

The Business for Shared Prosperity Programme

First Quarterly Bulletin





Welcome to the first Business for Shared Prosperity (BSP) Programme Quarterly Bulletin. As the BSP grows and evolves we are keen to share with donors, stakeholders and partners examples of achievements from all the different components. The BSP is a 7-year programme funded by the UK's Department for International Development (DFID). It is designed to improve economic opportunities and act as a catalyst for reforms that make it easier for businesses and entrepreneurs to compete fairly in Myanmar. The BSP is committed to increasing participation of women and other excluded people in the economy.

The BSP currently has three components that focus on various aspects of private sector development, ranging from policy and regulatory reforms, access to finance and trade and investment promotion. These components are:

1. The Investment Climate and Competitiveness Programme (ICCP), a five year initiative, implemented by the International Finance Corporation (IFC), part of the World Bank Group (WBG), (co-funded by DFAT) which aims to improve the competitiveness and dynamism of the private sector

to increase investment and create jobs.

2. The DaNa Facility, managed by DAI Europe, is designed to be agile enough to meet a range of private sector development priorities within Myanmar, working across sectors and regions within the country. In line with the overall BSP Programme, the DaNa Facility focuses on four themes: business environment reform, trade and competitiveness, financial deepening and inclusive and responsible business.

3. The Financial Sector Development Project (FSDP), implemented by the World Bank (WB) aims to expand access to finance in Myanmar to reduce poverty and promote shared prosperity by providing catalytic technical support to the Ministry of Planning and Finance and Central Bank of Myanmar alongside the WB's \$100 million International Development Association (IDA) loan.

If you have any questions or comments regarding the BSP programme or any of the projects highlighted below, please contact the BSP Coordinator, Lauren Parker at: Lauren_Parker@danafacility.com.

The DaNa Facility and UNCDF Launch MAP Refresh

In June, the DaNa Facility, alongside the United Nations Capital Development Fund (UNCDF) and Ministry of Planning and Finance's (MoPF) Financial Regulatory Department (FRD), launched the Making Access Possible (MAP) Refresh financial sector study presenting it to the Government of Myanmar (GoM), businesses and donors in Naypyitaw. The MAP Refresh is a financial diagnostic that provides a composite profile of the access to, and use of, financial services nationwide based on a comprehensive survey of 5,500 rural and urban households.

The study found a significant increase in financial inclusion from the MAP 2013 findings. Adults with access to at least one formal financial product increased from 30% in 2013 to 48% today, almost doubling the initial target of a 10% increase. Adults using more than one formal financial product also increased to 17%. A key driver fueling this growth was strong expansion within the microfinance and cooperative sectors.

The launch of the research in Naypyitaw, followed by regional presentations of the data in Yangon and Mandalay was well received by the GoM,

other donors and businesses, receiving wide coverage in the Myanmar media. The study will now act as part of the foundation for future work of the DaNa Facility that intends to increase access to finance for 602,000 people in Myanmar by December 2020, and will also support other partners in promoting economic inclusion across the country.

ICCP - Improving the Business Environment

The ICCP, through its work to improve the business environment and reforms in Myanmar, achieved \$ 3.7 million in cost savings for the private sector this quarter. This brings the total savings to the private sector to date from the implementation of ICCP Investment Climate reforms to \$ 15.9 million, exceeding the projected target of \$ 13.6 million.

The programme saw the Ministry of Commerce implementing project recommendations on licensing products, reducing the number of products requiring licensing by 70%. It also supported the elimination of hundreds of seed business licenses, replacing them with a simplified three license system, and exempting field test requirements for four types of vegetable seed. The ICCP continued its support to the Myanmar Institute



of Directors, including delivering training in Corporate Governance Action Planning, Finance for Non-Financial Directors and Executives and a workshop for Women on Boards and Business Leadership.

FSDP - Reforming the Financial Sector in Myanmar

The FSDP continued its work in upgrading the GoM's legal and regulatory framework for the financial sector and the supervisory capacity of FRD. This work involved supporting areas of prudential regulation such as: substantial interest, board of directors, related parties, fit and proper criteria and external auditors. With support from the FSDP the regulations will soon be finalised with the Central Bank of Myanmar.

The FSDP brought in international expertise to work on Myanmar's Prompt and Corrective Action Framework and Bank Resolution Framework. These experts held workshops with the Bank Supervision Department and subsequently began drafting a new framework. In the insurance sector, the FSDP continued its work with United States Agency for International Development (USAID) and FRD on reviewing the Insurance Business Law.

