Australian investments can be maintained beyond the life of donor support. However, whilst Ministry of Education officials have demonstrated capacity and commitment to manage large and complex projects, the pace of sector reform brings significant burden. Mitigating the risk of Ministry capacity deficit or distraction through technical assistance and continuing close and regular engagement with officials will be critical for Australia’s investments in 2017-18.

Education investments in Myanmar are vulnerable to the impacts of conflict, which affects the ability to recruit and keep teachers and mentors and, in worst cases, leads to closure or destruction of schools.

***Pillar two****:* While there is a long way to go, the national peace process continued, with the two Panglong Union Peace Conferences held over the reporting period. These provided an opportunity for participants to publicly state their position and begin negotiations on key principles. Participation of women in the peace process has improved, however numbers are still low.

Our support for peace and stability remained a focus, as these help create the necessary conditions for inclusive growth and human development. Australia supported the establishment of the multi-donor Joint Peace Fund, a significant development, as it allows for a greater level of donor support and coordination, and greater impact from activities joined-up in support of Myanmar’s peace process. As it is often hard to anticipate future directions of the peace process, Australia’s aid programs were intentionally flexible and were able to be respond well to changes in a highly politicised environment.

Humanitarian needs remain significant. In 2016, the UN and partners assessed that over a million people were in need of humanitarian assistance. Many are internally displaced in Kachin, Shan and Rakhine states as a result of conflict and intercommunal tensions. Overall conflict worsened in these areas in 2016-17. In Rakhine State, escalating violence in October 2016 and August 2017 has led to large numbers fleeing to Bangladesh, and increased internal displacement. Large numbers of refugees remain in camps on the Thai border.

The irregular movement of people to other countries in South-East Asia also poses a challenge for the region. In addition, Myanmar is one of the most disaster prone countries in Asia, vulnerable to cyclones, tropical storms and earthquakes. Climate change increases these risks and impacts food security and livelihoods.

Access to areas of humanitarian need remained a particular challenge, and Australia consistently advocated for the lifting of access restrictions for humanitarian partners, with some success. Australia’s approach to un-earmarked funding allocations allowed implementing partners to target assistance flexibly according to evolving needs. A recent review of humanitarian assistance in Myanmar confirmed that Australian assistance has achieved a great deal.

Addressing the urgent challenges in Rakhine State will remain a major focus for 2017-18, as Australia remains committed to working with Myanmar and other partners to address Rakhine State’s humanitarian and development challenges. The aid program will continue to provide practical assistance that benefits all communities in Rakhine State. Australia supported Myanmar’s establishment of the Kofi Annan-led Advisory Commission on Rakhine State, and we will look to support its recommendations in 2017-18.

Attacks and subsequent security operations in Rakhine State underlined the importance of engagement on human rights issues as well as development and humanitarian assistance. In March 2017, we co-sponsored a UN Human Rights Council resolution mandating the creation of the international fact-finding mission to establish the facts of alleged human rights violations by Myanmar security forces. Embassy statements issued in August and September 2017 express our concerns.

Governance is weak in many areas, and the World Bank’s Governance Indicators placed Myanmar in the 4.7th percentile for government effectiveness in 2013. Capacity of civil society and the private sector to respond to development challenges is also limited. Budget allocations for basic services have increased in recent years, but overall funding for essential services remain amongst the lowest in ASEAN.

Australia’s support for democratic governance continued to assist Myanmar to build accountable and transparent institutions required for an effective state. This led to more effective management of electoral processes, including successful delivery of the April 2017 by-elections, increased participation and profile for women’s civic and political involvement, and more effective functioning of Parliament. In 2017-18, Australia will consider which activities are best targeted to achieve the most impact for Myanmar’s democratic reforms.

***Pillar three:***Emerging from decades of isolation, Myanmar has become one of the fastest growing economies in the region. A relatively positive outlook is projected for its economy, with the World Bank forecasting average economic growth of 7.1 per cent over the next three years. However, progress comes from a very low base and faces a number of constraints. For example, business operating costs are high, there is limited access to skilled labour and unreliable electricity supply.

In 2016-17, our support for economic reform continued to help Myanmar to harness its considerable economic potential. We continued to assist Myanmar to consolidate its legal and regulatory framework needed to develop a vibrant private sector and see Myanmar reach its growth potential. The environment for doing business is still difficult, but through programs Australia supported, it has improved. In 2015, Myanmar ranked 177 out of 189 countries on ease of doing business in the World Bank’s Doing Business Report. It now ranks 146.

Agriculture remains the main industry in Myanmar, accounting for about 70 per cent of the labour force and an estimated 66 per cent of women’s total employment. Rural development and agriculture are Government development priorities and the NLD’s five-pillar economic strategy includes revitalising agriculture. Improving productivity also increases food security, helping to mitigate climate change impacts.

With assistance from Australian-supported programs such as the Livelihoods and Food Security Trust Fund (LIFT), developments are positive. Since 2010, there has been a 33 per cent decrease in households reporting to have earned less than MMK50,000 (about AUD50) per month. Over two million people achieved improved food security and 680,000 people live in households with increased assets, an important measure if household resilience. Again, improvements come from a low base. According to the World Food Programme, nearly one in three children under five suffers from chronic malnutrition.

***Gender:*** Gender inequalities are significant. Myanmar is ranked 145 out of 188 countries on the Gender Inequality Index and is 159 out of 193 countries for women in national parliaments, with women holding only ten per cent of seats in National Parliament and fewer at lower levels of government. Labour force participation rates diverge greatly, at 50.5 per cent for women and 85.6 per cent for men. However, the new Government is showing renewed interest in its policy commitments regarding women, including the 2013-2020 National Strategic Policy for Advancement of Women (NSPAW). We saw increased momentum over 2016-17 at lower levels of government to operationalise the policy.

Support for gender equality and women’s leadership has increasingly defined Australia’s aid programs in Myanmar. We have a reputation among donors as a strong advocate for gender, including as Gender Champion on the board of the multi-donor Livelihoods and Food Security Trust Fund. Women’s economic empowerment and leadership were also supported, including through the regional Investing in Women initiative and training of women leaders.

***Aid delivery:***Ultimately, sustained and transformative development is dependent on the government and people of Myanmar. There are limitations on the extent to which Australian aid can affect overall sector directions. However, through the AIP focus areas, we maintained a positive impact on development outcomes by targeting our assistance in areas where Australia has comparative expertise, by selecting partners and ways of providing funding strategically, and by ensuring support does not overlap with other donors. We will increase our direct support to government in 2017-18, but will closely monitor this approach.

Working in collaboration with other donors has maximised results. In 2016-17, our lead donor role in education, peace and gender equality, chairing and co-chairing donor coordination groups (in education and peace), helped us meet our objectives and helped ensure that assistance was well coordinated.

A significant proportion of our support was provided through multi donor projects and in partnership with multilateral organisations, such as the World Bank. This approach has been successful in amplifying the reach and impact of Australia’s assistance, while maintaining Australia’s participation in important policy and large-scale program discussions and decision-making.

Where possible and appropriate, Australia’s preference is to use Myanmar government systems to implement assistance to strengthen the systems so that outcomes are more sustainable. A focus on national systems reflects the very centralised decision-making of government in Myanmar. Strengthening of government systems will take time, with systems improving from a low base.

While Myanmar retained its reform ambitions in 2016-17, implementation has also been slow as the new government finds its feet. This pace impacted on progress of aid activities which support government agendas. Program managers will continue to closely monitor progress, so that expectations and activities can be adjusted to match circumstances.

While shifts in policy directions and sectoral priorities may occur, it is unlikely that overall priorities of the Myanmar or Australian Governments will change. As a result, it is not expected that any substantial amendments to the overall objectives of the AIP will be required. However, contextual changes and anticipated challenges (related to working more closely with government) may require changes to the modalities and mix of partners delivering support towards the objectives. This will be assessed further for each objective throughout 2017-18.

Expenditure

**Table 1 Total ODA Expenditure in FY 2016-17**

|  |  |  |
| --- | --- | --- |
| Objective | A$ million | % of total ODA |
| *Bilateral* Objective 1 – Enhancing human development | **21.3** | **27.3** |
| Objective 2 – Promoting peace and stability  | **10.9** | **14** |
| Objective 3 – Promoting inclusive economic growth and government management  | **10.3** | **13.2** |
| *Sub-Total Bilateral* | ***42.5*** | ***54.5*** |
| Regional and Global | **35** | **44.9** |
| Other Government Departments | **0.5** | **0.6** |
| Total ODA Expenditure | **78** | **100** |

Progress towards AIP Objectives

This report assesses Australia’s development assistance in targeted areas against the objectives of the AIP and performance assessment framework. It does not assess overall sector directions.

**Table 2 Rating of the Program's Progress towards Australia’s Aid Objectives**

|  |  |  |
| --- | --- | --- |
| Objective | Previous Rating | Current Rating |
| Objective 1 - Enhancing human development | Green | Green |
| Objective 2– Promoting peace and stability | Green | Green |
| Objective 3– Promoting inclusive economic growth and government management |  Green | Green  |

⬛  **Green**. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

⬛  **Amber**. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

⬛  **Red.** Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Objective 1 (enhancing human development)



Objective one is rated green as Australia met its objective of enhancing human development in Myanmar by working with government and other partners to improve access to quality education services across Myanmar. As the flagship of Australia’s aid program in Myanmar, in 2016-17 education accounted for about half of total bilateral development expenditure. In 2016-17, Australia was well positioned to support the Myanmar Government’s priorities for the sector through programs including:

|  |  |  |
| --- | --- | --- |
| Investment | Timeframe | AUD |
| Decentralizing Funding to Schools Project (DFSP) | 2014 - 2021 | 32.5 |
| Additional Financing to the DFSP  | 2017 - 2021 | 51.5 |
| Myanmar Education Quality Improvement Program  | 2017 - 2020 | 20 |
| Myanmar Education Consortium  | 2013 - 2021 | 35.5 |

Australia and other donors engaged with the new Government to support the finalisation of Myanmar’s new National Education Strategic Plan (NESP) in February 2017. The NESP provides a shared roadmap for reform over 2017-2021. New NLD government priorities included addressing school drop-out rates and improving teaching quality. We re-aligned our assistance with its aims, moving from largely targeting access to education to improving quality of teaching and learning outcomes. This is also consistent with DFAT’s ‘Strategy for Australia’s Aid Investments in Education 2015-2020’. Australia’s support for these shared priorities was provided through the following programs.

