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Country Update Myanmar



November 2020

Foreword

Dear members of the Myanmar network,

We hereby present the 2020 country update for Myanmar. This year has been an unusual one for the world with the Covid-19 pandemic changing the way we live and work. We have had to adapt to a world without physical contact, moving swiftly to largely virtual interaction in our professional and personal lives. Myanmar, like the Netherlands and the rest of the world, is also dealing with not just the public health crisis that Covid-19 has led to but also with food and water security and an economic crisis.

In this edition, we would like to inform you about the current situation and events in Myanmar, a small selection of the many projects under the Partners for Water and D2B/DRIVE programmes being implemented in Myanmar, and highlight some upcoming events, including the webinar, “Myanmar: Project Opportunities and Financial Instruments” being organised by NWP in collaboration with the Ministry of Infrastructure and Water Management, the Netherlands Embassy in Myanmar and RVO.

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1. Current events in Myanmar

Covid-19

Myanmar, like the rest of the world, has been impacted by Covid-19. As of 20 November 2020, Myanmar has 1,376 confirmed cases and 30.8 deaths per 1 million inhabitants (74,882 confirmed cases, and 1,676 deaths since 3 January). Covid-19 outbreaks in Myanmar are low compared to other countries in the region. The number of Covid-19 cases were controlled until the end of August with strict lockdown, the closing of borders, and other control measures. However, following this, the number of cases rose not just in the large cities but also in other parts of the country, with a peak in mid-October. Covid-19 control measures were re-imposed in order to control this spread but the risk of transmission remains high due to the monsoon and flu season. While the number were stable since the peak in mid-October, fears that the numbers may rise due to the movement of people during the general elections has come true.

Control measures in Myanmar include wearing masks, contact tracing, curfews, health screenings, closing country borders/restricted internal and international travel, ban of gatherings, limited numbers in groups, quarantining, testing, stay-at-home orders, and social distancing. Fines and arrests are enforced for non-compliance with these measures. Travel restrictions will remain in place until at least the end of November 2020. While the government implemented Covid-19 control measures, production factories for essential sectors remained open with strict prevention measures, and supervision. Additionally, health/emergency authorities are also functioning.

Economy

Prior to the Covid-19 pandemic, the economic growth rate of Myanmar was projected to be 6.3% in the financial year 2019/20 (FY19/20) and 6.4% in 2020/21 (FY20/21). However, due to the pandemic, the economy could contract by 2-3% with an expected recovery in FY20/21, subject to the control of the pandemic. People with lower incomes will be impacted more by the negative impacts on the economy and the restricted travel and poverty will rise in the short-term without returning to pre-crisis levels in FY20/21. The tourism industry, cut-make-package industry, and SMEs are highly vulnerable during this period. Additionally, banks are under pressure with negative profits for private banks and hindered in their ability to lend.

Despite the negative impacts of Covid-19 on the economy, Myanmar's GDP growth for FY20/21 is projected to be 7.2%. Soft loans with reduced interest rates are being provided for affected businesses by the Myanmar Economic Bank while other low-interest loans and funds are being set up to assist economic recovery. In the long-term, investments in new labour-intensive projects for the manufacturing, construction, and services sectors are being approved by the Myanmar Investment Commission.

Political

Earlier this year, Myanmar was taken to the International Court of Justice (ICJ) by the Gambia for its treatment of the Rohingya population. On 23 January 2020, the ICJ determined that it has the authority to adjudicate the dispute and that Myanmar must take steps to prevent further genocidal acts by its own or other forces acting within its territory. Additionally, the Court stated that Myanmar must preserve any evidence of wrongdoing under the Genocide Convention and to submit a report of the steps being taken to comply with these orders.



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The 3rd general elections in Myanmar was held on November 8, an important next step in Myanmar's ongoing democratic transition. The polls saw roughly 71% of 38 million eligible Myanmar citizens exercising their right to vote in peaceful and democratic elections, a high turn-out despite the enormous logistical challenges posed by the outbreak of Covid-19 pandemic. The Union Election Board announced that the NLD (National League of Democracy), Myanmar's current ruling party, won with 83% of the votes and 396 seats, a bigger majority than the 2015 election (just under 80% votes and 390 seats). In the Amyotha Hluttaw (House of Nationalities: Upper House), NLD obtained 138 seats (82.14 %) of the total 168 seats while the main opposition party, USDP, won 7 seats (4.17 %) and the other opposition parties obtained the rest of the seats. In the Pyithu Hluttaw (House of Representative: Lower House), NLD obtained 258 seats (78.18 %) and USDP won 26 seats (7.88 %). With these results the NLD has secured enough seats in parliament to form the government for the next 5 years from April 2021 onwards.

