



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 27-Sep-2018 | Report No: PIDISDSC25410



BASIC INFORMATION

A. Basic Project Data

Country Myanmar	Project ID P167978	Parent Project ID (if any)	Project Name MM: Digital Myanmar Project (P167978)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Apr 29, 2019	Estimated Board Date Sep 18, 2019	Financing Instrument Investment Project Financing
Borrower(s) Ministry of Planning and Finance	Implementing Agency Ministry of Transport and Communications		

Proposed Development Objective(s)

The objective is to (i) increase integration and efficiency of digital investments for targeted public sector agencies using a shared digital government platform, and (ii) increase availability and transparency of selected digital services for Myanmar people, businesses and government employees.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	100.00
Total Financing	100.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	100.00
IDA Credit	100.00

Environmental Assessment Category

C - Not Required

Concept Review Decision

Track II-The review did authorize the preparation to continue



B. Introduction and Context

Country Context

Myanmar is often called a land of opportunity. It has a rich history, is rich in natural resources, its key geographical location connects India, China, and Thailand, and it is the largest land country in mainland Southeast Asia. However, Myanmar remains one of the least developed countries in Asia with a population of 53 million¹ and per capita GDP of US\$1,190.²

In 2011, Myanmar embarked on a momentous transition: from a planned to an open market economy; from military to civilian rule; from conflict to peace. The country adopted a new constitution in 2008, and a civilian-led government launched major political and economic reforms aiming to increase openness, empowerment, and inclusion. The Government of Myanmar (GOM) began implementation of a series of reforms to remove constraints on commerce, trade, and private enterprise. The government introduced a unified exchange rate, special tax exemption for foreign investors, removed trade restrictions, provided greater autonomy for the central bank, and increased transparency in some government functions. The reform process delivered quick results. The economy grew at an average of seven percent a year from 2011 to 2017. Poverty declined from nearly 50 percent in 2005 to 32 percent in 2015. However, growth has further widened disparity.³

Yet the transitions are far from complete. The political system is now hybrid rather than fully civilian with the military guaranteed one-quarter of seats in both the upper and lower houses and controlling three key ministries. While a Nationwide Ceasefire Agreement was signed with ten ethnic armed groups, ten have still to sign and violence continues in the northeast of the country. After a brief window of rapid liberalization and openness after 2011, the media and private citizens are increasingly fettered by strong anti-defamation clauses in the 2013 Telecommunications Law. The transition to a market economy also has a way to go – Myanmar has one of the most difficult business environments in the world. The violent forced exodus of 700,000 Rohingya Muslims in Rakhine State in August 2017 demonstrates the limits of progress on democratization and peacebuilding.

Global indicators, and Myanmar's own experience, suggest that improving governance should remain a key priority for the full realization of development aspirations. This includes the effectiveness of government and the transparency of authorities. Reducing poverty and promoting shared prosperity is predicated on institutions that are effective in not only solving the problems of the past but responding to the changing needs of the people they serve. This involves both strengthening core government systems to channel resources to the poorest of the population, including minority ethnic groups, and developing a public sector grounded in service, security, transparency, and people's participation.

Access to information has improved because of the introduction of increased media freedoms and transparency since 2012 despite ongoing challenges. Along with rapid growth of mobile phone and smart phone usage, people can now easily access free or uncontrolled information through social media websites or the Internet. This fundamental transition of public information and access to information through digital devices promotes the need for further transparency and accountability in the government.

¹ In 2017. Source: World Bank. World Development Indicators.

² GDP per capita, World Bank Atlas Method (USD) in 2017. Source: World Bank. World Development Indicators.

³ Source: Myanmar SCD Concept Note, June 2018.



