



Australian Government
Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2018-19

Myanmar

October 2019



KEY MESSAGES

This report summarises the performance of Australia's aid to Myanmar from July 2018 to June 2019 against the Myanmar Aid Investment Plan (AIP) 2015-2020. Myanmar is experiencing a period of rapid political, economic and social change. It is home to the largest humanitarian crisis in our region, persistent human rights challenges and some of the longest running civil conflicts in the world.¹ Ongoing conflict is a major barrier to delivering services and building a cohesive nation state.

In 2018-19, Australia provided an estimated \$90.0 million in aid to Myanmar. The delivery of our aid was in line with the three objectives of the Myanmar AIP: (i) enhancing human development through **education**; (ii) promoting **peace and stability** by supporting Myanmar's nationally-led peace process and providing humanitarian assistance to conflict-affected and displaced communities; and (iii) promoting inclusive **economic growth and government management**.

Myanmar has only recently emerged from over 50 years of military rule. While a democratically elected government came to power in 2015, the presence of the military in politics, business and society is pervasive. The legacy of military rule and isolation will take decades to transition. The Rakhine crisis, ongoing civil conflict, outdated government systems and practices, legacies of cronyism, low expenditure on health and education all compound to make life difficult and reforms hard. Australia's aid program places emphasis on building the government's capacity to improve the lives of people in Myanmar through education, livelihoods, economic and democratic governance efforts, and the peace process.

The majority of aid investments either maintained or improved their performance, since the last reporting period. There was an improvement in the performance of the democratic governance portfolio. Increased attention to, and advocacy of, gender inclusion across all investments and sustained action by our implementing partners dramatically improved gender ratings. Progress on disability could be improved. This will be a focus of our attention over 2019-20.

Australia's investments in human development in Myanmar are helping to reduce poverty, grow the economy, and enhance stability. Our support to the education sector is providing transformational support to the children and youth of Myanmar, helping them to realise their capabilities, creating opportunities for productive lives, and fostering their ability to contribute to national peace and prosperity. Education that increases children's ability to participate productively and meaningfully in their community is one of the best investments Australia and Myanmar can make in support of a peaceful, stable and prosperous Myanmar.

The Myanmar Government is making headway on important reforms. These include the civilianisation of the General Administration Department, the creation of a Parliamentary Committee to drive constitutional change, release of the Myanmar Sustainable Development Plan, a major overhaul of electricity tariffs, a series of important changes to the banking sector and the reinvigoration of the National Economic Coordinating Committee (which the State Counsellor has mandated to develop and pursue critical reforms).

Key achievements of the Australian aid program in Myanmar for 2018-19 are:

- School grants to over 48,700 government and monastic schools, improving the learning environment for nearly 10 million students.
- Australia's support enabled an additional 46,432 at-risk students to access basic education (53.2 per cent girls), with a 99 per cent retention of students on stipends over two academic years; 2017-18 and 2018-19.
- Improved education policy, planning and management, which is helping secure greater budget funding for education, more effective resource allocation and improved learning outcomes for children.

¹ https://ourworldindata.org/uploads/2013/08/ourworldindata_the-100-deadlist-civil-wars-the-economist.png

- Mainstreaming gender diversity and inclusion across civil service policy and systems; developing a Fair Trial Guide Book for law officers; and the development of parliamentary business plans and sitting calendars.
- Reaching 263,513 vulnerable women, men, girls and boys, with humanitarian assistance, exceeding the target by nearly 6 per cent.
- Enabling income increases for 22,146 households (15 per cent female-headed) and access to finance for over 41,981 clients (91 per cent women).
- A 70 per cent reduction in the number of products requiring export licences, and halving of fees for company registration.
- An increase from 17 per cent to 21 per cent participation of women in Myanmar's formal peace process, contributing to a stronger women, peace, and security agenda in Myanmar.

CONTEXT

Myanmar's multiple transitions are occurring in a complex context. High concentrations of poverty in rural areas contrast with accelerating development in urban centres. Civil conflict continues. Myanmar is slowly shedding the vestiges of 50 years of military rule, of a command economy and an antipathetic relationship between citizen and state. There is a tentative recognition of the benefits of integration into the global trading system, but only slow progress to that end has been made. Myanmar is one of the top 10 global growth performers, yet over one-third of Myanmar's population, mainly in rural locations, remain in poverty with 6.2 per cent in extreme poverty and the mortality rate for children under five at 48.6 per 1,000 live births (World Bank, 2018).

Myanmar is an important partner for Australia. Australia's engagement with Myanmar aligns with Australia's Foreign Policy White Paper priorities, including the promotion of a prosperous and stable Indo-Pacific region, liberal democratic principles and rules-based norms. Our Aid Investment Plan 2015-2020 (AIP) shapes our aid efforts and identifies their overarching goal - *supporting Myanmar's political, social and economic reforms*. DFAT will publish a new AIP for Myanmar in 2020. The release in late 2018 of the Myanmar Sustainable Development Plan (MSDP) provides a clear statement of the Myanmar Government's priorities. The MSDP aligns development priorities with policy reforms and international commitments, including the Sustainable Development Goals. The future AIP will take into account the priorities of the MSDP.

Australia's aid program helps create an environment conducive to inclusive economic growth and increased trade by strengthening government capacity, promoting peace and stability, and supporting the development of an educated and competitive workforce. Our efforts complement and reinforce the bilateral relationship, including our growing trade and investment ties, support for human rights, and people-to-people links. For example, improvements to the business regulatory environment assist Australian and international business engagement in Myanmar, and our Australia Awards scholarships and New Colombo Plan program foster people-to-people links.

Myanmar is a challenging context in which to deliver an aid program. Almost one-third of Myanmar is conflict-affected (World Bank 2018): fighting has re-emerged in central and northern Rakhine, and conflicts in Kachin and Shan States, and to a lesser extent in Kayah and Kayin States, have negatively affected elements of Australia's aid program. The attacks in Rakhine in 2017 and brutal security operations that followed underlined the risk of atrocities in Myanmar's civil conflicts. The UN Fact Finding Mission concluded that war crimes, crimes against humanity and, likely, genocide occurred in Rakhine State. The situation for the Rohingya population in Rakhine remains dire. The severity of the Rohingya crisis necessarily meant the Myanmar Government had less time and resources to focus on its political, economic and social reform agenda during the reporting period.

Yet we do see important progress in some areas. Myanmar's economy is slowly picking up speed and stabilising. Despite a challenging global environment, the World Bank (June 2019) expects Myanmar's



economic growth to rise to 6.5 percent in 2018-19, supported by improved performance in the manufacturing and services sectors. Myanmar's poor are particularly vulnerable to economic shocks, such as inflation. Headline inflation fell from a peak of 8.8 per cent (year on year) in October 2018 to 6.1 per cent in January 2019 on declining fuel prices and kyat appreciation, before rising to 7.9 per cent in March 2019 on the back of high fuel and food prices. However, the volatility that buffeted the economy in 2018 is easing: inflation has moderated and the currency has stabilised.

Recent easing of trade restrictions, further opening of the financial sector to foreign competition, and some progress on big infrastructure projects signal an uptick in reform momentum. Other positive measures are the opening of retail and wholesale sectors, services sector liberalisation, the loosening of restrictions on foreign bank lending and continued implementation of the *Companies Act*. External factors will drive any downside risks to the economic outlook, including possible revocation of preferential trade access under the European Union Generalized System of Preferences. Slowing global growth together with renewed escalation of trade tensions could slow exports and foreign investment. Insecurity in border areas, the Rakhine crisis, involving violence and forced displacement of refugees, and the recent flare-up in conflict with the Arakan Army, could affect investor sentiment.

The Myanmar Government's engagement with international processes relating to women and girls is building momentum. In late 2018, Myanmar signed a Joint Communique with the United Nations on Conflict-Related Sexual Violence, and, through the Beijing +25 Agenda report, set an ambitious agenda to address Myanmar's gender equality challenges. Australia welcomes these important steps, as well as the Myanmar Government's increased focus on its National Strategic Plan for Advancement of Women (2013-22). The status of women and girls in Myanmar is improving slowly. Myanmar's ranking on the global gender index is 148 out of 189 countries due to high maternal mortality rates, and low workforce participation and political participation rates. Progress on other important gender-related reforms has been slow. Myanmar's first law for preventing and responding to violence against women remains unpassed after many years.

In 2018-19, Australia provided an estimate of \$90 million in official development assistance (ODA) to Myanmar, an increase of nearly 7 per cent on 2017-18. Delivery of the ODA component under the Aid Investment Plan objectives totalling \$63.4 million, listed below in Table 1, was largely through multi-donor funding mechanisms, all rigorously assessed to ensure they are effective, efficient and compliant with safeguards. The Myanmar Government reports Australia as the fourth largest bilateral donor to Myanmar after Japan, the United Kingdom, and the United States (draft Myanmar Development Partner Profiles 2019). Further, Australia's technical expertise, enduring engagement with government, and reputation as a constructive and pragmatic partner enabled us to remain closely involved in key policy discussions with government and donors in areas of strategic interest.

