



Infrastructure Development in Myanmar

Director

Project Appraisal and Progress Reporting Department

Ministry of Planning and Finance

Improving Public Expenditure Efficiency

- Lack of public finance
 - ❖ Capital budget for Project (2%)
 - ❖ Budget deficit (not exceed 5 %)
 - ❖ Infrastructure gap
 - ❖ To improve public finance management
(7 implementation Department)
(Tax reform, Budgeting system, Banking System, Auditing System, Improving appraisal)

Project Cycle in Myanmar

- Identification
- Appraisal
- Preparation
- Implementation
- Amendment / Modification
- Review
- Evaluation

- ❖ Project Appraisal and Progress Reporting
Department appraises the project proposal that it is economically visible or not.
- ❖ with criteria such as internal rate of return, payback period and benefit cost ratio are calculated in the Financial Analysis
- Analyse the government policy and economic visible
- Cannot consider detailed cost – effective analysis

Summary of the Project Appraisal in Myanmar

Particular	Government funded Project	Private investment project	Loan/grant project
Scope of PA	All projects	Projects that are subject to Private Investment Law	Project that are implemented by loan/grant/aid
PA by line ministry	Fill the Project Proposal Form	Private company conducts PA. No substantial review by LM	Donor organization conducts PA. No review by LM
PA by supervising entity	Reviews the project proposal form submitted by LM	MIC/DICA reviews the proposal in consultation with PAT (Project Assessment Team)	FERD doesn't have systematic review process. DACU reviews
Contents and criteria of PA	IRR, B/C, and Payback period	IRR, Payback period, B/C, EIA and SIA,	No criteria IRR, B/C, and Payback period
Use of the PA results	Share the PA results/recommendations with other sector of PD	Positive PA results are necessary for business permit	not effect to approval PRS share the PA results/recommendations

- ❖ Another task is to monitor the on-going projects
- ❖ monitoring of on going projects is required
- ❖ how to projects are taking shape, what kinds of problems and difficulties are coming up during implementation
- ❖ to provide guidance to the agencies and ministries concerned

Progress Reporting (1)

Quarterly Report

- ❑ PRS reports the progress of the implementation (Form A & Form B)
- ❑ Capital expenditure and utilization of loans and grants compared with the annual allocated amounts
- ❑ Not only quarterly spending but also accumulated spending are calculated
- ❑ Showed in detail the progress of each activity in percentages, compared with the original schedule
 - Physical progress, such as construction of buildings, procurement and installation of machinery and equipment

Progress Reporting (2)

Site Inspection

- ❑ PRS monitors physical progress from on site inspection
- ❑ 4 district one month and totally 36 district for fiscal year
- ❑ 4 members in one team
- ❑ Plan and Budget
- ❑ Submit to the President office and Economic Affair
- ❑ Emphasize on the not started project/ works
- ❑ Encourage to the LM

Tax Reform

- Income Tax, State Lottery, Stamp Duties and Commercial Tax
- provides for a reduction in Corporate Income Tax for companies from 30% to 25%.
- commercial tax at a flat rate of 5%
- salary income in local currency is now reduced to a progressive rate of 1% to 20% from the previous progressive rate of 3% to 30%.

PPP in Myanmar

- Road Projects, Electric Power Projects and Hotel with BOT System

(Ordinary Road and Highway Road)

- Have not PPP Unit and Legal framework
- Regulation on the Financing of the Public Private Partnership
(Transportation, Utilities/electricity/ Housing/ Social Service such healthcare, education/ Economic Zones? Agriculture)
- Classification – Small Size PPP to be developed at regional level

ODA System

- To efficient ODA
- Was formed DACU – Development Assistant Cooperation Unit
- To consider prioritization among the project proposal
- Also consider economically visible

Conclusion

- ❖ Capacity building
- ❖ Institutional/ legal framework
- ❖ Strategic investment plan Weakness in policy guidance
- ❖ Lack of skills, human resources
- ❖ Fragmented project management