Emerging from decades of economic and political isolation, Myanmar is striving for inclusive economic growth and poverty reduction. The country has strong potential for broad economic expansion, possessing abundant natural resources, a strategic location at the crossroads of Asia, a young population, and a sizable market with wide-ranging investment opportunities. Successful national elections, held in November 2015, represented an important milestone in Myanmar's transition. Myanmar, however, faces a number of significant challenges. The country must achieve and maintain stability, both on the macroeconomic front and in terms of peace and reconciliation. It must tackle substantive infrastructure and human resources deficits, which constrain social and economic development. Myanmar must also sustain its reform momentum toward good governance, effective public sector management, and a conducive business environment.

Asian Development Bank (ADB) operations in Myanmar are based on an interim country partnership strategy, which focuses on building human resources and capacity, creating an enabling economic environment, and expanding access and connectivity. Cumulative disbursements to Myanmar for lending and grants financed by the Asian Development Fund and other special funds amount to $953.3 million since 1973.

**ADB-SUPPORTED PROJECTS AND PROGRAMS**

The ADB program in Myanmar aims to promote inclusive and sustainable economic growth. It ranges from transport, energy, and telecommunications to water supply, rural and urban development, skills, and capacity building.

**MYANMAR**

ADB is supporting Myanmar’s economic and social transition, with development loans and grants amounting to $991.5 million from 2013 to 2015.
With the approval of the East–West Economic Corridor road rehabilitation project in 2015, ADB is providing support to upgrade Myanmar’s road network to improve connectivity with the country’s regional neighbors. It is also helping improve energy transmission and distribution systems, to reduce power losses—currently above 20% nationally—while improving the stability of the grid.

ADB private sector lending to the telecommunications sector is fostering rapid growth in access to mobile telephony and technology applications. In the city of Mandalay, ADB will support the establishment of a model for private sector participation in improving urban drinking water, sewerage, and sanitation services.

ADB is providing assistance for skills and vocational training to give the country’s youth the skills they need to find productive employment. Meanwhile, an entrepreneurship development project along the East–West Economic Corridor will create jobs and incomes for the poor, particularly women.

Technical assistance grants are helping to build capacities and develop policy, as well as implementing institutional and legal reforms in priority sectors.

ADB has been supporting the Government of Myanmar’s response to the devastating floods and landslides of 2015. These disasters affected over 1.5 million people, and caused major damage to infrastructure, houses, and agriculture. ADB’s response included a quick-disbursing grant of $3 million under the Asia Pacific Disaster Response Fund, emergency lending to rehabilitate bridges, a grant project to restore livelihoods in Chin State, and a program to manage and reduce flood and disaster risks.

### NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since 2014, ADB has approved $932 million for four private sector transactions in Myanmar. Total outstanding balances and commitments of ADB’s private sector transactions, as of 31 December 2015, amounted to $216.66 million, representing 2.6% of ADB’s total nonsovereign portfolio.

### COFINANCING

Cofinancing operations enable ADB’s financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB’s Trade Finance Program.

From 1970 to the end of 2015, cumulative direct value-added (DVA) official cofinancing for Myanmar amounted to $143.9 million for 12 investment projects and $30.3 million for 35 technical assistance projects. Cumulative DVA commercial cofinancing for Myanmar amounted to $440 million for three investment projects.

In 2015, Myanmar received grant cofinancing of $13.8 million from the Japan Fund for Poverty Reduction, the Asian Investment Facility, and the Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility, as well as loan cofinancing of $66 million from Agence Française de Développement and the ASEAN Infrastructure Fund.

A summary of projects with cofinancing from 1 January 2011 to 31 December 2015 is available at [www.adb.org/countries/myanmar/cofinancing](http://www.adb.org/countries/myanmar/cofinancing).

### PARTNERSHIPS

As an active member of Myanmar’s development partner group, ADB supports aid coordination and policy dialogue between the government and its development partners. ADB co-leads working groups for the energy and transport sectors. In 2015, together with the Japan International Cooperation Agency and the World Bank, ADB carried out the first Joint Country Portfolio Review for Myanmar, which resulted in a government-agreed action plan to improve investment project implementation.