*Decentralizing Funding to Schools Project*

Australia’s investment in the Myanmar Government’s Decentralizing Funding to Schools Project (DFSP) improved access to education, school management and quality of education. It contributed to the following achievements in 2016-17.

* School grants were provided to all government schools (over 47,000) in all 330 townships, exceeding the project target of 95 per cent;
* Over 158,000 students (53.8 per cent girls) in 40 pilot townships across all states and regions received stipends to facilitate access to schooling. This is an increase of approximately 40,000 since 2015 and well over the original Performance Assessment Framework (PAF) target of 100,000;
* Engagement of school committees, parents and other community members in decision making at the school level improved. School committees endorsed School Improvement Plans at most schools and the disclosure of expenditure on school noticeboards in 60 per cent of schools empowered parents with an understanding of school financing decisions; and
* The new teacher mentoring component to improve the teaching quality of new teachers and subsequently student learning outcomes commenced in 2016-17. Under the pilot 157 mentors (47 per cent women) were deployed in late 2016 to support over 3,000 inexperienced teachers (majority being women). The pilot’s success prompted a second round of recruitment of mentors. An assessment is underway to ensure women mentors are secure when visiting other localities.

To build on the successes of the DFSP, Australia committed an additional $51.5 million over four years to broaden and strengthen its support for the Project, which is delivered in partnership with the World Bank. The additional support was able to:

* expand the focus of DFSP from education access to education quality, building in incentives for the Government to deliver educational outcomes;
* negotiate for the Myanmar Government to fully fund school grants and stipends by 2021, ensuring sustainability;
* adapt the successful results-based financing mechanism to focus on new government priorities, including teacher mentors and school cluster support to improve teaching practices; and
* leverage additional funding from Denmark and Finland.

Australia’s contribution improved the sector’s disaster resilience, and also M&E practices under the DFSP in 2016-17. M&E support was important for generating data and helping the Ministry of Education (MoE) in its use to guide policy and practice. A mid-term review of DFSP, to be conducted in 2017-18, will be an opportunity to supplement the operational M&E with a deeper study into factors influencing the success of the project.

Myanmar Government ownership helped ensure Australian aid investments are sustainable, and programs can be maintained beyond the life of donor support. However, whilst throughout 2016-17 MoE officials demonstrated capacity and commitment to manage key projects, the pace of sector reform has placed significant burden on the Ministry. Mitigating the emerging risk of capacity deficit will be critical as Australia’s new investments come online in 2017-18.

*Myanmar Education Consortium*

In 2016-17, Australia also provided additional support to the Myanmar Education Consortium (MEC). MEC enables children outside the government system, including those living in hard-to-reach and conflict-affected areas, to access a quality education. Highlight achievements for MEC in 2016-17 include:

* MEC grant projects (as at December 2016) benefitted over 183,000 children (48.6 per cent girls); over 12,700 teachers were trained; over 2,000 parent teacher associations were established (51 per cent of participants were women); over 600 early childhood centres provided access for 14,700 new children; and over 5,000 school committee members (82 per cent women) and headmasters were supported to improve school management;
* MEC-led research to support policy settings included research on multilingual education in Myanmar, involving organisations from across all States; and
* With MEC support, the Mon National Education Committee organised over 20 public consultation meetings and workshops on education policy development, setting the foundation for development of a Mon Education Policy.

Throughout 2016-17, the MEC program experienced a significant transition. Responding to the findings of a 2015 mid-term review, a new strategy was adopted in early 2016 and implemented from June 2017. Under the new strategy (MEC phase two), MEC’s approach focused on strengthening complementary (non-government) education systems and supporting the move to a more inclusive and coherent national education system. This will improve equitability and ensure more children across Myanmar can transition to further education.

Efficiencies will be achieved under phase two, with fewer partners and new management arrangements that are expected to realise a significant reduction in administrative overheads. Whilst these developments were positive, the lengthy transition to phase two caused delays in some aspects of the program’s progress.

In 2016-17, MEC held Gender and Education training for all partners to increase attention to gender issues in activities, policies and processes. MEC has highlighted the lack of data on the gender and disability barriers to education and has committed to a barrier analysis in 2017-18. The new strategy commits MEC to promoting gender-equitable learning environments. However, more comprehensive effort is needed in 2017-18 to realise this commitment.

*Myanmar Education Quality Improvement Program*

In partnership with the MoE, Australia completed the joint design of its first direct bilateral education investment in Myanmar in March 2017. The Myanmar Education Quality Improvement Program (My-EQIP) aims to improve policy, planning, budgeting, and management by strengthening the MoE’s quality improvement systems, capacity and culture. The investment addresses critical system and capacity gaps in Myanmar’s education sector (identified through a UNICEF-led capacity gap assessment in October 2016), in particular the capacity to develop and maintain systems to assess and improve the effectiveness of the NESP reform agenda. Fostering critical analysis and use of timely and relevant information to inform decision making will drive the efficient and effective use of increased government funding to the sector.

In March 2017 Australia mobilised the Evaluation Capacity Building Specialist to build MoE capacity to deliver an effective My-EQIP program. Early outputs were achieved in 2016-17: My-EQIP governance arrangements were agreed with MoE; political economy analysis commenced; and a MoE M&E Diagnostic Working Group commenced development of locally appropriate tools for education departments to assess the performance of their own systems.

DFAT is in the process of procuring a contractor to provide management and technical services to assist MoE delivery of My-EQIP activities. With the deployment of the new contractor it will be important in 2017-18 to continue to advocate for Myanmar Government engagement and leadership of My-EQIP, and to support its capacity to do so.

*Donor coordination*

Australia continued to play an influential role in the education sector. Our relationship with Myanmar’s MoE was strengthened through regular policy dialogue, including as co-chair of the coordination group and assistant co-chair of the Management, Capacity Development and Quality Assurance Sub-Sector Working Group. Australia also built visibility and trust by working closely with Government counterparts on the design and implementation of new investments, to ensure alignment and effectiveness.

*Australia Awards*

Australia Award Scholarships are an important component of the bilateral relationship. In 2016-17, 55 Australia Awards scholarships were offered to Myanmar students for Masters study in Australia (over half to women). The Australia Awards program in Myanmar was designed to be relevant and appropriate for the context. This includes addressing access barriers where possible. In 2016-17, an in-country English language assistance program funded up to a year of language tuition for successful applicants to support the IELTS requirements for university entry, so that proficiency in English language was not a significant barrier for eligibility. In 2017-18, the program will continue to focus on accessibility, particular for minority groups, and alignment with aid program priorities to support the development of future leaders.

There was an increased focus on alumni engagement, both for Australia Awards students and self-funded students. Over 200 alumni are now actively engaged through Australia’s Global Alumni program in Myanmar, which has increased the profile and reputation for Myanmar students to study in Australia. The aid program responded by increasing budget for alumni activities, including a high profile International Women’s Day forum on women’s empowerment and a beach clean-up event involving about 400 community members and local officials. In 2017-18, a mentoring program for alumni will be piloted and support to the growing alumni community based in Nay Pyi Taw will be increased.

Objective 2 (promoting peace and stability)



Objective two is rated green as the AIP and PAF objective of promoting peace and stability was achieved through supporting the peace process, providing humanitarian assistance and supporting political reform and democratic institutions. Key programs were:

|  |  |  |
| --- | --- | --- |
| Investment | Timeframe | AUD |
| Building Confidence, Supporting Peace program  | 2012-2017  | 23.6 |
| Myanmar-Australia Peace Support  | 2016 - 2019 | 29 |
| Safety, Humanitarian and Women’s Empowerment  | 2016-2018 | 13 |
| CARE Supporting Partnerships and Resilience of Communities  | 2010-2018 | 9.8 |
| Child Protection Program  | 2012-2018 | 8.2 |
| Supporting Reform, Improving Governance  | 2014-18 | 18.6 |

**Peace**

Myanmar’s Government has remained committed to the peace process as a priority. The process has continued, but the year again demonstrated it will remain a long-term, and not always linear, process. Peace gains in some areas where undermined by conflict in Kachin, Shan and Rakhine States.

Australia continued to be a significant partner in supporting the peace process. This was reflected in its role as Vice Chair (July – December 2016), then Chair (January – June 2017), of the Joint Peace Fund. Support for Myanmar’s locally-led peace process aimed to help build an environment conducive to successful peace negotiations, support civilian ceasefire monitoring, and expand the role of women and civil society in the peace process.  While the overall peace process faced difficult challenges in achieving progress and is ongoing, Australia’s support did meet its aims in 2016-17, and the PAF outcome indicator of support to governance and non-state actors to effectively engage in negotiations and dialogue was achieved.

For Australian-supported programs assisting the peace process, 2016-17 was a year of transition. Support in the sector overall moved from provision largely through bilateral partners, to an increased focus on support through the multi-donor Joint Peace Fund. In this transition, Australia’s support was further consolidated, leading to a reduction in partners. This allowed DFAT’s program managers to more effectively liaise with current partners, and better monitor progress, which in turn enabled greater responsiveness to changes in context and more relevant support.