EXPENDITURE

The estimated \$90 million in development assistance to Myanmar included \$21.5 million from our global humanitarian program. The 7 per cent increase in total ODA for 2018-19 is mostly due to this increase in humanitarian funding to address the substantial needs across Myanmar.

For this report, the aid allocations against AIP objectives total an estimated \$63.4 million in 2018-19, with the majority of humanitarian global funding for Myanmar allocated under objective (ii), see Table 1 below.

The estimated allocation to other government departments remained relatively constant. The Australian Centre for International Agricultural Research (ACIAR) received its own budget appropriation, an estimated \$4.7 million for 2018-19, for its research activities in Myanmar.



Table 1 Total estimated ODA Expenditure under AIP Objectives FY 2018-19

Objective	A\$ million	% of total
1: Enhancing human development	21.6	23.9
2: Promoting peace and stability	31.4*	34.9
3: Promoting inclusive economic growth and government management	10.4	11.6
Sub-Total estimated funding for AIP objectives	63.4	70.4
Regional and Global	21.9#	24.3
Other Australian Government Departments	4.7	5.2
Total estimated Australian ODA Expenditure	90.0	100.0

*The estimated figure under objective 2 includes \$21.5 million global humanitarian funding.

The combined Regional and Global estimate figure (for this table) has been adjusted to deduct this \$21.5 million humanitarian funding..

PROGRESS TOWARDS AIP OBJECTIVES

The measurement of the performance of Australia’s aid program for this reporting period is against the performance benchmarks and assessment framework, in the 2017-18 APPR update. Australia’s education investments under objective (i) continued to meet expectations and remain at green. The challenging operating environment across Myanmar’s conflict zones and a stalemate in the peace process, which lasted much of the last reporting period, overshadowed the small achievements made in the democratic governance space under objective (ii). This objective remains at an amber rating for 2018-19. Improved progress across most investments and associated PAF targets under objective (iii) sees the rating increase from amber to green for 2018-19.

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

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

Note:

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

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

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

OBJECTIVE 1: ENHANCING HUMAN DEVELOPMENT



Enhancing human development through **education** is a major component of Australia’s aid program in Myanmar, accounting for nearly 24 per cent of the estimated total ODA spend. Progress against objective (i) retained a green rating, with full or partial achievements against relevant PAF indicators. Australia continued



to work with government to build capacity, improve systems and deliver measurable, durable improvements in Myanmar's education outcomes. This was achieved by focusing on reducing dropouts from school, improving teaching and learning, and strengthening systems to assess and improve the quality of education services. In recognition of the complexities of the operating environment, delivery of our education investments was in partnership with government and non-government service providers. This work was sensitive to the significant deterioration of security in Rakhine, Kachin and northern Shan States. Gender had a strong and positive focus, for example ensuring programs met the learning needs of boys and girls, and providing appropriate support to both male and female teachers. The overall gender rating for objective (i) moved up to 75 per cent over this reporting period.

Effective education systems can contribute directly to poverty reduction, economic growth, and stability. The acquisition of knowledge and skills through education improves individuals' earning potential and their ability to invest wisely in their future. Educating women and girls is particularly transformative; every additional year of schooling makes a difference to marriage age, fertility rates, and health outcomes for women and their children. The Myanmar Government recognises that education is a driver of future growth, peace and stability. Our assistance in the education sector is providing transformational support to the children and youth of Myanmar. It provides the foundations for better employment and improved understanding across communities. It is helping youth and children to realise their capabilities, and fostering their ability to contribute to national peace and prosperity.

The National Education Strategic Plan (NESP) 2016-2021 – Myanmar's first sector plan in over 40 years—articulates a five-year reform agenda and a framework around which to coordinate donors' assistance and shape policy discussion. Australia values its strong, collaborative and long-standing partnership with Myanmar's Ministry of Education (MoE). We continued to work closely with the MoE and our partners in 2018-19, enabling a deep engagement on policy reform and the continued promotion of good practice across the education sector. Australia is the co-facilitator of the Education Technical and Vocation Training Sector Coordination Group (ETVSCG), chaired by Myanmar's Minister for Education.

As co-facilitator of the ETVSCG, Australia helped coordinate support for Myanmar's successful US\$73 million Global Partnership for Education grant application. The grant will help improve the quality of learning and address the education needs of marginalised children. This funding will channel more resources to the most vulnerable schools and expand non-formal education for out-of-school children, areas already being prioritised by Australia.

Australia's investment (\$10 million in 2018-19) in the Decentralizing Funding to Schools Project (DFSP) is the largest within our education portfolio and the first Australian funded program that uses government systems for implementation. This connection enables Australia to engage on critical policy reforms, and gives us influence and credibility with the government. DFSP has been the primary mechanism by which to engage with MoE on the provision of services in Rakhine State and other conflict-affected areas. The Government of Myanmar recognises the value of DFSP. It has used its own budget to expand the investment - clear evidence of sustainability.

In 2018-19, under the DFSP, Australian funding contributed to the Myanmar Government budget allocation for school grants and student stipends. School operating grants – a key mechanism to empower schools to support and sustain basic education reform – were provided to 48,575 monastic and government schools in all states and regions across the country, benefitting nearly 10 million students. Australia's support enabled an additional 46,432 at-risk students to access basic education (53.2 per cent girls), on par with last year's reporting but a small shortfall of 3 per cent from the 2018-19 PAF target. The combined impact of grants and stipends reduced the financial burden on families and improved enrolment and retention rates. There was a 99 per cent retention of students on stipends over two academic years. Coupled with efforts to increase access, the mobilisation of teacher mentors under the DFSP provided targeted support to inexperienced teachers already in the classroom. In 2018-19, the MoE supported 316 active mentors in 80 townships



(reaching approximately 20,000 mentees) and recruited a third cohort of 286 mentors (76 mentors were supported by Australia).

Complementing Australia's investment in DFSP was our support to the UNESCO-managed Strengthening Pre-Service Teacher Education in Myanmar (STEM) program. With Australian funding, UNESCO provided support to the MoE to improve the quality of pre-service teacher education through the upgrade of Myanmar's Education Colleges, and contributed to significant and influential policy development. Key achievements include the development of Myanmar's first Teacher Competency Standards Framework, and its submission for approval of the first level 'beginner teacher' – meeting the PAF target for 2018-19. These changes build blocks for long-term, systemic improvement in the quality of Myanmar's teachers.

STEM and DFSP closely align with the reform objectives articulated under the Government's NESP. To bolster MoE's ability to monitor the effectiveness of these and other NESP reforms, Australia continued to provide assistance through the Myanmar Education Quality Improvement Program (My-EQIP) (\$4.5 million in 2018-2019). My-EQIP helps the government to build the systems that provide it with essential information needed to make evidence-based decisions and allow for more accurate planning and budgeting. This improves the Ministry's ability to call for greater budget allocation and improve access to quality education. It is encouraging that the MOE had a 19 per cent increase in its budget allocation for 2019-20.

In 2018-19, the My-EQIP program office opened within the MoE. Embedding within the MoE improves transfer of skills and builds close links with MoE staff. My-EQIP's 'government owned and led' approach positioned it as a partner of choice in supporting the Ministry's research and policy needs. In 2018-19, with My-EQIP's support, the Ministry drafted and commenced a pilot of an inaugural School Quality Assurance Standards Framework (SQASF). The SQASF is an important system that will build the quality of schools over the long term. It will enable schools to define their needs and develop their own school improvement plans. My-EQIP has also assisted the MoE to mainstream gender, disability and ethnicity across program activities, contributing to the Government's ability to respond to the recommendations from the CEDAW Committee on educational achievements and international reporting obligations.

Complementing the programs we provide to and through Government, Australia also supported non-government partners to deliver education services in hard-to-reach and conflict-affected areas. The education system in Myanmar is not homogenous and there are many different education service providers. These groups are often in areas outside of central government control and service delivery. These complementary systems provide vital education to around 600,000 students. Australia supported long-established ethnic and monastic education systems through the Myanmar Education Consortium (MEC) (\$2 million in 2018-19). Australia's investment in MEC seeks to address local inequality, strengthen existing complementary education systems and encourage steps towards an inclusive national education system. MEC responds to the complexities of Myanmar's education sector recognising that service delivery is politicised, is the responsibility of diverse actors, and that progress links to enduring peace. It is a consequential and innovative investment that balances our focus on government education systems, but progress is proving difficult. While remedial actions are underway to address operational issues, performance, and strengthen risk management, we are looking to the long-term practicality of the MEC implementation model to determine the best way of continuing this important work.