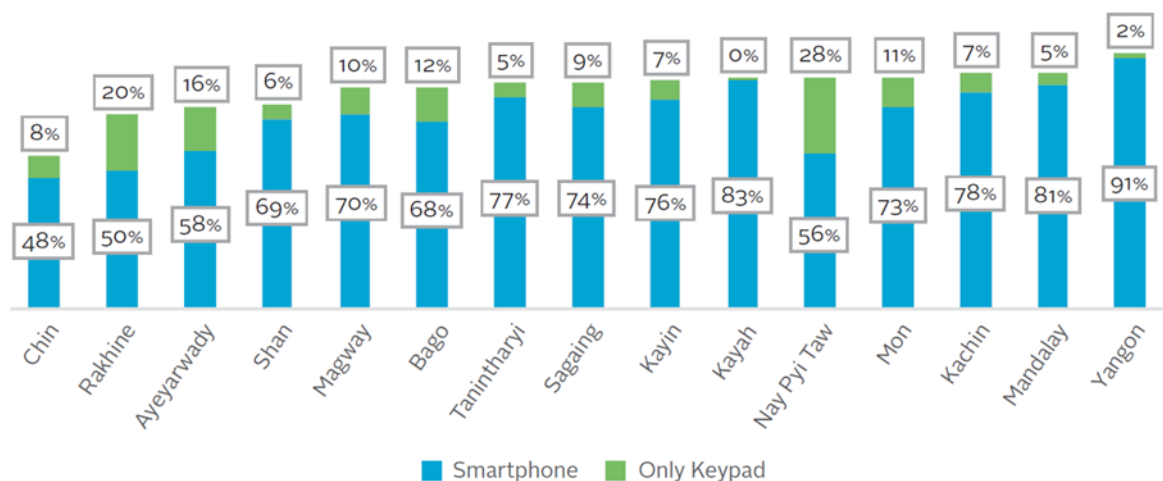
In terms of economic growth and economic transformation, the Myanmar economy needs to be more fully integrated into regional and global markets, by diversifying its exports and to become a part of global value chains and networks. Further policy reform will remove the obstacles for the private sector and foreign direct investment. Further modernization of the financial sector (for example, strengthening access to finance) will support micro, small, and medium enterprises to do business, and support private sector growth in Myanmar.

Sectoral and Institutional Context

Digital Connectivity

Since 2012, Myanmar has experienced rapid telecommunications sector reform, and steep growth in mobile cellphone users (3G+) and smart phone usage. With support from an ongoing World Bank financed project – Myanmar Telecommunications Sector Reform Project (P145534)⁴ – telecom sector liberalization has led to transformative outcomes. To date, three foreign operators have obtained mobile licenses in Myanmar. The number of mobile phone users increased from 13 percent of the total population in 2013 to 108 percent in 2017. The price of SIM cards fell from US\$300 in 2012 to less than US\$2 in 2017. According to the results of the most recent survey, mobile phones have demonstrated the most significant growth of all consumer goods.⁵ Broadband access increased from just over 1 percent of the total population in 2012 to over 56 percent in 2017. Smart phone users increased from 10 percent of the total population to about 80 percent in 2018.

Figure 1. Percentage of households owning at least one mobile phone, by type of phone



Note: Figures are household weighted.

Source: Myanmar Living Condition Survey (MLCS) 2017.

More people are using mobile applications and services, such as Facebook, Gmail, and Skype. While Facebook has been used to spread disinformation and hate speech, the rapid increase in connectivity and smart phone usage in Myanmar has

⁴ The Project Development Objectives of the Myanmar Telecom Sector Reform Project are to support: (i) policy and regulatory work; (ii) design and implementation of a Universal Access program to provide services in remote and commercially unviable areas of Myanmar; (iii) establishing the foundations for e-Government in Myanmar.

⁵ Myanmar Living Condition Survey (MLCS) 2017.

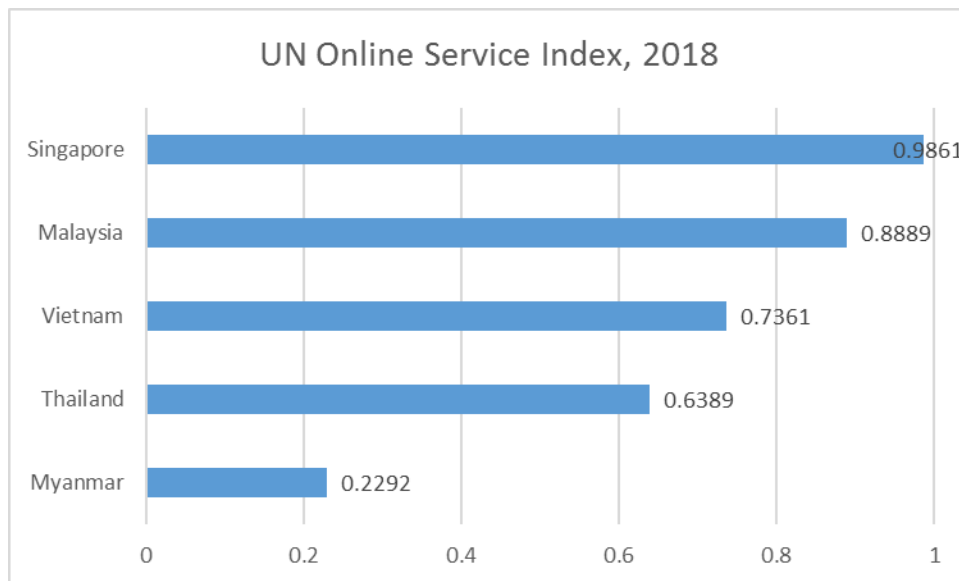


high potential to enable access to services and platforms, although progress still lags and there is significant gender disparity when compared to other countries.