Wind-up of the Building Confidence, Supporting Peace program (BCSP) commenced. This program had been delivered through eight separate arrangements with a broad range of partners. In 2016-17, activities of just three of these arrangements continued. The successor Myanmar-Australia Peace Support (MAPS) program moved to investment primarily through the Joint Peace Fund.

MAPS achieved its program outputs expected in 2016-17. Following the inception of the Joint Peace Fund in 2015-16, the Joint Peace Fund’s Technical Secretariat and Trust Fund Manager were put in place and all financial systems and operating procedures were established. The Joint Peace Fund was considered endorsed as the mechanism for international support to the peace process when the National League for Democracy requested Joint Peace Fund financial assistance for the Union Peace Conference (Panglong Conference) in August 2016. The Fund subsequently supported attendance of parties engaged in the peace process at the conference.

The establishment of the Joint Peace Fund and the commencement of activities under the Fund were significant achievements. The Joint Peace Fund allows a more strategic view of where support should best be targeted and improved donor coordination, which enabled easier identification of gaps and reduced the risk of duplication of efforts. Australia was one of eleven donors contributing to the Fund.

Australia’s investments in complementary activities with the Centre for Peace and Conflict Studies and the Centre for Humanitarian Dialogue were effective in supporting more inclusive peace dialogue between conflict actors, including through technical and facilitation assistance. However, as a government-controlled process, there is a limited space for informal dialogue as part of the peace negotiations.

During this period ceasefires moved into an implementation phase for those who had signed, parallel with negotiations with those who had not signed. Australia support was provided for civilian ceasefire monitoring, including for training and support to civilian ceasefire monitors in several states. This better equipped civilian ceasefire monitors to monitor bilateral ceasefires independently, and helped to ensure ceasefires were respected.

Throughout 2016-17, Australia continued to advocate for, and supported partners’ efforts to engage and prioritise women in the peace process. This aligned with DFAT’s commitments to Women, Peace and Security, recognising that women play a critical role in building peace. Australia’s peace support programs were effective in increasing women’s participation in Myanmar’s peace process, also in line with AIP and PAF objectives. Through the Peace Support Fund, Australia contributed to the secretariat of the Alliance for Gender in the Peace Process, which brought more women to the table. Seven per cent of participants at the January 2016 Union Peace Conference were women, increasing to 13 per cent at the August 2016 Union Peace Conference. This is a seemingly modest increase, but significant in the context of women’s low representation in decision-making. The Transformative Peace Leadership Programme for Women, supported by Australia through the Centre for Peace and Conflict Studies, increased the leadership abilities of the 11 women peace practitioners who participated. The Joint Peace Fund has a gender inclusion strategy, has appointed a gender adviser, and has a goal of allocating 15 per cent of its overall budget to focus on strengthening gender outcomes in programming.

As it is often hard to anticipate future directions of the peace process, Australia’s aid programs were designed to ensure a large degree of flexibility. As a result, they have been able to be respond to changes in a highly politicised environment. Input from local partners helped ensure support remained relevant and adapted to shifts in context. Local partners were, in turn, provided training to increase their capacity.

While Australia concluded its role as Chair of the Joint Peace Fund in June 2017, it will remain a prominent and engaged partner. To help ensure this is achieved, in 2017-18 DFAT will evaluate whether to continue investments through direct bilateral partners, or provide additional support through the JPF.

**Humanitarian**

Myanmar’s humanitarian situation remained complex, with challenges remaining, and in some cases, escalating. Access to areas of humanitarian need remained a particular challenge, and Australia consistently advocated for the lifting of access restrictions for humanitarian partners, with some success.

The first evaluation of Australia’s total humanitarian portfolio in Myanmar since 2014 was conducted in 2017, and is expected to be finalised in September 2017. Initial evaluation findings showed that Australia’s humanitarian assistance has achieved much in Myanmar across sectoral areas, with assistance reaching over 500,000 people in need annually, of which 61 per cent were women and girls.

2016-17 achievements included: 10,000 people affected by conflict in Shan State were able to cover their basic needs through provision of relief assistance through the International Committee of the Red Cross (ICRC); About 3,370 people with disabilities improved their mobility through ICRC-supported rehabilitation centres; 22,760 students were supported to access school in Thai refugee camps and 441 teachers were trained to work in the camps, through Save the Children; and following Cyclone Mora, 628 Australian-funded shelter and hygiene kits were distributed to families in Rakhine State, in partnership with CARE. In the latter case, DFAT's flexibility and responsiveness to pre-positioning the stocks in Rakhine following the previous Cyclone Komen helped ensure CARE could respond promptly to meet needs this time.

The humanitarian program has had a positive impact on women and girls, specifically addressing gender based violence risk and needs. Some Australian-supported programs specifically supported women and girls. For example, through the Women and Girls First Initiative of the UN Population Fund, 60,000 women were able to access gender based violence and sexual and reproductive health services in Kachin, Shan and Rakhine States. The locations offering services increased to 20 in 2016 (from none in 2015). However, the evaluation identified the need to better promote DFAT’s policy commitment to gender equality and to strengthen gender integration across all sector partners.

Child protection was another area of achievement, through support to UNICEF’s Child Protection Program. In 2016-17 achievements included; increasing the number of children covered by child protection services from 88,735 in 2015 to 125,378 in 2016; access to case management and psychosocial care for over 20,000 children in Kachin and 30,000 in Rakhine; actioning of 997 cases of violence against children; and training of 188 child protection social work case managers to cover 37 townships. With Australia’s support, the program also built links with the private sector to help prevent child exploitation in the tourism sector.

In 2016-17, the program considerably increased its advocacy and focus on supporting people with disabilities impacted by conflict. At Australia’s request, partners included support for people with disability in recently-funded programs. Partners are beginning to consider disability inclusion more systematically for future programs. This will be an increasing focus going forward.

To sustain its impact, Australia increasingly merged aspects of its humanitarian assistance with longer term development interventions, in accordance with aims of DFAT’s Humanitarian Strategy. This is reflected in our choice of partners, with many focusing on longer-term resilience building assistance and working across the humanitarian-development divide. This was evident in CARE Supporting Partnerships and Resilience of Communities projects. In 2016-17, through this program 19,698 people benefited from the completion of community development projects and 1,948 individuals benefited from the establishment of four new community forestry plots providing a livelihood for landless populations in Rakhine State.

Australian assistance strengthened the ability of local organisations to address humanitarian need. Most direct partners were international NGOs, which in turn provided assistance to local organisations, increasing their capacity to respond to crisis situations. Some local partners subsequently demonstrated great initiative and collaboration in setting up skill transfer arrangements between themselves.

Fewer people returned from refugee camps along the Thai-Myanmar border to Myanmar than anticipated and the situation along the Thai-Myanmar border remained fairly static in 2016-17. Australia continued to support education and economic opportunities for communities in this region and to assist Myanmar refugees on the Thai-Myanmar border to make a safe and dignified voluntary return to Myanmar if they freely chose to. In 2016-17 this included through support to the International Rescue Committee and Save the Children. In June 2017 the last volunteer placement along the Thai-Myanmar border concluded, after 27 years of placements on the Thai side of the border, to focus on support in and from Myanmar instead.

A significant but unpredictable risk for the humanitarian program, which is increased by impacts of climate change, is a future large scale sudden-onset disaster, which would require allocation of a considerable proportion of the humanitarian program to assist a response. This could delay implementation of activities addressing longer term resilience. Another risk to more strategic planning is a considerable escalation in conflict. To manage these risks, DFAT has ensured its programming remains flexible and is able to respond rapidly. Australia’s approach to un-earmarked funding allocations allows implementing partners to target assistance appropriately and flexibly according to identified and evolving needs.

In 2016-17, humanitarian assistance spanned four sectors and six partners. The recent evaluation confirmed that more targeted investments with fewer sectors and partners would enable Australia to take a stronger leadership role and work more closely with partners so programs are as effective as possible. Consolidation of the humanitarian portfolio is anticipated to progress further in 2017-18.

Evaluation findings will contribute to a new Myanmar humanitarian strategy in 2017-18. In line with initial recommendations, longer term funding commitments that allow more strategic planning and program management will be considered. Any move to commit some funding support over multiple years, rather than just annual funding allocations, may create a need for some amendments in the Aid Investment Plan.

The focus over the next year will also be on further transitioning to an approach that better reflects the needs specific to more protracted situations, in areas that build resilience of people impacted by conflict. This will require programming that enhances linkages between humanitarian and development assistance. Protection and education emerged in review discussions as two sectors that could form the focus of future Australian assistance, particularly as these areas are not already sufficiently covered by other donors and because Australia is well known for its role in education in Myanmar.

Addressing the complex and urgent challenges in Rakhine State will be a major focus area for 2017-18, as Australia remains committed to working with Myanmar and other partners to address Rakhine State’s humanitarian and development challenges. The aid program will continue to provide practical assistance that benefits all communities in Rakhine State. Australia will monitor closely the work of the Kofi Annan-led Advisory Commission and will look to support Myanmar’s implementation of its recommendations.

**Democratic governance**

Australia continued its support for Myanmar’s ongoing political transition by providing assistance to key democratic institutions and processes. The aim was to help strengthen Myanmar’s democratic political culture and contribute to the building of transparent, effective and accountable governance. Australia continued assistance for credible and inclusive democratic elections, parliamentary processes, civil society and justice reforms, as these are important for embedding democratic reforms and ongoing stability.

Australia continued to support improved electoral management by the Union Election Commission (UEC) through partnering with the International Foundation for Electoral Systems (IFES), and the Australian Electoral Commission (AEC). Activities funded assisted UEC strategic planning, operational training for election officials, civic and voter education and more inclusive elections.

With Australian support, the UEC made substantial progress in implementing goals and activities outlined in its 2014-2018 Strategic Plan, including systematic professional development training for new UEC staff and improving the voter list database. IFES supported the induction training for 250 new UEC staff (over 50 per cent women). Participants substantially improved their understanding of electoral operations, as evident in results from pre- and post-training testing. The AEC facilitated trainer training with 86 participants who then trained 4,000 senior polling station staff. The impact of training efforts was evident in the 2017 by-elections held in 19 seats across eight states and regions. The by-elections, the first elections to be administered by a new Chairman and Commissioners, were widely accepted as credible and the preliminary observer statement issued by the Election Education and Observation Partners remarked on UEC’s improved performance.

With IFES support the UEC expanded its recruitment of women. 76 per cent of the UEC’s new recruitment class of sub-commissioners in 2016 were women. AEC sponsored two female UEC staff in a study program to further develop their electoral management skills. Momentum of the She Leads women’s leadership program continued, with over 600 women given political participation and advocacy skills training. The training program is expanding to increase access to more marginalised women. A conference in mid-2017 launched the campaign ‘We stand together’, which advocates for more women in parliament.

Australian-supported advocacy for disability inclusive elections had an impact. Several Members of Parliament agreed to champion the requests in the *Disability Rights Policy Platform* for greater disability inclusion. A Disability Rights Law was introduced to the Amyotha Hluttaw in September 2016.

Australia’s assistance also improved communication of voter information. More than 200,000 people from all states and regions involved in the by-elections participated in voter education events coordinated by the UEC and civil society organisations, with the support of IFES. Approximately 445,000 pamphlets and 69,500 posters were distributed. An online portal provided voters with election information and a corresponding Facebook page reached approximately 1,000,000 people with daily updates and voter education materials.

IFES also partnered with the UEC and civil society organisations (CSOs) to develop an interactive civic education training curriculum and train over 13,000 people late 2016. Targeted populations were in areas with low voter turnout and high invalid ballot numbers at the 2015 elections. These voter education efforts demonstrated a renewed effort by the UEC to partner with CSOs and to apply lessons learned from 2015.

It is unclear if these efforts led to greater voter turnout than would otherwise have occurred. While the eligible voter turnout rate of 37 per cent was much lower than the 2015 election rate of 69 per cent, by-elections globally do tend to draw considerably fewer voters than general elections.

In 2017-18, support will focus on helping the UEC to build on its achievements demonstrated through the by-election, and strengthen and consolidate its new skills and processes. Supporting preparations for the 2020 national elections will become an obvious focus.

Australia also supported the United Nations Development Programme’s (UNDP’s) program to strengthen key democratic governance institutions and capacities in the Union Parliament, court system and civil service. These institutions and their processes improved over 2016-17, with increased openness, effectiveness and timeliness.

The UNDP’s Perceptions Survey of Ethics, Meritocracy and Equal Opportunity with 2,500 civil servants, informed a new Civil Service Reform Action Plan 2017-2020, to modernise and strengthen capacity of the civil service and increase accountability and transparency. The Action Plan and a national anti-corruption assessment are being implemented with strong support from government and civil society.

The Parliament Learning Centre trainings in key parliamentary and representation skills were widely attended by parliamentarians and parliamentary staff and management training is well underway for executive and mid-level management staff. Support provided to the committee process has improved, with greater clarity on how bills can be introduced.

While this assistance is highly integrated with the institutions it supports, the disparate and sometimes one-off nature of activities has hindered its effectiveness in some areas. In 2017-18, Australia will consider which activities are best able to achieve the most impact in this area, and will re-align support if needed.

Objective 3 (promoting inclusive economic growth and government management)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | SDG 8 |  |  | C:\Users\penrober\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\C2F6X0TR\sdg-09.png |  |

Objective three, promoting inclusive economic growth and government management, is also rated green, due to progress in achieving AIP and PAF objectives of promoting inclusive growth through enabling private sector led growth and improved quality and transparency of financial planning and budget processes. Key programs supported were:

|  |  |  |
| --- | --- | --- |
| Investment | Timeframe | AUD |
| Myanmar (Burma) Investment Climate and Private Sector, including the Investment Climate and Competitiveness program | 2015 - 2020  | 20.7 |
| Modernisation of Public Financial Management | 2015 - 2018 | 10 |
| Extractive Industries Transparency Initiative  | 2015 - 2018 | 2.1 |
| Myanmar Strategic Support Program | 2015 - 2018 | 1.8 |
| Livelihoods and Food Security Trust Fund  | 2009 - 2018 | 29 |
| ACIAR Multidisciplinary Research Program Myanmar (MyFarm) | 2011-2017 | 12 |

Australia promoted economic growth in Myanmar through support for reforms to the enabling environment for private sector growth, streamlining and modernising business regulation, reducing barriers to trade and encouraging access to finance for small businesses.

Through the Investment Climate and Competitiveness Program (ICCP), implemented by the International Finance Corporation (IFC), Australia continued to assist business and investment policy reforms which improved corporate governance and increased opportunities for investment and trade. This supported Myanmar’s commitment to increase foreign direct investment to access needed capital and expertise. The ICCP continued to have considerable ownership from the Government, which has been an important factor in achieving outcomes to-date.

This investment saw results. In 2015 Myanmar ranked worst of 189 countries on ease of starting a business in the World Bank’s Doing Business Report. It now ranks 146. The number of days to register a business reduced to 13 from 36 in 2016 and the number of required import licences reduced by 42.9 per cent. The removal of US sanctions will further boost impact of reforms to the private-sector enabling environment.

The ICCP supported the introduction of a new investment law, which provides streamlined approval processes for both domestic and foreign investment. The new law was enacted in October 2016 and corresponding regulations issued in early 2017. Australia supported the drafting, consultation process and implementation of the legislation. The law's implementation, along with continuing macroeconomic reforms, will spur significant foreign direct investment growth and job creation. A significant reduction in the number of types of business activities which require a Myanmar citizen as company joint venture partner (from 92 to 22 areas of business activity) opened up new sectors to foreign investors.

The Myanmar Business Forum continued to operate and promote transparent public-private dialogue. As a parallel dialogue process was established by the Government, the ICCP may need to revise its approach to supporting dialogue between government and the private sector, requiring a change to PAF targets.

ICCP will continue to assist Myanmar implement further reforms in 2017-18, such as the introduction of a new Companies law and streamlined customs procedures. While these are important long-term reforms, we understand that progress may be slow due to the scale of barriers to reform.

The ICCP was complemented by DFAT-funded advisory support to the State Counsellor on economic policy, focusing on financial sector reform. Myanmar’s financial sector remains severely underdeveloped relative to other ASEAN nations, with access to finance a major constraint for business.

DFAT led on promoting gender equality through ICCP and made it a priority to engage on gender equality mainstreaming in 2016-17. This included implementation of recommendations from the DFAT commissioned, “Women and the Economy in Myanmar: an assessment of DFAT's private sector development programs” in 2016. As a result of this advocacy, ICCP has allocated five per cent of its budget as ‘gender spend’. It has undertaken a gender tourism value chain assessment, developed a Myanmar Gender and Entrepreneurship Survey, and added gender questions to the IFC’s national Enterprise Survey. This data will help understanding of the gender dimensions and options for ICCP program areas. In 2017-18, the ICCP will continue to improve gender equality mainstreaming and will recruit a full-time gender adviser.

Support for gender through ICCP was complemented by DFAT regional support for the Investing in Women initiative, which is establishing a coalition of leading businesses in Myanmar committed to gender equality. In 2016-17, the coalition secured five high profile members, including Daw Win Win Tint, Managing Director of City Mart Holdings (Myanmar’s largest supermarket chain) as Chair.

Australia engaged in two innovative private sector partnerships in 2016-17 under DFAT’s Business Partnerships Platform. This included a partnership with AVI and Intrepid to deliver a sustainable tourism hub in Yangon, and supporting women textile producers to access international ethical fashion markets (partnering with ActionAid, the Fabric Social and MBoutik).

Post is also working closely with Greater Mekong Water Resources Program and the Australian Water Partnership in supporting the Government of Myanmar’s advancement of their water resources and energy agendas.  Post’s diplomatic oversight of the Australian support to the Ayeyarwady Integrated River Basin Management Project, and a Strategic Environmental Assessment of the Myanmar Hydropower Sector adds an extra dimension to our bilateral diplomacy.

Australia’s support also strengthened Myanmar’s public financial management (PFM) systems and improved fiscal transparency through the Modernisation of Public Financial Management program (MPFMp), which is implemented in partnership with the World Bank.

The PFM support improved budget systems, including a move from paper processes to IT systems. The program has delivered on outcomes ahead of expectations. For example, the tax to GDP ratio increased from a baseline of 6.2 per cent in 2012-13 to 8.71 per cent in 2016, exceeding PAF targets. A new procurement law has been finalised, which may increase investor confidence.

The MPFMp was to support the establishment of a PFM Academy to serve as a centre for facilitating training and technical assistance for government PFM. However, the PFM academy was not established in 2016-17, with delays while academy physical infrastructure was being considered.

This program of support is being assessed following a review in March 2017, to address issues of low disbursements and areas experiencing a lack of adequate progress. Implementation did gained momentum, with 2016-17 disbursement of funds better than 2015-16. This should be increased further in 2017-18.

Support continued for improved transparency through the Extractive Industries Transparency Initiative (EITI), as effective natural resource governance is important for Myanmar’s economic reform. Support to the EITI work was constrained as a result of change in governance arrangements and appointments. Myanmar failed to meet its EITI requirements over 2016-17, including publication of the EITI 2017 report. Since appointments in December, some progress has been achieved, and five stakeholder group meetings have been held. DFAT will continue to promote government engagement in the EITI in 2017-18, to prevent further slippage in progress. Myanmar’s validation against the EITI Standard will commence in July 2018.

