

Asian Development Bank & Myanmar

FACT SHEET

Table 1. Myanmar: 2014 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance		Grants	Total
Sovereign	Nonsovereign	Assistance	Grants		
80.00	150.00	12.40	4.00	246.40	

Note: Grants and technical assistance include cofinancing.

Table 2. Myanmar: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b}

Sector	No.	Total Amount (\$ million) ^c	% ^c
Agriculture, Natural Resources, and Rural Development	34	322.61	21.94
Education	4	4.26	0.29
Energy	14	94.86	6.45
Finance	6	23.44	1.59
Health	5	73.60	5.01
Industry and Trade	10	29.02	1.97
Multisector	6	16.60	1.13
Public Sector Management	7	580.88	39.51
Transport	11	228.63	15.55
Water and Other Urban Infrastructure and Services	15	96.33	6.55
Total	112	1,470.22	100.00

^a Grants and technical assistance include cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Total may not add up because of rounding.

Table 3. Myanmar: Cumulative Nonsovereign Financing by Product

Number of Projects	Amount (\$ million)
Loans	150.00
Equity Investments	20.00
Guarantees	20.00
B Loans	30.00
Total	220.00

– = nil.

Myanmar is striving for inclusive economic growth and poverty reduction, with strong potential for high growth in the years ahead. The country enjoys abundant natural resources, a strategic location at the crossroads of Asia, and a large, youthful population. Emerging from decades of economic and political isolation, Myanmar represents a sizable market, with wide-ranging investment opportunities.

Since reengaging with Myanmar in early 2012, the Asian Development Bank (ADB) has prepared comprehensive economic and sector work, while establishing dialogue with the government, civil society organizations (CSOs), the private sector, and other development partners. ADB built an operational program and prepared an interim country partnership strategy, 2012–2014 for Myanmar, which has been extended to 2016. Lending operations have resumed, and technical assistance grants have been implemented for advisory services, capacity building, and project preparation. In April 2014, ADB established its Myanmar Resident Mission, with offices in Nay Pyi Taw and Yangon.

Cumulative disbursements to Myanmar for lending and grants financed by the Asian Development Fund and other special funds amounted to \$923.4 million since 1973.

ADB-Supported Projects and Programs

The ADB strategy provides the framework for reengagement with Myanmar. It focuses on building human resources and capacity, creating an enabling economic environment, and expanding access and connectivity.

In Myanmar's transport sector, support has been provided for the Greater Mekong Subregion (GMS) East–West Economic Corridor, planned for 2015, and for significant arteries to the south, including \$80 million for rehabilitation of the road from Maubin to Phyapon. These projects will help connect Myanmar's fertile and productive delta region to more distant markets, with linkages to the countryside providing thousands of villagers with better access to markets and essential services.

In the power sector, support for public–private partnerships will help unlock major private sector investments in power generation, helping to overcome Myanmar's chronic power shortages. Through ongoing and planned sovereign loan projects, better transmission and distribution systems will help reduce the country's high power losses—currently above 20% nationally—while improving the stability of the grid.

ADB is providing assistance for skills and vocational training to better align the capabilities of the labor force with the needs of the market, providing the country's youth with the skills they need to find productive employment.

Table 4. Myanmar: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2013–2014

	2013 (\$ million)		2014 (\$ million)	
	2013 (\$ million)	2014 (\$ million)	2013 (\$ million)	2014 (\$ million)
Number of Ongoing Loans (as of 31 Dec 2014)		2		
Contract Awards/Commitments ^{a,b}	–	3.4		
Disbursements ^a	511.5	–		
Number of Ongoing Grants (as of 31 Dec 2014) ^c		–		
Contract Awards/Commitments ^{a,b}	–	–		
Disbursements ^a	–	–		
Actual Problem Projects (%)		–		
– = nil.				
Note: Totals may not add up because of rounding.				
^a Includes closed loans/grants that had contract awards or disbursements during the year.				
^b Excludes policy-based lending/grants.				
^c Includes only Asian Development Fund and other ADB special funds.				

In the city of Mandalay, ADB support will help establish a model for private sector involvement in improving urban drinking water, sewerage, and sanitation services.

Technical assistance grants are also being provided by ADB to build capacities, develop policy reforms, and put in place the building blocks for an improved business environment. These include support for a new company law, a new business registry, and the enabling framework for public–private partnerships. ADB is also helping to strengthen public debt management and treasury capacities in the Ministry of Finance, as well as supporting capacity development in the country’s central bank.

Nonsovereign Operations

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector projects in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved \$220 million for two private sector projects in the infrastructure sector in Myanmar.

Cofinancing

Cofinancing operations enable ADB’s financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, other concessional financing, and commercial financing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB’s Trade Finance Program.

By the end of 2014, cumulative direct value-added (DVA) official cofinancing for Myanmar amounted to \$64.1 million for 9 investment projects and \$27.0 million for 33 technical assistance projects. Cumulative DVA commercial cofinancing for Myanmar amounted to \$30 million for one investment project.

In 2014, Myanmar received grant cofinancing of \$4.0 million from the Government of Japan for Pro-Poor Community Infrastructure and Basic Services.

Table 5. Myanmar: Projects Cofinanced, 1 January 2010–31 December 2014

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	4	56.00
Grants	3	26.00
Commercial cofinancing	1	30.00
Technical Assistance Grants	19	21.24

^a A project with more than one source of cofinancing is counted once.

A summary of projects with cofinancing from 1 January 2010 to 31 December 2014 is available at www.adb.org/countries/myanmar/cofinancing

Partnerships

As a member of Myanmar’s development partner working committee, ADB supports aid coordination and policy dialogue between the Government of Myanmar and its development partners. ADB is also a co-leader in development partner support to working groups—formed to strengthen aid effectiveness and coordination—in the energy and transport sectors.