ADB regularly consults with civil society, the private sector, and academia on

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**Myanmar: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2014–2015**

<table>
<thead>
<tr>
<th>No. of Ongoing Loans (as of 31 Dec 2015)</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 ($ million)</td>
<td>2015 ($ million)</td>
</tr>
<tr>
<td>Contract Awards/Commitments\textsuperscript{a,b}</td>
<td>3.40</td>
</tr>
<tr>
<td>Disbursements\textsuperscript{a}</td>
<td>–</td>
</tr>
<tr>
<td>No. of Ongoing Grants (as of 31 Dec 2015)</td>
<td>1</td>
</tr>
<tr>
<td>2014 ($ million)</td>
<td>2015 ($ million)</td>
</tr>
<tr>
<td>Contract Awards/Commitments\textsuperscript{a,b}</td>
<td>–</td>
</tr>
<tr>
<td>Disbursements\textsuperscript{a}</td>
<td>–</td>
</tr>
<tr>
<td>Actual Problem Projects (%)</td>
<td>50</td>
</tr>
</tbody>
</table>

\textsuperscript{a} = nil.

Note: Totals may not add up because of rounding.

\textsuperscript{a} Includes closed loans/grants that had contract awards or disbursements during the year.

\textsuperscript{b} Excludes policy-based lending/grants.

\textsuperscript{c} Includes only Asian Development Fund and other ADB special funds.

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**Myanmar: Projects Cofinanced, 1 January 2011–31 December 2015**

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>No. of Projects</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects\textsuperscript{a}</td>
<td>9</td>
<td>545.80</td>
</tr>
<tr>
<td>Grants</td>
<td>5</td>
<td>39.80</td>
</tr>
<tr>
<td>Official Loans</td>
<td>2</td>
<td>66.00</td>
</tr>
<tr>
<td>Commercial cofinancing</td>
<td>3</td>
<td>440.00</td>
</tr>
<tr>
<td>Technical Assistance Grants</td>
<td>21</td>
<td>24.54</td>
</tr>
</tbody>
</table>

\textsuperscript{a} A project with more than one source of cofinancing is counted once.

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**Myanmar: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects**

<table>
<thead>
<tr>
<th>Item</th>
<th>2014</th>
<th>2015</th>
<th>Cumulative (as of 31 Dec 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, Works, and Related Services</td>
<td>–</td>
<td>–</td>
<td>21.30 0.19 66.96 0.05</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>0.51</td>
<td>0.09</td>
<td>0.90 0.14 3.98 0.04</td>
</tr>
<tr>
<td>Total Procurement</td>
<td>0.51</td>
<td>0.01</td>
<td>22.19 0.19 70.94 0.05</td>
</tr>
</tbody>
</table>

\textsuperscript{a} = nil.
development issues and approaches in Myanmar. In 2015, to deepen engagement with civil society, ADB formed a civil society advisory group, comprising senior representatives of local and international civil society, to advise on ADB operations in Myanmar.

ADB is also working with the government and the business community on a private sector development framework and action plan, to support improvements in Myanmar’s business environment and strengthen public–private dialogue.

**PROCUREMENT**

**Share of ADB’s Procurement Contracts**

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries, and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Procurement contracts for goods, works, and related services under loan and grant operations totaled $8.4 billion in 2014 and $11.12 billion in 2015. Cumulative procurement, as of 31 December 2015, was $145.92 billion.

Procurement contracts for consulting services under loan, grant, and technical assistance operations totaled $556.05 million in 2014 and $637.4 million in 2015. Cumulative procurement, as of 31 December 2015, was $10.64 billion.

**Goods, Works, and Related Services**

From 1 January 1966 to 31 December 2015, contractors and suppliers were involved in 199,625 contracts for goods, works, and related services under ADB loan and grant projects worth $145.92 billion. During the same period, 129 contracts were awarded to contractors and suppliers from Myanmar worth $66.96 million.

