

The Business for Shared Prosperity Programme

Second Quarterly Bulletin

Welcome to the second 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.

ICCP - Tourism Project

Tourism is a priority sector for development in Myanmar due to its ability to create jobs and provide livelihoods for local communities. Despite the country's unique and untapped tourism destinations, coupled with the increasing ease of travelling, the number of tourist arrivals remains low.

ICCP is supporting the development of a sustainable and inclusive tourism industry in Myanmar at both the local and national level. The project works with the Ministry of Hotels and Tourism on industry regulation, as well as with SMEs and tourism workers to enhance and diversify their products and skillsets.

In Shan State, the tourism project supported the creation of the Inle Professional Network (IPNET), which is helping businesswomen around the Inle Lake region grow as individuals, business leaders, and build supportive professional relationships.

Today there are 51 members of IPNET, most run their own businesses and come from a diverse range of backgrounds. In addition to providing a forum to share experiences and knowledge, IPNET commenced a six-month training programme to build members' understanding of women's rights, and skills in leadership, marketing, business and financial management. As IPNET grows it will continue to help women in the region improve their businesses, creating new jobs and supporting the sustainable growth of tourism in Myanmar.



The DaNa Facility - Findings from MAP Refresh Released

In August, the DaNa Facility and the United Nations Capital Development Fund (UNCDF) held a series of events bringing together financial sector stakeholders from the private sector, development partners and the Government of Myanmar to present and discuss the findings from their nationwide financial sector diagnostic, Making Access Possible (MAP).

MAP operates through a partnership between the DaNa Facility, UNCDF Myanmar and the Ministry of Planning and Finance's Financial Regulatory Department (FRD). Based on a comprehensive survey of 5,500 rural and urban households, the 2018 diagnostic found a significant increase in financial inclusion compared to the MAP 2013 findings.

The FRD, with support from UNCDF and the DaNa Facility, organised a workshop to publicise these findings. The event provided a platform for stakeholders to discuss proposals for a multi-focused strategy for the 2018 – 2022 National Financial Inclusion Roadmap aiming at empowering poor to low-income individuals by improving their access to appropriate and affordable financial services.

The Central Bank of Myanmar played a key role in the workshop, while the private sector was represented by the Myanmar Bankers Association, the Myanmar Microfinance Association, the Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), mobile network operators, digital payment providers, and other contributors to financial inclusion within the marketplace.

MCRB - Handbook of Employment of Persons with Disabilities

On 17 August, the Myanmar Centre for Responsible Business (MCRB) and Association for Aid and Relief (AAR) Japan, with support from the Department of Rehabilitation under the Ministry of Social Welfare, Relief and Resettlement (MSWRR), held a meeting to obtain feedback on a draft handbook for business on how to recruit and successfully employ persons with disabilities.

The consultation in Nay Pyi Taw was attended by approximately 40 senior government staff, including Dr Win Myat Aye, Minister of the MSWRR, Deputy Ministers from the Ministry of Education, Ministry of Transport and Communication, and Ministry of Defence, as well as senior officials from key ministries, senior office-holders and other experts on disability rights.

Speaking at the meeting, Dr Win Myat Aye highlighted that creating employment opportunities for persons with disabilities is essential and a priority for the government. He referred to the recent London Disability Summit where he represented Myanmar and made a commitment to the Charter for Change. He welcomed the handbook and its inclusion of success stories that illustrates every person with a disability wants a chance to demonstrate their ability.

Vicky Bowman, MCRB Director, discussed the handbook and set out some of the challenges of a quota system for employment of persons with disabilities when she spoke on a panel at DFID's Disability Inclusive Development Forum in Nay Pyi Taw on 2 September. The handbook, "Employing People with Disabilities: A Handbook for Employers in Myanmar," is now available.

The ICCP - Food Safety

In September, the IFC, which implements the ICCP, signed an agreement with the UMFCCI to



help food sector companies address and improve food safety practices.

Myanmar's geographical location and climate provide enormous export growth opportunities for the country's agricultural and food manufacturing sectors. However, poor food safety practices are leading to lost sales and increased costs for companies in agribusiness; a sector that accounts for 36% of GDP and provides employment to 70% of the labour force.

The ICCP is supporting the introduction of modern food safety management systems through awareness seminars for business leaders, capacity building workshops for food producers, as well as training for local food safety consultants. As food safety standards are better understood and adopted, the nation's agribusiness sector is expected to benefit from an increase in exports, new investments and job growth.

The Asia Foundation - The Myanmar Business Environment Index

The Asia Foundation (TAF) completed data collection for the first round of the Myanmar Business Environment Index (MBEI). The MBEI is an effort to benchmark local economic governance in Myanmar and identify key challenges and opportunities for boosting inclusive economic growth.

TAF has gathered data from nearly 5,000 businesses and 200 local government offices in 67 townships in all of Myanmar's States and Regions. Data collection included working with the survey firm Nielsen-MMRD to conduct nationwide field visits to interview businesses and government offices. This research also involved initiating requests to ministries for additional local economic governance data to complete the MBEI's final analysis. Data was compiled, cleaned, processed and prepared for analysis and publication.

The final MBEI report, to be completed in February 2019, will serve as a resource for local and national government, businesses, investors and other stakeholders to identify and prioritise opportunities to improve local economic governance and enable inclusive economic growth that reaches all of Myanmar's States and Regions.

The ICCP - Environmental and Social Advisory Programme

Effective stakeholder engagement is at the heart of the ICCP's Environmental and Social Advisory work. Adhering to IFC's Environmental and Social Performance Standards, the programme is helping companies in Myanmar achieve sustainable development by minimising the negative impact of their projects on the environment and communities, while maximising the benefits to all.

This quarter, several local companies were trained in stakeholder engagement methods - such as grievance mechanisms - that will provide communities a voice in sharing their concerns. A workshop, in partnership with the International Centre for Hydropower, provided examples and ideas for how the private sector can better manage conflict when developing renewable energy projects.

MCRB – Responsible Business Seminar Series

In July 2018, MCRB launched a series of responsible business seminars intended to cover issues such as business integrity, working conditions, inclusion and non-discrimination and environmental stewardship. The seminars are intended to discuss challenges and share practical experiences of doing business responsibly in Myanmar in accordance with international standards. Speakers at future seminars will be drawn from multinational and Myanmar companies and often include experts from the Organisation for Economic Cooperation and Development (OECD), International Labour Organisation (ILO) and others. The target audience is Myanmar and foreign business managers of various sectors and sizes, including businesses beyond Yangon.

The inaugural seminar on 5 July was addressed by the Directorate of Investment and Companies Administration (DICA) and the OECD, who used it to launch their new OECD Due Diligence Guidance for Responsible Business Conduct adopted in May 2018. Heineken and Shwetaung shared their experiences of undertaking this kind of 'due diligence'.

The second seminar in September, co-hosted by the MCRB and ILO focused on "Decent work: Employment, working conditions, industrial relations and unacceptable forms of work". The seminar was sponsored under the joint EU-ILO-OECD initiative on Promoting Responsible Supply Chains in Asia, with funding from the European Union and speakers from H&M and Hong-Kong based EMC who manufacture bags in Myanmar.