ADB consults with CSOs, the government, the private sector, and academia to exchange views on development challenges and how to address them. To strengthen the effectiveness of ADB services, an innovative technical assistance program is helping establish and institutionalize effective consultation with project beneficiaries and CSOs. Links with the business community have also been forged to help create an enabling economic environment.

In 2014, the ADB Myanmar Resident Mission rolled out a series of Myanmar–ADB partnership awareness building seminars. Attended by over 400 participants from the government, the private sector, CSOs, and the media, the seminars helped strengthen partnerships between ADB and its key stakeholders, and improve the understanding of the general public.

Procurement

Share of ADB’s Procurement Contracts

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries, and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

ADB’s procurement contracts for goods, works, and related services under loan and grant operations totaled \$6.59 billion in 2013 and \$8.58 billion in 2014. Cumulative procurement, as of 31 December 2014, was \$135.21 billion.

ADB’s procurement contracts for consulting services under loan, grant, and technical assistance operations totaled \$511.13 million in 2013 and \$555.30 million in 2014. Cumulative procurement, as of 31 December 2014, was \$9.98 billion.

Table 6. Myanmar's Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2013		2014		Cumulative (as of 31 Dec 2014)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	–	–	–	–	45.67	0.03
Consulting Services	0.51	0.10	4.23	0.76	6.79	0.07
Total Procurement	0.51	0.01	4.23	0.05	52.46	0.04

– = nil.

Goods, Works, and Related Services

From 1 January 1966 to 31 December 2014, contractors and suppliers were involved in 194,667 contracts for goods, works, and related services under ADB loan and grant projects worth \$135.21 billion. During the same period, 121 contracts were awarded to contractors and suppliers from Myanmar worth \$45.67 million.

Consulting Services

From 1 January 1966 to 31 December 2014, consultants were involved in 45,584 contracts for consulting services under ADB loan, grant, and technical assistance projects worth \$9.98 billion. During the same period, 77 contracts were awarded to consultants from Myanmar worth \$6.79 million.

Table 7. Top 5 Consultants from Myanmar Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2010–31 December 2014

Consultant	Sector	Contract Amount (\$ million)
Fichtner GmbH Co. Kg	ENE	3.72
Individual consultant/s		1.18
Total		4.89

ENE = Energy.

Operational Challenges

Myanmar's development context is complex, and the agenda for economic and social reform is daunting. While the government has made commendable progress in laying the building blocks for a market economy and improved livelihoods, significant challenges remain. ADB is helping to provide the foundations for a more inclusive economy by guiding macroeconomic policy reforms, accelerating human capital development, and supporting infrastructure development.

The capacity of line agencies to manage increasing numbers of development projects is stretched. ADB is providing substantial support to strengthen the capacity of these agencies in project management, financial management, procurement, environment and social safeguards, and other critical operational skills.

An important challenge involves conflict sensitivity when carrying out projects in ethnic areas that are characterized by decades of conflict, and where high levels of poverty are entrenched. ADB is building on international good practice, and lessons learned in other developing member countries, to develop conflict-sensitive approaches to operations in Myanmar.

Future Directions

ADB is preparing the country partnership strategy (CPS), 2017–2021 for Myanmar, scheduled for 2016 approval. This CPS will align with the government's forthcoming Five-Year National Development Plan (2016–2021), and with ADB's long-term strategic framework, Strategy 2020. ADB will seek to tighten sector focus and selectivity, and take a long-term, programmatic approach in priority sectors.

For 2015–2016, ADB has programmed national and regional projects totaling \$500 million in concessional sovereign loans from the Asian Development Fund, and \$15 million in trust fund grants. These include road, urban, and rural development projects along the GMS East–West Economic Corridor in Kayin and Mon states, and the Mandalay Urban Services Improvement Project. The funding will also support projects in power transmission, youth skills training, and irrigation rehabilitation.

ADB will continue to seek private sector investments in infrastructure and finance.

A series of technical assistance grants, averaging \$10 million per year, will prioritize a wide range of capacity development activities. These include environmental safeguards, project monitoring and evaluation, public–private partnerships, and project preparation.

About Myanmar and ADB

ADB Membership

Joined 1973

Shareholding and Voting Power

Number of shares held:	57,810 (0.547% of total shares)
Votes:	97,240 (0.736% of total membership, 1.131% of total regional membership)
Overall capital subscription:	\$837.31 million
Paid-in capital subscription:	\$41.89 million

Maliarni bin Hamad is the Director and **Khin Khin Lwin** is the Alternate Director representing Myanmar on the ADB Board of Directors.

Winfried F. Wicklein is the ADB Country Director for Myanmar. The Myanmar Resident Mission was established in 2014 in Nay Pyi Taw and Yangon, and provides the primary operational link between ADB and the government, private sector, civil society stakeholders, and development partners in its activities. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Myanmar.

The Myanmar government agencies handling ADB affairs are the Foreign Economic Relations Department under the Ministry of National Planning and Economic Development, and the Ministry of Finance.

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2014, lending volume was \$12.92 billion (113 projects), with TA at \$158.88 million (256 projects) and grant-financed projects at \$405.34 million (17 projects). In addition, \$9.24 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2010 to 31 December 2014, ADB's annual lending volume averaged \$12.10 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged \$697.97 million and \$156.69 million in TA over the same period. As of 31 December 2014, the cumulative totals excluding cofinancing were \$216.21 billion in loans for 2,729 projects in 44 countries, \$6.87 billion in 256 grants, and \$3.75 billion in TA grants, including regional TA grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

Annual Report
www.adb.org/documents/series/adb-annual-reports

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics