



Australian Government
Department of Foreign Affairs and Trade



PERFORMANCE EVALUATION OF AUSTRALIA'S KEY ECONOMIC GROWTH PROGRAMS IN MYANMAR

April 2019

ACKNOWLEDGEMENT AND DISCLAIMER

The performance evaluation has been conducted during July-November 2018, including based on an in-country mission 13-24 August 2018, by Peter Jensen, Consultant / Evaluator

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Disclaimer: The views expressed in this document are those of the consultant only, and do not necessarily represent the views of the Government of Australia or DFAT.

LIST OF ABBREVIATIONS

ADB	Asian Development Bank
AIP	Aid Investment Plan
DB	Doing Business
DFAT	Department for Foreign Affairs and Trade
DFID	Department for International Development
DICA	Directorate of Investment and Company Administration
DoA	Department of Agriculture
DTF	Distance to Frontier
DTIS	Diagnostic Trade Integration Study
DRD	Department of Rural Development
EITI	Extractive Industries Transparency Initiative
GAP	Good agricultural practices
GoM	Government of Myanmar
ICCP	Investment Climate and Competitiveness Program
IFC	International Finance Corporation
IPNET	Inle Professional Women's Network
M&E	Monitoring and Evaluation
MBF	Myanmar Business Forum
MCD	Myanmar Customs Department
MCRB	Myanmar Centre for Responsible Business
MDI	Myanmar Development Institute
MDTF	Multi-Donor Trust Fund
MEF	Monitoring and evaluation framework
MIA	Myanmar Industries Association
MIC	Myanmar Investment Commission
MIL	Myanmar Investment Law
MloD	Myanmar Institute of Directors
MoALI	Ministry of Agriculture, Livestock and Irrigation
MoC	Ministry of Commerce
MoEE	Ministry of Electricity and Energy
MoHT	Ministry of Hotels and Tourism
MoNREC	Ministry of Natural Resources and Environmental Conservation
MoPF	Ministry of Planning and Finance
MPFMP	Modernization of Public Financial Management Project
MRF	Myanmar Rice Federation
MSSP	Myanmar Strategic Support Program
MTF	Myanmar Tourism Federation

MWEA	Myanmar Women Entrepreneur's Association
MYEA	Myanmar Young Entrepreneurs Association
OECD	Organisation for Economic Cooperation and Development
PEFA	Public expenditure and financial accountability
PFM	Public financial management
PPD	Public private dialogue
PPP	Public-private partnership
PSD	Private sector development
SECM	Securities and Exchange Commission of Myanmar
SME	Small and medium-sized enterprise
SOE	State-owned enterprise
TA	Technical assistance
TAF	The Asia Foundation
ToR	Terms of Reference
TBPTF	Trade and Business Promotion Task Force
UMFCCI	Union of Myanmar Federation of Chambers of Commerce and Industry
YCDC	Yangon City Development Committee
WBG	World Bank Group

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EXECUTIVE SUMMARY

Background

1. Australia's Aid Investment Plan (AIP) 2015-2020 for Myanmar includes the objective to 'promote inclusive economic growth and government management', which covers support for private sector development (PSD) and public financial management (PFM) reform. Australia has via the Department of Foreign Affairs and Trade (DFAT) committed up to AUD 20 million for PSD from June 2015 to June 2020, and AUD 12 million from March 2014 to March 2019 for PFM reform, which is channelled through the World Bank-managed Myanmar Partnership Multi-Donor Trust Fund (MDTF). Australia's support concludes in 2020.
2. The Australian Government's PSD financial assistance is provided to the World Bank Group for implementing the Investment Climate and Competitiveness Program (ICCP). The ICCP supports the Government of Myanmar (GoM) and the private sector to improve the investment climate, competitiveness, and trade integration. The support for PFM reform is provided to the World Bank and the Asia Foundation (TAF) for three separate project initiatives.
3. DFAT carries out independent evaluations to ensure that it has credible and robust information on how aid investments are performing. DFAT therefore initiated an evaluation of its economic growth program, which has two parts. The *first part* reviews the ICCP in terms of its delivery of intended outputs and outcomes. The *second part* of the evaluation focuses specifically on the AIP objectives and the extent to which annual targets for PSD as well as PFM reform have been met. The latter applies the results of a PFM evaluation that was commissioned by the United Kingdom's Department for International Development (DFID) in early 2018. Based on the findings and analyses, recommendations are made to DFAT on the implementation of the ICCP for the remaining two years as well as on the future program design and modality of Australia's investments in economic growth in Myanmar.
4. The evaluation has been carried out according to DFAT's Monitoring and Evaluation Standards (April 2017). It has involved an extensive desk-based document reviews and a two-week in-country mission that included 29 meetings with about 60 stakeholders as well as field visits to meet project beneficiaries, and the preparation of an Evaluation Plan, Aide Memoire and this Evaluation Report. The information obtained has, considering the time available, been relevant and comprehensive, although it is noted that there were some challenges in receiving project-specific information from the International Finance Corporation (IFC), which to some extent complicated the evaluation process (explained further in the report).

Evaluation findings and conclusions

5. In assessing the ICCP as a program, it is clear that while the ICCP was conceptualised as a program when designed in early 2015, during implementation it has functioned solely as a framework for a number of separate projects. This is clearly illustrated by there being no ICCP results framework/logframe or program logic in place. The absence of a program-level focus has meant that impact and outcome indicators, which should define progress towards achieving the

overall goal and objectives of the ICCP, were not formulated and measured. Hence, at the program-level, the results of the ICCP are not clear.

6. The ICCP project portfolio consists of well-designed projects with clearly stated objectives, relevant targeted outcomes, and appropriately sequenced components. Implementation appears to follow the project plans, with some time and activity adjustments having been necessary in some cases, and the projects generally seem to perform well and generate a number of important results for the PSD sector. The project teams have established good contacts with GoM counterparts and project beneficiaries, and relevant linkages have been established across and between projects. Budget execution was somewhat low in the initial years, mainly due to limited GoM absorption capacity, but is improving, also due to new projects having been added to the portfolio.

7. The governance arrangements of the ICCP are characterised by some overlaps in terms of tasks and responsibilities between the Myanmar Partnership MDTF Steering Committee (which formally is the main decision-making body) and the ICCP quarterly forum (which is where actual decisions relevant for the ICCP are made). The structure of the MDTF includes a Steering Committee and Working Groups. It does not appear that the Steering Committee is providing strategic guidance of the ICCP. Also, the role and tasks of the IFC's ICCP Coordinator have not been discussed or formally defined, which may have contributed to the above-mentioned lack of program focus in the ICCP. ICCP progress reporting has been solely project-oriented (due to the lack of a program-focus) and the quarterly reports prepared by the IFC do not provide a clear and systematic overview of technical delivery and financial progress vis-à-vis plans.

8. Considerations about gender mainstreaming were absent when the ICCP was conceptualised in 2015, but continuing efforts by DFAT have ensured that such a focus has over time been developed. This includes a Yangon-based Gender Operations Officer, funded by DFAT and DFID, who has been in place since November 2017 and has initiated several gender-relevant activities.

9. The relationship between DFAT and the IFC is formally based on an Administration Agreement for the Myanmar Partnership MDTF, although it does not directly or explicitly cover the ICCP. The IFC understands the need of DFAT (and DFID) for occasional ad-hoc information outside the quarterly reporting cycle, but there have been examples in the past where requests have remained unanswered or been provided only with significant delay. In terms of branding, it is noted that while project promotional material generally include relevant agency information and logos, the IFC's project-specific web pages do not mention that project funding is provided by DFAT and DFID

10. The ICCP has furthermore been assessed against three specific evaluation criteria:

- **Effectiveness** – The 11 ICCP projects are well-designed and appear to be adequately implemented but, due to the applied reporting approach, it is not possible to assess conclusively to which extent project-level objectives are being met and activities carried out as planned. However, the achievement of program-level objectives and outcomes cannot be assessed until a program results framework/logframe has been developed and indicators measured on that basis. The failure to establish this is likely due to the somewhat unclear division of responsibilities between the Myanmar Partnership MDTF Steering Committee and the quarterly ICCP forum as well as the fact that ICCP progress reporting has been entirely project-focused. The good relationships established by the project teams with counterparts and beneficiaries contribute to effectiveness. It is noted though that as regards capacity building, it does not appear that baselines have been created or changes are being tracked by the IFC.
- **Efficiency** – All projects appear to be implemented within budget and, although some have experienced time delays, this has not been a major issue. Value-for-money aspects are not

possible to measure as part of this evaluation as the IFC has not shared detailed budget and expenditure data, which would be required. It is understood that the IFC has internal assessment procedures that include efficiency measures, but the details are not available. It is furthermore noted that while discussions of gender-related issues took place early on during implementation, a proper focus on gender issues has only come about following the engagement of a partner-funded Gender Operations Officer placed in country in late 2017.

- **Relevance** – Support for PSD in Myanmar remains highly relevant as a key priority for generating economic growth and alleviating poverty. The applied delivery modalities – focusing mainly on advisory services and TA – likewise remain very relevant, although a more targeted and systematic approach towards capacity building will be required across all project areas in the longer term (i.e. beyond the lifetime of the ICCP). Hence a focus on capacity building in GoM entities should be a future priority, which could also include private sector organisations. Also, the relevance of PSD support would be enhanced if better public private dialogue (PPD) practices and structures can be (re-)introduced.

11. The evaluation has, as per the Terms of Reference (ToR), furthermore assessed DFAT's support for PSD and PFM reforms vis-à-vis the targets stated in DFAT's AIP 2015-2020 (part two of the evaluation). The performance benchmark for the PSD area is formulated as "*establishment of an effective and responsible investment environment*" with specific annual targets,¹ while the performance benchmark for the PFM area is "*strengthened public financial management systems and improved fiscal transparency*" with specific annual targets.² When measured against these benchmarks and targets, it is – as evidenced in Chapter 5 of this report – reasonable to conclude that Australia's investments in PSD and PFM reforms are achieving the pursued aims of promoting inclusive economic growth and improved government management in Myanmar. This does not conflict with the findings and conclusions of the evaluation of the ICCP summarised above (part one of the evaluation) since the two evaluation parts have different bases and differing focuses.

Recommendations for the on-going program

12. The following recommendations are made on the ICCP implementation up to 2020:

- a) The IFC to develop a program logic for the ICCP based on a results framework/logframe – encompassing relevant impact-, outcome- and output-indicators – which will be monitored on a regular basis.³
- b) The IFC to develop an outline of an ICCP program/portfolio management approach which is discussed at a quarterly meeting to ensure that the IFC, DFAT and DFID have an agreed and common understanding. This should include the role and tasks of the IFC's ICCP Coordinator, for example in the form of a short ToR.
- c) The IFC, DFAT and DFID to agree on a new reporting format for the ICCP quarterly forum that provides an adequate program-level overview, properly compares project-level plans with actual progress, and also include relevant financial data and gender aspects.⁴

¹ 2015/16: Draft investment law finalised for submission to parliament; 2016/17: Investment procedures clarified, including through consultation with business and civil society; 2017/18: A more certain and predictable investment environment; and, 2018/19: On track to meet an increase in investment to a total value of US\$ 500 million by 2020/21.

² 2015/16: Improved transparency of financial planning and budget processes; 2016/17: Improved quality and transparency of financial planning and budget processes; 2017/18: Increased tax-to-GDP ratio from 6.2% in 2012/13; and, 2018/19: a) Increased tax-to-GDP ratio of over 10%, and b) A 20% increase in collections from large tax payers from 2012/13 baseline.

³ It is understood that the IFC in September/October 2018 started preparing a draft Theory-of-Change and associated output/outcome and impact. However, from the information available it would appear that this is done by the IFC specifically for DFAT rather than as a comprehensive tool to be used for the program overall and by all donor partners.

⁴ The IFC commented on a draft of this Evaluation Report that this recommendation as been 'already resolved', which refers to the new quarterly reporting format introduced for the ICCP in August 2018. However, this format does not accommodate program-level indicators (which first need to be developed), i.e. the recommendation has not yet been addressed.

- d) DFAT to follow up vis-à-vis the IFC to ensure that the IFC Gender Operations Officer is actively involved in relevant ICCP activities, including the quarterly meetings.
- e) DFAT to consider if and how, in the context of the ICCP, it can engage with and use the new IFC Yangon-based Communications Officer.
- f) DFAT to consider how, based on the existing Administration Agreement with the World Bank Group, it can strengthen its relationship management vis-à-vis the IFC as regards the ICCP and vis-à-vis the World Bank as regards the Myanmar Partnership MDTF.
- g) DFAT and DFID to formally discuss with the IFC their expectations and requirements as regards branding, technical ad-hoc inputs (e.g. briefings) and information distribution (about events, tenders, etc.) as well as how donors are recognised on project materials.
- h) DFAT to request the IFC to prepare a note on the capacity building approach used for the ICCP projects and the extent to which this meets the current requirements of GoM counterparts and project beneficiaries, so that corrective measures – if needed – can be agreed. The note could be presented and discussed at a quarterly meeting.
- i) DFAT to consider if and how the functioning of the MDTF Steering Committee can be strengthened so as to ensure a high-level and strategic focus as well as to avoid overlaps with the ICCP quarterly forum.