To complement our long-term investment in strengthening education systems (government, monastic, ethnic), Australia also provided funding to humanitarian partners to deliver education in emergency settings, including to displaced populations. Through agreements with Save the Children, Australia supported education improvement on both the eastern and western sides of Myanmar. On the Myanmar-Thailand border, our funding provided education support to 18,997 children and trained over 700 teachers. In IDP camps in Rakhine, we supported 3,757 students to enrol in 21 camp-based Temporary Learning Centres.

As a whole, Australia's education portfolio in Myanmar offers practical examples of the importance of aligning and, where possible, integrating humanitarian and development assistance. The protracted nature of crises in Myanmar demands this approach to ensure that our investment addresses urgent humanitarian



need, as well as responds to chronic underdevelopment and the limited capacity within education systems to deliver quality education. Our advocacy and funding has contributed to the Myanmar Education Ministry’s increased provision of services in camps (volunteer teacher payments, textbook distribution, student stipends).

Complementing our investments in basic education are the highly regarded Australia Award Scholarships. Myanmar’s reforms need well-educated leaders, officials, entrepreneurs and civil society members. The Australia Awards build on this long history of enabling individuals to access high quality tertiary education opportunities. In 2018, Australia awarded 51 scholarships to Myanmar students (48 per cent women), with a further 40 awarded in the 2019 intake (65 per cent women). The selection process prioritised inclusion and made adjustments to ensure access for people with disabilities and lower English language capability. Australia Awards continued to help strengthen the Myanmar Government’s capacity; awarding approximately 50 per cent of scholarships to Government officials in 2018-19.

Australia Awards scholars are building a strong cohort of alumni in Myanmar, with two semi-autonomous groups established in Yangon and a chapter in Nay Pyi Taw. Alumni are proactive and regularly run events in their local communities and are important representatives for Australia to the Myanmar community. Alumni returning to their workplaces after completion of their studies are contributing substantially to government reforms; for example, one alumnus is now working within the office of the Attorney General on addressing gender-specific barriers within the public service, while another alumnus has joined the My-EQIP team to contribute her specialist skills to Myanmar’s education reform.

OBJECTIVE 2: PROMOTING PEACE AND STABILITY



Promoting peace and stability through a strong portfolio of humanitarian, peace building and democratic governance investment was the largest component of Australia’s aid program in Myanmar in 2018-19, accounting for nearly 50 per cent of the bilateral spends. The portfolio improved substantially across effectiveness and gender ratings. However, the challenging context for promoting peace in Myanmar made progress against this objective very challenging. The amber rating remains the same as last year, despite the portfolio improvements.

The ongoing crisis in Rakhine made achieving the objectives of the Supporting Partnerships and Resilience of Communities (SPARC) program, operated by CARE Australia, next to impossible. Designed to support communities in northern Rakhine State with livelihood activities including forestry, agriculture, disaster risk reduction and access to finance, it was an effective and efficiently operated program until access restrictions and security concerns made its activities in northern Rakhine State untenable. After several amendments to this investment, CARE and DFAT diverted remaining funds to similar programs elsewhere in Myanmar. SPARC will conclude in December 2019.

Humanitarian

Myanmar is the source of both the largest humanitarian crisis in our region and the location of some of the longest-running civil conflicts in the world. The UN estimates over 700,000 Rohingya fled northern Rakhine State into Bangladesh in 2017, with around 600,000 remaining within Rakhine. Adding to this is further displacement of almost 30,000 people due to renewed violence in central and northern Rakhine since late 2018. Elsewhere in Myanmar, notably Kachin and northern Shan States, more than 100,000 people remain displaced due to ongoing violence and conflict, and around 93,000 refugees continue to live in Thailand-based camps along Myanmar’s south-east border. There remained slow progress in formal refugee returns,



with the UN High Commissioner for Refugees (UNHCR) estimating only around 600 refugees returned to Myanmar between 2016 and February 2019.

Australia's humanitarian funding is reaching the most in need across Myanmar (over 940,000 people; 51.25 per cent women and girls; 44.5 per cent children; 6.25 per cent elderly). Our assistance is responsive and adaptive to the changing environments.

In 2018-19, total humanitarian funding to Myanmar increased by approximately 20 per cent (total \$23.79 million: \$16.79m addressing all humanitarian efforts across Myanmar, plus an additional \$3.5m targeting Rakhine State, and \$3.5m targeting Myanmar-Thailand border. This enabled the investment to effectively meet the different and emerging humanitarian needs across Rakhine State, Kachin State, Shan State and the Myanmar-Thai border.

Australia provided humanitarian assistance in 2018 to 263,513 women, men, girls and boys, exceeding the PAF target by nearly 6 per cent. The data includes 119,914 females and 62,613 males (of which 4,719 were people with disabilities, an increase of nearly 16 per cent from 2017-18 figures), while the remaining 80,986 people were not a part of the sex disaggregated data collection. Our humanitarian investments delivered protection, shelter and livelihoods assistance; improved the quality of education inside IDP/refugee camps; increased access of women and girls to gender-based violence services and improved local humanitarian capacity.

During 2018-19, partners continued to face challenges that affected their ability to implement activities in some locations. Restrictions on humanitarian access to most conflict-affected parts of Myanmar made reaching those in need with life-sustaining assistance a challenge.

Delivery of our assistance was through international humanitarian partners and local organisations. The Red Cross Movement (\$7 million in 2018-19) provided protection, food, water, health care and cash to over 50,000 people in 2018 with Australian funding. The Myanmar Humanitarian Fund (MHF, \$5 million in 2018-19) increasingly delivered assistance through local non-government organisations, with 46 per cent of the US\$12.8 million MHF fund delivered directly and indirectly to local partners in 2018. Thirty per cent of MHF funding went directly to local partners, well ahead of the global (and PAF) target of 25 per cent.

Australia's aid is making a difference on gender equality. It takes a twin-track approach to gender equity and women's empowerment - both by supporting activities that specifically focus on these issues and mainstreaming gender equity and women's empowerment across all other activities.

In 2018-19 our support primarily targeted gender equality through UNFPA's 'Women and Girls First' program (\$5m, 2016-19). UNFPA works to strengthen national legal frameworks, policies and institutional mechanisms for promoting gender equality and advancement of women; and to improve access to sexual and reproductive health and GBV services including in emergency settings.

An example of our support on addressing gender-based violence (GBV) was done through innovative programs, such as UNFPA's 'Coffee and Tea Sessions' for men living in IDP camps in central Rakhine and northern Shan. This initiative brought men together to learn how power differences drive gender-based violence, reflect on how such violence impacts their community, and commit to standing up against discrimination and violence against women. Male participants have described how the sessions helped them control aggression and foster more positive relationships; including taking a more active role in raising children and becoming more involved in household tasks. On the Myanmar-Thai border, our support through The Border Consortium is providing Safe Houses and counselling for women affected by GBV and 467 community and religious leaders have received gender sensitisation information. Also on the Myanmar-Thailand border, through Australia's support, SAVE Australia rolled out "gender inclusive approaches to educate boys and girls in the classroom" in its current teacher training.

Australia's investments in humanitarian assistance ensured gender and protection remained a significant focus in the UN-led 2019 Myanmar Humanitarian Response Plan, prepared by UN Office for the Coordination



of Humanitarian Affairs (OCHA). The Humanitarian Country Team's newly adopted protection strategy provided a framework for all partners to address the most urgent and serious protection risks, as well as for preventing the recurrence of violations of international human rights and humanitarian law.

Education in Emergencies (EIE) partners (including Australia) are engaging the Ministry of Education at Union and local level on transitioning education services for children in line with the humanitarian-development nexus principles. Our funding to Save the Children for temporary learning centres and education services in IDP camps in Rakhine State complements DFAT's broader investment in education, facilitating discussions around the humanitarian-development nexus. This approach is working towards a greater government role in the education service delivery for all communities in Rakhine State.

Disability inclusiveness was a particular focus for activities and partners under Australia's humanitarian investments in 2018. This followed strong advocacy from Australia, after a review establishing that disability was not consistently supported across this portfolio. One example of this renewed focus on disability, was our support for the Danish Refugee Council's completion of a disability assessment report that informed all service provision for IDPs with disabilities across camps. Importantly, people with disabilities were involved as report assessors. Engaging people in this way empowers recipient communities to be a part of the service delivery, a people-centred approach.

Australia's reputation as a principled and pragmatic humanitarian donor and responder positions us well to influence reform to the humanitarian system. We demonstrated Australia's leadership in delivering on our commitments under the global Agenda for Humanity and Grand Bargain reforms, agreed at the 2016 World Humanitarian Summit (including localisation, humanitarian-development nexus and support for the participation of impacted communities in decision making).

Peace

Despite some valuable contributions and an upswing in performance towards the end of the reporting period, the peace program continues to face challenges to its effectiveness, primarily due to the stalemate on progress of the nationwide peace process. It has therefore maintained the same rating as last year.

