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Policy Development Section

POL

FOR INFORMATION

Update on the implementation of technical cooperation activities in Myanmar

Summary: Report of the ILO Liaison Officer in Myanmar on progress in ILO implementation of the programme framework for technical cooperation activities in Myanmar. A detailed outcome and issues report will be tabled at the 320th Session of the Governing Body in March 2014.

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Related documents: GB.316/INS/5/5.

1. At its 316th Session (November 2012), the Governing Body discussed proposed technical cooperation activities in Myanmar.¹
2. In its conclusion, the Governing Body:
 - (a) endorsed the proposed interim programme framework for technical cooperation activities in Myanmar;
 - (b) requested the Office to report on progress in its implementation at the 319th Session (October 2013); and
 - (c) called upon member States and international organizations to provide voluntary contributions to the ILO programme in Myanmar.
3. The 102nd Session of the International Labour Conference (June 2013) invited the Governing Body to review the situation in Myanmar on issues relating to ILO activities, including freedom of association, and the impact of foreign investment on decent working conditions in the country in March of each year until forced labour is eliminated. This report, which is submitted for information, will therefore report only on programme implementation progress, with a detailed outcome and issues report to be tabled at the 320th Session of the Governing Body (March 2014).
4. The interim programme framework was based on an agreement reached between the Government of Myanmar and the social partners in October 2012 on an agenda called “Decent Work – a tool for Economic Development and Poverty Reduction”.
5. This agenda identified seven key policy areas:
 - (a) the elimination of all forms of forced labour by 2015;
 - (b) the successful introduction of freedom of association and social dialogue;
 - (c) enhanced employment opportunities, particularly for youth;
 - (d) labour legislation and labour market governance;
 - (e) socially responsible enterprise development;
 - (f) labour migration; and
 - (g) the employment dimension of trade and development.

An eighth element, social security and the social protection floor, has subsequently been added in agreement with the Government.
6. The ILO Liaison Office in Myanmar, with technical support from both headquarters and the Regional Office for Asia and the Pacific (RO–Asia and the Pacific), has moved to develop programme activities under each of these items.
7. The Government’s reform agenda is all encompassing – political, economic and social. There remain considerable macro risks in areas such as internal governance/politics associated with constitutional reform; peacebuilding in the context of ethnic communities and their associated armed groups; and social unrest in the context of widespread poverty

¹ GB.316/INS/5/5.

and uneven distribution of wealth exasperated by the rise of nationalism and associated religious intolerance. However, parallel risk mitigation strategies are being addressed with legislative, policy and procedural transition activity.

8. In January 2013, the Government initiated a major development conference of policy-makers and development partners, attended by the ILO Deputy Director-General for Management and Reform (DDG/MR), at which the Nay Pyi Taw Accord for Effective Development Cooperation was developed, encompassing a set of principles for the management and coordination of development policy and aid. In response to the Nay Pyi Taw Accord, 15 sector working groups (SWGs) have been established with responsibility for developing coordination strategies in respect of priority policy development and application. Each working group is chaired by the relevant government minister for the particular sector, who is supported by two co-leads, one each representing the multilateral and bilateral development partners. All government ministries and development partners with an interest, and/or the intent to be active, in a particular sector are required to be members of that SWG. The ILO has been appointed multilateral co-lead of the Employment Opportunities SWG (EOSWG) chaired by the Minister of Labour, with the bilateral co-lead being the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (German Agency for International Cooperation).

9. The EOSWG draft terms of reference provide the following mandate:

With the objective of encompassing both the formal and the informal sectors, a strategy, based on the analysis of the SWG consultations and research findings, will be developed and implemented under which:

- New job opportunities can be created.
- Quality of jobs can be improved fostering decent work prospects.
- Job referral/linkage mechanisms can be developed, including the strengthening of labour exchange capacity.
- Entrepreneurship can be fostered.
- Job opportunities from foreign direct investment can be maximized.
- Youth employment can be promoted.
- Vocational, skills and human development training can be provided.
- Safe migration, within the objectives of the National Action Plan, can be achieved.

10. Employment is a cross-cutting issue which by necessity requires the EOSWG to work in close collaboration with all other SWGs. The ILO has registered as a member of the Public Administration and Reform, Agriculture and Rural Development, Tourism, Enhancing of Women's Empowerment, and Development of Quality Statistics SWGs, as well as the Social Protection subgroup of the Social Protection and Disaster Risk Reduction SWG.

11. The EOSWG mandate encompasses the Government of Myanmar/ILO "Decent Work – a tool for Economic Development and Poverty Reduction" agenda and will provide a platform for cooperative and coordinated development partner support for the mutually agreed priorities.