Recommendations for future program design and modality

13. The following recommendations are made for DFAT going forward if and when planning a new investment for post-2020:

- a) DFAT should continue providing support for PSD and PFM reform activities in areas where Australia has specific expertise and interests, including investment climate and aid-for-trade, and so as to take forward effective economic diplomacy initiatives.
- b) In determining performance benchmarks and other measures to assess the result of engagements, DFAT should ensure that targets selected are measurable and that implementing partners are able to provide regular updates on implementation progress.
- c) Given the significant differences in implementation achievement between the PSD and PFM engagements, DFAT should pay critical attention to the modalities recommended by the World Bank Group (bank-executed versus recipient-executed) in terms of which approach may be most beneficial in the specific context.
- d) DFAT should consider monitoring more directly and proactively the work and functioning of implementing partners, including the planning and implementation of program/project processes, through Post as well as using external resources.
- e) DFAT should, in addition to and/or instead of a multilateral partner, consider program delivery modalities such as a managing contractor (to directly deliver activities in partnership with the GoM and other partners) and a reform fund (to provide funding on a case-by-case basis to specific initiatives).
- f) If DFAT decides to continue providing financial support directly to and via the World Bank Group, it should consider how it can strengthen the directive aspects of the relationship, including through a more elaborate agreement/side letter.

14. The Australian Government will prepare a management response to the Evaluation Report that, in line with DFAT's aid program evaluation approach, will be shared with stakeholders.

1. INTRODUCTION

15. This chapter outlines the background for the ICCP and Australia's support for the program, the purpose of the performance evaluation, and its scope and applied methods.

1.1 BACKGROUND

16. After the Government's start of reforms in 2011 and removal of economic sanctions by Western countries in the following years, Myanmar experienced high economic growth, substantial investments in various sectors, and significantly improved international trade. However, despite Myanmar's inexpensive and abundant labour force, natural resources and strategic location, it soon became clear that the potential for further economic growth would hinge upon reforms to improve the business environment for the private sector and increase competitiveness. This was because the private sector environment was constraining (the ease of doing business in Myanmar was assessed as one of the most challenging worldwide, see Annex H), economic diversification was very low (the economy remained heavily concentrated on oil, gas and mining), and connectivity to internal and external markets was poor (in terms of transport and freight logistics as well as with regard to information and communication technology (ICT)). Furthermore, the capacity of GoM entities to formulate and implement policies to support a competitive private sector, including through direct interaction with the private sector, was very limited.

17. Given this context, the World Bank Group during 2013-2014 worked with DFAT and DFID as well as the GoM to establish the Myanmar Partnership MDTF, which includes a window designated to support PSD. In 2014, four projects were initiated by the World Bank Group with DFAT and DFID funding focusing on core PSD aspects.⁵ These then made up the ICCP when it was formulated and conceptualised in 2015 to support the GoM and the private sector covering the three inter-linked areas of investment climate, competitiveness, and trade integration. The overall goal of the ICCP was formulated as *"an increase in investment and trade resulting in more jobs and higher incomes, for firms and citizens throughout Myanmar"* and the objective *"to improve the competitiveness and dynamism of the private sector to increase trade and investment and create jobs in Myanmar"*.⁶

18. New projects were added to the ICCP in 2016 and 2017, so it now consists of 11 projects that provide advisory service and TA, and to some extent capacity building, in three broad areas:⁷

- I. **Improving the business environment**
 - a. Investment climate (business regulatory reform)
 - b. Investment policy reform
 - c. Trade Competitiveness and enterprise development
- II. **Enabling sector specific growth**
 - a. Supporting sustainable tourism development

⁵ The four projects were: Business regulatory reform, Investment policy reform, Trade Competitiveness and enterprise development, and Corporate governance.

⁶ IFC (2015): "Concept Note to MDTF on the World Bank Group Investment Climate and Competitiveness Program", May, p. 1 and p. 6.

⁷ The World Bank Group's 2015 Concept Note, MDTF progress reports and the quarterly ICCP reports (until January 2018) used a different structure to organise the ICCP projects, namely: 1) Business Regulatory Reform; 2) Improving Investment Policy Framework and Corporate Governance; 3) Supporting economic integration by improving connectivity, strengthening trade policy and making trade more inclusive; and, 4) Support Linkages in Key Value Chains. However, the above three-theme structure has been applied since May 2018 based on the IFC's note 'ICCP Narrative for Discussion' as it better captures the aims of the ICCP.

- b. Reforming agri input regulation and standards
- c. Agri business advisory and food safety
- III. Including private sector participation in development**
 - a. Energy access (Lighting Myanmar)
 - b. Power advisory
 - c. Corporate governance
 - d. Environmental and social advisory
 - e. Public-private partnership (PPP)

19. Cross-cutting aspects include public private dialogue (PPD) and gender mainstreaming.

20. Australia's AIP 2015-2020 includes an overall objective to 'promote inclusive economic growth and government management', which covers support for PSD and PFM reform.⁸ Australia has committed up to AUD 20 million for the ICCP and AUD 12 million for PFM reform,⁹ which is channelled through the World Bank-managed Myanmar Partnership MDTF.¹⁰ Australia's support is due to conclude in 2020.

1.2 PURPOSE AND QUESTIONS

21. DFAT undertakes program evaluations based on an annual process of identification and prioritisation, and Posts have the flexibility to determine the highest priority issues that an evaluation should focus on.¹¹

22. The Implementation Plan (ToR) outlines two phases: (i) Performance evaluation of the ICCP, and (ii) Analysis of the ICCP and the PFM program against DFAT's AIP objectives.

Part 1 – ICCP performance evaluation

23. This part reviews the efficiency, effectiveness and relevance of the ICCP to deliver intended outputs and outcomes. The overall questions in this regard are:

- **Effectiveness** – Are the expected program outputs being delivered?
- **Efficiency** – Is the program being implemented within timeframes and budget to achieve outcomes?
- **Relevance** – Is the approach and implementation of the ICCP still relevant for Myanmar?

24. On this basis, recommendations are made to DFAT on future program design and modality for Australia's investment in economic growth in Myanmar.

Part 2 – Analysis of ICCP evaluation and DFID PFM evaluation against AIP objectives

25. This part analyses the ICCP evaluation and the DFID PFM evaluation against the AIP objectives of promoting inclusive economic growth and governance management. On this basis, recommendations are made to DFAT for future aid investments in economic growth in Myanmar.

⁸ Financial support for PFM reform is provided to the World Bank for the Modernisation of Public Finance Management Project (MPFMP) and the Implementation of the Extractive Industries Transparency Initiative (EITI) as well as some analytical activities, and to the Asia Foundation (TAF) for the Myanmar Strategic Support Program (MSSP).

⁹ The ICCP is furthermore financed by DFID (GBP 10 million) and Japan (USD 1 million). PFM reform is supported by grants from DFID (GBP 20 million) and Denmark (USD 3.6 million), and a loan from the World Bank (USD 30 million).

¹⁰ It is noted that the MDTF is based on tripartite agreement between the World Bank, IFC and donor partners with the World Bank and the IFC as individual signatories.

¹¹ DFAT (2016): "Aid Evaluation Policy", November, p. 2.

26. The two diagnostic parts will furthermore be used to develop written technical inputs to DFAT on background and contextual aspects to inform future programming documentation (if and as required by Post).

27. The primary and immediate users of the Evaluation Report are:

- **DFAT (Post and Southeast Asia Division)** – to provide an evidence-based evaluation results and analysis as well as ensuing recommendations for the longer term decisions about future aid investments. And, also, to provide inputs to Post for its engagement with the IFC on program management for the remaining implementation period up to end-2020.
- **IFC** – to provide feedback on ICCP performance and hence inputs for informed decisions on program management, project management, reporting, and other relevant aspects.

28. Other possible users of the report are GoM counterparts, private sector organisations, DFID as well as other donors supporting PSD activities in Myanmar, and other project beneficiaries.

1.3 SCOPE AND METHODS

29. The evaluation process has overall covered a period of five calendar months, from June 2018 to October 2018, with the following main activities:

- Developing the Implementation Plan (Annex A) by DFAT and engagement of the consultant;
- Preparing an Evaluation Plan (Annex B), desk-based study of available documents (Annex D), and scheduling of meetings and consultations;
- Undertaking an in-country mission with 29 meetings totalling about 60 persons as well as carrying out field visits to consult project beneficiaries (Annex E);
- Preparing and submitting an Aide Memoire (Annex C);
- Drafting the Evaluation Report and submitting it to DFAT for review, including by the IFC; and,
- Finalising the final Evaluation Report and submission to DFAT.

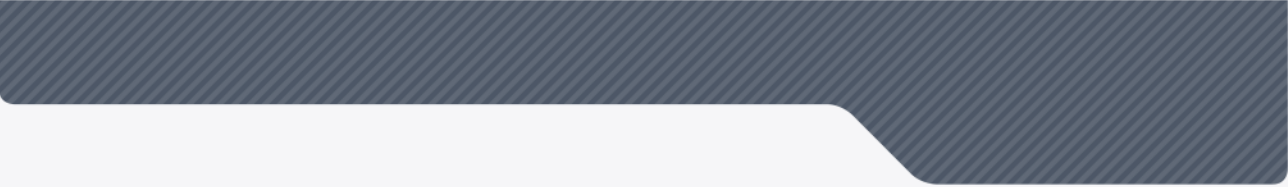
30. The Australian Government will prepare a formal management response which, in line with DFAT's aid program evaluation approach, will be distributed to all stakeholders.

31. The evaluation has applied different *qualitative* research methods, including:

- **Document review** – A comprehensive review of available documentation to identify key issues for further investigation during the in-country mission.
- **Consultations** – Interviews with representatives from five target groups and stakeholders (DFAT, IFC/World Bank, GoM, private sector organisations and firms, and other donors).
- **Observation** – General observations during the in-country mission to confirm and/or challenge preliminary conclusions arising from the other methods, which has enabled checking and establishing the validity of information obtained during research and provided in consultations.

32. The methods applied have been complementary and enabled triangulation of key issues regarding program and project management, implementation and other aspects, and have provided multiple perspectives so as to establish consistency across and between sources. The information obtained has, considering the time available, been relevant and comprehensive. There were, however, some challenges in receiving project-specific information from the IFC,¹² which

¹² The IFC has noted that it considered some of the information requested as 'project management level' and confidential, and that such information is not normally shared.



complicated the evaluation process. Also, the research undertaken does not allow for attributing observed results directly to project activities, given that these are implemented within 'open systems', i.e. other factors may have contributed to the observed/reported developments.

33. It is furthermore noted that the selection of IFC/World Bank staff and project beneficiaries for meetings was undertaken by the IFC based on their assessment of relevance as well as taking into account the availability of staff (given that some are based outside Myanmar).

2. PRIVATE SECTOR DEVELOPMENT CONTEXT IN MYANMAR

34. Myanmar is characterised by the dilemma that it, on one hand, requires very significant development and investments in order to create economic growth and reduce poverty but that it, on the other hand, is extraordinarily difficult to do business in Myanmar. The latter aspect is clearly seen in the World Bank's annual ease-of-doing-business survey, which ranks Myanmar among the bottom 10 per cent of economies. While there have in the past few years been some improvements in specific indicators, e.g. 'Starting a Business' and 'Dealing with Construction Permits', the overall distance to frontier (DTF), which measures the absolute level of regulatory performance over time, has barely changed from 2014 to 2018 (see Annex H for further details).

35. The PSD area is furthermore characterised by a major contradiction between the ambitious goals of the Government, and ineffective institutional mechanisms and limited administrative capacity.¹³ While a PSD framework and action plan was agreed in March 2016 and a PSD Committee with five working groups was established in October 2016,¹⁴ there has been very limited progress in implementing the action plan (and no formal monitoring undertaken), and the PSD institutional structure does still not function adequately. Also, the roles and responsibilities of the PSD Committee and its working groups, the Trade and Business Promotion Task Force (TBPTF) and the Improving Myanmar's Ease of Doing Business Ranking Working Group¹⁵ are not effectively delineated to ensure coordination and implementation of PSD policies across the GoM.¹⁶

36. In terms of PPD, developments have been regressive in that the Myanmar Business Forum (MBF), which was successfully launched in 2014 with support from the IFC-implemented Investment Climate Project, basically was rendered ineffective when the Government in 2016 decided to initiate direct talks with the UMFCCL, thereby bypassing the MBF. Also, the MBF had through technical sector working groups (e.g. tourism, infrastructure, banking, agriculture, gems and jewellery) created a culture of structured PPD, and it emphasised evidence-based research to advocate constructively for policy change vis-à-vis the Government. However, following the transfer of the MBF to the UMFCCL in 2016, this good-practice approach was abandoned in favour of direct high-level engagements with the Government where discussion issues tend to be seen as resolved merely when responded to in meetings. In addition to this, the UMFCCL made the PPD process more protectionistic by not including foreign companies in the MBF working groups.