The Myanmar peace process is undeniably challenging, involving at least 21 ethnic armed groups, the Myanmar Government and the military. Four years on from signing the Nationwide Ceasefire Agreement, there remains a long way to go to have all armed groups agree to a ceasefire, let alone reach a political accord that reflects an acceptable degree of federalism or political self-determination for all parties. Peace processes are not linear, often experiencing set-backs, and during this reporting period Myanmar's peace process experienced substantial set-backs. Significant obstacles arose during 2018 hindering progress on peace in Myanmar. These obstacles included:

- diversion of the government's focus from nationwide peace processes to address the Rakhine crisis
- growing disenchantment among ethnic armed organisations and civil society with the peace process
- a pause on active participation in ceasefire monitoring and formal negotiations by the two most influential signatories to the Nationwide Ceasefire Agreement
- ongoing conflict in Shan State throughout the period.

The eruption of renewed conflict in central and northern Rakhine State and in northern Shan State will create further difficulties in achieving peace in the near future.

Sustaining engagement, even during downturns, is vital to peacebuilding efforts through supporting dialogue and building trust. Though the formal process stalled in 2018, informal discussions and trust building measures continued between the Government, military and several ethnic armed organisations. This is sustaining hope that progress towards eventual political settlements will occur.

The Myanmar Australia Peace Support program (MAPS, \$5.8 million 2018-19) places Australia's multi-year investment to the multi-donor Joint Peace Fund (JPF) at the heart of our support in the peace process. The JPF is an 11-donor fund, endorsed by the Government of Myanmar, that supports nationwide conflict



management mechanisms, and peace negotiations among all parties to conflict, and seeks to improve public involvement in the peace process. Australia sits on the JTF Governing Board. Through Australia's guidance, the JPF improved its performance by refining its strategic focus, and improving its monitoring and evaluation and its grant making efficiency. Demonstrating appropriate flexibility, the JPF shifted focus when the slowdown in momentum of the formal peace process occurred in 2018, by working at the grass roots level, and concentrating on improving public awareness of, and civil society participation in, the peace process. The JPF remained responsive to requests for technical advice from official peace process leaders, and support to the official nationwide ceasefire mechanism.

Australia also supported the work of the Paung Sie Facility (PSF), under MAPS, which works to improve social cohesion and inter-communal harmony across Myanmar. The PSF's support was critically important to the Rakhine Advisory Commission recommendations, including to the work of the Advisory Board to the Myanmar Government's Committee for Implementation of the Advisory Commission's Recommendations on Rakhine State. Through MAPS, we also supported the work of the Centre for Humanitarian Dialogue (CHD). CHD works to mediate disputes between armed actors in Myanmar through confidentiality and neutrality. CHD's work was instrumental in mitigating conflict and building trust between several parties throughout 2018-19.

The 2018 mid-term review determined MAPS is making a positive contribution to Myanmar, helping build and sustain confidence in the locally-led peace process, improving inclusivity in general with a specific focus on women, peace and security, and meeting some needs of the people affected by conflict. The review states MAPS was instrumental, through its support, in the unblocking of the deadlocked peace process negotiations in late 2018. Adding to this, it made important contributions to the women, peace and security agenda by increasing women's participation in the formal peace process from 17 to 21 per cent, and heightening the focus on responding to sexual- and gender-based violence in joint ceasefire monitoring mechanisms. MAPS also built capacity for inter-communal conflict mitigation measures in Rakhine.

The MAPS review's recommendations included a new performance assessment framework, recalibrating ambitious objectives to a more realistic set of expected outcomes, and an associated adaptive monitoring and evaluation mechanism, along with strengthening the focus on women, peace and security and disability inclusion. The development of a new phase of MAPS in late 2019 will respond to all recommendations of the review.

Democratic governance

Myanmar's government, parliament and state institutions are evolving after decades of military rule. The country requires a complex and challenging set of reforms for its transition to democracy. Notably, in early 2019, significant government restructuring moved the General Administration Department to civilian control, and a greater focus and discussion on constitutional reform began.

Australia delivered support for democratic governance reform through the Supporting Reform and Improving Governance investment (SRIG; \$2.6m 2018-19). Ratings for this investment improved in 2018-19 from the previous year, with concerted effort by partners to improve efficiency and strengthen gender equality across their programs.

Australia's investment across this portfolio supported practical changes to strengthen the country's democratic institutions by promoting accountability and transparency, and improving capacities for service delivery, integrated policy planning, coordination and analysis aiming for long-term institutional reform.

Recognising institutional capacity challenges, Australia's partnership with UNDP worked vertically within ministries, state governance institutions and parliaments as well as horizontally across the country to support good governance reforms, drawing on Australian expertise where relevant.

In Myanmar, small steps open up avenues for more complex advancements. Some recent achievements included mainstreaming gender diversity and inclusion across civil service policy and systems; developing a



Fair Trial Guide Book for law officers; and the development of parliamentary business plans and sitting calendars.

Australia’s contributions supported Myanmar’s first Union Parliament inquiry, and adoption of this fundamental accountability practice is occurring across state and regional parliaments.

A stronger focus on gender equality in democratic governance programs supported an increase in gender equality ratings. Greater resources were committed to gender analysis, and the program drew on the recommendations of its own 2018 Gender Equality in Public Administration study to improve implementation, monitoring and evaluation. The mainstreaming of gender in the Myanmar Government’s Human Resources Manual and concerted efforts at improving human resource procedures led to an increase of women at the deputy level from 39 per cent in 2016 to 47 per cent in 2018-19.

Australia continued to promote inclusive participation in electoral processes with support to the Myanmar Union Electoral Commission (UEC) and civil society organisations. With assistance from the International Foundation of Electoral Systems (IFES), the UEC drafted a Strategic Plan and its first Gender Equality and Women’s Empowerment Policy and Action Plan.

The UEC has increased outreach to political parties, government ministries and civil society and made internal progress on updating electoral policies and procedures. They also hosted the 4th Regional Disability Rights Dialogue in early 2019. The event brought together disabled persons organisations and other stakeholders to discuss national-level implementation of the recently adopted ASEAN Enabling Masterplan 2025: Mainstreaming the Rights of Persons with Disabilities.

Designed to enable women to participate at all levels in political and electoral process decisions, the She Leads program continued to deliver training to over 1,800 women of different ages, religious and ethnic groups and people with disabilities (Oct 2017-June 2019). The piloting of She Leads in five IDP camps in Kachin State had positive results in developing women’s leadership and local ownership.

OBJECTIVE 3: PROMOTING INCLUSIVE ECONOMIC GROWTH AND GOVERNMENT MANAGEMENT



Australian aid is helping to create a legislative and policy environment that incentivises inclusive investment, trade and economic reform. We promote women’s economic empowerment and support partners to facilitate increased engagement between government, the private sector and civil society. Australia is also building incomes and access to finance for rural households and helping these communities share in the benefits of Myanmar’s economic growth. This objective improved its rating from amber to green during the reporting period. Our investments in rural development and livelihoods continued to perform well, but it was our private sector development and public financial management (PFM) investments where performance improved, notably in the areas of efficiency and gender equality.

Private sector development

Our major investment in private sector development is the Investment Climate and Competitiveness Program (ICCP, \$5 million in 2018-19), implemented by the International Finance Corporation (IFC). A DFAT evaluation in 2018 of Australia’s key economic growth programs in Myanmar, found that the ICCP portfolio of 11 projects was performing well and was generating a number of important results for private sector development. These results included halving the fees for company registration and delivering around \$23



million in compliance savings to the private sector from the implementation of the ICCP-supported *Investment Law*.

ICCP, in its fourth year of implementation, strengthened core government functions and improved opportunities for private sector growth. ICCP achievements included the inauguration of the Myanmar Institute of Directors; corporate governance training for company directors; and reducing the burden of export licensing – there has been a 70 per cent reduction in the number of products requiring export licences. Another PAF target was to improve Myanmar’s rating in the World Bank’s Doing Business Rating Index from 2017. However, Myanmar remained in position 171 (out of 190), with mixed results across the 11 measured indicators. Myanmar remains at the bottom of the Doing Business ratings across ASEAN countries, indicating the impact of ongoing conflicts, the complexity of economic reform, delays between enacting and implementing legislation and government capacity constraints.

The Mekong Women’s Empowerment Project also falls within this pillar and in its first full year of implementation made significant progress towards program outcomes. The program enhanced women’s financial independence and control over their economic activities. It trained 46 frontline female healthcare workers who reached 10,502 community members with high-quality reproductive health and family planning services.