**Consulting Services**

From 1 January 1966 to 31 December 2015, consultants were involved in 48,767 contracts for consulting services under ADB loan, grant, and technical assistance projects worth $10.64 billion. During the same period, 112 contracts were awarded to consultants from Myanmar worth $3.98 million.

**OPERATIONAL CHALLENGES**

While the government has made progress in laying the building blocks for a market economy and improved livelihoods, significant challenges remain. ADB is helping to provide the foundations for a more inclusive economy, by guiding macroeconomic policy reforms, accelerating human capital development, and supporting infrastructure development.

Central and line agencies are stretched in their capacity to manage increasing numbers of development projects. ADB is providing support to develop country systems and strengthen the capacity of these agencies in areas such as project management, financial management, procurement, environmental and social safeguards, and other critical operational skills.

Multiple long-standing ethnic conflicts across the country add complexity to the operating environment in Myanmar. This requires detailed understanding and analyses of the country's political economy, and the relations between state and society and between state and non-state entities. ADB has developed, and is integrating into its Myanmar operations, appropriate approaches that support the delivery of effective services to conflict-affected areas.

**FUTURE DIRECTIONS**

ADB is preparing its first full country partnership strategy, 2017–2021 for Myanmar. The development of the strategy will consider Myanmar’s needs and priorities, ADB’s long-term strategic framework, and other development partner programs. It will be based on extensive analysis of the country’s sectors and development themes, on lessons learned from ADB’s interim strategy, and on comprehensive consultations.

ADB will increasingly tighten sector focus and take a long-term, holistic approach to priority sectors. Future activities will address the strategic areas of infrastructure connectivity, and human capital and capacities. Investments are expected to focus on the priority sectors of transport, energy, and education and training. Capacity development, regional cooperation and integration, and private sector development will also remain priorities. In addition to providing development finance, ADB will seek to leverage financial resources—from both public and private cofinancing sources—and to continue to develop and provide knowledge solutions in Myanmar.

Technical assistance grants will focus on capacity development, advisory services, and knowledge solutions in priority areas.
ABOUT MYANMAR AND ADB

ADB Membership
Joined 1973

Shareholding and Voting Power
Number of shares held: 57,810 (0.545% of total shares)
Votes: 97,374 (0.735% of total membership, 1.127% of total regional membership)
Overall capital subscription: $801.74 million
Paid-in capital subscription: $40.11 million

Philaslak Yukkasemwong is the Director and Rokiah Hj Badar is the Alternate Director representing Myanmar on the ADB Board of Directors.

Winfried F. Wicklein is the ADB Country Director for Myanmar. The Myanmar Resident Mission, with offices in Nay Pyi Taw and Yangon, was established in 2014 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Myanmar.

The Myanmar government agency handling ADB affairs is the Ministry of Planning and Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB’s main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2015, lending volume was $15.45 billion (107 projects), with TA at $141.30 million (199 projects) and grant-financed projects at $365.15 million (17 projects). In addition, $10.74 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB’s Trade Finance Program. From 1 January 2011 to 31 December 2015, ADB’s annual lending volume averaged $12.92 billion. In addition, investment grants and TA funded by ADB and Special Funds resources averaged $880.66 million and $150.23 million in TA over the same period. As of 31 December 2015, the cumulative totals excluding cofinancing were $231.53 billion in loans for 2,822 projects in 44 countries, $7.23 billion in 274 grants, and $3.90 billion in TA grants, including regional TA grants.

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Useful ADB websites
Asian Development Bank
www.adb.org

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

Annual Report
www.adb.org/documents/series/adb-annual-reports

Depository Libraries
www.adb.org/publications/depositories

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics

In this publication, “$” refers to US dollars. Figures are estimated by ADB unless otherwise cited. Data are as of 31 December 2015 unless otherwise indicated. Fact sheets are updated annually in April.