37. Development partners have recently proposed a new PSD and PPD structure to the Government and UMFCCL (cf. Figure 1 on the next page), which would include a secretariat function for the PSD Committee and its working groups. However, it remains to be seen if the Government will agree to the proposal and a new structure will be established. Development partners have also proposed to update and revise the 2016 'Indicative Private Sector Development Framework and Action Plan', but whether the Government also sees this as necessary is unclear.

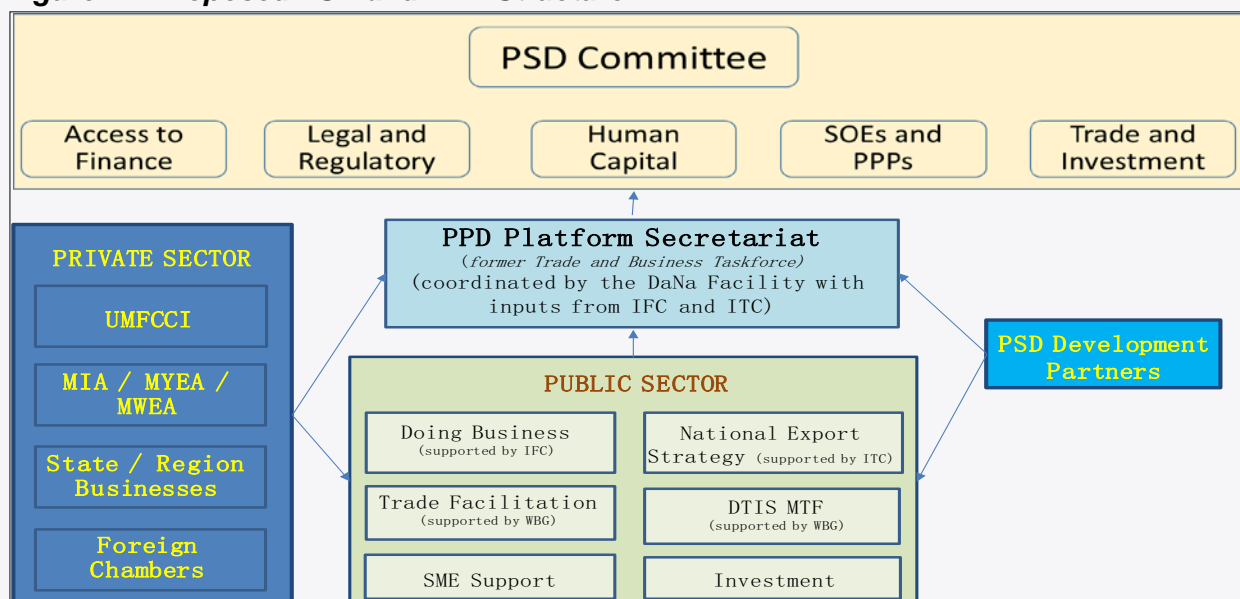
¹³ ADB (2016): "Myanmar, Indicative Private Sector Development Framework and Action Plan", MIC-MoC-UMFCCL, March, p. 34.

¹⁴ The PSD Committee has 18 members: Vice-President, 11 Union Ministers, Central Bank of Myanmar (CBM), UMFCCL, MIA, DICA, MoC, and Myanmar Trade Promotion Organization. The five working groups are: Access to Finance, Legal and Regulatory Environment, Trade and Investment, State-Owned Enterprises (SOEs) and PPPs, and Human Capital.

¹⁵ The TBPTF is chaired by the Minister of Commerce and aims to promote development of the private sector and make it easier to do business in Myanmar, while the Improving Myanmar's Ease of Doing Business Ranking Working Group is chaired by the Deputy Minister of Commerce and focuses specifically on improving Myanmar's Doing Business scores.

¹⁶ E.g. there are overlaps between the PSD Committee working group on Trade and Investment and the TBPTF.

Figure 1 – Proposed PSD and PPD Structure



38. There have been various advances in the business regulatory framework in recent years, e.g. the new Investment Law approved in 2016 and the new Company Law approved in 2017, and many initiatives are on-going, but developments are generally very slow. While it is clear that this to some extent is caused by the Government's limited administrative capacity, much appears to be due to the lack of an overall strategy and the Government's "scant attention" to economic issues.¹⁷ Although the 12-point economic plan from July 2016 and the Myanmar Sustainable Development Plan (MSDP) from August 2018 do mention private sector-led growth, it does not appear that there is a clear understanding on how to enable and encourage this, or any urgency in this regard. The business environment as well as the PSD reform conditions, and the possibilities for development partners to influence and support this, are thus likely to remain challenging.

39. A number of development partners and some international non-governmental organisations (INGOs) are involved in and providing support to the PSD sector, including the IFC, World Bank, Asian Development Bank (ADB), DFAT, DFID, Gesellschaft für Internationale Zusammenarbeit (GIZ), Japan International Cooperation Agency (JICA), United Nations Conference on Trade and Development (UNCTAD) and United Nations Industrial Development Organization (UNIDO). Most agencies provide advisory services, TA and capacity building, while infrastructure support appears to be limited. Development partners and INGOs meet quarterly in the 'Informal Development Partner Private Sector Development Forum',¹⁸ organised by the DFID-funded DaNa Facility, to exchange information on PSD and discuss relevant issues. The forum is also used by the IFC to provide updates to other donors on its engagements with the MoC's Deputy Minister.

¹⁷ International Crisis Group (2018): "Myanmar's Stalled Transition", Briefing No. 151, 28 August, p. 5.

¹⁸ The organisations invited to the monthly meetings are: ADB, Global Affairs Canada (GAC); DFAT; DFID; the embassies of Denmark, the Netherlands; Japan, Switzerland; European Union (EU); GIZ; IFC; International Monetary Fund (IMF); International Trade Centre (ITC); Italian Agency for Development Cooperation (AICS); Japan International Cooperation Agency (JICA); Kreditanstalt für Wiederaufbau (KfW); Korea International Cooperation Agency (KOICA); New Zealand's Ministry of Foreign Affairs and Trade (MFAT); Organisation for Economic Co-operation and Development (OECD); The Asia Foundation (TAF); UNCTAD; United Nations Development Program (UNDP); UNIDO; United Nations Office for Project Services (UNOPS); United States Agency for International Development (USAID); and the World Bank as well as Global Green Growth Institute (GGGI) and Mekong Business Initiative (MBI).

3. EVALUATION FINDINGS

40. This chapter presents and discusses the findings of the evaluation. This covers the ICCP as a program, the project portfolio, governance arrangements, progress reporting, gender mainstreaming, strategic coherence and synergies between projects, and the relationship and interaction between DFAT and the IFC. The final section covers lessons learned.

3.1 ICCP AS A PROGRAM

41. Four PSD-related projects were initiated by the World Bank Group in 2014 with funding from DFAT and DFID via the World Bank-managed Myanmar Partnership MDTF.¹⁹ In order to enable scaling up the projects as well as over time being able to accommodate emerging demands from the GoM and the private sector for new initiatives, the World Bank Group, DFAT and DFID agreed that the ICCP should be a 'program of knowledge services'. This would contribute to expanding market opportunities and encourage more private sector initiative through economy-wide and sectoral engagements.²⁰

42. The World Bank Group's 2015 Concept Note stated the overall goal of the ICCP as "*an increase in investment and trade resulting in more jobs and higher incomes, for firms and citizens throughout Myanmar*", while the objective of the ICCP would be "*to improve the competitiveness and dynamism of the private sector to increase trade and investment and create jobs in Myanmar*". However, these statements have changed somewhat over time. For example, the quarterly ICCP report from April 2017 stated that the objective is "*to improve the enabling environment for private sector growth in Myanmar by supporting legal and regulatory reforms in areas of World Bank Group comparative advantage and by strengthening the advocacy role of the private sector*", while an IFC discussion paper from May 2018 stated that the objective is "*to generate sustainable investment, trade and employment that will contribute to poverty reduction and shared prosperity through increased economic opportunity and incomes for the people of Myanmar*".²¹ While the IFC refers to these changes as 'organic growth' (in response to a dynamic market context, close engagement between the IFC and its donor partners, and an additional financial contribution by DFID), it is not clear that there over time has been a general and shared understanding of the overall direction of the ICCP with end of program outcomes between all partners.

43. The 2015 Concept Note described the ICCP as a 'program', presented program interventions (components/projects), noted the "*long term programmatic nature*" of the ICCP, and included a draft conceptual logframe with impact- and outcome-level indicators. DFAT's Investment Design Summary and DFID's Business Case²² likewise presented the ICCP as a program.

44. However, the ICCP has in practice functioned only as a framework for a number of discreet PSD-related projects, and there has been no discernible program approach. This is seen in the fact that the proposed ICCP logframe included in the World Bank Group's 2015 Concept Note was

¹⁹ The four projects were investment climate (business regulatory reform), investment policy reform, trade competitiveness and enterprise development, and corporate governance.

²⁰ World Bank Group (2015): "Concept Note to MDTF on the World Bank Group Investment Climate and Competitiveness Program", May, p. 1.

²¹ Annex G provides a full overview of the ICCP objectives and goals that have been stated over time in different documents, including the 'high-level goals' stated for the MDTF PSD Window.

²² DFID's Business Case (May 2015) is for the 'Business for Shared Prosperity (BSP)' and covers three separate interventions: 1) ICCP; 2) DaNa Facility that is implemented by a managing contractor and provides grant financing; and, 3) Doing Business Reform Fund (DBRF) that is managed by DFID and provides financial support to the GoM through multilateral organisations based on individual projects (approved by the DFID Minister of State).

never finalised and operationalised,²³ and hence that no ICCP-level M&E measures were applied (which would have been necessary to assess longer term developments at the strategic PSD level),²⁴ which meant that the ICCP progress reports could only cover the project-level. The IFC has thus focused on *project* management, including facilitation of project implementation, and donor coordination (arranging quarterly meetings, preparing quarterly project-level reports, developing inputs for and participating in the Myanmar Partnership MDTF Steering Committee meetings, etc.), and not at *program* management (which would of course would have been challenging given the lack of a ICCP logframe with clearly defined and agreed program-level outcomes and impacts).

3.2 THE ICCP PROJECT PORTFOLIO

45. The ICCP comprises 11 separate projects that were initiated in three phases and cover different themes/areas. This is shown below together with the grant shares.²⁵

Table 1 – ICCP projects

Phases / Projects	Approved	Theme / Area	Grant Share
Phase I			
1. Investment climate (business regulatory reform)	2014	Core PSD support	42%
2. Investment policy reform			
3. Trade competitiveness and enterprise development			
4. Corporate governance			
Phase II			
5. Supporting sustainable tourism development	2016	Sector-specific support	22%
6. Reforming agriculture input regulation and standards			
7. Energy access (Lighting Myanmar)			
Phase III			
8. Agriculture business advisory and food safety ²⁶	2017	Facilitating private sector involvement	29%
9. Power advisory			
10. Environmental and social advisory			
11. Public-private partnership (PPP)			
Unallocated	-	-	7%

46. The projects of phase I are all within what is generally considered to be the “core” of PSD, while those of phase II aim to support sector-specific growth (tourism, agriculture and energy). The projects in phase III facilitate the involvement of private firms in different development areas.

²³ The IFC commented on a draft of this Evaluation Report that a logframe was developed with DFID, but not with DFAT, and that the “failure to do one with DFAT seems to have been an oversight on both the part of IFC and DFAT and it is unclear if there was an agreement to use the one developed with DFID ...”. The basis for this comment is not clear given that the 2015 ICCP Concept Note included a draft Conceptual Logframe (Annex B) for which it was stated that it is “provided as a starting point for the discussion on the ... [ICCP]. A number of indicators will be refined, and targets and baselines need to be developed”, i.e. the intention in 2015 obviously was that one common logframe was to be developed, agreed and applied.

²⁴ A MDTF Results Matrix with high-level goals, outcomes and milestones for each of the three windows had been developed in 2014/2015 and was included in the MDTF Annual Report 2014/2015, but it has been updated only once (in March 2018) and has not been actively used for the ICCP. Also, the Results Matrix did not have the scope or coverage of a logframe.

²⁵ The 11 projects are funded via a total of 23 trust fund accounts.

²⁶ While this is treated as one project in terms of presentation and discussion within the ICCP quarterly meetings, in practical terms it consists of two specific projects: 1) Myanmar Agribusiness, and 2) Myanmar Food Safety.

47. The projects in phase III, although also relevant for PSD in Myanmar, were selected in 2017 mainly for “opportunistic” reasons so as to increase overall ICCP budget execution.²⁷ This was because, due to limited GoM absorption capacity, it was not deemed feasible to further scale up the projects already being implemented under phases I and II.²⁸ Also, the IFC already had, or was able to quickly develop, concept notes for the four new projects.