Public financial management

Through our support to The Asia Foundation’s (TAF) Myanmar Strategic Support Program (MSSP), Australia contributed to tax reform and improved sub-national government budgeting – as well as contributing to a cross pollination of ideas across previously unconnected sub-national governments. Development Affairs Organizations (DAOs), unique in Myanmar’s governance structure, have sole accountability to state and regional governments and considerable autonomy to make decisions at the local level. They deliver urban services such as roads, markets and solid waste management. With our support, 13 DAOs adopted a streamlined digital revenue management system leading to greater efficiency and increased revenues. Other work on local level tax reform led to property tax revenue increases of over 15 per cent and new opportunities for DAOs to deliver services to their communities.

Australia’s funding and TAF’s efforts have resulted in increased transparency of sub-national budgets with the public having increasing access to budget information in 13 of the 14 states and regions. The international community acknowledged Myanmar’s recent tax reforms and Myanmar’s Open Budget ranking increase from two to seven. Although remaining in the ‘red zone’ it is an achievement in extremely challenging circumstances.

Through Australia’s partnership with the World Bank, we are building government economic management foundations: enhancing transparency, accountability; improving the management of revenue and expenditure, and increasing access to high-quality financial services. A recent example of success was supporting the Government to adopt electronic budget submissions this financial year. This will result in improved fiscal reporting practices, better data access, an ability to undertake more sophisticated budget analysis, stronger bottom-up budgeting, and greater fiscal transparency.

Also through our support to the World Bank, Myanmar continued its engagement with the Extractive Industries Transparency Initiative (EITI) over 2018-19. The Myanmar EITI has committed to a schedule of submitting reports, and recently underwent a formal EITI validation process. This is a major step towards increasing the transparency of Myanmar’s natural resources sector and improving accountable and robust public financial management. The EITI Board is yet to make a decision on the validation application.

The regional Mekong Business Initiative (MBI) continued to help implement the National Private Sector Development Framework and Action Plan focussing on access to finance. The MBI regional activities in Myanmar include the Mekong Innovative Start-up Tourism acceleration program (launched in 2017) aiming to assist local tourism start-ups grow and expand into the Mekong region; and the Mekong Agribusiness



Technology Challenge acceleration program supporting start-ups in agriculture to develop products, and access markets and funding.

Rural development

The Livelihoods and Food Security Fund (LIFT, \$2.5 million in 2018-19) is the largest multi-donor fund in Myanmar, to which Australia is the third largest donor. LIFT continued its strong performance in 2018-19, including: facilitating access to finance to more rural women and men; providing technical expertise to inform the Myanmar Government's agricultural policies; and continuing to leverage private sector investment in support of rural development. Australian aid enabled income increases for 22,146 households (15 per cent female-headed) and provided access to finance for 41,981 clients (91 per cent women).

LIFT did not meet either of the two PAF targets for 2018-19. This arose because the targets selected for 2018-19 were based on a calculation method that was adjusted after the publication of the 2017-18 APPR. The 2019-20 PAF targets for both outcomes will require adjustment to accommodate the adjusted calculation method for Australia's attribution.

In total, LIFT's largest program, financial inclusion, now reaches over 2.6 million clients across Myanmar. LIFT-supported microfinance institutions deliver deposit services, lines of credit, leasing, term-finance, debt consolidation loans, financing for seasonal crops, livestock, small businesses and customised loans for low-income women, migrants, people with disabilities and the internally displaced.

In 2018, LIFT continued to support maternal and child cash transfer (MCCT) programs in the Delta, Dry Zone, Chin State and Rakhine. The statewide pilot of the MCCT program conducted in Chin State was led by the Department of Social Welfare with LIFT's funding and support. The Government of Myanmar has now allocated budget to cover the costs of a statewide MCCT program for Chin State from 2019. The fact that Myanmar sees the value of LIFT's pilots, and is continuing funding with its own budget, is an excellent example of the effectiveness of activities, policy engagement and long-term sustainability.

Disability-inclusive programming is a first for LIFT, with six proposals selected to work in the Delta, Dry Zone, and Chin, Shan and Rakhine States. It is too soon to report on these projects. However, through another program, LIFT's partner, HelpAge, provided cash transfers to persons with a disability across 180 villages in six townships of the Dry Zone. This aided beneficiaries to access healthcare and psychological support, easing pressure on household expenses, and overall improving incomes and food security.

One in four people in Myanmar are migrating within Myanmar, mostly to peri-urban and urban areas. Migration from rural areas continues to increase as jobs in urban areas attract rural people to new opportunities. LIFT's partners work with migrants and aspiring migrants to ensure they have the skills, financial literacy and support to take up new opportunities in a positive way.

In 2018, LIFT conducted extensive analysis to inform a further phase, which will expand its work in conflict-affected communities in northern Rakhine, Shan and Kachin States. Over the reporting period, LIFT continued to adjust its approach in Rakhine, notably in the north where the increased violence and access restrictions disrupted projects. LIFT acknowledges the challenges, remaining flexible and adaptable.

The Australian Centre for International Agricultural Research (ACIAR, estimated \$4.7 million in 2018-19) continued to work collaboratively with research partners on increasing food production and household incomes in the Central Dry Zone and Ayeyarwady Delta region. Research on vegetable value chains and transport networks, linked to major markets in Yangon and Mandalay, demonstrated demand for vegetables that comply with Good Agricultural Practice (GAP). Related to this, training on agronomy and how to achieve GAP-accredited vegetable production occurred for about 100 farmers and extension staff.

The regional Grow Asia program complements these bilateral investments by supporting local agriculture partnerships and networks in Myanmar. Grow Asia supported the Myanmar Agriculture Network to revitalise its in-country operations and appoint a full-time Secretariat. The network now has more than 123 member organisations and 11 working groups. Grow Asia facilitated successful international networking and contract



farming events to build value chains and share good practice on productivity, profitability and environmental sustainability. Grow Asia also worked with the Myanmar Government (and other ASEAN governments) to draft guidelines on responsible investment in food, agriculture and forestry. A recent mid-term review indicated the Secretariat should work more on building capacity, increasing financial self-sufficiency and undertaking impact studies and story gathering across all countries.

MUTUAL OBLIGATIONS

Australia provides aid to Myanmar under the Memorandum of Understanding (MoU) on Development Cooperation, signed in 2013. High-Level Consultations (HLCs) on Development Cooperation have occurred twice since the signing of the MoU and we anticipate a further round in early 2020. Our bilateral engagement on development is best characterised as a traditional donor-recipient relationship, with discussion centred on Myanmar's requests for assistance rather than mutual obligations. The next HLCs will provide an opportunity for further discussion on mutual obligations, the findings of this report, and aid performance. Mutual accountability in the education sector is the most advanced, where aid coordination structures are functioning and the Myanmar Government's National Education Strategic Plan guides both government and development partner activities.

The Myanmar Sustainable Development Plan 2018-2020 contains three pillars: peace and stability; prosperity and partnership; and people and planet. The MSDP reflects Myanmar's development priorities, such as those articulated in Myanmar's 12 Point Economic Policy, and international and regional commitments, such as the SDGs, the Greater Mekong Sub-region Strategic Framework and ASEAN Economic Community. Cross cutting themes include equity and inclusion, sustainability, conflict-sensitive approaches and democratic principles.

Australia supports the Myanmar Government's multiple aid coordination and planning mechanisms and the Myanmar Strategic Development Plan (MSDP). Australia contributed to the development of the MSDP, which guides priorities for government, development partners and the private sector. Directly related to the MSDP, is the 'Project Bank'. This will contain projects and programs that have been screened by the Government and assessed as worthy of proceeding. The Project Bank will work to ensure that donor, private sector and government funded projects support delivery of the MSDP's goals.

The World Bank, with Australia's support, has been providing technical assistance to the Myanmar Government on the mechanism, templates, a screening tool and approval processes. The Project Bank directly aligns to the budgetary process, ensuring strategic projects larger than MMK 2 billion (approximately AUD 18.5 million) go through an additional screening process, conducted by a committee comprising four government agencies. By engaging with and supporting the Project Bank and the MSDP, Australia is working to harmonise donor arrangements and deliver on what the Government of Myanmar wants of us as an aid partner.

PROGRAM QUALITY AND PARTNER PERFORMANCE

Overview

There has been an improvement in performance information generated by partners in 2018-19. DFSP and LIFT deliver the highest quality performance data through partner reporting, while investments in economic governance and peace generated detailed performance data through the reviews conducted during the reporting period. Updated PAF targets included in the 2017-18 APPR, resulted in improved disaggregated data collection and reporting over 2018-19. Robust economic, political and social analysis commenced in 2019. The findings of this work will feed into the new Aid Investment Plan.

Despite the challenges, the two highest performing investments in the Myanmar program (one in education and one in rural livelihoods) and the two significantly improved investments (economic and democratic



governance) received over half of the bilateral allocation (excluding humanitarian spend). This indicates funding follows performance and the portfolio continues to manage risk effectively.

Some of our investments, notably My-EQIP and MSSP, use iterative and adaptive programming approaches to build on strength, encourage government leadership and build sustainable progress. In the Myanmar context, these approaches have been useful in testing ideas and seeing what works and consolidating program direction and focus.

