



TOO MUCH, TOO SOON?

The Dilemma of Foreign Aid To Burma/Myanmar

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Outline

- ▣ Historical, political, economic background
- ▣ The Paris Declaration
- ▣ Incentives for donor professionals
- ▣ Key challenges
- ▣ Implications for the government
- ▣ Implications for the donors

The Economy

- ▣ The resource curse
- ▣ Emerging macroeconomic policies
- ▣ Evolving financial system
- ▣ Poor infrastructure
- ▣ Neglected agriculture
- ▣ Woeful education and health
- ▣ The vested interests

Complications

- ▣ Refugees/migrants in Thailand
- ▣ 2008 Constitution and the Military
- ▣ Ethnic Minorities and Peace Process
- ▣ ASEAN Chair in 2014 and Elections in 2015
- ▣ China on the defensive
- ▣ U.S. sanctions suspended, not lifted

The Paris Declaration on Aid Effectiveness

Five Principles Agreed in Paris (2005), refined in Accra (2008) and Busan (2011)

- Country Ownership
- Alignment
- Harmonization
- Results-oriented
- Mutually Accountable

Implementation Experience

- ▣ Strong Progress on Country Ownership
- ▣ Modest Progress on Alignment
- ▣ Less Progress on Harmonization
- ▣ Almost no Progress on Results Orientation or Mutual Accountability
- ▣ Only one of 12 Time-bound Targets for 2010 had been met

Incentives for Donor Professionals

- ▣ Move the Money
- ▣ Build Up Staff
- ▣ Promise More than Can Be Delivered
- ▣ Keep Secrets from Other Donors
- ▣ Prefer Owned Projects to Joint Ones

Key Challenges

- ▣ Achieving Peace
- ▣ Managing Political Processes
- ▣ Continuing Macroeconomic Reforms
- ▣ Managing Private Capital Flows
- ▣ Controlling Resource Extraction
- ▣ Reversing Land Grabbing
- ▣ Energizing Agriculture
- ▣ Expanding Education

Policy Implications for Government of Myanmar

- ▣ Policies more important than plans
- ▣ Say “No” more often
- ▣ Policy officials now, institutions later
- ▣ Require more joint donor activities
- ▣ Keep donor coordination in its place
- ▣ It’s about people, not resources
- ▣ Be coherent and consistent

Policy Implications for Donors

- ▣ Give policymakers more space
- ▣ Build capacity before doing projects
- ▣ First of all: do no harm
- ▣ Avoid institutional rivalries
- ▣ Tolerate alternative approaches
- ▣ Be realistic
- ▣ Be innovative