48. The total funding envelop for the ICCP was in the 2015 Concept Note estimated at USD 32.4 million, while the currently approved grant amount is USD 28.9 million (89 per cent of the original estimate). The budgets of the 11 ICCP projects range from USD 1.5 million to USD 5.1 million, with an average of USD 2.7 million. The projects are thus relatively small which reflect the nature of the interventions (advisory service and TA), but also the limited absorption capacity of the GoM counterparts. It was decided at the ICCP quarterly meeting in August 2018 to distribute the remaining unallocated funds (USD 1.8 million) to the existing projects, rather than initiating new projects, although the details are yet to be decided. The funding details and budget execution rates for all projects is shown below.

Table 2 – ICCP project finances as of 30 September 2018

	Grant Amounts (Project Budgets)	Funds Transferred	Disbursed and Committed	Grants Disbursed & Committed	Funds-on-Hand Disbursed & Committed
1. Investment climate (business regulatory reform)	2,434,271	2,469,815	2,013,071	83%	82%
2. Investment policy	2,090,387	1,454,843	1,188,515	57%	82%
3. Trade competitiveness and enterprise development	5,050,000	2,841,603	2,934,745	58%	103%
4. Corporate governance	2,550,000	2,272,256	1,809,528	71%	80%
5. Supporting sustainable tourism development	1,948,131	1,462,860	1,205,073	62%	82%
6. Reforming agriculture input regulation and standards	2,000,000	1,677,942	786,194	39%	47%
7. Energy access (Lighting Myanmar)	2,423,536	1,301,457	632,282	26%	49%
8. Agriculture business advisory and food safety	3,000,000	650,000	330,018	11%	51%
9. Power advisory	2,000,000	788,193	328,327	16%	42%
10. Environmental and social advisory	2,000,000	1,100,000	577,511	29%	53%
11. Public-private partnership (PPP)	1,500,000	700,000	260,978	17%	37%

²⁷ The IFC commented on a draft of this Evaluation Report that the “*program was designed with unallocated budget from the very beginning to add projects ...*”. That is not factually correct given that the 2015 ICCP Concept Note included a proposed budget that fully allocated the estimated funding envelop of USD 32.4 million on four broad components (Annex C: Proposed Budget for the Program). However, it was stated in the Concept Note that the program comprised components that were already on-going (based DFAT and DFID support) that would be expanded as well as components that were at various stages of concept preparation and development. Thus it is clear that discussions between the donor partners would be needed to prioritize fund allocations to scale up existing projects as well as initiate follow-on projects. However, from the consultations held during the evaluation mission, it is clear that both DFID and DFAT viewed the selection of the phase III projects in 2017 as primarily aiming at improving overall ICCP budget execution (which does not imply that the projects were not otherwise considered relevant for PSD in Myanmar).

²⁸ For example, the four projects under phase I in mid-2015 had a combined allocation of USD 2.5 million, which by mid-2018 had been increased to USD 12.1 million.

	Grant Amounts (Project Budgets)	Funds Transferred	Disbursed and Committed	Grants Disbursed & Committed	Funds-on-Hand Disbursed & Committed
<i>Unallocated</i>	1,938,170	1,938,170			
Total	28,934,495	18,657,139	12,066,242	42%	65%

49. As of end-September 2018, spending (i.e. disbursements and commitments) amounts to 65 per cent of the funds transferred from the Myanmar Partnership MDTF to the projects, but only 42 per cent of the total grants (40 per cent if excluding the unallocated amount). While this latter figure as such is somewhat low, considering that 66 per cent of the program time from 2015 to 2020 has elapsed (and given that four projects started implementation already in 2014), it is not unusual for donor-funded projects to have spending profiles that are skewed towards the later project years.²⁹ However, as the IFC has not made project-level expenditure data (so-called “budget uses”) available, it is not possible to make an evaluative judgement in this regard.

50. Based on the information available,³⁰ it appears that the ICCP projects are well-designed with clearly stated objectives, relevant targeted outcomes, and appropriately sequenced components and activities. According to the IFC, implementation is generally in line with the project plans, although the time plans in some cases have been overly optimistic and thus have required adjustments. Activity-related changes have also been necessary in some projects, e.g. the Investment Climate project and the Corporate Governance project, due to external developments. However, it is noted that the information provided by the IFC to DFAT and DFID in the form of ICCP and Myanmar Partnership MDTF reports do not provide a clear overview of progress against plans, and it is hence also not clear to which extent presented implementation challenges are comprehensive. Reporting is further discussed in section 3.5 below.

51. An important factor in the implementation of the projects is that the IFC/World Bank staff have established regular and close in-person interaction with GoM counterparts and project beneficiaries. Although some project leads and staff are based outside Myanmar, which as such limits their ability for direct and regular engagement, it appears that they make real efforts to stay engaged with counterparts and beneficiaries as well as to be up-to-date with relevant country developments. However, over time more IFC staff are being based in Yangon, which provides a better basis for project implementation and counterpart engagement. Another positive element is that project activities, while applying international good practices, are being adequately contextualised (e.g. the application of a Myanmar version of good agricultural practices (GAP) for the Agriculture Inputs Reforms Project).

52. One specific project issue has been regarding coordination within the World Bank Group in preparing the Lighting Myanmar project, which aims to support private firms create a sustainable market for off-grid energy solutions. However, at the same time the World Bank through the National Electrification Project (NEP) supports the GoM in providing subsidies for similar solutions.

²⁹ This is in fact also seen in Table 2 in that the older projects have higher budget execution rates (‘Grants Disbursed & Committed’) than newer projects. The combined budget execution rate for the projects under phase I is 59 per cent, while it for phase II and phase III is 37 per cent and 16 per cent, respectively.

³⁰ For the purpose of this evaluation, the IFC shared redacted versions of the implementation plans for on-going projects, the World Bank’s concept note for the Trade Competitiveness and Enterprise Development project, and concept notes for the four new projects.

Better coordination within the World Bank Group would have been beneficial when Lighting Myanmar was under development.³¹

53. While the projects appear to be implemented within budget, it is noted that value-for-money aspects are not possible to measure since this would require detailed budget and expenditure data, which has not been made available from the IFC. It is understood that the IFC's internal assessment process include efficiency measures, but the details in this regard have not been shared. It is also not clear how the IFC takes into account efficiency measures in the management of risks and the extent to which risks may adversely affect implementation.

3.3 GOVERNANCE ARRANGEMENTS

54. The ICCP governance arrangements are not directly mentioned in the World Bank Group's 2015 Concept Note, but are outlined in DFAT's Investment Design Summary and DFID's Business Case.

55. Myanmar Partnership MDTF Steering Committee: Development partner funding for the ICCP is channelled through the World Bank-managed MDTF, which has a separate PSD Window.³² The PSD Window provides funding only for the ICCP, but could in principle also cover other initiatives. Given DFAT's and DFID's total contributions (>\$10 million) both are voting members of the MDTF Steering Committee,³³ which provides strategic guidance and general oversight, but also selects activities for MDTF financing and reviews progress reports. The Steering Committee should meet at least twice annually,³⁴ although in practice it meets less regular than that. In its meetings, the Steering Committee covers all windows and projects as well as cross-cutting aspects (e.g. gender). The World Bank has prepared Operating Guidelines for the MDTF and draft Terms of References for the Working Groups.

56. Quarterly ICCP forum: When setting up the ICCP in 2015 it was agreed between the IFC, DFAT and DFID to conduct formal quarterly ICCP meetings for which the IFC would prepare written activity progress reports (distributed prior to the meetings) and during which the IFC would table all work plans for the forthcoming period for donor awareness and approval (if required).³⁵ Quarterly meetings have been held and progress reports been prepared regularly since at least April 2017 (it is not clear if meetings were held regularly during 2015-2016, but this could be due to lack of records being available for this evaluation). While the quarterly reports include a 'next steps' section, it is for information and discussion rather than for donor approval.

57. The division of responsibilities between the two fora – the Myanmar Partnership MDTF Steering Committee and the ICCP Quarterly meetings – is not entirely clear. The actual decision-making forum for the ICCP seems to be the quarterly meeting which discusses and approves all major initiatives, while the MDTF Steering Committee seems to function more as a forum for information exchange, including vis-à-vis the GoM. It is not apparent that the Steering Committee

³¹ The IFC commented on a draft of this Evaluation Report that there was no failure of coordination within the World Bank Group, but rather that there was a shift in focus by the GoM's Department of Rural Development (DRD) as regards the NEP. According to the IFC, it coordinated closely with the DRD and the World Bank to try to ensure that the original focus was upheld and, when this approach was unsuccessful, the IFC worked extensively with the World Bank to mitigate the effects of the DRD program. However, the fact remains that the IFC and the World Bank support two different projects that focus on similar technical areas.

³² The other MDTF windows are Social Development and Inclusion (Decentralizing Funding for School Project, National Community Driven Development Project) and Institutional Strengthening (PFM; EITI; financial sector development; and, pay, compensation and HR review, etc.).

³³ Other Steering Committee members are Denmark and Finland as well as the World Bank Group and the GoM.

³⁴ This is according to Annex 3 of the 2014 Administration Agreement between the World Bank Group and DFAT.

³⁵ DFAT (2015): "Investment Design Summary Title Burma Investment Climate and Competitiveness Program", p. 3.

really functions so as to provide strategic guidance and oversight, which could be due to its composition since many participants are not directly involved with PSD and the organisations they represent do not provide funding for the ICCP. This in turn then makes it more difficult and less relevant to engage in the detailed project-level reporting that is provided to the Steering Committee (and which then overlaps with the reporting being prepared for a presented at the quarterly ICCP meetings).

58. Furthermore, the role and responsibilities of the IFC's Senior Private Sector Specialist as regards ICCP coordination is not stated. In fact, the role and responsibilities have seemingly never been subject to discussion and agreement between the World Bank Group, DFAT and DFID, and the job advertisement is very vague on any program-related tasks.³⁶ This may be the result of the ICCP not having a clear program management approach in place (cf. section 3.1 above).

59. It is noted that there is no written agreement between the IFC and DFAT as regards the ICCP governance and implementation arrangements. Rather the Administration Agreement (and Supplemental Agreement/Side Letter) between the World Bank Group and DFAT for the Myanmar Partnership MDTF outlines some principles and operations for the governance of the trust fund, including as regards reporting and the Steering Committee, but not specifically as regards the ICCP.

60. DFAT's Investment Design Summary furthermore states that the ICCP would hold annual meetings with business and civil society organisations to discuss the strategic direction and progress of the program. However, such events have not taken place.

61. Risk register: A risk register was developed in September-October 2018 and included as an annex to the ICCP quarterly progress report for July-September 2018. It outlines a total of 13 program-level/general risks that are presented in terms of category, pre-mitigation risk rating, mitigation measures, post-mitigation risk rating, current status/comments, and trend. It appears to have been prepared following a proposal by DFID and by a DFID project (DaNa Facility). The IFC project implementation plans include a 'risks to achieving objectives' section, but the implementation plans are not ordinarily shared with donor partners.

3.4 PROGRESS REPORTING

62. The IFC has prepared quarterly progress reports, which – as noted above – are entirely project-focused as program-level indicators have not been agreed and applied for the ICCP. The reporting format used during 2015-2017³⁷ included a financial and activity summary followed by relatively detailed descriptions of each project (Background; Activities and Results; Next Steps; and Issues). This was changed in May 2018 to a format that continued with an overall summary, while the project-level summaries were shortened and sub-divided into more sections (Background; Key Activities and Results; Next Steps; Issues; Budget Table; Status of Result Indicators; and, Risks). However, under both formats the project information has differed widely in terms of comprehensiveness, and neither have included clear and comprehensive information about planned activities and outputs vis-à-vis actual activities and delivered outputs during the

³⁶ Among the 13 tasks listed in the job advertisement, it is related to the ICCP only mentioned that the specialist should "Ensure effective communication with donor partners regarding trade and competitiveness program implementation", "Support coordination of activities under the private sector window of the MDTF and ensure timely preparation of donor reports as needed", and "Collaborate with the MDTF Program Manager and Regional Partnerships Lead to ensure effective coordination of T&C programs with other windows of the MDTF".

³⁷ For the period July 2015 to July 2018 there should have been prepared a total of 12 quarterly reports, but only seven have been available for this evaluation (See Annex D). It is not clear if some quarterly reports were not prepared, or whether not all reports were not filed and hence can no longer be traced.

reporting period (this is seen from the fact that the presented 'Key Activities and Results' in one report cannot be directly compared with the 'Next Steps' in the previous report). Hence it seems unclear to which extent DFAT and DFID have been able to identify and assess actual project progress and implementation challenges.³⁸

63. It was at the quarterly ICCP meeting in August 2018 agreed to develop a new reporting format, which will be more descriptive, and which will also include progress reporting at the program outcome level (which will require that a proper ICCP logframe be developed).