Consolidation of investments has not transpired within this reporting period. Instead of decreasing, investments have increased by 22 per cent; the new AIP will address this issue and consolidate investments to ensure future efficiencies.

This reporting period of 2018-19, includes two IRIs; one in objective (i) and the other in objective (ii). These have resulted from explicable challenges in a program that is otherwise performing well, despite operating in very difficult environments and circumstances. It is in gender equality where the program's concerted efforts over the past 12 months realised a marked increase, resulting in an 82 per cent rating across the program for 2018-19, up by 37.5 per cent.

Aid Quality Checks (AQC)

In 2019, the Myanmar program was required to complete 12 AQCs, of which one was a final AQC (investment completed) and another was a Humanitarian AQC (includes extra criteria). One investment was under the threshold for moderation, and there was one valid exemption from the process. The 2018-19 analysis includes 11 AQCs.

Quality scores in general remained the same or increased since 2018. The two highest performing investments remain in education (DFSP) and rural livelihoods (LIFT). Across the program, efficiency criteria rated at 82.5 per cent (just below the 85 per cent aid target) and effectiveness at 63.6 per cent (below the target of 85 per cent). Two investments rated poorly (UNICEF FAQC and SPARC) and brought down the overall scores. The overall scores increase significantly when removing these two investments from analysis (efficiency becomes 100 per cent and effectiveness is at 77.8 per cent).

Under the Supporting Reform and Improving Governance investment (SRIG; \$2.6m 2018-19), Australia delivered a mix of democratic and economic governance programs. However, the economic governance component of SRIG, which lies under Component (iii), was not rated in the 2019 AQC process. This was due to the departure of the senior program manager and the challenges in filling this locally engaged position during the reporting period. A governance strategy was not developed due to these resourcing constraints. Analytical work on economic governance is underway for the future AIP.

Across the program, there was significant improvement in gender, with scores increasing to almost 82 per cent for 2018-19. These ratings reflect the considerable effort on the part of the program to improve investment-level progress. This included increasing inputs from a gender specialist who worked with program managers and partners to address management actions in the 2017-18 APPR.

Two investments were rated as Investments Requiring Improvement (IRI).

The Supporting Partnerships and Resilience of Communities (SPARC) is an IRI. Through our implementing partner, CARE, SPARC played an important role in facilitating connections between ethnic Rakhine, Rohingya and local authorities. However, since the security events in 2017, significant disruption has occurred to SPARC activities, with the target populations displaced across the border, access denied to remaining communities or townships for CARE staff, and the inability to recommence large-scale implementation of the program. This resulted in an almost \$1 million underspend and low scores for effectiveness and efficiency. To manage this, we agreed with CARE to expand SPARC's geographic scope to Kayah and Shan States, where CARE has an existing presence. SPARC will conclude in December 2019.



The Myanmar Education Consortium (MEC) is also an IRI. It is an innovative, important but high-risk investment designed to support quality education for the hardest to reach children. MEC also engages with the development of education policy that is politically sensitive and intimately linked with broader education reforms. Myanmar's conflict dynamics affected MEC's operational reality and presented challenges for both effectiveness and efficiency in implementation. Australia worked closely with the fund manager (Save the Children), other donors to the program (DFID and Denmark), and MEC program staff to address operational issues, performance, and strengthen risk management. Progress in 2019 indicates efforts to improve performance will continue a positive trajectory for 2019-20.

A table of AQC ratings is included in **Annex D**.

Performance of key delivery partners

Australia's aid program delivery partners in Myanmar largely performed well. Our aid program in Myanmar is unusual in its heavy use of grants-based funding. Almost all delivery of funding is through multilateral partners and NGOs. This is a legacy of Myanmar's isolation, when there were few commercial incentives for development contractors to establish a presence in country. In 2018-19, the Myanmar program completed 10 partner performance assessments: five for multilateral organisations; one for a contractor; and four for NGO partners.

Performance of multilateral partners was strong. The World Bank Group continued to be our largest implementing partner in Myanmar. Our education partnership remained strong, with the World Bank engaging Australia in decision-making, providing guidance to the Ministry of Education, and promoting sustainability within the program. Our engagement with the Bank on economic governance and PFM reform strengthened over the reporting period. Similarly, the IFC has consolidated and focussed its efforts, improving the quality of ICCP outputs.

Engagement with UN partners in Myanmar was positive. Australia has long advocated for enhanced coordination between UN agencies, and within the reporting period we welcomed greater collaboration between partners, including UNFPA and UNICEF. UNFPA maintained a valuable leadership role promoting women's safety and protection. We commend UNFPA's efforts to bridge the humanitarian-development divide through targeted programming, such as the Women and Girls First program. LIFT (UNOPS) also offers a good example of multilateral partners engaging in policy discussions and decision-making with the Myanmar Government, Australia and other donors. UNOPS has been very responsive and has effective systems to generate performance information.

The Australian Embassy engaged with a range of NGO partners across the breadth of the program. NGO performance was mostly positive. Management of performance concerns with partners (of which there were few) was constructive and in accordance with DFAT process. Our one commercial supplier performed well.

A number of Australia's investments support the work of civil society organisations in Myanmar. An opportunity to assess the role of CSOs in Myanmar's reform going forward will be a part of the robust analysis underway to inform the new AIP design.

RISKS

Table 3: Management of Key Risks to Achieving Objectives

Key risks (emerging and ongoing)	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	Provide a Risk Rating (low, medium, high, very high)	Are these same risks in in Post's Risk Register (Yes/No)*
Further deterioration in Rakhine (including ongoing atrocity risk) and conflict elsewhere causes suspension of investments and undermines development.	Within a constrained operating context, the aid program has adapted support for Rakhine as opportunities arise.	Australia will continue to advocate for improved access to Rakhine and improved conditions in Rakhine for all communities.	High	Yes
Reform efforts stall or reverse, limiting Australia's ability to engage with Myanmar Government and/or NGOs on aid delivery or align assistance with Government priorities.	We continued to align assistance with Government priorities to improve capacity to progress reforms. Sector teams actively engaged with, and supported, reform leaders within the Myanmar Government.	Australia will continue to support reform efforts through the aid program where they benefit the Myanmar people.	Medium	Yes
Lack of access to conflict-affected areas and camps means we are unable to monitor and manage our aid investments.	We have consistently advocated for and sought access and/or monitored investments through partners.	We will continue to seek access to monitor aid investments and work through partners who have a presence in the field.	Very High	Yes
Lack of technical advice reduces performance of investments.	The program drew on the support of technical advisors (both within and external to DFAT) who supported program development and delivery.	The program will continue to engage advisors where appropriate.	High	Yes

The risk profile for the program remained the same as the previous reporting period.

MANAGEMENT ACTIONS

Of the 13 management actions identified in the 2017-18 APPR, five were achieved, seven partly achieved, and one not achieved. This largely reflects staffing constraints in Yangon and Canberra, and the ongoing need to reprioritise resources in response to the Rakhine crisis. A summary of progress on management actions is included at **Annex A**.

In 2019-2020, Australia's aid program in Myanmar will pursue the follow **strategic** management actions:

- Conduct robust economic, atrocity risk, conflict, political and social analysis and a review of the Aid Investment Plan to guide development assistance from end 2020;
- Commence a new design of the Aid Investment Plan 2021-2025;
- Complete an Education Sector Investment Plan (December 2019);
- Complete the design of a second phase of the Myanmar-Australia Peace Support Program (December 2019)

- 
- Hold High Level Consultations on Development Cooperation (early 2020), which will inter alia seek to strengthen mutual accountability, assess performance of Australian aid and seek to identify ways to remove obstacles to delivery;
 - Commence implementation of the ‘Equality Strategy for Australia in Myanmar’;
 - Complete economic governance design;
 - Finalise a humanitarian design for 2020 implementation;
 - Shape investments to respond to emerging development and humanitarian needs, particularly in Rakhine State; and
 - Update the Performance Assessment Framework to reflect new investment phases and changed data calculation methodologies.

In addition, we will prioritise the following **operational** management actions:

- Enhance engagement with civil society organisations;
- Maintain technical support for monitoring, evaluation and learning, and develop a new flexible contract for this;
- Maintain inputs from the Social Inclusion Adviser to assist program managers in mainstreaming disability-inclusive and social-inclusive development into all investments (October 2019);
- Adequately resource new humanitarian design and implementation;
- Review and consider additional resources to manage extra workload for Gender and WPS;
- Continue to use Aid Management Meetings (AMMs) to review progress against APPR management actions;
- Drive MEC performance through active management of this *Investment Requiring Improvement*;
- Continue to strengthen contestability by appraising investment proposals at AMMs.