With Australia’s support, the Myanmar Strategic Support Program, managed by The Asia Foundation, made progress linking states’ and regions’ PFM systems with union level systems, for example, by improving understanding of inter-government transfers. State and region leaders who participated in workshops on how to prioritise and budget have demonstrated improved capacity, and, based on anecdotal evidence, articulate their priorities better than most sub-national leaders who have not participated.

In 2017-18, DFAT will work closely with all economic governance partners to ensure a strategic approach is maintained, and results are communicated.

**Rural development**

Addressing poverty through economic growth in Myanmar requires a focus on Myanmar’s rural population, with agriculture accounting for about 38 per cent of GDP.

In 2016-17, Australia continued to provide support to improve rural livelihoods and food security, including through the Livelihoods and Food Security Trust Fund (LIFT), of which Australia is a Fund Board Member. LIFT (managed by UN Office for Project Services) had about 75 ongoing projects, with substantial results. By the end of 2016, LIFT had reached over 7.2 million people with a range of interventions, with an estimated 64 per cent of beneficiaries being women. Over 202,000 households increased agricultural productivity. $400 million worth of low-interest loans were distributed to nearly 1.6 million clients. LIFT helped mitigate climate change impacts, including protecting over 5,000 acres of paddy fields from saltwater intrusion.

Australia was the Gender Champion on the LIFT board. LIFT support for women included through improving maternal nutrition, increased financial literacy and access to credit. 94 per cent of micro-loan recipients were women. LIFT insisted on equal wages for men and women in cash-for-work activities. If this period, LIFT also developed a Gender Strategy and Action Plan aligned with the NSPAW.

LIFT supported governance in the sector, including through training over 430,000 civil society members, a new Public Expenditure Review for agriculture, and a government Agriculture Policy Development Unit.

LIFT will continue to implement recommendations of an interim review in late 2016, including a greater focus on government leadership and capacity and an assessment of LIFT’s gender outcomes to inform recommendations for strengthening these in the future. LIFT is scheduled to conclude in 2018. In 2017-18, DFAT will engage in discussions on possible future investments in rural development.

Australia was a major contributor to the Grow Asia partnership, which works across ASEAN countries. In Myanmar, support was provided for coffee, horticulture, rice, agrifinance and seed industries to bring together government, agribusinesses and civic society to increase impact of investments in value chains. Australia was also a strong supporter of Myanmar’s successful application for finance under the Global Agriculture and Food Security Program and welcomed the new investment of US$27 million for agricultural development in the Central Dry Zone.

ACIAR’s MyFarm program was also effective in achieving intended results, and improved food security and livelihoods of many rural men and women in Myanmar. In 2016 a MyFarm rice project saw 15-25 per cent increases in rice yields and 20-30 per cent increases in profit in rice farming systems. A pulses project had yield increases of 10-40 per cent with groundnut, chickpea and pigeon pea. It completed 700 experiments relating to nutrient management, breeding, variety selection, water use and residue management. The science developed through MyFarm has potential to impact on many more beneficiaries in future.

In 2016-17, MyFarm continued to address barriers to effectiveness identified in a 2015 mid-term review, including to address concerns of under-developed links to stakeholders. The MyFarm program improved its coordination with government authorities at all levels, the private sector and other stakeholders. Interactions with the private sector also increased significantly, including through the Myanmar Agriculture Network and Mekong Business Institute. A competitive grants scheme was implemented to boost effectiveness through inter-project collaboration.

MyFarm’s Gender Strategy was finalised in 2016. The Program is on track to mainstream gender in project activities, including research and extension. All projects feature improved examples of gender consideration, such as the engagement of gender expertise, commissioning of studies focused on women in farming households, and sex-disaggregation of training participant and scholarship recipient data. Overall women represent 30 per cent of beneficiaries, 80 per cent of scholarship recipients, and about 40 per cent of in-country training participants.

Consolidating and documenting impacts will be a major focus for the program’s final year. ACIAR is developing a new ten year strategy for its collaboration with Myanmar, which will outline the direction of any future support.

**Volunteers**

A number of Australia’s programs of support for Myanmar address multiple objectives. This is the case with the volunteers program, managed by Australian Volunteers International. Thirty-six volunteers were deployed in 2016-17, up from 25 in 2015-16. Volunteer placements complement aid investments and respond to high priority requests for capacity development from the Government and civil society. The majority of volunteer placements in 2016-17 were in AIP priority sectors. Consistent with the direction of growing government-to-government links, there were increased placements with government agencies.

## Mutual obligations

Australia’s support continued to align behind Myanmar’s reform priorities, in areas agreed with the Myanmar Government. In 2016-17, the AIP continued to shape the direction and the limits of Australian support. Shared priorities and mutual obligations were discussed at the annual High Level Consultations on aid, which were agreed through the Memorandum of Understanding of Development Cooperation in 2013.

Myanmar’s commitment to continued reform is critical to the achievement of AIP objectives. Australia’s AIP reflects its commitment to support Myanmar’s own policies and plans for reform. In education, Australia supports Myanmar’s priorities as outlined in its National Education Sector Plan.

Some programs of support are, by design, dependent on Myanmar Government leadership to achieve results. For example, Australian assistance will only be useful if Myanmar commits its own resources to the Government’s Decentralizing Funding to Schools program. It will also be the case for the My-EQIP program, which requires the Ministry of Education to lead on prioritising and selecting activities for implementation. Support to private sector led growth is dependent on the Government fulfilling its commitment to work with the private sector to cut red tape and encourage investment. This commitment was evidenced by the passage of a new Investment law in 2016 and consultation with the private sector on a new Companies Act.

Myanmar is increasingly taking ownership of its own development agenda. This is reflected in the establishment of the Development Assistance Cooperation Unit to coordinate donor assistance in support of Government development priorities.

Partnership between Australia and Myanmar is supported by collaboration in other areas, including in regional and global forums. As Australia’s rotating Country Coordinator (2016-18), Myanmar has actively supported Australia’s engagement with ASEAN. Australia also maintains a relationship across various portfolios, including Police, Customs and Defence.

## Program Quality and Partner Performance

**Overview**

The consolidation of the Myanmar bilateral aid program around AIP priorities of education, peace, inclusive economic growth and government management continued in 2016-17.

The program’s capacity to generate and use effective performance information increased considerably over 2016-17, with improved M&E frameworks and processes. Recommendations from previous Australian and Myanmar evaluations have mostly been agreed and implementation of actions required in response to recommendations has progressed. This is evident in programs including MyFarm and in the case of the Union Electoral Commission. Evaluation planning information is at **Annex C.**

While consolidation is well underway, further consolidation in the humanitarian area will be considered in 2017-18. This would follow the finalisation of the review and of a humanitarian strategy for Myanmar.

Australia continued to ensure its support was well-coordinated and complementary with other development partners. It had a very strong role in development partner coordination, including co-chairing the Cooperation Partners Group which represents over 40 bilateral and multilateral partners. Leadership positions in peace and education donor coordination have increased Australia’s profile with Government.

Again a significant proportion of contracting and expenditure occurred in the final quarter of 2016-17. A large component of this was funding for humanitarian partners. If possible, multi-year funding and earlier commitment of a larger component of humanitarian funds would assist in preventing this late surge, and allow for a more effective period of planning and negotiation with funding recipients.

The investment pipeline is quite firm, providing clarity for most program managers and partners. At the same time, it is recognised that some flexibility must be maintained, to allow for unpredictable changes in context and to respond strategically to Government of Myanmar requests for assistance.

**Aid Quality Checks (AQCs)**

Ten AQCs, two humanitarian AQCs and one Final AQC were completed to assess 2016-17 program performance. A summary of AQC ratings by investment is included at **Annex D**.

AQC results indicated that most programs assessed performed well over 2016-17. All were found to be still very relevant to Australian priorities and interests and performance across all three pillars of the Aid Investment Plan was satisfactory.

Ratings for effectiveness and M&E increased overall, up 18 per cent and 12 per cent respectively. This reflects that a number of poorly performing legacy projects finished in 2015-16 and the transition to new plans and M&E systems. While there was also a focus on improving gender across almost all investments and ratings for gender equality remained at 80 per cent overall, all ratings denoted just adequate progress.

A very small drop in sustainability of outcomes from the previous year is being addressed through a focus on strengthening capacity of government and other local partners to continue projects and processes beyond planned Australian support.

**Performance of key delivery partners**

Much of Australia’s aid to Myanmar was delivered through multi-donor mechanisms, including trust funds managed by the World Bank and UN agencies. In some sectors, support was provided more directly to international NGOs and local partners, including in peace and humanitarian areas.

Overall partners performed well in challenging contexts. Many partners had been selected in part due to their experience in Myanmar and subsequent understanding of the particular needs arising from the local contexts in which they operate. Their strong relationships and extensive networks helped Australia meet its program objectives. While some partners exceeded objectives, a number of partners were not able to implement activities according to their plans and schedules due to impacts of changes in circumstances beyond their control, such as restricted access to areas of need or delays in government processes.

Most partners were highly responsive to Australia’s requests and raised concerns to DFAT as they arose. To help maintain performance of partners, and address any performance concerns, Australia’s program managers maintained regular communication with partners, and provided feedback throughout the year, both through formal and informal processes.

Program managers will continue to advocate for increased partner focus on gender issues in programming. While gender advice was included in all design finalisation and reviews in this period, there is a need for Australia to maintain advice and monitoring of partner efforts.