64. The World Bank prepares Myanmar Partnership MDTF progress reports, which include key outcomes and deliverables, project status, and finances. However, similar to the quarterly reports, the MDTF progress reports have different levels of detail and comprehensiveness in the description of projects, and actual activities and outputs are not systematically compared with the original plans.

3.5 GENDER MAINSTREAMING

65. The World Bank Group's 2015 Concept Note for the ICCP did not incorporate gender equity and a gender analysis was absent. DFAT's Investment Design Summary therefore noted that the Concept Note did not meet DFAT's quality criteria as regards gender equality, which was hence flagged as a risk. It was stated that DFAT would have significant scope to influence this during inception and implementation and, if necessary, to provide expertise to ensure that gender is adequately addressed.³⁹ DFID's Business Case included a statement on gender equality and noted that one of the key principles underpinning the Business for Shared Prosperity (BSP) was the promotion of gender equality and women's economic empowerment.

66. In December 2015, it was decided at the ICCP quarterly meeting that a work plan on trade and gender should be developed as part of the upcoming Diagnostic Trade Integration Study (DTIS). The DTIS report, published in June 2016, included some findings and considerations as regards gender in relation to trade facilitation.

67. DFAT in January 2016 published a gender assessment report,⁴⁰ which made a total of 26 specific recommendations for DFAT and the ICCP. These included that DFAT should earmark 5 per cent of its annual grant-based tranches to the World Bank Group as a gender budget allocation under the ICCP, that DFAT should establish a link with an internal gender specialist to comment on ICCP gender mainstreaming efforts, that gender advice should be provided to the ICCP through World Bank Group global and regional specialist staff and consultants for the life of the ICCP, that the ICCP should conduct a gender impact assessment for selected sectors, and that an ICCP results framework incorporating gender-specific indicators should be developed. DFAT in its Management Response accepted and endorsed the findings and recommendations of the report.

³⁸ Presumably the IFC does internally have such necessary overview and information, given that it has a separate six-monthly progress reporting process, but the reporting formats applied for DFAT and DFID has not provided this.

³⁹ It was stated that Post would take the following specific measures during the first year: 1) Conveying to the IFC, through the MDTF Steering Committee and the ICCP committee, that Australia's participation would be contingent on an appropriate focus and satisfactory performance on gender equality; 2) Undertaking joint advocacy with DFID to improve the ICCP's gender equality focus and performance; and, 3) Mobilising DFAT's regional gender expert, or a similarly qualified adviser, to undertake an assessment of ICCP's performance on gender equality and identify opportunities for improvement.

⁴⁰ DFAT (2016): "Women and the economy in Myanmar, An assessment of DFAT's private sector development programs", January.

68. It is understood that some recommendations were subsequently implemented, e.g. the IFC in mid-2016 with DFAT funding⁴¹ engaged a gender specialist to support work planning and identify potential ICCP gender-related intervention.⁴² However, it is not clear to which extent Post has undertaken systematic monitoring across all the recommendations and the results achieved.

69. A stronger focus on gender issues has only come about following the engagement of a Yangon-based Gender Operations Officer, funded by DFAT (¾) and DFID (¼), in November 2017. However, since then all ICCP projects have been reviewed and two – Tourism and Agribusiness – have received the IFC gender flag, which means that they incorporate specific gender-related components in their implementation plans⁴³ and contribute to closing gender gaps (e.g. through the formation of and support to the Inle Professional Women's Network (IPNET) as well as undertaking an agriculture supply chain gender mapping). Gender initiatives are also planned for some non-flagged projects, including for the Energy Access (Lighting Myanmar) project, Trade Competitiveness and Enterprise Development project, and Corporate Governance project.

70. While the focus on gender mainstreaming as part of ICCP implementation has thus been significantly improved during the past year, it is still to be ensured that gender is included as a cross-cutting aspect in the ICCP quarterly progress reports and, also, that the Gender Operations Officer will be invited as a regular participant to the quarterly ICCP meetings.

3.6 STRATEGIC COHERENCE AND SYNERGIES ACROSS ICCP PROJECTS

71. While the strategic coherence and potential synergies between the different ICCP projects is not necessarily very strong, there are several examples of meaningful links being created between projects. For example, the Investment Climate project includes a trade component that links to the Trade Competitiveness and Enterprise Development project; the efforts of the Investment Policy project in attracting private sector investment links to the same efforts being made through the PPP project; there are crossovers between the two agriculture projects (e.g. as regards rice) as well as between the two energy sector projects, and the Environmental and Social Advisory project has potential links to several projects (tourism, agriculture, and investment climate).

72. Since the projects are all being implemented by the World Bank Group, it seems likely that such linkages would also be established in the absence of the ICCP. However, having the ICCP in place as a PSD framework, and in particular the efforts of the IFC's ICCP Coordinator, helps to provide a stronger focus on ensuring relevant linkages. This likely also applies to the gender equality activities where a stronger focus is developing in part due to the crosscutting nature of the interventions being planned.

⁴¹ The minutes from the ICCP quarterly meeting in March 2016 mention, in the context of gender-related work, that the Administration Agreement between the World Bank Group and DFAT will be amended with a Side Letter and that the World Bank Group will field a gender specialist to support ICCP activities.

⁴² A note prepared by IFC in January 2017 outlined seven potential activities to promote "gender-smart investment climate reform" of which some were afterwards implemented, including a gender analysis as part of the Investment Climate Assessment (ICA) Enterprise Survey (Trade Competitiveness and Enterprise Development project), organising a "Ring the Bell for Gender Equality" event with the Securities and Exchange Commission of Myanmar (SECM) and the Yangon Stock Exchange (YSX) (Corporate Governance project), and exploring options to improve involvement of women in the distribution of solar products (Energy Access (Lighting Myanmar) project).

⁴³ (i) An analysis of the gap between men and women that the project can contribute to reduce; (ii) At least one specific gender-related intervention that the project will undertake; and, (iii) A gender indicator (outcome/impact) included in the results framework, where possible.

3.7 RELATIONSHIP WITH THE IFC AND BRANDING

73. The relationship between DFAT and IFC staff is formally governed by the World Bank Group's Standard Provision (as part of the Administration Agreement), which deals mainly with the World Bank Group's funds administration and related aspects. There exists no formal agreement as regards DFAT's information requirements (e.g. occasional ad-hoc reporting), and an informal mutual understanding is not evident either.⁴⁴

74. According to the ICCP Coordinator, the IFC understands that updates and inputs outside the quarterly reporting cycle are sometimes required by the development partners. However, according to DFAT there are examples in the past where information requests remained unanswered or where information was provided only with significant delay. Also, the five-month period where the ICCP Coordinator position was vacant, despite the IFC knowing well in advance that the position would become vacant, does not indicate a sufficiently strong focus on proper donor management by the IFC.

75. It is understood that the IFC has had regional communication staff in place for several years, but – according to DFAT and DFID – it was not clear to which extent the staff has been, or should be, involved in ICCP-related activities. However, a Yangon-based communication staff is now being recruited by the IFC, which is expected to address the issue.

Branding

76. The IFC generally places relevant agency information and logos on project promotional material, e.g. banners and brochures as well as some web-based products.⁴⁵ However, the project-specific web pages of the IFC⁴⁶ do not mention that the funding is provided by development partners, which seems an unfortunate omission. This might be because branding is not the subject of any formal agreement. The IFC noted during consultations that it is aware of, and understand, the importance of branding for the development partners. However, it has subsequently stated that while it is its standard policy is to acknowledge donor support for relevant programs in press release, it does not include donor logos in these since press releases are public statements reflecting the viewpoint of the issuer (i.e. the IFC) and that logos would assume that donors are in full agreement with statements made, which goes beyond the acknowledgement of support.⁴⁷

3.8 LESSONS LEARNED

77. The following lessons learned have been identified from the ICCP design and implementation phases:

- Without a clear and agreed understanding regarding the requirements and implications of **program management**, including the application of a program logic in the form of a results framework/logframe as well as defining the tasks of the team leader/coordinator, implementation very likely becomes project-focused.

⁴⁴ The IFC has in this regard referred to its Access to Information Policy (1 January 2012), which defines its policy, outlines information routinely made available, and explains implementation aspects of the policy. The document could serve as a starting point for discussions between the IFC and its donor partners about information sharing, but its general nature does not provide specific guidance regarding access to, for example, project-level data.

⁴⁵ See, for example, the information leaflet 'IFC in Myanmar', which lists agencies that IFC works in partnership with: <https://www.ifc.org/wps/wcm/connect/3974170043ba9348bab7ba869243d457/IFC+in+Myanmar.pdf?MOD=AJPERES>.

⁴⁶ For example, the web pages for the Investment Climate project (<https://disclosures.ifc.org/#/projectDetail/AS/600430>) and the Investment Policy project (<https://disclosures.ifc.org/#/projectDetail/AS/600309>) do not – as of mid-September 2018 – include information the projects being funded by DFAT and DFID.

⁴⁷ E-mail from the IFC to DFAT dated 3 October 2018.

- Successful implementation of projects, in the present development context of Myanmar, requires close, personal and regular **interaction with GoM counterparts and project beneficiaries** to build up trust so as to gain access and enable the actual execution of activities.
- While the use of a “standard” World Bank-managed Myanmar Partnership MDTF as a **funding mechanism** can have advantages compared to other options, these will only materialise if and when the governance arrangements and reporting approach is geared towards the strategic and general level (otherwise it will overlap with other fora or, at best, be inefficient and ineffective).
- **Activity reporting** that is not based on full and systematic comparison of plans versus actual delivery results in potential information gaps regarding outputs and implementation challenges.
- When providing financial support for a multifaceted development program, relying solely on an Administration Agreement (which focuses more or less exclusively on trust fund management), provides development partners with very limited formal leverage and – in practical terms – makes the **relationship with the World Bank Group** principally trust-based.

78. These experiences should be taken into account going forward – both for the remaining two years of ICCP implementation as well as in planning and designing a new program post-2020.

4. CONCLUSIONS AND RECOMMENDATIONS

79. This chapter provides conclusions based on the findings and observations noted above as well as recommendations for the ICCP during the remainder of the program.

4.1 ICCP AS A PROGRAM

80. The following conclusions are made regarding ICCP as a program:

- The ICCP was at the design stage conceptualised as a program, but has during implementation functioned solely as a framework for a number of separate projects, which is seen in there being no ICCP results framework/logframe or program logic in place.
- This may not have adversely affected the strategic coherence and synergies across and between projects, which appear to having been identified and developed where relevant.
- However, the absence of a program-level focus has meant that impact and outcome indicators, which should define progress towards achieving the overall goal and objectives of the ICCP, were not formulated and measured. Hence, the program-level results of the ICCP are not clear.

4.2 THE ICCP PROJECT PORTFOLIO

81. The following conclusions are made regarding the specific projects of the ICCP:

- The ICCP projects are well-designed with clearly stated objectives, relevant targeted outcomes, and appropriately sequenced components and activities.
- Implementation appears to follow the project plans, with some time and activity adjustments having been necessary in some cases, and the projects generally seem to perform well and generate a number of important results for the PSD sector.
- The staff of the IFC/World Bank have established good contacts with GoM counterparts and project beneficiaries, which is an important factor in the successful project implementation.
- Budget execution was somewhat low in the initial years of project implementation, mainly due to limited GoM absorption capacity. Given the total size of the ICCP budget, it was therefore in 2017 decided to add new projects so as to increase the overall budget execution rate.
- As regards the Lighting Myanmar project, the World Bank Group internally failed to adequately coordinate, which led to contradictory project approaches in the support provided to the GoM.

4.3 GOVERNANCE ARRANGEMENTS AND REPORTING

82. The following conclusions are made regarding the governance arrangements and reporting of the ICCP:

- The tasks and responsibilities of the Myanmar Partnership MDTF Steering Committee and the ICCP quarterly forum lack a clear delineation and thus overlap somewhat. While formally the former is the main decision-making body for the ICCP, in actual terms decisions are made by the latter.

- It does not appear that the Myanmar Partnership MDTF Steering Committee is providing strategic guidance or general oversight to the ICCP, hence it does not add value to the PSD process.
- The role and responsibilities of the IFC's ICCP Coordinator have not been discussed or formally defined, which may have contributed to the lack of a program management focus in the ICCP.
- The ICCP progress reporting has been solely project-oriented (due to the lack of a program-focus) and with quarterly reports that do not provide a clear and systematic overview of technical delivery and financial progress vis-à-vis plans.

4.4 GENDER MAINSTREAMING

83. The following conclusions are made regarding the gender mainstreaming aspects of the ICCP:

- Considerations about gender equity were wholly absent when the ICCP was initially conceptualised, and efforts by DFAT for such a focus to be developed has been challenging and time-consuming, but eventually successful.
- It is not clear to which extent recommendations made to DFAT and the ICCP in a 2016 gender assessment report have been fully implemented.
- A Yangon-based Gender Operations Officer, funded by DFAT and DFID, has been in place since November 2017, which has resulted in a number of gender-related activities being initiated.
- However, gender remains to be included as a crosscutting theme in the quarterly ICCP reports, and the Gender Operations Officer is yet to regularly join the quarterly meetings.