ANNEX A - PROGRESS IN ADDRESSING MANAGEMENT ACTIONS

Management responses identified in 2017-18 APPR	Rating	Progress made in 2018-19
Strategic		
Review the AIP to guide development assistance from 2020 (January-June 2019).	Partly achieved	Analysis has commenced to inform development of the new AIP.
Shape investments to respond to emerging development and humanitarian needs, particularly in Rakhine State.	Partly achieved	Analysis work has commenced to inform design for humanitarian investments, focusing on Rakhine.
Strengthen mutual accountability by discussing with Myanmar government officials the performance of Australian aid and ways in which Myanmar can help remove obstacles to delivery at High Level Consultations on Development Cooperation.	Partly achieved	An ongoing process. Partly discussed as side to Foreign Ministry Consultations conducted with Myanmar Government in May 2019. We anticipate a further round in early 2020.
Evaluate our economic governance investments to inform future programming decisions (August 2018 – February 2019).	Achieved	Evaluation completed April 2019, website publication available here https://dfat.gov.au/about-us/publications/Pages/myanmar-economic-growth-programs-performance-evaluation.aspx .
Finalise a Gender Equality Strategy to clarify objectives for gender equality and women's empowerment in the aid program and our diplomatic advocacy, and implement DFAT's Women in Leadership agenda.	Achieved	Equality Strategy completed. Implementation to commence second half 2019.
Finalise a Myanmar Humanitarian Strategy and seek multi-year funding for its implementation.	Partly achieved	Investment concept approved by Aid Governance Board. Design and completion of strategy due end of 2019.
Draw on global humanitarian partnerships to encourage humanitarian reform in Myanmar.	Partly achieved	Some progress with localisation, cash transfers, disability and protection focus.
Finalise a strategy to guide and consolidate democratic and economic governance investments.	Not achieved	Strategy was not developed due to staff resourcing. Analytical work on economic governance portfolio is well underway. This analysis will also be used to inform new AIP.
<i>Operational Management Actions continued over ...</i>		

Note:

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

ANNEX A - PROGRESS IN ADDRESSING MANAGEMENT ACTIONS *cont'd*

Operational		
Increase technical support for monitoring, evaluation and learning, initially by expanding the scope of an existing MEL contract (August 2018).	Partially achieved	Engaged contractors to provide MEL support to education investments. Potential to expand scope of contract in 2019-20.
Consider developing investment-level MEL frameworks for governance, peace and humanitarian programs that allow for adaptive programming.	Partially achieved	Peace (MAPS) MEL framework is partially complete. Due for completion late 2019. The MEL frameworks were considered and partly developed in some investments. Governance MEL incomplete. Humanitarian M&E framework to be developed as part of multi-year design.
Increase inputs from the Social Inclusion Adviser to assist program managers in mainstreaming gender and disability inclusive development into all investments (August 2018).	Achieved	Myanmar Program increased Inclusion adviser inputs. Adviser assisted program managers to strengthen gender and inclusion mainstreaming in all investments.
Use Aid Management Meetings (AMMs) to review progress against APPR management actions.	Achieved	Two AMMs held.
Strengthen contestability by appraising investment proposals at AMMs.	Achieved	New investment proposals put forward and reviewed at each AMM.

Note:

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

ANNEX B – PERFORMANCE BENCHMARKS

1 Progress towards Performance Benchmarks in 2018-19

Aid objective	Performance Benchmark	Rating	Progress in 2018-19
<u>Pillar 1: Enhancing human development</u>			
Improved school learning environment through expanded and strengthened government school grants program (DFSP)	Schools have an improvement plan that focuses on learning outcomes that involved community participation	Achieved	Most government schools developed and adopted improvement plans with a greater focus on learning outcomes.
	Evidence that improved school infrastructure has led to better learning outcomes	Partly achieved	Schools are using grants for general maintenance and to improve infrastructure. There is an assumption that improved infrastructure creates a space more conducive for learning, however this has not yet been tested systematically across the Myanmar school system.
Improved teaching and learning practices (STEM)	Consultation completed and final draft (TCSF) for approval	Achieved	The TCSF has defined four levels of teacher competency and the draft is under review by Government. Activities for the validation study for the first level 'beginner teacher' are on track and will help both Government and partners improve implementation of the framework for all levels.
Maintaining access to education for disadvantaged students (DFSP)	48,000 students receiving payments; MoE has selected two new townships in central/southern Rakhine for the stipends programs	Partly achieved	While the student numbers reached with DFSP exceeded the benchmark, due to significant deterioration in security the selection of two new townships in central/southern Rakhine remains under review by the Myanmar Government.
Strengthened education policy formulation and oversight (MyEQIP))	Demonstrated improvements in the quality, quantity, usefulness and reach of My-EQIP products across MoE	Achieved	All MoE Departments developed and are implementing two-year annual departmental implementation plans (DIPs). Inaugural M&E plans developed and implementation commenced.
	Instances of policy influence and institutional strengthening that lead to improved education management	Achieved	In 2018-19 the Ministry drafted and commenced a pilot of an inaugural School Quality Assurance Standards Framework (SQASF). The SQASF is an important framework to help schools define needs and improve quality of teaching and learning over the long term.

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

ANNEX B – PERFORMANCE BENCHMARKS continued over ...

Pillar 2: Promoting peace and stability

People in need receive effective and appropriate humanitarian assistance (SHWE)	Vulnerable women, men, girls and boys are provided with humanitarian assistance in conflict and crisis situations	Achieved	The benchmark of 250,000 people (m/f) reached was exceeded for another year (by nearly 6 per cent in 2018).
	Local partners deliver humanitarian assistance through the Myanmar Humanitarian Fund	Achieved	Attributing directly to local partners at 30 per cent remains well ahead of the global (and PAF) target of 25 per cent.
Increased access to information, services and justice for survivors of sexual and gender-based violence in conflict-affected areas (SHWE)	Women and girls have access to gender-based violence services and sexual and reproductive health services	Partly achieved	The 2018-19 target was set using incorrect attribution of Australian funding to pooled programs targeting women and girls. We will reassess the 2019-20 target.
	Partners are responsive to negotiating parties' requests for technical support	Achieved	The Joint Peace Fund, Paung Sie Facility and Centre for Humanitarian Dialogue provided technical expertise on request throughout the reporting period. For example, the Joint Peace Fund supported 565 (29 per cent female) peace actors from ethnic armed organisations, government and political parties involved in the peace process with technical advice, training or other support upon request.
Governments and non-state actors are effectively engaged in peace negotiations and dialogue (MAPS)	Women supported through Australian aid are active in the peace process.	Achieved	Support provided through the Myanmar Australia Peace Support program saw the active participation of women in Myanmar's national conference on peace rise from 17 per cent in 2017 to 21 per cent in 2018.
	Capacity of key democratic institutions strengthened (SRIG)	Achieved	Myanmar's first Union Parliament inquiry conducted during the reporting period into the effect of agricultural chemicals on the health and environment.
	Evidence of progress on electoral legislative and regulatory reform.	Partly achieved	A mixed result, as there was progress on electoral regulatory reform but not on legislative reform. Noting the complexities and challenges in Myanmar.

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

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

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

ANNEX B – PERFORMANCE BENCHMARKS continued over ...

Pillar 3: Promoting inclusive economic growth

Contribute to an improved business environment (ICCP)	Myanmar's improvement on 2017 ranking for the Doing Business Index.	Partially achieved	Myanmar's ranking stayed at 171 for 2018.
	Improved corporate governance	Achieved	ICCP achievements include the inauguration of the Myanmar Institute of Directors, delivery of corporate governance training for company directors and development and piloting of a corporate governance practices assessment tool with the Myanmar Securities and Exchange Commission.
Increased incomes of rural households (LIFT)	Households in target locations increase incomes	Partially achieved	This target of 30,680 (attributed) households was partially achieved. The number is 22,146 households (attributed) due to change in calculation method.
Increased access to adequate and affordable financial services by smallholders and landless (LIFT)	Households in target locations have increased access to financial services	Partially achieved	This target of 118,000 households (attributed) was partially achieved. 41,981 new clients had access to financial services (attributed) due to change in calculation method.

