

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. From the end of the 1980s until 2012, few development partners were active in Myanmar. Most agencies that kept a presence were involved in small-scale humanitarian assistance in kind or through small grants. For the moment, not many development partners are active in water and other urban infrastructure and services in Myanmar. Among multilateral agencies, only the Asian Development Bank (ADB) and the United Nations Human Settlements Programme (UN Habitat) are active in the sector. Agence Française de Développement (AFD) and Japan International Cooperation Agency (JICA) are the major bilateral bodies supporting mainly water supply improvements.

2. Previously, ADB funded water supply projects in Yangon, approved in 1973,¹ and in Mandalay, approved in 1982.² An ongoing capacity development technical assistance project is developing the capacity of six cities to plan, budget, and prepare multisector urban development projects.³ ADB assisted Yangon and Mandalay in improving their water supply through a twinning partnership of urban water utility operators.⁴ A grant project is being implemented that focuses on small-scale and tertiary infrastructure in Yangon and Mandalay.⁵ ADB approved a loan and grant for improvement of water supply systems and wastewater and drainage management.⁶

3. The following table details the ongoing projects and programs in water and other urban infrastructure and services financed by major development partners in Myanmar.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
ADB	Transformation of Urban Management	2013–2016	2.0
ADB	Mandalay Urban Services Improvement Project	2013–2015	2.0
ADB	Mandalay Urban Services Improvement Project	2015–2023	64.0
ADB	Pro-Poor Community Infrastructure and Basic Services	2013–2018	4.0
ADB	Third GMS Corridor Towns Development Project	2014–2016	1.3
ADB	Supporting Water Operators' Partnership	2014–2016	
ADB	GMS Capacity Building for HIV/AIDS Prevention	2014–2018	10.0
ADB	GMS East-West Economic Corridor Eindu to Kawkareik Road Improvement Project	2016–2020	100.0
ADB	GMS East-West Economic Corridor Eindu to Kawkareik Road Improvement Project	2016–2020	20.0
AFD	Amarapura Water Supply project	2015	2.7

¹ ADB. 1973. *Report and Recommendation of the President to the Board of Directors: Proposed Loans to the Union of Burma for the Rangoon Water Supply Project*. Manila; and ADB. 1978. *Report and Recommendation of the President to the Board of Directors: Proposed Supplementary Loan and Technical Assistance Grant to the Union of Burma for the Rangoon Water Supply Project*. Manila. ADB recognizes Burma by the name Myanmar.

² ADB. 1982. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to the Union of Burma for the Mandalay Water Supply Project*. Manila.

³ ADB. 2013. *Technical Assistance to the Republic of the Union of Myanmar for Transformation of Urban Management*. Manila.

⁴ ADB. 2011. *Technical Assistance for Supporting Water Operators' Partnerships in Asia and the Pacific*. Manila.

⁵ ADB. 2014. *Grant Assistance to the Republic of the Union of Myanmar for the Pro-Poor Community Infrastructure and Basic Services Project*. Manila.

⁶ ADB. 2015. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Grant to the Republic of the Union of Myanmar for the Mandalay Urban Services Improvement Project*. Manila.