## 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?** | **For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)** |
| A change in the priorities of the Myanmar Government could result in misalignment of Australian aid activities with government interests.  | Australia monitored political developments; built relationships with government; built flexibility into new aid activities to enable the program to respond to changing priorities and maintain our reputation as an effective, flexible donor; and balanced investments to government and non-government service providers. | Continue with existing controls and strengthen relationships with the new Myanmar Government. | Moderate |
| Australia loses influence with government and other stakeholders due to increasing number of donors and lower relative size of Australian aid program.Limited staff resources and staff movements delay program pipeline planning and maintains pressure on existing staff. | Australia managed ongoing engagement with Myanmar Government and targeted investments on specific areas of influence and experience. Australia retained technical staff and advisors to inform program decisions, drew on Canberra resources to support design and program management.  | Investments will continue to target areas of interest and visibility for the government, where Australia can provide effective support. Maintain existing controls, and continue to redefine responsibilities where additional resourcing is required for high risk and new areas of work.  | ModerateModerate |
| Escalating conflict causes suspension of activities and undermines development efforts in affected areas.  | Programs delivered in areas of conflict or intercommunal tensions are implemented by partners with expertise in operating in conflict affected environments. Flexibility in programming was maintained, to allow for changes in context.  | Close monitoring of conflict situations and communication with partners will continue. Support for peace efforts and flexible programming will continue.  | Very high  |

## Management actions

Of the 11 managements responses included in the previous report, eight have been achieved. The remaining three have been partly achieved, as work is still ongoing. A summary of progress on management responses is included in **Annex A**.

In 2017-18, Australia’s aid program will continue to provide support in accordance with the shared priorities of Australia and Myanmar. **Strategic** objectives are to:

* Assess how Australia’s investments fit within and support the broader Australian Government’s relationship with Myanmar;
* Continue assessment of whether activities and modalities of support selected remain the most effective and efficient way to achieve objectives, including options to consolidate activities within AIP pillars where appropriate;
* Encourage continued engagement by the Myanmar Government on Australian aid funded investments, particularly for Government-led projects;
* Support the capacity of Ministry of Education officials to provide effective leadership of My-EQIP;
* Consistently resource advocacy, activities, advice and monitoring of inputs to support Government and implementing partners to advance gender equality and women’s empowerment;
* Closely monitor Myanmar’s peace process and humanitarian situation, and ensure support is responsive to changes;
* Assist Myanmar and partners to address Rakhine State’s humanitarian and development challenges, including in response to recommendations of the Advisory Commission on Rakhine State;

Other **operational** actions required to progress programs and activities in 2017-18 are to:

* Finalise a Myanmar humanitarian strategy;
* Implement agreed recommendations from a review of humanitarian assistance, including through advocacy for multi-year funding;
* Adopt a more consolidated humanitarian portfolio;
* Assess peace funding, to ensure a correct balance of support directly to bilateral partners and through the Joint Peace Fund;
* Engage a managing contractor for My-EQIP to facilitate activity selection and commencement of implementation.
* Conduct a mid-term review of the Decentralizing Funding to Schools project;
* Continue to address barriers for potential Australia Awards applicants;
* Implement findings of analysis of support in the area of public financial management, to address issues of low disbursements and areas experiencing a lack of adequate progress;
* Continue support implementation of recommendations of an interim review of LIFT, including to work towards developing government capacity and strengthening support for gender equality;
* Develop and consider possible future investments in rural development; and
* Revise PAF indicators to reflect major new investments and progress already achieved, and add indicators for rural development; and
* Finalise a twin-track Gender Strategy for the Myanmar Program, with mainstreaming targets for all programs and policy objectives aligned with the NSPAW.
* Monitor Embassy staff resourcing, to ensure allocation of responsibilities reflects priorities and workload, particularly at times when response to a humanitarian crisis is required.

Annex A - Progress in Addressing Management actions

|  |  |  |
| --- | --- | --- |
| **Management actions identified in 2015-16 APPR**  | **Rating** | **Progress made in 2016-17** |
| Mitigate political risk and maintain influence in an increasingly complex donor environment by working closely with the Myanmar Government to implement Australia’s aid program and taking a leadership role in the Myanmar Development Cooperation Partners Group. | Achieved | Australia engaged extensively with the Myanmar Government in key sectors to ensure our aid program aligned with its priorities. Australia had a leading role in a number of donor coordination mechanisms in 2016-17, including in education and peace support.  |
| Closely monitor and report on developments in the peace process, and finalise a monitoring and evaluation framework for Australia’s peace support. | Partly achieved | Australia closely monitored and reported on the developments in the peace process over 2016-17. Australia’s program of support for the peace process has inbuilt flexibility for the program to adapt and respond to new directions in the peace process. Monitoring and evaluation frameworks are being finalised by the multi donor funds in consultation with other donors. However, there is still a need to review overall program indicators under the Performance Assessment Framework.  |
| Continue to encourage Myanmar Government engagement on Australian-funded aid investments, including in rural development. | Achieved | Australia continued to encourage and facilitate the Myanmar Government’s engagement on Australian funded aid investments throughout 2016-17. The design process for post-2018 support for rural development will engage with the Myanmar Government. Australia has been responsive to Myanmar Government requests for assistance in particular aspects of rural development in 2016-17, including support in the area of pulses. With Australia’s support, the Ministry of Agriculture, Livestock and Irrigation is now represented on the LIFT Board.  |
| Explore opportunities to support government efforts to address the situation in Rakhine State, including by increasing development assistance and resilience-centred humanitarian assistance through existing investments. | Achieved | Supporting government efforts to address the situation in Rakhine State has been one of the program’s priorities in 2016-17. This includes support for Myanmar’s implementation of Advisory Commission on Rakhine State interim report recommendations. Australia has provided additional assistance to support the people of Rakhine State in 2016-17. Further opportunities will be explored, with any new development assistance in Rakhine State likely to focus on areas of education and economic growth.  |
| Maintain leadership role on gender equality and women’s empowerment by advocating consistently in investment governance mechanisms and with government, as appropriate. | Partly achieved | Australia was a strong advocate for gender equality and women’s empowerment in 2016-17, including in the traditionally male-dominated areas of agriculture, peace negotiation and investment climate and competitiveness. However, there is still more that can be done, as evident in investment Aid Quality Check findings. Consistent advocacy will continue in 2017-18, and programming will be further targeted to address gender issues.  |
| Adopt a more predictable and consolidated humanitarian portfolio, by developing a humanitarian strategy for Myanmar as the basis for multi-year funding commitments. | Partly achieved | Work on a humanitarian strategy has progressed. A draft is prepared and an evaluation has been completed. However, the strategy is yet to be finalised.  |
| Finalise the two education investment designs.  | Achieved | The two education designs were completed.  |
| Revise AIP performance assessment framework to include whole-of-program performance indicators and reflect major new investments, including in rural development. | Partly achieved | Some targets have been included or updated, but others still require revision.  |
| Invest in long term technical expertise in education, humanitarian and public financial management to maintain Australia’s policy credibility in Myanmar; | Partly achieved | Education, humanitarian and public financial management programs all benefited from technical expertise. Some humanitarian expertise was lost through the withdrawal of an Australian Civilian Corp humanitarian adviser position. Loss of Locally Engaged Staff also reduced available technical expertise in public financial management and in governance.  |
| Seek independent appraisals of all new investments to strengthen quality assurance systems; and | Partly achieved | Most, but not all, new investments benefited from independent appraisal to strengthen quality assurance systems.  |
| Reduce proliferation and enter into longer program phases – four years where practicable – to provide greater predictability and reduce management overheads. | Partly achieved | Proliferation was reduced in most sector areas. However, greater reduction may be needed in the humanitarian programming. A multi-year humanitarian strategy will be a key contribution to this effort. |

**Note:**

**⬛  Achieved. Significant progress has been made in addressing the issue**

**⬛  Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved**

**⬛  Not achieved. Progress in addressing the issue has been significantly below expectations**

Annex B – PERFORMANCE BENCHMARKS

**Progress towards Performance Benchmarks in 2016-17**

| **Aid objective** | **Performance Benchmark**  | **Rating** | **Progress in 2016-17** |
| --- | --- | --- | --- |
| Enhancing human development | Expand and strengthen government school grants programEnabling Effective TeachingStrengthened policy formulation and oversight | Achieved | The school grants program was expanded, well exceeding targets. Grants were provided to 95 per cent of schools, in all 330 townships, in accordance with School Grant Guidelines. Over 9 million beneficiaries were reached. Almost all schools produced School Improvement Plans. Following completion of the design for additional assistance to the Decentralizing Funding to Schools, the teacher mentoring program commenced in 40 townships, enabling more effective teaching. Donors coordinated effectively and helped shape implementation of reforms. Ministry of Education data quality and reporting improved and an M&E system is in place.  |
| Achieved |
| Achieved |
|  | Reduced drop-outs and repetition of poor students  |  | 158,000 students received payments in the school stipends program, over the target of 100,000. Girls represent over half of recipients.  |
| Promoting peace and stability  | Support government and non-state actors to effectively engage in negotiations and dialogue Capacity of key democratic institutions (including the Union Electoral Commission) enhancedPeople in need receive effective and appropriate humanitarian assistance  | Partly achieved | Government and non-state actors were supported to engage in negotiations and dialogue. Two of three targets were met. Technical support to negotiating parties was responsive to requests, and women who completed Australian-funded training were engaged in the peace process. A tri-partite government mechanism for the Joint Peace Fund was not established. A largely parallel government mechanism was established, however. Capacity of the Union Electoral Commission (UEC) and Parliament were enhanced. Improved capacity of the UEC was evident in the successful delivery of by-elections in 2017. There was increased involvement of marginalised groups in the electoral process. This included more women involved in election management, and improved access to voting for people with disabilities. Members of Parliament improved quality of participation in parliamentary processes and procedures following training provided by the UNDP, with Australia’s support. Early findings of an evaluation of humanitarian assistance confirmed Australia’s assistance to people in need was largely effective and appropriate. The target of over 200,000 women and men receiving humanitarian assistance was met.  |
| Achieved |
| Achieved |
| Promoting inclusive growth | Support the establishment of an effective and responsible investment environment Contribute to an improved business environment Strengthen public financial management systems and improved fiscal transparency  | Achieved | A more certain and predictable investment environment was achieved in 2016-17. The Myanmar Business Forum led to constructive dialogue between business, government and civil society on business enabling reform, meeting the PAF target Quality and transparency of financial planning and budget processes was largely achieved. The main failing in transparency was the failure to release an extractive industry report in 2017.  |
| Achieved |
| Partly achieved |