4.5 RELATIONSHIP WITH THE IFC AND BRANDING

84. The following conclusions are made regarding the relationship with the IFC and as regards branding:

- Given that the DFAT-World Bank Group Administration Agreement is focused at the Myanmar Partnership MDTF, and that no separate or additional accord exists for the ICCP, the relationship between DFAT and the IFC is essentially trust-based, and provides DFAT with very limited formal leverage.
- The IFC states that it understands the need of DFAT and DFID for occasional ad-hoc information outside the quarterly reporting cycle, but there have been examples in the past where requests have remained unanswered or been provided only with significant delay.
- Project promotional material generally include relevant agency information and logos, but the IFC's project-specific web pages do not mention that the funding is provided by DFAT and DFID
- The IFC is currently in the process of recruiting a Yangon-based communication staff which, once in place, is expected to improve ICCP-related communication activities.

4.6 EVALUATION CRITERIA

85. As required, the ICCP has been assessed against three specific evaluation criteria:

- **Effectiveness** – All ICCP projects have clearly stated objectives and targeted outcomes but, due to the applied progress reporting, it is not possible to assess conclusively to which extent these are being met, or are on track to be met (although this generally does appear to be the case except for some cases where attribution might be difficult).⁴⁸ For the program-level, however, the achievement of stated objectives and outcomes can be measured only once a program results framework/logframe has been developed and indicators are being assessed. The failure to establish this at an early stage of implementation is likely due to the somewhat unclear division of responsibilities between the Myanmar Partnership MDTF Steering Committee and the quarterly ICCP forum as well as the fact that ICCP progress reporting has been entirely project-focused. It is noted that the project teams have established good relationships with GoM counterparts and project beneficiaries, which is an important aspect that contributes to effectiveness at the project-level. One exception is in the area of capacity building, where it does not appear that baselines have been created or changes, if taking place, are being tracked.
- **Efficiency** – All projects appear to be implemented within budget, but some have experienced time delays although this has not been a major issue. Value-for-money aspects are not possible to measure since this requires detailed budget and expenditure data, which has not been shared by the IFC or the World Bank. It is understood that the IFC has internal assessment procedures that include efficiency measures, but the details in this regard are not available to development partners. It is also not clear to which extent this takes into account the management of risks and the extent to which risks may adversely affect implementation. It is furthermore noted that while discussions of gender-related issues took place early on during implementation, a proper focus on gender issues has only come about following the engagement of a partner-funded Gender Operations Officer placed in-country in late 2017 which, however, since then has resulted in several relevant initiatives being taken.
- **Relevance** – Support for PSD remains highly relevant as a key priority for generating economic growth and alleviating poverty in Myanmar. The applied delivery modalities – which focus mainly on advisory services and TA – also remain very relevant, but a more targeted and systematic approach towards capacity building will eventually be required across all project areas (capacity building is so far achieved only indirectly in some projects). This is likely only possible to achieve in the longer term (i.e. beyond the lifetime of the ICCP) and, hence, a focus on capacity building in GoM entities should be a future priority that could also include private sector organisations (e.g. UMFCCL). The relevance of PSD support would, furthermore, be enhanced if better PPD practices and structures can be (re-)introduced that include local organisations advocating constructively for policy change vis-à-vis the Government.

4.7 RECOMMENDATIONS TO DFAT ON FUTURE PROGRAM DESIGN AND MODALITY FOR INVESTMENTS IN ECONOMIC GROWTH

86. The observations made and analyses undertaken as part of the evaluation lead to the following recommendations:

On-going program implementation

⁴⁸ For example, the Investment Policy Project includes an indicator on additional investments resulting from improvements in the legal framework, investment entry, protection and incentives, but such a result would likely to be challenging to attribute specifically to project-related activities.

- a) The IFC to develop a program logic for the ICCP based on a results framework/logframe – encompassing relevant impact-, outcome- and output-indicators – which will be monitored on a regular basis.⁴⁹
- b) The IFC to develop an outline of an ICCP program/portfolio management approach which is discussed at a quarterly meeting to ensure that the IFC, DFAT and DFID have an agreed and common understanding. This should include the role and tasks of the IFC's ICCP Coordinator, for example in the form of a short ToR.
- c) The IFC, DFAT and DFID to agree on a new reporting format for the ICCP quarterly forum that provides an adequate program-level overview, properly compares project-level plans with actual progress, and also include relevant financial data and gender aspects.⁵⁰
- d) DFAT to follow up vis-à-vis the IFC to ensure that the Gender Operations Officer is actively involved in relevant ICCP activities, including the quarterly meetings.
- e) DFAT to consider if and how, in the context of the ICCP, it can engage with and use the new Yangon-based Communications Officer.
- f) DFAT to consider how, based on the existing Administration Agreement with the World Bank Group, it can strengthen its relationship management vis-à-vis the IFC as regards the ICCP and vis-à-vis the World Bank as regards the Myanmar Partnership MDTF.
- g) DFAT and DFID to formally discuss with the IFC their expectations and requirements as regards branding, technical ad-hoc inputs (e.g. briefings) and information distribution (about events, tenders, etc.) as well as how donors are recognized on project materials.
- h) DFAT to request the IFC to prepare a note on the capacity building approach used for the ICCP projects and the extent to which this meets the current requirements of GoM counterparts and project beneficiaries, so that corrective measures – if needed – can be agreed. The note could be presented and discussed at a quarterly meeting.
- i) DFAT to consider if and how the functioning of the Myanmar Partnership MDTF Steering Committee can be strengthened to ensure a high-level and strategic focus as well as to avoid overlaps with the ICCP quarterly forum.

Future program design and modality

- a) Going forward, DFAT should, in addition to and/or instead of a multilateral partner, consider program delivery modalities such a managing contractor (to directly deliver activities in partnership with the GoM and other partners) and a reform fund (to provide funding on a case-by-case basis to specific initiatives).
- b) If DFAT decides to continue providing financial support directly to and via the World Bank Group, it should consider how it can strengthen the directive aspects of the relationship, including through a more elaborate agreement/side letter.

⁴⁹ It is understood that the IFC in September/October 2018 started preparing a draft Theory-of-Change and associated output/outcome and impact. However, from the information available it would appear that this is done by the IFC specifically for DFAT rather than as a comprehensive tool to be used for the program overall and by all donor partners.

⁵⁰ The IFC commented on a draft of this Evaluation Report that this recommendation as been 'already resolved', which refers to the new quarterly reporting format introduced for the ICCP in August 2018. However, this format does not accommodate program-level indicators (which first need to be developed), i.e. the recommendation has not yet been addressed.

5. ANALYSIS AGAINST THE AUSTRALIAN GOVERNMENT'S AIP 2015-2020

87. This chapter comprises an analysis of the ICCP evaluation and the DFID PFM evaluation⁵¹ against objective no. 3 of the Australian Government's AIP – promoting inclusive economic growth and government management – based on which recommendations are made to DFAT for consideration regarding its future aid investments.

5.1 ICCP PERFORMANCE EVALUATION

88. The AIP 2015-2020 under objective 3 states that “Australia will promote economic growth by supporting a policy environment that provides incentives for inclusive foreign direct investment, trade and economic reform” and that Australia will “...increase investments in aid for trade, support legal and regulatory reform and broker engagement and trust between government and business, to promote private sector-led growth, entrepreneurship and responsible business”. This is expected to attract foreign investment to promote domestic growth and supplement domestic resources.

89. The performance benchmark and annual targets stated in the AIP for the PSD area are the following:

Table 2 – ICCP performance benchmark and annual targets of the AIP

	2015/16	2016/17	2017/18	2018/19
<u>Performance benchmark:</u> 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.	On track to meet an increase in investment to a total value of US\$ 500 million by 2020/21.

90. Based on the analysis undertaken, the status has been established as follows:

- **2015/16** – The Myanmar Investment Commission (MIC) began drafting the Myanmar Investment Law (MIL) in 2014 with support from the Investment Policy Project. The final draft MIL, which includes some elements to promote the development of responsible investment businesses, was submitted by DICA to Parliament on 16 September 2016, which approved the law on 28 September 2016. The target is met (although with a 2½ month delay).
- **2016/17** – The MoPF on 30 March 2017 issued the Myanmar Investment Rules through Notification No. 35, which were prepared based on a public consultation process with private sector organisations, businesses and civil society.⁵² The target is met.
- **2017/18** – A survey carried out by the IFC during the second half 2017⁵³ finds that while only about half of all firms are aware of the MIL, two-thirds of domestic firms and three-quarter of

⁵¹ Oxford Policy Management (2018): “Performance Evaluation of DFID’s ‘Improving the Management of Public Funds for the Benefit of People in Burma’ Programme”, Final Evaluation Report, 3 July.

⁵² See, for example, the request for inputs on the rules drafting process prepared by DICA/MIC in November 2016: https://www.dica.gov.mm/sites/dica.gov.mm/files/uploads/pdf/mirbriefing_paper.pdf.

⁵³ IFC. 2018. “Performance and Perception of FDI firms in Myanmar”, Presentation.

foreign firms expect it to be beneficial for their respective sectors.⁵⁴ However, the survey also finds that many business procedures remain unpredictable.⁵⁵ The World Bank's Doing Business survey furthermore shows that, except for the 'Registering Property' indicator, there have been no improvement in the distance to frontier (DTF) from 2017 to 2018 (see Annex H), and hence that the regulatory performance of Myanmar overall remains very challenging for businesses. Despite some positive developments, the target is not met.

- **2018/19** – Progress towards meeting the target cannot yet be assessed due to lack of specific data. The IFC will measure the increase in investment when preparing the Investment Policy Project Closing Report in 2020.⁵⁶ The IFC expresses confidence that its target (USD 200 million)⁵⁷ will be fulfilled as the IFC itself, since the approval of the new MIL, has mobilised USD 500 million in investments. However, at the same time it is noted that the amount of approved foreign direct investment (FDI) has declined significantly in recent years.⁵⁸ Hence, based on the information currently available, it is not clear that the performance target is on track to be met.

91. Of the first three annual targets, two have been met and hence some progress has been made in establishing an effective and responsible investment environment. Given the lack of specific data, however, it is not yet possible to say to which extent the 2018/19 target is likely to be met.

5.2 DFID'S PFM EVALUATION

92. The AIP 2015-2020 notes under objective 3 that "*Transparent, effective and accountable governance will be needed to sustain inclusive economic growth in Myanmar*", and states that Australia will support Myanmar in building effective systems, institutions, procedures and processes of government. It is furthermore stated that investments in PFM reform will increase Australia's ability to partner directly with the GoM on shared priorities using government systems.

93. The PFM reform performance benchmark and annual targets stated in the AIP are the following:

Table 3 – PFM performance benchmark and annual targets of the AIP

	2015/16	2016/17	2017/18	2018/19
<u>Performance benchmark:</u> Strengthened 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% in 2012/13	a) Increased tax-to-GDP ratio of over 10%; and, b) A 20% increase in collections from large tax payers from 2012/13 baseline. ⁵⁹

⁵⁴ The survey finds the expected benefits of domestic firms especially to be in relation to transfer of technology and larger markets, which is similar for foreign firms although a mechanism to resolve disputes is also viewed as important.

⁵⁵ For example, the time it takes to secure a land lease or clear customs for imports and the importance of knowing the "right" people in government to help resolve related issues.

⁵⁶ The IFC states that this will include a review of the attributability of any incremental investment based on stakeholder interviews and an investment trend study to distinguish the project's additionality.

⁵⁷ The USD 500 million performance target was seemingly adopted from the 2015 ICCP Concept Note prepared by the World Bank. However, the IFC's Investment Policy Project only operates with USD 200 million.

⁵⁸ Approved FDI for the past three years were: USD 9.5 billion in 2015/16, USD 6.6 billion in 2016/17 and USD 5.7 billion in 2017/18 (https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/yearly_approved_by_sector_0.pdf). Also, the World Bank in its latest Economic Update (July 2018) reports that approved FDI from April to June 2018 was only USD 394 million compared with USD 1,960 million in the same period in 2017.