12. Specific developments in programmes are as follows:

- (a) *The elimination of forced labour.* Funding for five new projects for the elimination of forced labour has been secured.
 - (i) An 18-month project, with European Commission funding, for the continued operation of the Supplementary Understanding forced labour/child soldier

complaints mechanism and associated awareness-raising and intervention activities.

- (ii) An 18-month project, with funding from the Government of the Netherlands, for the establishment of a complaints “hotline” and the production of information material covering specific forced labour issues.
- (iii) An 18-month project, with funding from the United States Agency for International Development (USAID) to undertake a comprehensive trafficking survey to assist policy and intervention programming.
- (iv) A nine-month seed funding project, with the United Nations Peacebuilding Fund support, to develop economic reintegration tools and interventions for discharged child soldiers and other vulnerable groups, and to support intervention for the identification and discharge of under-age recruits categorized as “deserters”.
- (v) A ten-month seed funding project, with funding support from the Government of Japan, for small-scale labour-intensive programming designed to address the elimination of forced labour, livelihoods and community empowerment in respect of internally displaced persons in conflict-affected areas in the context of peacebuilding.

Following the Government’s declaration of intent to ratify the Worst Forms of Child Labour Convention, 1999 (No. 182), an ILO-funded tripartite workshop is to be held in November 2013 to commence workplanning for the ratification process. In parallel, a bid has been submitted for available United States Department of Labor (USDOL) funding for a major child labour project.

A three-year project in conjunction with the World Bank supporting the elimination of forced labour and the application of international labour standards in the context of the Bank’s Community Driven Development programme is in the process of finalization.

- (b) *Freedom of association.* United States Department of State (USDOS) funding for freedom of association will end shortly and two years of new funding from the Government of Norway has been secured for its continuation. This includes legislative, policy and practice advice/advocacy to Parliament and Government; capacity building of the tripartite partners and labour institutions; training support for labour organization leaders and employers; and general awareness raising on freedom of association principles.

The Bureau for Workers’ Activities (ACTRAV) has undertaken a number of assessment missions and begun a programme of training support for labour leaders, addressing organizational capacity and priority areas for policy activity/advocacy including minimum wage-setting procedures and safe migration.

The Bureau for Employers’ Activities (ACT/EMP) has also undertaken assessment missions and, following the holding of consultative symposia with the Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry, is currently working to put in place a two-year capacity-building project with the Chambers. The source of funding is to be secured.

The International Training Centre of the ILO in Turin (ITC), in association with ACT/EMP, ACTRAV and Governance and Tripartism (GOVERNANCE), has

undertaken targeted training of workers and employers and held a seminar for the tripartite partners on freedom of association, rights at work and social dialogue.

- (c) *Enhanced employment opportunities, particularly for youth.* Planning for a Regular Budget Supplementary Account (RBSA) funded comprehensive national labour force survey, including child labour and school-to-work transition analysis modules, is well advanced and a technical working group has been established to oversee development and implementation. Two statisticians with appropriate survey experience have been engaged. The survey, led by the Ministry of Labour with the technical support of the government Central Statistical Organization, will be undertaken in the third quarter of 2014 and will work in parallel and in cooperation with the national population census. Given the current absence of sound statistical data, this survey will play a critical role in informing policy priorities and intervention initiatives.

The ILO is a member of the Comprehensive Education Sector Review (CESR) technical and vocational education and training (TVET) group, with RO–Asia and the Pacific senior skills specialists providing technical support to that group’s considerations. With funding support from RO–Asia and the Pacific, the UN Peacebuilding Fund and the Government of Switzerland, the Liaison Office has undertaken: three research activities to inform both the CESR and other project interventions; a demand-side TVET study; a study into the capacity and role of business to better match and anticipate skill needs in Myanmar; and a mapping and assessment of available skills training facilities (public and private) in three target areas. A comprehensive project proposal, including the obtaining of an in-country TVET specialist, is under development.

In preparation for the 2015 establishment of the Association of Southeast Asian Nations (ASEAN) Economic Community, the ILO and the Asian Development Bank (ADB) are carrying out a joint study on the opportunities and challenges that will face ASEAN countries in the near future. As part of this research initiative, a country study on Myanmar is being prepared, for which a rapid assessment of enterprises in Yangon was undertaken and a group discussion of the major stakeholders was held.

