



## Press Release

Luxembourg, 7 February 2018

### **EU development assistance for Myanmar/Burma: the EU played a leading role and provided an active response, but there were shortcomings in implementation, say Auditors**

The EU has played a leading role in supporting development priorities in Myanmar/Burma and allocated significant funding to the country, according to a new report from the European Court of Auditors. However, there were shortcomings in the European Commission's assessment of needs and in the implementation of EU assistance.

The auditors examined whether the European External Action Service and the European Commission supported well established development priorities in Myanmar/Burma. For the 2012-2020 period the EU has allocated almost one billion euro to the country.

*"The European External Action Service and the Commission responded rapidly to the political changes in Myanmar/Burma, but overall we conclude that EU development support to the country has only been partially effective"* said Mr Karel Pinxten, the Member of the European Court of Auditors responsible for the report.

During the period audited (2012-2016), Myanmar/Burma was experiencing a difficult period of political and economic transition. Factors such as natural disasters, ethnic conflicts and the limited capacity of local actors and authorities hampered development efforts. In 2016 and 2017 there were renewed outbreaks of violence against the Muslim Rohingya minority in the state of Rakhine that led to a humanitarian crisis of massive proportions. Recurrent violence in this region exacerbates the conflict and hinders humanitarian and development efforts in the region.

In terms of needs assessment, the Commission did not sufficiently assess the geographical priorities within the country, the auditors say. Such prioritisation could have increased the impact of EU support. Raising domestic government revenue did not figure in the priorities, although it is a key factor for the country's development. Joint programming by the EU and individual Member States was a positive step. However, coordination between the Directorates-General managing the development and humanitarian assistance in areas of protracted crisis did not work well.

The actions selected addressed the country's development priorities, but there were delays, say the auditors. The implementation of the EU-funded UN-managed Trust Fund programmes was affected by slow

*The purpose of this press release is to give the main messages of the special report by the European Court of Auditors. The full report is on [www.eca.europa.eu](http://www.eca.europa.eu).*

## ECA Press

Mark Rogerson – Spokesperson T: (+352) 4398 47063

Damijan Fišer – Press Officer T: (+352) 4398 45410

12, rue Alcide De Gasperi - L-1615 Luxembourg

E: [press@eca.europa.eu](mailto:press@eca.europa.eu) @EUAuditors [eca.europa.eu](http://eca.europa.eu)

M: (+352) 691 55 30 63

M: (+352) 621 55 22 24

budget absorption for programme activities. Cost-control provisions in the EU-UN contracts had little impact.

The results achieved under the projects audited varied, the auditors state. Only half delivered the planned outputs, mainly because of implementation delays. Weaknesses were also noted in the quality of project indicators and project monitoring.

The auditors recommend that the European Commission and the European External Action Service:

- better focus the areas of support in order to increase the impact of the aid;
- strengthen coordination between the Directorate-General for International Cooperation and Development and the Directorate-General for European Civil Protection and Humanitarian Aid;
- justify and document the allocation of funding to sectors and for actions;
- enhance the cost-effectiveness of multi-donor actions;
- strengthen the monitoring of output and outcome information;
- improve project management and ensure that EU actions have more visibility;
- re-examine the possibility of Rakhine state being placed in the Joint Peace Fund's sphere of competence.

#### **Notes to Editors**

Following several decades of authoritarian rule, Myanmar/Burma has been undergoing political and economic transition under a mainly civilian government that took office in March 2011. The government has launched a series of reforms designed to change the country's political, democratic and socio-economic situation.

Over the 2012-2016 period the country's GDP grew at an average annual rate of 7.5 %. The workforce is young and the country is rich in natural resources, such as gas, timber, gold and gemstones. The country is enjoying a significant increase in direct investment.

The population comprises numerous ethnic groups, and inter-ethnic and inter-religious tensions persist. The government has signed a Nationwide Ceasefire Agreement with some ethnic armies but the peace process is progressing slowly. Ethnic tensions prevail in states with non-Bamar ethnic groups, particularly in the border regions of the Shan, Kachin and Rakhine States. The Muslim Rohingya minority in the state of Rakhine was effectively rendered stateless when the 1982 Burmese Citizenship Law came into force.

In order to encourage the reform process, in April 2012 the EU suspended the sanctions imposed on the government and by 2013 had lifted all but the arms embargo. The EU also opened an office in Yangon, which became a fully-fledged EU Delegation in 2013.

The country has received support from many donors. Over the 2012-2016 period donor commitments from all sources totalled over US\$ 8 billion.

Special Report No 4/2018 "EU Assistance to Myanmar/Burma" is available on the ECA website ([eca.europa.eu](http://eca.europa.eu)) in 23 EU languages.