Strong Demand for Better Government Services Delivery

High bureaucracy and insufficient transparency have been major barriers to delivery of better government services in Myanmar. Along with the first wave of sector reforms since 2012, public services are expected to be further streamlined and delivered to Myanmar people and businesses more effectively and efficiently. GOM urgently needs to improve public service delivery. Also, GOM has embarked on a further decentralization program to delegate more functions and services to regional governments. Given the limited resources and constraints within GOM, its main challenge is to identify the business models that can be scaled up across the country and sustained operationally.⁶

Given the significantly improved mobile and Internet connectivity, Myanmar has a great opportunity to take advantage of digital technology and mobile devices as a means to enhance government public service delivery. Providing higher quality basic services (such as health, sanitation, education, agriculture, and so on) using mobile devices would allow faster, inclusive, and sustainable growth and high impact on people’s daily lives. Compared to more advanced neighboring countries, such as Singapore, Malaysia, Thailand, and Vietnam, online public service delivery offers the potential to meet this demand.

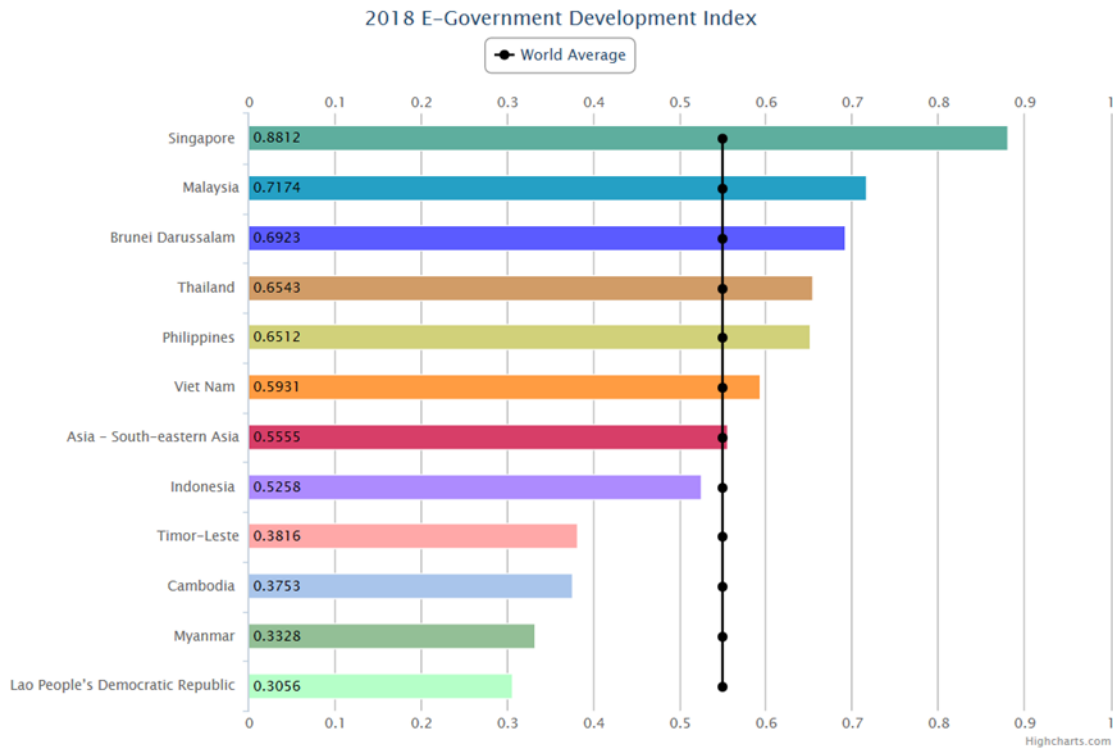


Source: UN EGDI report 2018: <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2018>.