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

2 Performance Benchmarks for 2019-20

Aid objective	Performance Benchmark	2018-19	2019-20
Enhancing human development	Reduced drop outs and repetition of disadvantaged students	<i>48,000 students receiving payments; Ministry of Education (MoE) has selected two new townships in central/southern Rakhine for the stipends programs</i>	<i>The stipends program has been expanded to include two new townships in Rakhine'; 48,000 students in other townships</i>
	Strengthened policy formulation and oversight	<i>Demonstrated improvements in the quality, quantity, usefulness and reach of My-EQIP products across MoE</i>	<i>At least three instances of improved education quality outcomes contributed by the supply and demand of My-EQIP</i>
Promoting peace and stability	People in need receive effective and appropriate humanitarian assistance (SHWE)	<i>250,000 vulnerable women, men, girls and boys provided with humanitarian assistance in conflict and crisis situations (M/F)</i>	<i>250,000 vulnerable women, men, girls and boys provided with humanitarian assistance in conflict and crisis situations (M/F)</i>
	Women are effectively engaged in peace negotiations and dialogue	<i>Women supported through Australian aid are active in the peace process</i>	<i>Women supported through Australian aid are active in the peace process</i>
<u>Promoting inclusive economic growth</u>	Contribute to an improved business environment	<i>Improvement in Myanmar's Doing Business Index ranking (171 in 2017)</i>	<i>Improvement in Myanmar's Doing Business Index ranking from 2018</i>
	Increased incomes of rural households	<i>30,680 households (attributed)</i>	<i>31,860 households (attributed)</i>

ANNEX C - EVALUATION PLANNING

1 LIST OF EVALUATIONS COMPLETED IN THE REPORTING PERIOD

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INL739 Myanmar (Burma) Investment Climate and Private Sector (ICCP) And INL603 Supporting Reform, Improving Governance (SRIG)	Performance Evaluation of Australia's Key Economic Growth Programs in Myanmar	24 April 2019	26 August 2019	26 August 2019	26 June 2019
INL347 Decentralising Funding to Schools Project (DFSP)	Independent Evaluation Report – Decentralizing Funding to Schools Project	February 2019	12 September 2019	12 September 2019	Not for public release

2 LIST OF PROGRAM PRIORITISED EVALUATIONS PLANNED FOR THE NEXT 12 MONTHS

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
STEM	INM 493	March 2020	August 2020	To inform future funding decision	Partner led

ANNEX D - AID QUALITY CHECK RATINGS

1 AQC RATINGS

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
INJ135 Livelihoods and Food Security Trust Fund	\$42.25m 2009-24	2019 AQC	n/a	5	5	n/a	n/a	4
		2018 AQC	5	5	5	5	4	4
INK256 CARE Supporting Partnerships and Resilience of Communities (SPARC)	\$9.75m 2011-18	2019 AQC	n/a	2	3	n/a	n/a	4
		2018 AQC	5	2	4	3	3	4
INL347 Decentralising Funding to Schools Project	\$84.00m 2014-21	2019 AQC	n/a	5	5	n/a	n/a	4
		2018 AQC	5	5	5	5	5	3
INL603 Supporting Reform, Improving Governance	\$21.19m 2014-19	2019 AQC	n/a	4	4	n/a	n/a	4
		2018 AQC	5	4	3	3	4	3
INL739 Myanmar (Burma) Investment Climate and Private Sector	\$20.67m 2015-20	2019 AQC	n/a	4	4	n/a	n/a	4
		2018 AQC	4	4	3	3	3	3
INL920 Myanmar-Australia Peace Support program	\$29.23m 2016-19	2019 AQC	n/a	3	4	n/a	n/a	4
		2018 AQC	5	3	4	3	4	4
INM088 Myanmar Education Quality Improvement Program	\$21.01m 2016-21	2019 AQC	n/a	4	4	n/a	n/a	4
		2018 AQC	n/a	n/a	n/a	n/a	n/a	n/a
INM211 Myanmar Education Consortium (MEC) Phase II	\$35.50m 2017-20	2019 AQC	n/a	3	3	n/a	n/a	3
		2018 AQC	5	4	3	3	4	3
INM493 STEM Phase II	\$2.94m 2018-20	2019 AQC	n/a	4	4	n/a	n/a	4
		2018 AQC	n/a	n/a	n/a	n/a	n/a	n/a

2 HAQC RATINGS

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Connectedness	Gender equality
INM027 Safety, Humanitarian & Women's Empowerment (SHWE)	\$44.03m 2016-19	?	5	4	4	4	4	4

3 FAQC RATINGS

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
INK588 UNICEF Child Protection Program	\$8.20m 2012-18	4	4	3	4	3	4	2

Definitions of rating scale:

Satisfactory (4, 5 and 6)

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

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

Less than satisfactory (1, 2 and 3)

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

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

ANNEX E – PERFORMANCE ASSESSMENT FRAMEWORK

<i>Pillar 1: Enhancing human development</i>				
Sub-objective	Outcome	Targets		Data source/s
		2019-20	Baseline	
Improved school learning environment through expanded and strengthened government school grants program	Schools with school improvement plan aimed at learning outcomes that involved community participation	95 %	5 per cent had a school improvement plan (2014)	DFSP reporting, DLI 12
	Evidence that improved school infrastructure has led to better learning outcomes		N/A	DFSP reporting, program monitoring
Improved teaching and learning practices	Development of Myanmar Teacher Competency Standards Framework (TCSF)	TCSF approved and support provided for implementation	Myanmar has no TCSF (2017)	STEM reporting
Maintaining access to education for disadvantaged students	Increased numbers of students receiving stipends, with 50/50 gender split	7,200 basic education students in two new Rakhine townships receive stipends; 48,000 students in other townships	0 (2014)	DFSP Results Area 1 DLI 13 and DLI 17 Australian attribution is 24 per cent of total
Strengthened education policy formulation and oversight	Improved education quality systems in Myanmar's Ministry of Education (MoE)	At least three instances of improved education quality outcomes contributed by the supply and demand of My-EQIP	Limited knowledge of M&E and how to generate information to shape policy (My-EQIP diagnostics)	My-EQIP reporting
	Instances of policy influence and institutional strengthening that lead to improved education management		n/a	Interviews with program managers

continued over ...

Pillar 2: Promoting peace and stability

Sub-objective	Outcome	Targets		Data source/s
		2019-20	Baseline	
People in need receive effective and appropriate humanitarian assistance	Vulnerable women, men, girls and boys are provided with humanitarian assistance in conflict and crisis situations	250,000 people (M/F)	235,313 (M/F) (2014-15)	Aggregate Development Results reporting, drawn from humanitarian partner reports
	Local partners deliver humanitarian assistance through the Myanmar Humanitarian Fund	25%	zero	MHF reporting
Increased access to information, services and justice for survivors of sexual and gender-based violence in conflict-affected areas.	Women and girls have access to gender-based violence services and sexual and reproductive health services.	42,300* women and girls	8,500 total women and girls (May 2017)	UNFPA Women and Girls First program reporting (*Australian attribution currently 23.5 per cent of total)
Governments and non-state actors are effectively engaged in peace negotiations and dialogue	Partners are responsive to negotiating parties' requests for technical support	N/A	N/A	JPF, HD, PSF
	Women supported through Australian aid are active in the peace process.	25%	21% (2018)	PSF Gender, Peace and Security Window
Capacity of key democratic institutions strengthened	Strengthened Parliamentary committee processes	Increased MP competencies and confidence to undertake a committee inquiry	No parliamentary inquiries conducted (2017)	UNDP country project reporting
	Strengthened Union Electoral Commission (UEC) capabilities	Improved election policies and procedures in line with international standards	Electoral legislation and regulation is generally weak	IFES reporting, program and observer reports

continued over ...

Pillar 3: Promoting inclusive economic growth

Sub-objective	Outcome	Targets		Data source/s
		2019-20	Baseline	
Contribute to an improved business environment	Myanmar's improved ranking in the Doing Business Index	Improvement on 2018 ranking	177 out of 190 (2015)	World Bank Group annual DBI
	Improved corporate governance	Myanmar Directors training program rolled out	0	ICCP reporting (DFID BSP output indicator 1.4)
Increased incomes of rural households	Households in target locations increase incomes	31,860* households	9,086* households (2015)	LIFT PO 1.1 LIFT Household Survey (*Australian aid attribution = 5.9 per cent of total)
Increased access to adequate and affordable financial services by smallholders and landless	Households in target locations have increased access to financial services	129,800* households (M/F head of household)	74,930* households (M/F head of household) (2015)	LIFT Pr 4.2 LIFT Annual Reports (*Australian aid attribution = 5.9 per cent of total)

APPENDIX 1: 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT INFOGRAPHICS

 <p>1 NO POVERTY</p>	End poverty in all its forms everywhere	 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries
 <p>2 ZERO HUNGER</p>	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being at all ages	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Ensure sustainable consumption and production patterns
 <p>4 QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts
 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls	 <p>14 LIFE BELOW WATER</p>	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
 <p>6 CLEAN WATER AND SANITATION</p>	Ensure availability and sustainability management of water and sanitation for all	 <p>15 LIFE ON LAND</p>	Protect, restore and promote sustainable use of terrestrial ecosystems
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable sustainable and modern energy for all	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Promote peaceful and inclusive societies for sustainable development and provide access to justice for all
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive and sustainable economic growth, full and productive employment	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	Strengthen the means of implementation and revitalise the global partnership for sustainable development
 <p>9 INDUSTRIE, INNOVATIE EN INFRASTRUCTUUR</p>	Build resilient infrastructure, promote inclusive and sustainable Industrialisation and foster innovation		