2. Regional Water Security Study (RWSS)

The Ayeyarwady River is the lifeblood of Myanmar with its delta being the centre of socio-economic development. To support the sustainable development of the Ayeyarwady delta, the Regional Water Security Study (RWSS) has been implemented by the Directorate of Water Resources and Improvement of the River Systems (DWIR), Ministry of Transport and Communication (MOTC), Government of Myanmar under the Myanmar-Netherlands MoU (2013) on cooperation in Integrated Water Resources Management. The study was financed by the Partners for Water program and executed by a consortium led by Dutch consultancy firm, Arcadis, in cooperation with stakeholders in the Yangon Region. It was completed in October 2020.

The Ayeyarwady Delta is a connected system of natural and anthropogenic elements which includes rivers, coasts, frequently inundated low areas, drainage and irrigation canals, sluice, embankments, and the Twante canal. This interconnected delta also faces various water challenges such as low levels of groundwater, coastal and riverine floods, local inundation, and lack of access to sufficient, clean water which will be exacerbated in the future. The objective of RWSS was to define a set of no-regret measures and investments in order to sustainably improve water security until 2040 in the Yangon region. These measures should be supported by the stakeholders and can be subsequently designed and implemented under the World Bank financed AIRBM project or other development partners. Additionally, RWSS aims to support the development of an integrated water management system and build the capacity of decision-makers to evaluate the impact of large-scale interventions in the delta system.

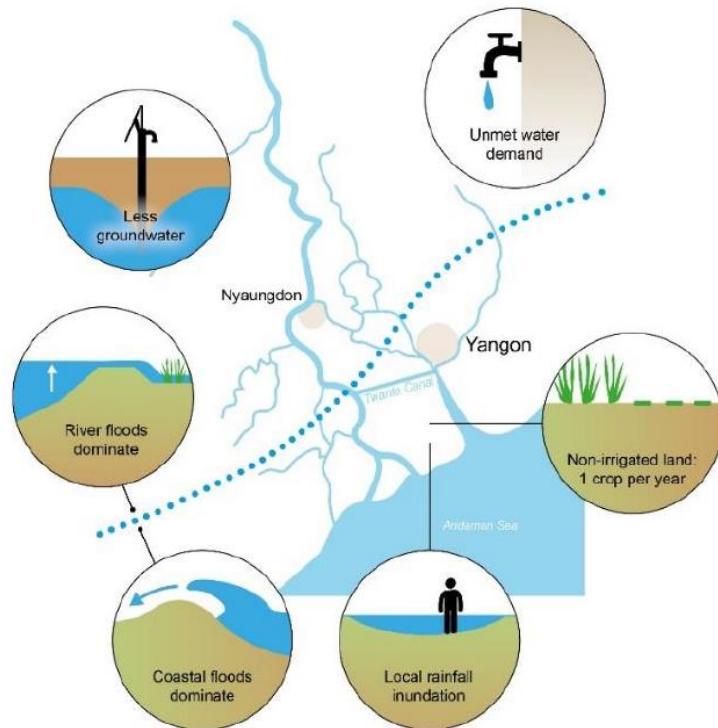


Figure 1. Summary of the water challenges in the project area (Source: Regional Water Security Study Executive Summary, Arcadis 2020)

The first step in the project was to model the delta system, focusing on the study area, in order to understand the functioning of this interconnected system. The study area covers the region in West and South-West of Yangon City. Following modelling of the study area, the RWSS methodology was developed to analyse the impact of changes in the delta and applied it to four existing development projects, namely, Pan Hlaing Sluice, phase 2 of the Twante Canal Improvement, New Yangon City Development, and new water intake facilities, in order to underline the need for an integrated delta-wide approach. The methodology computed and qualitatively assessed a number of indicators. In order to develop measures for 2040, sustainable development targets also need to be developed in consultation with the stakeholders and authorities: access to freshwater for 80% of the inhabitants of villages in the Greater Yangon Region all throughout the year; increase in freshwater availability and irrigated area in order to boost agriculture, and reduction in flood risk for industrial and urban areas.

In order to address the challenges and sustainably achieve the development targets for 2040, a set of local measures, the required investments, and benefits have been compiled into three interrelated programs. Each program addresses one of the 2040 targets:

- The Weakest Links Program focuses on strengthening and upgrading current flood protection infrastructure by increasing the heights of existing dike sections, constructing new dikes, and building flexible barriers to close some existing sluices, open creeks and river mouths. This program also recommends regular controlled flooding for the environmental benefits that it can provide.



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- The Water Availability Program proposes rainwater harvesting on a neighbourhood level using house roofs and storage tanks as well as the rehabilitation of existing ponds and development of new lined ponds.
- The Drainage Management and Irrigation Improvement Program requires a complete and in-depth analysis of the various hydraulic structures in the system in order to assess the impacts of measures such as widening and deepening of existing drainage canals. Additionally, local storage of excess rainwater, as mentioned in the Water Availability Program; adding control structures and developing solutions that benefit from the tidal behaviour of the system are recommended to improve the agriculture in the region.