Development Partner	Project Name	Duration	Amount (\$ million)
AFD	Mandalay Urban Services Improvement Project	2015–2023	46.0
EU (administered by AFD)	Mandalay Urban Services Improvement Project	2015–2023	6.8
Government of France	FASEP grant for Yangon	2014	0.6
Government of France	FASEP grant for Mandalay	2014–2015	1.1
JICA	Water System in Mandalay City and in the Central Dry Zone	2001–2003	
JICA	A Strategic Urban Development Plan of Greater Yangon	2012–2013	
JICA	Provision of Road Construction and Maintenance Equipment in Kayin State	2013–2014	8.0
JICA	Urgent Improvement of Water Supply System in Yangon	2013–2015	19.3
JICA	Infrastructure Development in Thilawa Area Phase I	2013–2018	315.5
JICA	Regional Development Project for Poverty Reduction Phase I	2013–2016	175.3
JICA	Integrated Regional Development Plan to Support Ethnic Minorities in the South-East Myanmar	2014–2017	
JICA	Infrastructure Development in Thilawa Area Phase II	2014–2019	43.8
JICA	Greater Yangon Water Supply Improvement Project	2014–2021	225.0
JICA	Improvement of Water Supply Systems in Mandalay City	2015–2018	21.3
JICA	Reduction of Non-Revenue Water in Mayangone Township in Yangon City	2015–2020	18.0
JICA	East-West Economic Corridor Improvement Project	2015–2023	284.9
The Netherlands	Support for National Water Resources Committee	2013	
UN Habitat	Support to the Coordination of Early Recovery Shelter Interventions	2008–2009	
UN Habitat	Community Water Supply and Sanitation Recovery Project	2009–2010	
UN Habitat	Shelter Improvement and Disaster Risk Reduction Project	2009	
UN Habitat	Disaster Response & Preparedness – Resilient Coastal Communities and Urban Risk	2010–2014	
UN Habitat	Land Administration and Management Programme	2012–2014	
UN Habitat	Urban Planning Guidelines for the Union of Myanmar	2015–2016	
World Bank	Ayeyarwady Integrated River Basin Management Project	2014–2020	100.0
World Bank	National Community Driven Development Project	2012–2019	86.3

ADB = Asian Development Bank, AFD = Agence Française de Développement, EU = European Union, GMS = Greater Mekong Subregion, JICA = Japan International Cooperation Agency, UN Habitat = United Nations Human Settlements Programme.

B. Institutional Arrangements and Processes for Development Coordination

4. As a reflection of growing involvement of development partners, the Central Working Committee on Foreign Aid has been constituted in the President's Office, chaired by one of the two vice-presidents, to coordinate international assistance. The committee will include two advisory subcommittees: (i) one composed of ministers of the Government of Myanmar as well as representation from states and regions, and (ii) a socioeconomic advisory committee with private sector representation and a selection of national experts bridging different sectors of the

economy. The organizational lead for donor coordination has been assigned to the Foreign Economic Relations Department within the Ministry of Planning and Finance.

5. Given the small number of development partners active in the water and other urban infrastructure and services sector, no formal donor coordination mechanism is in place. However, ADB, AFD, JICA, and UN Habitat are communicating closely to share information on planned and ongoing activities of each organization. Communications are made through meetings in Myanmar and follow-on e-mails.

C. Achievements and Issues

6. From the early stage of project preparation, ADB has worked very closely with the Neighbouring Countries Economic Development Cooperation Agency (NEDA) and Thailand International Cooperation Agency (TICA) of the Government of Thailand. NEDA indicated that it is interested in providing loan cofinancing for infrastructure investment in Myawaddy. NEDA also suggested that ADB seek TICA's technical cooperation for capacity development programs. After conducting joint missions to Myanmar, it was agreed that NEDA would provide parallel financing for infrastructure components in Myawaddy, and TICA's technical cooperation would focus on supporting capacity development for Myawaddy.⁷ ADB is also applying for a grant and a loan from the Green Climate Fund to cover additional or incremental costs attributed to adapting and/or mitigating the climate change impacts.

D. Summary and Recommendations

7. Informal coordination between ADB, AFD, JICA, and UN Habitat has worked out well to date. It focused on sharing information on each organization's planned and ongoing activities; however, the focus may shift to the issues and bottlenecks in the national systems in planning and implementing externally funded projects, in particular loan projects. The establishment of a platform for financial institutions (similar to the Six Banks initiative in Viet Nam) may be considered to address systemic issues and challenges in preparing and implementing externally financed projects, and to jointly raise such challenges with the government. Stronger development coordination is expected to minimize transaction costs, maximize responsiveness, address policy issues more systematically, provide greater support for reforms and capacity building, and promote better accountability to achieve greater development impact.

⁷ It is likely that TICA will be able to support capacity development for Mawlamyine and Hpa-An, as long as no additional funds are required from TICA.