The programme continued its technical assistance in microfinance on designing and implementing the supervisory database for microfinance institutions (MFIs). It continued to provide technical assistance to the FRD in its discussions with the Myanmar Microfinance Association and UNCDF on developing the microfinance sector, alongside work on the next steps for reform and preparing a new microfinance sector development strategy.

ICCP - "Future of Jobs" Report

In May, the ICCP, as part of its trade, competitiveness and enterprise work, presented and distributed the executive summary of its "Future of Jobs Report: Embracing Modernity" examining the various challenges Myanmar faces in its job market and recommending a series of reforms and proposals to create more inclusive and better jobs in the economy. A complete report will follow next quarter.

The report made 10 wide ranging recommendations for reforms to support the job market in Myanmar. These included systemic changes such as reforming fiscal and monetary policy and the legal framework in Myanmar, alongside recommendations focused on investment in education, specific value chains and increasing productivity.





DaNa Facility - Regional Trade and Investment Support

The DaNa Facility continued its support for regional trade and investment through a series of forums, trade events and strategy consultations. The DaNa Facility took part in organising and supporting the Kayah Investment Forum in May, where companies such as DeHeus Myanmar highlighted the potential for new innovative investment to transform traditional agriculture. The DaNa Facility visited Hakha in Chin State to help facilitate producing a Strategic Plan for Chin State to attract investment, increase advocacy of the businesses community on issues of concern and increase the legal and regulatory stability of the business environment.



ICCP - Lighting Myanmar

The ICCP continued successful interventions in its Energy Access Myanmar Project, also known as “Lighting Myanmar”. The ICCP completed contracting a marketing firm to start conducting a consumer education campaign that will be piloted in rural areas, demonstrating the benefits of the programme to women and other target groups’ livelihoods.



MCRB - Myanmar Investment Commission Discusses Responsible Development

In June, the Myanmar Centre of Responsible Business (MCRB) and a series of large international companies, met with the Myanmar Investment Commission (MIC) to discuss responsible business practices in Myanmar including human rights. This MIC meeting under its new Chairman, H.E. U Thaung Tun. During the meeting, the MCRB delivered a presentation on “How Responsible Investment Contributes to Economic Development in Myanmar: The Role and Contribution of International Investors”.

This engagement at the highest levels of business and government is part of the MCRB's work to shift the business culture and environment to become more focused on responsible and sustainable business, highlighting its benefits to government, business and consumers.





British Ambassador visits the DaNa Facility

In May, the new British Ambassador, His Excellency Dan Chugg visited one of the DaNa Facility's Economic Empowerment Window (EEW) projects, run by the Leprosy Mission Myanmar (TLMM) in Hlaing Tha Ray. During the visit he met people with disabilities (PWDs) who had undertaken training to become job placement coaches with TLMM. The TLMM programme provides training and education to attendees across a range of areas, from disability inclusion and rights, to conducting social and economic vocational assessments. It also equips the coaches with advocacy and negotiation skills to help them support other PwDs in obtaining improved employment opportunities. After the training is completed, the PWDs become job coaches, seeking out other PWDs in their communities and providing them with the support they need to gain employment and increase their income.

The DaNa Facility is supporting TLMM in providing inclusive employment opportunities for PwD in Yangon, Bago and Mandalay. By 2020 the project aims to support over 1,000 PwD accessing employment and improved incomes while seeing a corresponding 20% reduction in the unemployment rate of PwDs in those regions.

MCRB - National Conference on Communities and Tourism

The MCRB was one of the key organisers of the third National Conference on Communities and Tourism in June, which focused on local level destination management. The conference was attended by over 200 participants from government, private sector, local community-based tourism (CBT) organisations, development partners and independent experts. A significant subject for discussion during the event was the ongoing debate in Parliament on a new Draft Tourism Law, which includes proposals on decisions such as decentralising licensing of accommodation to the state/region level, or even closer to communities at the local administration and municipality level.

The MCRB along with the Hanns Seidel Foundation (another organiser of the conference) submitted a legal analysis and proposals for amendment to the Draft Tourism Law and discussed them with parliamentarians in May and June. This work focuses on the communities most affected by tourism, ensuring that the growing industry benefits them in the long term.

The BSP programme is a project funded by the UK's Department for International Development and is coordinated by DAI Europe as the BSP Secretariat, working alongside the WBC and other partners. For more details on the programme please visit: danafacility.com.