⁵⁹ The 2018/19 benchmark as stated in the AIP was "*Increased tax to GDP ratio of over 10% and a 20% increase in large tax payers from 2012-13 baseline*". This has above been amended to "*Increased tax to GDP ratio of over 10% and a 20%*

94. Based on the analysis undertaken, the following status assessment is provided:

- **2015/16** – The GoM's commitment to increasing transparency in planning and budgeting is illustrated by more relevant documentation being prepared and published (including the pre-budget statement since 2015, Citizens' Budget in August 2015 and first EITI report in January 2016).⁶⁰ Also, in order to improve the linkage between plans and budgets, ministries/agencies during 2015/16 started submitting recurrent and capital budget forms electronically to the MoF.⁶¹ The target is met.
- **2016/17** – The MoF in April 2017 issued updated Financial Rules and Regulations⁶² to reflect new budget planning and management procedures, internal control processes, and financial reporting practices, which is a substantial improvement in PFM. Also, the MoF implemented the medium-term fiscal framework (MTFF) for the fiscal year 2016/17⁶³ and line ministries were for the planning and budgeting process issued with recurrent and capital expenditure ceilings within which to prepare detailed budget. The target is met.
- **2017/18** – The tax-to-GDP ratio for 2017/18 was 7.1 per cent.⁶⁴ The target is met.
- **2018/19** – Data will only be available after June 2019. However, the first target is highly unlikely to be met given that the tax-to-GDP ratio has only increased by 1.1 percentage-point over the six-year period 2012/13-2017/18 and, in fact, overall progress towards this target has stalled in recent years (the ratio decreased from 8.03 per cent in 2016/17 to 7.1 per cent in 2017/18).⁶⁵ Progress towards meeting the second target cannot be assessed as the World Bank has not collected the required data through the Internal Revenue Department (IRD).⁶⁶

95. The first three annual targets have therefore been met, which has contributed to a strengthened PFM system through improved fiscal transparency as well as increased tax revenue mobilisation. However, the level of the latter is clearly suboptimal and hence also highly likely to result in the 2018/19 target not being met.

96. The key findings of the DFID-commissioned PFM evaluation are that:⁶⁷ 1) The World Bank-managed MPFMP remains relevant to the needs of the involved GoM institutions and to stated policy priorities, but there have been some critical challenges related to project design (no proper theory-of-change was developed), delivery modality (heavy reliance on recipient execution) and project management (poor reporting); 2) The TAF-implemented MSSP remains very relevant, is well-managed and provides an appropriate level of support to the identification of opportunities at the sub-national level which could form the basis for future engagement and support to the decentralisation process (which will be a major underpinning of any effective peace process); and,

increase in collections from large tax payers from 2012-13 baseline" so as to be in line with the results indicators in the World Bank's 2014 Project Appraisal Document for the MPFMP (page 8).

⁶⁰ World Bank (2017): "Myanmar, Modernization of PFM Project – Implementation Status & Results Report", Seq. No. 5, 3 January, p. 3.

⁶¹ Ibid, p. 5.

⁶² World Bank (2018): "Myanmar, Modernization of PFM Project – Implementation Status & Results Report", Seq. No. 7, 6 March, p. 6.

⁶³ Ibid, p. 4.

⁶⁴ E-mail from the World Bank dated 24 August 2018.

⁶⁵ Oxford Policy Management (2018): op.cit., p. 30.

⁶⁶ E-mail from the World Bank dated 4 September 2018. The World Bank in the MPFMP 'Implementation Status & Results Report' provides data on the tax-to-GDP ratio as generated by the Large Taxpayer Office (LTO). This increased from 1.5 per cent in 2015/16 to 2.9 per cent in 2016/17. However, the indicator in the World Bank's Results Framework (and in DFAT's AIP) requires measuring the actual increase in LTO collections over an established baseline.

⁶⁷ The World Bank's Myanmar Partnership MDTF Program Manager has noted that, in the view of the World Bank, the PFM Evaluation report "did not eventually take into account a series of comments and observations by the Bank".

3) The World Bank-implemented EITI project is based on an appropriate modality and is relevant to the context, and is an important first step in achieving improved governance of natural resources and enabling a more equitable distribution.

97. The recommendations made in the DFID-commissioned evaluation report focus mainly on the existing initiatives (i.e. MPFMP, MSSP and EITI) for the remainder of the project implementation periods, and only to a limited extent on options for future programming of PFM reform activities. However, the evaluation does clearly recommend that it is crucial to continue support to the GoM. The project-specific recommendations can be summarised as follows:

- **Core PFM area** – Technical support to the key finance and accountability agencies should be continued through the MPFMP (or similar initiative), assuming that existing management and reporting issues can be effectively addressed. World Bank-implemented TA should be continued since providing this separately would only increase technical coordination issues as well as management and reporting loads.
- **Sub-national level** – Support should continue to target all tiers of government but, given the uncertain trajectory of fiscal decentralisation, it would be prudent not to increase funding to states/regions substantially. It will be important to ensure that the nature of support remains flexible in order to respond to opportunities as and when they arise.
- **Natural resource governance** – It is crucial to continue developing the legitimacy of the EITI process through support to the Multi-Stakeholder Group (MSG) and the National Coordination Secretariat (NCS). Also, the process needs to be more tangible and with a better focus on extractives governance by enhancing the capacities of non-government stakeholders to sustain communication and build a more demand-driven process. Broader efforts to strengthen extractives governance, including by supporting policy and legislative reform (e.g. around revenue mobilisation and sharing of revenue and expenditure assignments) is needed.

5.3 OVERALL ASSESSMENT

98. PSD: As noted in chapter 4 above, the ICCP appears to be well-performing at the project-level and generating a number of important results for the PSD sector. Also, the 11 ICCP projects provide support to various relevant economic agents within an economy that continues to see strong growth. Furthermore, two of the first three annual performance targets have been met, and some progress has thus been made in establishing an effective and responsible investment environment.

99. PFM: As regards PFM, the first three annual performance targets have been met, which has contributed to a strengthened PFM system through improved fiscal transparency as well as increased tax revenue mobilisation. Also, the DFID-commissioned evaluation indicates that, despite some issues and challenges, there have been some achievements in PFM reform.

100. Overall, it is thus reasonable to conclude that Australia's investments in PSD and PFM reforms are achieving the aims of promoting inclusive economic growth and improved government management.

101. It should be noted that this conclusion (which relates to part two of the evaluation – as per the ToR for the evaluation) does not conflict with the findings and conclusions of the ICCP evaluation provided in Chapter 3 and Chapter 4 of this report (which relate to part one of the evaluation) since the two evaluation parts have different bases and differing focuses.

5.4 RECOMMENDATIONS TO DFAT ON FUTURE AID INVESTMENTS IN ECONOMIC GROWTH AND GOVERNMENT MANAGEMENT

102. Based on the above analyses, the following recommendations are made to DFAT for consideration regarding its future aid investments in economic growth and economic management:

- a) DFAT should continue providing support for PSD and PFM reform activities in areas where Australia has specific expertise and interests, including investment climate and aid-for-trade, and so as to take forward effective economic diplomacy initiatives.
- b) In determining performance benchmarks and other measures to assess the result of engagements, DFAT should ensure that targets selected are measurable and that implementing partners are able to provide regular updates on implementation progress.
- c) Given the significant differences in implementation achievement between the PSD and PFM engagements, DFAT should pay critical attention to the modalities recommended by the World Bank Group (bank-executed versus recipient-executed) in terms of which approach may be most beneficial in the specific context.⁶⁸
- d) DFAT should consider a program delivery set-up that includes different modalities, including a multilateral partner as well as a managing contractor (that can work directly with the GoM and other partners).
- e) DFAT should consider monitoring more directly and proactively the work and functioning of implementing partners, including the planning and implementation of program/project processes, through Post as well as using external resources.

103. These aspects and recommendations should be taken into account going forward when planning and designing a new program post-2020.

⁶⁸ This should take into consideration the capacity building and ownership value of recipient-executed activities that may occur.

ANNEXES

Annex A – Implementation Plan / Terms of Reference (ToR)

Annex B – Evaluation Plan

Annex C – Aide Memoire

Annex D – Documents Reviewed

Annex E – Persons Consulted

Annex F – ICCP Projects

Annex G – ICCP Stated Objectives Over Time

Annex H – Myanmar DB Rankings and DTF Scores Over Time

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ANNEX A – IMPLEMENTATION PLAN / TERMS OF REFERENCE (TOR)

Please refer to separate file.

ANNEX B – EVALUATION PLAN

Please refer to separate file.

ANNEX C – AIDE MEMOIRE

Please refer to separate file.

ANNEX D – DOCUMENTS REVIEWED

DFAT Documents:

- “Aid Investment Plan – Myanmar – 2015-2020”, 2015.
- “Strategy for Australia’s Aid for Trade Investments – Supporting developing countries to trade and prosper”, July 2015.
- “Women and the economy in Myanmar: An assessment of DFAT’s private sector development programs”, January 2016.
- “Yangon Post Management Response to the DFAT Gender Assessment”, 2016.
- “Gender equality and Women’s Empowerment Strategy”, February 2016.
- “Aid Evaluation Policy”, November 2016.
- “Monitoring and Evaluation Standards”, April 2017.
- “Investment Design Summary Title Burma Investment Climate and Competitiveness Program”, 6 May 2015.
- “Partner Performance Assessment (PPA)”, 4 April 2018.
- “Aid Quality Check for INL739 Burma Investment Climate and Private Sector”, 19 April 2018.

IFC/ICCP Documents:

- “Concept Note to MDTF on the World Bank Group Investment Climate and Competitiveness Program”, May 2015.
- “Concept Note on Proposed Additional Programs under the Private Sector Window of the Myanmar Multi-donor Trust Fund”, May 2018.
- “How ICCP is Contributing to Private Sector Development in Myanmar” [ICCP Narrative for Discussion], May 2018.
- “Performance and Perception of FDI firms in Myanmar”, Presentation, 2018.
- Quarterly Reports for the ICCP dated 19 December 2015, 17 March 2016, 25 April 2017, 24 August 2017, 30 January 2018 (including ‘Update on New Activities’), 17 May 2018 and 23 August 2018.
- Minutes from Quarterly Governance meetings held on 17 March 2016, 24 August 2017, 30 January 2018 and 24 May 2018, and 22 August 2018.
- Implementation Plans or Concept Notes for the 11 specific ICCP projects.

Myanmar Partnership MDTF Documents:

- Annual Report July 2014-June 2015.
- Semi-Annual Report October 2015-April 2016.
- Semi-Annual Report May-October 2016.
- Semi-Annual Report April-September 2017 (Executive Summary, Key Outcomes and Deliverables, Financial Report, Project Status Report), 10 November 2017.
- Semi-Annual Report October 2017-March 2018 (Executive Summary, Social Development and Inclusion, Institutional Strengthening, Private Sector Development, Cross Cutting, Result Stories, Financial Status), 16 May 2018.
- Original Results Matrix, 31 March 2018.
- Minutes from Steering Committee meetings held on 29 September 2014, 12 May 2015, 20 October 2015, 26 May 2016, 23 November 2016, 29 May 2017 and 16 May 2018.

- Financial reports: September 2014, April 2015, October 2015, April 2016, November 2016, March 2017, June 2017, September 2017, December 2017 and March 2018.
- Operating Guidelines, Draft, 9 December 2018.
- 'Template for Terms for References for Working Groups established under the Myanmar Multi-Donor Trust Fund', Draft, undated.

Other PSD-related Documents:

- ADB (2016): "Myanmar, Indicative Private Sector Development Framework and Action Plan", MIC-MoC-UMFCCI, March.
- Dan Hetherington (2017): "What Works in Business Environment Reform in Sub-Saharan Africa and South Asia", Business Environment Reform Facility/DFID, February.
- DFID (2015): "Business Case – Business for Shared Prosperity in Burma", Quest No.: 4835395.
- DFID (2016): "Annual Review – Business for Shared Prosperity in Burma", June.
- DFID (2017): "Annual Review – Business for Shared Prosperity in Burma", June.
- DFID (2018): "Business for Shared Prosperity in Burma (BSP) – Logframe", February.
- DICA-MoPF (2017): "Cost of Doing Business in Myanmar – Survey Report 2017".
- PwC (2017): "Myanmar Business Guide", Fifth Edition, October.
- Roland Berger Strategy Consultants (2016): "Myanmar: A Wave of Optimism – Will It Last?".
- World Bank (2018): "Doing Business Reform Memorandum – Myanmar", Discussion Draft, April.
- World Bank (2018): "Economy Profile of Myanmar – Doing Business 2018 Indicators".

PFM-related Documents:

- Oxford Policy Management (2018): "Performance Evaluation of DFID's 'Improving the Management of Public Funds for the Benefit of People in Burma' Programme", Final Evaluation Report, 3 July.
- World Bank (2014): "Project Appraisal Document on a Proposed Credit ... for a Modernization of Public Financial Management", Report No: PAD925, 25 February.
- World Bank (2017): "Myanmar, Modernization of PFM Project – Implementation Status & Results Report", Seq. No. 5, 3 January.
- World Bank (2018): "Myanmar, Modernization of PFM Project – Implementation Status & Results Report", Seq. No. 7, 6 March.

Other Documents:

- GoM-MoPF (2018): "Myanmar Sustainable Development Plan (2018-2030)", August.
- International Crisis Group (2018): "Myanmar's Stalled Transition", Briefing No. 151, 28 August.
- The Economist (2018): "Burmese Daze – Myanmar's Government Unveils a 238-Point Economic Reform Plan", 1 March.
- World Bank (2018): "Myanmar Economic Update", July.
- World Bank (2018): "Myanmar Economic Update", December.