**Note:**

**⬛  Achieved. Significant progress has been made and the performance benchmark was achieved**

**⬛  Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.**

**⬛  Not achieved. Progress towards the performance benchmark has been significantly below expectations**

**Performance Benchmarks for remainder of Aid Investment Plan**

|  |  |  |  |
| --- | --- | --- | --- |
| **Aid objective** | **Performance Benchmark**  | **Target 2017-18** | **Target 2018-19** |
| Enhancing human development | Expand and strengthen government school grants program | 10,259,509 beneficiaries (50% female) through school grants to 80% of schools in 200 townships, in accordance with the School Grant Guidelines30% schools with school improvement plan, aimed at learning outcomes and involved community participation | 11,461,237 beneficiaries (50% female) through school grants to 80% of schools within all 330 townships, in accordance with the School Grant Guidelines50% schools with school improvement plan, aimed at learning outcomes and involved community participation |
|  | Enabling Effective Teaching | 600 mentor teachers engaged, trained and assigned to school clusters | 50,000 classroom observations carried out |
|  | Strengthened policy formulation and oversight | Education reforms well supported within Myanmar GovernmentAustralian advice and evidence reflected in Burma’s education policies and programsCapacity and systems established to monitor education management and performance of the sector | Aid investment has multiplier effect, with evidence of broader outcomes and relationship capitalMoE adopting evidence-based policies and management systems |
|  | Reduced drop-outs and repetition of poor students | 40,000 students receiving payment in the stipends program (50 per cent girls) | 100,000 students receiving payment in the stipends program (50 per cent girls) |
| Promoting peace and stability | Support government and non-state actors to effectively engage in negotiations and dialogue | Parties actively involved in Joint Peace Fund governance structuresTechnical support to negotiating parties is responsive to requestsWomen who have completed Australian-funded training are engaged in the peace process | Parties actively involved in Joint Peace Fund governance structuresTechnical support to negotiating parties is responsive to requestsWomen who have completed Australian-funded training are engaged in the peace process |
|  | Capacity of key democratic institutions (including the Union Electoral Commission) enhanced | Progress on electoral legal and regulatory reformFinalisation of UEC’s strategic plan, including their professional programProgress on implementation of the Union Civil Service Action PlanStrengthened and clarified Parliamentary committee processes | Voter list substantially improved in advance of 2020 elections |
|  | People in need receive effective and appropriate humanitarian assistance | More than 200,000 women and men receive Australian humanitarian assistance | More than 200,000 women and men receive Australian humanitarian assistance |
| Promoting inclusive growth | Support the establishment of an effective and responsible investment environment | A more certain and predictable investment environment | On track to meet an increase in investment to a total value of US$500 million by 2020-21 |
|  | Contribute to an improved business environment | Improvement in Burma’s ranking in Doing Business Index (baseline of 177) | Savings generated for the private sector as a result of business enabling and trade reforms to the value of USD13.6 million and USD$20 million respectively |
|  | Strengthen public financial management systems and improved fiscal transparency | Increased tax to GDP ratio from 6.2% in 2012-13 | Increased tax to GDP ratio of over 10% and a 20% increase in large tax payers from 2012-13 baseline |

Annex C - Evaluation Planning

**List of evaluations completed in the reporting period**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Investment number and name (if applicable)  | Name of evaluation | Date completed | Date Evaluation report Uploaded into AidWorks | Date Management response uploaded into AidWorks | Published on website |
| Strengthening Pre-Service Teacher Education in Myanmar | Strengthening Pre-Service Teacher Education in Myanmar Review Report  | August 2017 | September 2017 | September 2017 |  |
| Humanitarian assistance to Myanmar covering multiple investments between 2014-2017 | Review of Australia’s Humanitarian Assistance to Myanmar | September 2017 | September 2017 | September 2017 |  |

**List of program prioritised evaluations planned for the next 12 months**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Evaluation title** | **Investment number and name (if applicable)**  | **Date – planned commencement (month/year)** | **Date – planned completion (month/year)** | **Purpose of evaluation** | **Evaluation type** |
| Myanmar Decentralising Funding for Schools Project Mid Term Review | INL347 Myanmar School Grants and Stipends (Decentralising Funding for Schools Project) | October 2017 | January 2018 | To verify the performance of Australia’s major education investment in Myanmar and its innovative financing and monitoring approaches, to inform future programming in education and with the Myanmar Government more broadly.  | DFAT-led evaluation  |
|  |  |  |  |  |  |

Annex D - Aid Quality Check ratings

AQC ratings

AQC investment performance over the previous 12 months and where available last year’s AQC ratings are included.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Investment name** | **Approved budget and duration** | **year on year** | **Relevance** | **Effectiveness** | **Efficiency** | **Monitoring and Evaluation** | **Sustainability** | **Gender equality** | **Risks and Safeguards** |
| Decentralising Funding to Schools Project | $84,000,0002014-21 | 2017 AQC | 6 | 5 | 5 | 5 | 5 | 4 | n/a |
| 2016 AQC | 6 | 5 | 5 | 5 | 5 | 4 | 5 |
| Myanmar (Burma) Basic Education  | $62,542,0772012-17 | 2017 AQC | 5 | 4 | 3 | 3 | 4 | 3 | n/a |
| 2016 AQC | 5 | 5 | 4 | 4 | 4 | 4 | 5 |
| Myanmar-Australia Peace Support program  | $29,183,1402016-19 | 2017 AQC | 6 | 4 | 5 | 4 | 4 | 4 | n/a |
| 2016 AQC | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| CARE Supporting Partnerships and Resilience of Communities in Rakhine State | $9,751,9812010-18 | 2017 AQC | 5 | 4 | 4 | 4 | 3 | 4 | n/a |
| 2016 AQC | 5 | 4 | 3 | 5 | 3 | 4 | 5 |
| Supporting Reform, Improving Governance  | `$18,875,8662014-19 | 2017 AQC | 5 | 3 | 4 | 5 | 5 | 4 | n/a |
| 2016 AQC | 5 | 4 | 4 | 4 | 4 | 4 | 4 |
| ACIAR Multidisciplinary Research Program Myanmar (Burma)  | $10,800,0002011-17 | 2017 AQC | 5 | 5 | 4 | 4 | 5 | 4 | n/a |
| 2016 AQC | 5 | 3 | 4 | 4 | 4 | 3 | 4 |
| UNICEF Child Protection Program  | $8,200,0002012-18 | 2017 AQC | 4 | 5 | 4 | 4 | 5 | 3 | n/a |
| 2016 AQC | 5 | 4 | 4 | 3 | 5 | 4 | 4 |
| Livelihoods and Feed Security Trust Fund (LIFT) | $29,000,0002009-18 | 2017 AQC | 5 | 4 | 5 | 5 | 4 | 4 | n/a |
| 2016 AQC | 5 | 5 | 4 | 4 | 5 | 4 |  |
| Myanmar (Burma) Investment Climate and Private Sector | $20,669,2892015-20 | 2017 AQC | 4 | 4 | 3 | 3 | 3 | 4 | n/a |
| 2016 AQC | 5 | 4 | 4 | 3 | 4 | 3 | 4 |
| Three Millennium Development Goals Fund | $46,768,0242012-17 | 2017 AQC | 4 | 5 | 4 | 5 | 4 | 4 | n/a |
| 2016 AQC | 5 | 4 | 4 | 3 | 5 | 4 |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

**Definitions of rating scale:**

**Satisfactory (4, 5 and 6)**

**⬛ 6 = Very good; satisfies criteria in all areas. ⬛ 5 = Good; satisfies criteria in almost all areas.**

**⬛ 4 = Adequate; on balance, satisfies criteria; does not fail in any major area.**

**Less than satisfactory (1, 2 and 3)**

**⬛ 3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.**

**⬛ 2 = Poor; does not satisfy criteria in major areas. ⬛ 1 = Very poor; does not satisfy criteria in many major area.**

HAQC ratings

Humanitarian response AQCs assess performance over the previous 12 months (ratings are not compared to previous years).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Investment name | Approved budget and duration | Relevance | Effectiveness | Efficiency | Monitoring and Evaluation | Connectedness | Protection | Gender equality |
| Assisting Myanmar’s Conflict Affected and Displaced | $30,051,3992013-17  | 5 | 4 | 4 | 4 |  | 4 | 5 |
| Humanitarian & Women's Empowerment (SHWE) | $13,000,0002016-18 | 5 | 4 | 4 | 4 | 4 | 5 | 5 |