A final set of no-regret solutions were developed in the form of three regional packages (for Yangon South, Pan Hlaing Island, and Nyaungdon Island) with measures from all three programmes in order to have integrated water management. The recommended next steps are to prioritise the short-term measures and to conduct (pre-)feasibility studies, detailed data collection, assessment of the local situation/area, and updated modelling and cost-recovery of the desired/proposed measures.

More/detailed information about the study can be found in the publicly available final report. To access the final report, please email the Embassy of the Netherlands in Myanmar at yan@minbuza.nl.

3. Pan Hlaing Sluice project

The Pan Hlaing River lies to the West of Yangon draining the surrounding regions, used for navigation, and supplying water for agriculture. It faces challenges that interrupt these functions such as a shortage of freshwater availability during the dry season due to saline and brackish water intrusion; intensive sedimentation which impacts drainage of excess rainfall, obstructs navigation and decreases freshwater supply, and flood risk due to insufficient drainage and high-water levels from storm surges. These challenges require important improvements to accommodate future developments such as the urbanisation of the Greater Yangon region and the related need for increased freshwater, flood resilience and drainage. In order to address these challenges, the construction of the Pan Hlaing sluice was recommended to make the river a freshwater body, improve its drainage function, and minimise flood risk by minimising sedimentation and saline intrusion as well as controlling river water levels.

A Dutch consortium with Royal HaskoningDHV as the lead consultant conducted studies including Economic and Financial Feasibility Study, ESIA, developed a basic design, under the Develop 2 Build (D2B) programme (completed in February 2020). Based on the outcome of these studies and discussions with stakeholders MoALI chose a location for the sluice and started the process for organizing the financing of the project. This has taken quite some time, but with a positive appraisal for a DRIVE subsidy and a recent agreement of DACU (Developing Assistance Coordination Unit) the project has regained momentum for preparation of procurement and the actual construction of the sluice.



Figure 3. Sluice and ship lock with 4 gates (Source: Royal HaskoningDHV, 2020)

4. Hlaing Thar Wastewater Management project

The ESIA of the Pan Hlaing sluice project raised the concern of deteriorating water quality in the river due to the insufficiently treated or untreated discharge of domestic and industrial wastewater into the Pan Hlaing River and the stagnation of the waste due to the regulation of water flows by the sluice. The degradation of the water poses a threat to humans as well as the ecosystem. In order to address this concern, the Hlaing Thar Wastewater Management project was developed under Develop2Build. The Hlaing Thar wastewater system is a collective system which will treat the wastewater from the Hlaing Thar Yar and Shwe Than Lwin industrial zones located north of the Pan Hlaing River. The project also aims to, in the short- and long-term, improve discharge and treatment of domestic wastewater as well as assist companies to comply with the environmental requirements of industrial wastewater treatment. In January 2020 a consortium of Royal HaskoningDHV, ARCADIS, Cordaid en Waterbridge started a feasibility study and ESIA as well as the development of a preliminary design. Unfortunately, the project faces delays now as a result of the COVID-19 restrictions in Myanmar and the Netherlands.

5. Events calendar

Myanmar: project opportunities and financial instruments

In the framework of the Partners for Water programme, the Netherlands Water Partnership will host an online platform meeting on water collaboration between the Netherlands and Myanmar. The meeting will be organised in collaboration with the Dutch Ministry of Infrastructure and Water Management, the Dutch Embassy in Myanmar and RVO. The platform meeting will provide more information on the focus areas in the water sector for the Partners for Water programme, the Dutch Embassy in Myanmar and the World Bank. Additionally, in order to make these prospects into project opportunities for the Dutch water sector in Myanmar, an overview of relevant financial instruments of the Netherlands Enterprise Agency (RVO) will be provided.

The details of the meeting are as follows:

Date: 1 December 2020

Time: 09.00 - 10.30 CET



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Location: Virtual (information to be sent following registration)

Registration is possible via the link [here](#). The last date for registrations is Monday, 30 November 2020.

For more information please contact NWP's Project Officer Asia, Anusha Sanjeev Mehta, at a.mehta@nwp.nl.

Other events

WaterTech Myanmar 2020 has been rescheduled to 1-3 December 2020 in Yangon, Myanmar



MyanWater 21' will take place on 27-29 May 2021 in Yangon, Myanmar



MyanmarWater 2021 will be on 20-22 October 2021 in Yangon, Myanmar



The next SIWW will be on 20-24 June 2021



The Climate Adaptation Summit of the Global Commission on Adaptation has been re-scheduled to take place digitally on 25 January 2021



The UN Climate Change Conference (COP26) set to take place in Glasgow has been re-scheduled to 1-12 November 2021





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For more information or suggestions for the next Country Update Myanmar, please contact Anusha Sanjeev Mehta, Project Officer Asia: +31-62-9931997, a.mehta@nwp.nl

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