ANNEX E – PERSONS CONSULTED

DFAT	<ul style="list-style-type: none"> • Mr Nicholas Coppel – Ambassador • Mr Tim Vistarini – Counsellor (Development) • Ms Vanessa Hegarty – First Secretary • Ms Esther Sainsbury – First Secretary • Ms Anouska Charles – Second Secretary • Ms Kirsty Madden – Program Manager • Ms Suu Hlaing Aye – Senior Program Officer
IFC	<ul style="list-style-type: none"> • Ms Ashani Chanuka Alles – Senior Private Sector Development Specialist • Mr David James Lee – Consultant • Mr José Ricardo Silva – Senior Private Sector Specialist, Project Lead for ‘Myanmar Investment Climate Reforms’ and ‘Reforming Agri Input Regulation and Standards in Myanmar’ • Mr Tony Dickinson – Consultant, ‘Myanmar Investment Climate Reforms’ Project • Ms Min Min Than – Consultant, ‘Myanmar Investment Climate Reforms’ Project • Mr Thitsar Thitsar – Private Sector Specialist, Project Lead for ‘Myanmar Investment Policy’ and ‘Supporting Sustainable Tourism Development in Myanmar’ • Ms Nang Khan Htaie – Consultant, ‘Supporting Sustainable Tourism Development in Myanmar’ • Mr Colin Taylor – Senior Operations Officer, Project Lead for ‘Myanmar Agribusiness’ • Mr Aung Aung Tin – Consultant, ‘Myanmar Agribusiness’ Project • Mr Deep Karti – Operations Officer, ‘Myanmar Agribusiness’ Project • Mr Bill Gallery – Senior Operations Officer, Project Lead for ‘Energy Access Myanmar’ [Lighting Myanmar] • Mr Hemant Mandal – Senior Energy Specialist, Project Lead for ‘Myanmar Power Advisory’ • Mr Martin Hamann – Market Consultant, ‘Lighting Myanmar’ Project and ‘Myanmar Power Advisory’ Project • Mr Anar Aliyev – Corporate Governance Officer, Project Lead for ‘Corporate Governance’ • Ms Kate Lazerus – Senior Operations Officer, Project Lead for ‘Environmental and Social Advisory Program in Myanmar’ • Mr John Leber – Investment Officer, ‘PPP’ Project • Ms Ellen Claire Maynes – Gender Operations Officer • Ms Hnin Nwe Nwe Aung – Consultant
World Bank	<ul style="list-style-type: none"> • Mr Sjamsu Rahardja – Senior Economist, Project Lead for ‘Trade Integration Project’ • Myanmar Partnership MDTF Program Manager

GoM Project Stakeholders	<ul style="list-style-type: none"> • Mr Aung Htoo – Deputy Minister, Ministry of Commerce (MoC) • Mr Toe Aung Myint – Permanent Secretary, Ministry of Commerce (MoC) • Mr Aung Soe – Director General, Myanmar Trade Promotion Organisation, Ministry of Commerce (MoC) • Mr Myint Lwin – Director General, Department of Consumer Affairs, Ministry of Commerce (MoC) • Mr Aung Naing Oo – Director General, Directorate of Investment and Company Administration (DICA) • Mr Min Zaw Oo – Director/Head of Policy and Legal Division, Directorate of Investment and Company Administration (DICA) • Mr Ye Tint Tun – Director General; Department of Agriculture (DoA); Ministry of Agriculture, Livestock and Irrigation (MoALI) • Mr Thet Zin Maung – Director (Seed Division); Department of Agriculture (DoA); Ministry of Agriculture, Livestock and Irrigation (MoALI) • Ms Thu Zar Myint – Director of the Land Use Division; Department of Agriculture (DoA); Ministry of Agriculture, Livestock and Irrigation (MoALI) • Mr Tun Win – Director of Planning Division; Department of Agriculture (DoA); Ministry of Agriculture, Livestock and Irrigation (MoALI) • Mr Htin Aung Naing – Director, MoHT / Taunggyi, Shan State • Mr Kyaw Htin – Director General, Myanmar Customs Department (MCD) • Officials of Myanmar Customs Department (MCD)
Other Project Stakeholders and Beneficiaries	<ul style="list-style-type: none"> • Ms Hlaing Maw Oo – Secretary, Yangon City Development Committee (YCDC) • Mr Tin Maung Kyi – Head of Engineering Department, Yangon City Development Committee (YCDC) • Mr Ye Min Aung – Vice Chairman, Myanmar Rice Federation (MRF) • Mr Ted Martynov – Chief Executive Officer, SolarHome • Members of the Inle Lake Professional Women Network (IPNET) • Good Agricultural Practices (GAP) Farmers, Inle Lake
DFID	<ul style="list-style-type: none"> • Mr Robbie Barkell – Private Sector Development Advisor • Ms Liz Patterson – Private Sector Development Advisor • Mr Nick Wintle – Economist • Mr Peter Brimble – Senior Technical Advisor, DaNa Facility / ‘Business for Shared Prosperity’ Secretariat
Private Sector Organisations	<ul style="list-style-type: none"> • Mr Maung Maung Lay – Vice President, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) • Mr Win Si Thu – Executive Committee Member, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
Others	<ul style="list-style-type: none"> • Ms Jessica Ei Ei San – Director (Tax), PricewaterhouseCoopers Myanmar Co. Ltd. (PwC)

ANNEX F – ICCP PROJECT OVERVIEW

#	Components	Projects	Main Counterparts and Beneficiaries
1	I. Improving the business environment	Myanmar IC Reforms (Investment Climate) 600430	MoC YCDC
2		Myanmar Investment Policy (IPP) 600309	DICA
3		Myanmar Program for Trade Competitiveness and Enterprise Development (Strengthening Economic Integration and Trade Policy, Trade Integration) P164258	MoPF/MCD MoC
4	II. Enabling sector specific growth	Supporting Sustainable Tourism Development in Myanmar (Support Linkages in Key Value Chains – Tourism) 600997	MoHT IPNET
5		Reforming Agri Input Regulation and Standards in Myanmar (Myanmar Agri Inputs Reforms) 600996	MoALI/DoA MRF GAP Farmers
6		Myanmar Agribusiness (Agri advisory, Support Linkages in Key Value Chains – Agribusiness) 600310 Myanmar Food Safety (Myanmar FS) 603241	MoALI MRF UMFCCI
7	III. Including Private sector participation in development	Energy Access Myanmar (Support Linkages in Key Value Chains – Lighting Myanmar) 600863	Private firms DRD
8		Myanmar Power Advisory (Support Linkages in Key Value Chains – Myanmar Power Advisory) 602475	MoEE
9		EAP CG Program Implementation (Improving Corporate Governance, Corporate Governance) 593267	SECM MLoD Private firms
10		Environmental and Social Advisory Program in Myanmar (Environment and Social Sustainability) 602601	MoNREC Private firms
11		Myanmar PPP Program (PPP, Public Private Partnerships) 602707	MoC MoEE
-		Program management Monitoring and evaluation Gender mainstreaming	-

ANNEX G – ICCP OBJECTIVES AS STATED OVER TIME

Concept Note (May 2015)

- **Overall goal** – An increase in investment and trade resulting in more jobs and higher incomes, for firms and citizens throughout Myanmar (page 1).
- **Objective** – To improve the competitiveness and dynamism of the private sector to increase trade and investment and create jobs in Myanmar (page 6).^{69 70}

The foundation of the program is to develop and implement clear, consistent policy, legal, and regulatory frameworks for investment, trade and entrepreneurship. (...) The program will build on this foundation to improve the drivers of competitiveness: skills, entrepreneurship, sector policy, trade and an enabling business environment. The long term programmatic nature of the intervention will leverage incoming investment in productive sectors, as well as public and private investment in infrastructure, to increase the benefits of private sector jobs to be more inclusive.

Quarterly Governance Meeting Report (April 2017)

- **Objectives** – To improve the enabling environment for private sector growth in Myanmar by supporting legal and regulatory reforms in areas of WBG comparative advantage and by strengthening the advocacy role of the private sector (page 2).

The emphasis of the program is to develop and implement clear, consistent policy frameworks to promote the private sector and to improve the dialogue between business and government. The project will serve as the platform for a partnership with the Government of Myanmar on its Private Sector Development priorities and assist with the assessment and prioritization of reform needs.

DFID's 'Business for Shared Prosperity in Burma' Logframe (October 2016 / February 2018)

- **Impact** – Inclusive economic growth and poverty reduction through increased incomes and opportunities for the poor.
- **Outcome** – Facilitating the creation of productive jobs and opportunities for the poor, through an enabling environment that encourages businesses to create those opportunities.
- **Output 1** – Improved policy and regulatory framework for business, streamlined investment entry procedures and improved corporate governance.
- **Output 2** – Improved trade environment and competitiveness in non-extractive and job creating sectors.
- **Output 3** – Interventions identified and supported in priority market systems and value chains with potential for inclusive economic growth.

⁶⁹ Same stated in DFAT's 'Investment Design Summary' from May 2015.

⁷⁰ Same stated in the MDTF Annual Report 2014/15 (page 3) for 'Policy and Investment Climate Reform' under 'Window 4: Private Sector Development'. In the later MDTF reports, separate objectives are stated for other initiatives (Improving Trade Facilitation and Competitiveness; Corporate Governance; Productivity, Income and Quality Improvement in Myanmar's Agriculture Sector; Private Sector Development in the Energy Sector).

'Narrative for Discussion' (May 2018)

- **Key objectives** – To generate sustainable investment, trade and employment that will contribute to poverty reduction and shared prosperity through increased economic opportunity and incomes for the people of Myanmar (page 1).

The ICCP was designed in 2015 ... to address immediate issues around investment policy, business regulatory reforms, trade, the development of key sectors and the strengthening of corporate governance. At the same time the program is designed to enable the WBG to scale up the program to accommodate emerging demand over time from the Government of Myanmar and the private sector.

* * * * *

MDTF Results Matrix – Window 4: Private Sector Development (Annual Report 2014/15)

- **High-level goal** – Increased private sector development, including job creation and investment climate reforms.
- **Outcome 1** – Improve the business environment by supporting legal and regulatory reforms.
- **Outcome 2** – Strengthening the advocacy role of the private sector.
- **Outcome 3** – Streamlining trade regulations (non-tariff measures) and trade licensing.

MDTF Results Matrix – Window 4: Private Sector Development (March 2018)

- **High-level goal** – Increased private sector development, including creation of economic opportunities for men and women and investment climate reforms.
- **Outcome 1** – Improve the business environment by supporting legal and regulatory reforms.
- **Outcome 2** – Strengthening the advocacy role of the private sector.
- **Outcome 3** – Streamlining trade regulations (non-tariff measures) and trade licensing.

ANNEX H – MYANMAR’S DB RANKINGS AND DTF SCORES OVER TIME

<i>Doing Business Rankings</i>	2014	2015	2016	2017	2018	Trajectory 2015-2018
Starting a Business	189	189	160	146	155	↑↑
Dealing with Construction Permits	150	130	74	66	73	↑↑
Getting Electricity	126	121	148	149	151	↓↓
Registering Property	154	151	145	143	134	↑
Getting Credit	170	171	174	175	177	(↓)
Protecting Minority Investors	182	178	184	179	183	(↓)
Paying Taxes	107	116	84	119	125	↓
Trading across Borders	113	103	140	159	163	↓↓
Enforcing Contracts	188	185	187	188	188	↔
Resolving Insolvency	155	160	162	164	164	↔
Overall	182	177	167	170	171	↑
<i>No. of countries</i>	<i>189</i>	<i>189</i>	<i>189</i>	<i>190</i>	<i>190</i>	-

<i>Distance to Frontier (DTF)</i>	2015	2016	2017	2017 Adjusted	2018	Trajectory 2015-2018
Starting a Business	22.85	70.02	77.10	75.29	75.42	↑↑
Dealing with Construction Permits	64.93	71.03	72.23	69.98	70.33	↑
Getting Electricity	66.78	50.92	52.17	52.17	52.52	↓
Registering Property	52.26	49.32	49.37	50.62	52.30	↔
Getting Credit	10.00	10.00	10.00	10.00	10.00	↔
Protecting Minority Investors	29.17	26.67	28.33	25.00	25.00	↓
Paying Taxes	68.64	74.80	64.05	63.68	63.94	↓
Trading across Borders	70.02	55.05	47.40	47.40	47.67	↓↓
Enforcing Contracts	27.31	24.53	24.53	24.53	24.53	(↓)
Resolving Insolvency	23.51	20.39	20.39	20.39	20.39	(↓)
Overall	43.55	45.27	44.56	43.91	44.21	↔

Distance to Frontier: The distance to frontier score helps assess the absolute level of regulatory performance over time. It measures the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. One can both see the gap between a particular economy’s performance and the best performance at any point in time and assess the absolute change in the economy’s regulatory environment over time as measured by Doing Business. An economy’s distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 is the frontier.