**Definitions of rating scale:**

**Satisfactory (4, 5 and 6)**

**⬛ 6 = Very good; satisfies criteria in all areas. ⬛ 5 = Good; satisfies criteria in almost all areas.**

**⬛ 4 = Adequate; on balance, satisfies criteria; does not fail in any major area.**

**Less than satisfactory (1, 2 and 3)**

**⬛ 3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.**

**⬛ 2 = Poor; does not satisfy criteria in major areas. ⬛ 1 = Very poor; does not satisfy criteria in many major area.**

FAQC ratings

Final AQCs assess performance over the lifetime of the investment (ratings are not compared to previous years).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Investment name** | **Approved budget and duration** | **Overall rating** | **Relevance** | **Effectiveness** | **Efficiency** | **Monitoring and Evaluation** | **Sustainability** | **Gender equality** |
| Humanitarian and Peace building Support in Myanmar  | $23,601,0002012-17 | 5 | 6 | 4 | 4 | 4 | 5 | 4 |

**Definitions of rating scale:**

**Satisfactory (4, 5 and 6)**

**⬛ 6 = Very good; satisfies criteria in all areas. ⬛ 5 = Good; satisfies criteria in almost all areas.**

**⬛ 4 = Adequate; on balance, satisfies criteria; does not fail in any major area.**

**Less than satisfactory (1, 2 and 3)**

**⬛ 3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.**

**⬛ 2 = Poor; does not satisfy criteria in major areas. ⬛ 1 = Very poor; does not satisfy criteria in many major area.**

Annex E – Performance Assessment Framework

|  |
| --- |
| **Australia’s Aid Objective 1.) Enhancing human development**  |
| **Outcome Indicator** | **Milestone 2015-2016** | **Milestone 2016-2017** | **Milestone 2017-2018** | **Milestone 2018-2019** | **Data Source and Baseline** |
| **Intermediate Outcome 1.1 Strengthened foundations of an effective and inclusive education system** |
| **Expand and strengthen government school grants program** | 7,861,333 beneficiaries (50 per cent female) through school grants to 80 percent of schools in 100 townships, in accordance with the School Grant Guidelines7 per cent schools with school improvement plan, aimed at learning outcomes and involved community participation | 9,062,801 beneficiaries (50 per cent female) through school grants to 80 per cent of schools in 150 townships, in accordance with the School Grant Guidelines15 per cent schools with school improvement plan, aimed at learning outcomes and involved community participation. | 10,259,509 beneficiaries (50 per cent female) through school grants to 80 per cent of schools in 200 townships, in accordance with the School Grant Guidelines30 per cent schools with school improvement plan, aimed at learning outcomes and involved community participation | 11,461,237 beneficiaries (50 per cent female) through school grants to 80 per cent of schools within all 330 townships, in accordance with the School Grant Guidelines50 per cent schools with school improvement plan, aimed at learning outcomes and involved community participation | Decentralising Funding to Schools Program World Bank (43,000 schools targeted)Baseline for schools with school improvement plan: 5 per cent |
| **Enabling Effective Teaching** | Design to strengthen in-service teacher professional development finalised  | MoE defined goals, performance indicators and budget for first year of the teacher mentoring program | 600 mentor teachers engaged, trained and assigned to school clusters  | 50,000 classroom observations carried out | Baselines and milestones to be confirmed in the design |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Strengthened policy formulation and oversight** | National Education Sector Plan (NESP) informed by Australia’s viewsM&E facility established | Donors coordinate effectively and help shape implementation of reforms Myanmar’s education system’s M&E plan developed, with trained M&E personal appointed at each level | Education reforms well supported within Myanmar GovernmentAustralian advice and evidence reflected in Myanmar’s education policies and programsCapacity and systems established to monitor education management and performance of the sector | Aid investment has multiplier effect, with evidence of broader outcomes and relationship capitalMoE adopting evidence-based policies and management systems | Policy dialogue as Co-Chair Joint Education Working GroupEGRA (World Bank) M&E investment |
| **Intermediate Outcome 1.2 Increased access to education in underserved populations** |
| **Reduced drop-outs and repetition of poor students**  | 10,000 students receiving payment in the stipends program (50 per cent girls) | 18,000 students receiving payment in the stipends program (50 per cent girls) | 40,000 students receiving payment in the stipends program (50 per cent girls) | 100,000 students receiving payment in the stipends program (50 per cent girls) | World Bank Decentralised Funding to Schools Project. Baseline: 0Additional milestones on drop-out rates and repetition to be confirmed  |

|  |
| --- |
| **Australia’s Aid Objective 2.) Promoting Peace and Stability** |
| **Outcome Indicator** | **Milestone 2015-2016** | **Milestone 2016-2017** | **Milestone 2017-2018** | **Milestone 2018-2019** | **Data Source and Baseline** |
| **Intermediate Outcome** **2.1 Supporting the peace process** |
| **Support government and non-state actors to effectively engage in negotiations and dialogue** | Establishment of Joint Peace FundTechnical support to negotiating parties is responsive to requestsWomen are better prepared to engage in the peace process  | Tri-partite governance mechanism for Joint Peace Fund begins operationTechnical support to negotiating parties is responsive to requestsWomen who have completed Australian-funded training are engaged in the peace process  | Parties actively involved in Joint Peace Fund governance structuresTechnical support to negotiating parties is responsive to requestsWomen who have completed Australian-funded training are engaged in the peace process  | Parties actively involved in Joint Peace Fund governance structuresTechnical support to negotiating parties is responsive to requestsWomen who have completed Australian-funded training are engaged in the peace process  | Peace Support Fund; Norwegian Refugee Council; The Asia Foundation2016-17 onwards: Joint Peace Fund – Multi Donor Trust Fund |

|  |
| --- |
| **Intermediate Outcome 2.2 Supporting political reform and democratic institutions** |
| **Capacity of key democratic institutions (including the Union Electoral Commission) enhanced** | Voter list (electoral roll) recognised as improved from previous electionsActive involvement of civil society in the electoral process  | By-elections carried out successfullyInvolvement of marginalised groups – including women, ethnic and religious minorities, and people with disabilities – in the electoral processMPs’ needs identified and progress made towards being met | Progress on electoral legal and regulatory reformFinalisation of UEC’s strategic plan, including their professional programProgress on implementation of the Union Civil Service Action PlanStrengthened and clarified Parliamentary committee processes | Voter list substantially improved in advance of 2020 elections | International Foundation for Electoral Systems (IFES); Australian Electoral Commission |
| **Intermediate Outcome 2.3 Helping people affected by crises** |
| **People in need receive effective and appropriate humanitarian assistance** | More than 200,000 people receive Australian humanitarian assistanceAnalysis of emergency response and protracted crises informs new Myanmar Humanitarian Strategy, including Australia’s global humanitarian and early recovery priorities | More than 200,000 women and men receive Australian humanitarian assistance | More than 200,000 women and men receive Australian humanitarian assistance | More than 200,000 women and men receive Australian humanitarian assistance | Review regularly in light of evolving humanitarian need |

|  |
| --- |
| **Australia’s aid objective 3) Promoting Inclusive Growth** |
| **Outcome Indicator** | **Milestone 2015-2016** | **Milestone 2016-2017** | **Milestone 2017-2018** | **Milestone 2018-2019** | **Data source and baseline** |
| **Intermediate Outcome 3.1 Enabling private sector led growth** |
| **Support the establishment of an effective and responsible investment environment** | Draft investment law finalised for submission to Parliament Investment procedures clarified, including through consultation with business and civil society | A more certain and predictable investment environment | A more certain and predictable investment environment | On track to meet an increase in investment to a total value of US$500 million by 2020-21 | Source: IFC Concept Note Log Frame  |
| **Contribute to an improved business environment**  | Myanmar Business Forum established and operating effectively  | Myanmar Business Forum leads to constructive dialogue between business, government and civil society on business enabling reform | Improvement in Myanmar’s ranking in Doing Business Index (baseline of 177) | Savings generated for the private sector as a result of business enabling and trade reforms to the value of US$13.6 million and US$20 million respectively | Source: IFC Concept Note Log Frame  |

|  |
| --- |
| **Intermediate Outcome 3.2 Better management, transparency and accountability of resources** |
| **Strengthen public financial management systems and improved fiscal transparency** | Improved transparency of financial planning and budget processes | Improved quality and transparency of financial planning and budget processes | Increased tax to GDP ratio from 6.2 per cent in 2012-13 | Increased tax to GDP ratio of over 10 per cent and a 20 per cent increase in large tax payers from 2012-13 baseline | Source: Public Financial Management World Bank Results Report Objective Indicators  |

Appendix 1: 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT INFOGRAPHICS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| \\TITAN\CHCH\Desktop\scarpen2\Desktop\New folder (2)\SDG 1.png | End poverty in all its forms everywhere |  |  | Reduce inequality within and among countries |
|  | End hunger, achieve food security and improved nutrition and promote sustainable agriculture |  |  | Make cities and human settlements inclusive, safe, resilient and sustainable |
|  | Ensure healthy lives and promote well-being at all ages |  |  | Ensure sustainable consumption and production patterns |
|  | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all |  |  | Take urgent action to combat climate change and its impacts |
|  | Achieve gender equality and empower all women and girls |  |  | Conserve and sustainably use the oceans, seas and marine resources for sustainable development |
|  | Ensure availability and sustainability management of water and sanitation for all |  |  | Protect, restore and promote sustainable use of terrestrial ecosystems |
|  | Ensure access to affordable, reliable sustainable and modern energy for all |  |  | Promote peaceful and inclusive societies for sustainable development and provide access to justice for all |
| C:\Users\scarpen2\AppData\Local\Microsoft\Windows\INetCache\Content.Word\SDG 8.png | Promote sustained, inclusive and sustainable economic growth, full and productive employment |  |  | Strengthen the means of implementation and revitalise the global partnership for sustainable development |
| C:\Users\penrober\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\C2F6X0TR\sdg-09.png | Build resilient infrastructure, promote inclusive and sustainable Industrialisation and foster innovation |  |  |  |