- (d) *Labour legislation and labour market governance.* Parliament continues a very heavy legislative agenda across all policy areas. The Ministry of Labour has sought ILO inputs on a range of legislation, including the development/revision of the following:
- (i) the Labour Organization Act, 2011, and its regulations/rules, and the Settlement of Labour Disputes Act, 2012, and its regulations/rules. A further tripartite post-introduction consultation on application difficulties has been facilitated by the ILO, with recent reports indicating that an amendment to the Settlement of Labour Disputes Act will shortly be presented to Parliament;
 - (ii) the Minimum Wages Act, 2013, and its regulations/rules;
 - (iii) the Shops and Enterprises Act, 2013;
 - (iv) the Factories Act Amendment Bill, 2013;
 - (v) the Social Security Act, 2012, and its regulations/rules;
 - (vi) the Occupational Health and Safety Act, 2013 (draft);
 - (vii) the Employment and Skills Training Act, 2013, and its regulations/rules;

(viii) the Prisons Act, 2012.

Capacity-building initiatives are being put in place through regional tripartite seminars, targeted overseas study missions and national-level meetings/seminars for Ministry of Labour staff and other relevant government personnel, as well as for members of labour market institutions, including the Arbitration Council and the Human Rights Commission.

- (e) *Socially responsible enterprise development.* A pilot seminar using the ILO community-based entrepreneurial development methodology has been undertaken in cooperation with the Myanmar Women’s Entrepreneurs Association for potential use, particularly in rural areas, conflict-affected regions and in support of the urban poor.

An initial market assessment of business development service providers, particularly, but not exclusively, in the tourism sector has been undertaken, with support from the Government of Norway. This is in preparation for coordinated major projects with both the Government of Norway and the Government of Switzerland for the introduction of entrepreneurship support, using the Sustaining Competitive and Responsible Enterprises (SCORE) and Start and Improve Your Business (SIYB) packages in the tourism sector, with potential expansion to other sectors.

These activities will work in close cooperation with the previously mentioned economic reintegration project for discharged under-age recruits and other vulnerable groups (see (a) above) and with the “employment dimension of trade and development” initiatives (see (g) below).

- (f) *Labour migration.* A labour migration project has been established in the Yangon Liaison Office as part of the regional Tripartite Action to protect Migrant Workers from Labour Exploitation (TRIANGLE) project funded by the Australian Government. Activity undertaken includes: support for the development of the National Action Plan on Migration and the necessary workplans for its application; support for government study missions; work in the production of safe migration awareness documentation; and technical support for the establishment of migrant resource centres in selected migration regions of the country.

This project will work in close collaboration with:

- (i) the ASEAN TRIANGLE project, which supports tripartite attendance at regional symposia;
 - (ii) the ILO trafficking project (see (a) above) in respect of trafficking/migration patterns;
 - (iii) the TVET projects (see (c) above) on skills recognition; and
 - (iv) the freedom of association project (see (b) above), particularly in respect of awareness raising of potential migrant workers.
- (g) *The employment dimension of trade and development.* With the opening of the economy to foreign direct investment, the ILO with funding support from the Government of Switzerland, is working with employers, workers and their organizations, in the garment sector initially, to undertake an industry baseline survey, followed by work in support of the development of an industry code of conduct with social dialogue at the core. This activity is to be undertaken in close coordination with projects initiated by the European Union (EU) and the Governments of Germany and the United Kingdom, and will support broad industry

development encompassing such issues as the regulatory framework, taxation, access to markets, productivity, quality management, occupational health and safety, and employment conditions.

A further responsible investment project is under development, with funding from the Government of Denmark, under which the ILO, as one of three delivery partners, will undertake value chain assessment and development for job creation and entrepreneurship in the garment and fisheries (aquaculture) sectors – the other two partners being the International Commission of Jurists and the Institute for Human Rights and Business.

A project under the EU Instrument for Stability, for which a funding decision has been taken with project detail being finalized will, as part of its support to communities in conflict-affected areas, promote responsible business in respect of special economic zones.

- (h) *Social security and the social protection floor.* In support of the application of the recently adopted Social Security Act and its associated regulations/rules, a number of capacity-building activities have been undertaken. One actuary from the staff of the social security board has attended an expert's course at the ITC Turin and another has been granted a 12-month ILO study fellowship to Naresuan University in Thailand for a post graduate diploma in health insurance. An associate expert in social security, supported by the Government of France, will begin a 12-month assignment in Myanmar on 1 December 2013.

The ILO is co-lead with the United Nations Children's Fund (UNICEF) in the Myanmar social protection floor programme and as such has participated in a first social protection floor workshop held in Chin State.

Geneva, 4 October 2013