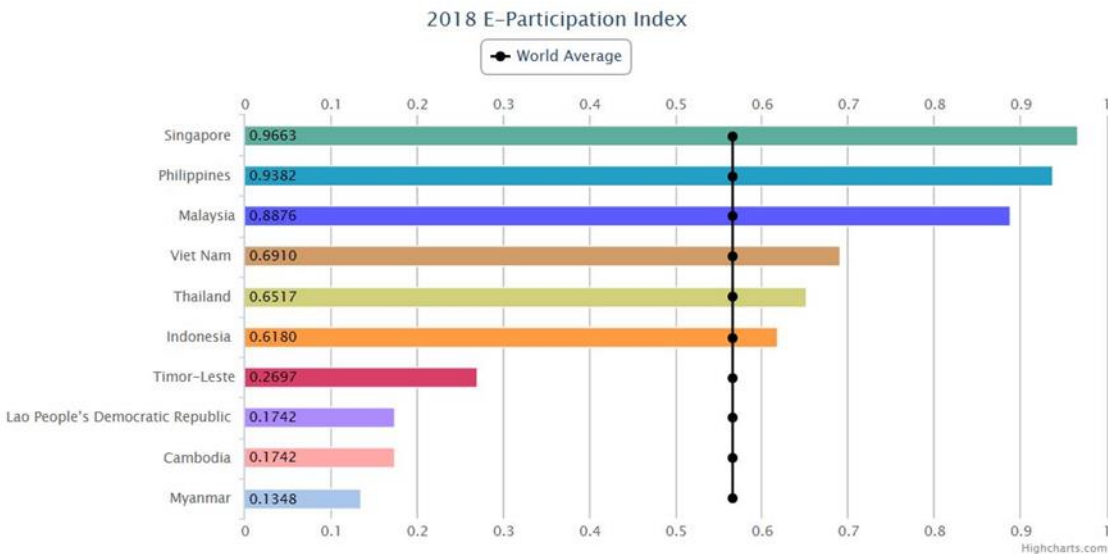
Digital Government

The UN’s e-government development assessments indicate a very low ranking for Myanmar, compared to other Southeast Asia countries and the world’s average. In 2018, Myanmar was ranked #157 (out of 194 countries) on the UN E-Government Development Index, and #181 on the UN E-Participation Index. In particular, the E-Participation Index measures people’s accessibility to information and public services through online services, online interaction between government and citizens on public policies and services, and digitally inclusive governance. It implies that Myanmar may not have yet utilized all the opportunities and potential that it possesses.

⁶ <https://www.mmtimes.com/opinion/9599-a-new-approach-to-services.html>



Source: UN E-Government Knowledgebase: <https://publicadministration.un.org/egovkb/en-us/Data-Center>.



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ICT deployment and use in GOM could benefit from more coordination and reduction of agency silos. Individual agencies' development and operation of digital services typically results in duplicated e-government infrastructure, platform and software. Such fragmentation impedes effective collaboration and decision making at the political and operational levels and ultimately increases costs and creates inconvenience to people and businesses. It also undermines the delivery of economic and social services, physical security, economic management, and inclusive political processes.



A more integrated and shared approach towards IT adoption across GOM would improve coordination and reduce duplication and fragmentation across ministries and departments in the public sector. An integrated approach could also help to address key ICT capacity and resource issues that are common in line agencies. These include: issues related to management, cost and utilization of multiple datacenters and systems; challenges in integration, interoperability, data, and information exchange between internal and external systems; high-risk critical systems and infrastructure from a cybersecurity perspective; and the need for sufficient technical and strategic ICT management capacity.

As the first strategic step towards e-government/digital government development in Myanmar, an e-Governance Master Plan was developed with support from the Asian Development Bank (ADB) and approved by the Office of the President in September 2016. The plan provides the overall framework for digital transformation in Myanmar, identified priority areas, and a holistic approach for collaboration and linkage across GOM towards the digital development agenda. The master plan also estimated that the long-term investments required for Myanmar to implement comprehensive digital government systems and services at US\$1.2-1.4 billion.

Following a recommendation in the e-Governance Master Plan, the e-Government Steering Committee (eGSC) was established in early 2018 with State Counsellor as the patron and Vice President II as the chair with 46 members across the government, including Union Ministers, Union Attorney General, Union Auditor General, Chairman of the Union Civil Service Board, Nay Pyi Taw Council Chairperson, Chief Ministers of all Regions and States, Deputy Ministers, Deputy Governor of the Central Bank of Myanmar, and Patron of the Myanmar Computer Federation (MCF). The eGSC functions as a coordination, cooperation, and decision body to facilitate an enabling environment for digital transformation, particularly focusing on a public-sector modernization agenda and public service delivery and digital service enablement. The eGSC has also set up eight subcommittees on various digital themes. The first subcommittee on “Control” is chaired by the Deputy Minister of the Ministry of Planning and Finance (MOPF), and has the mandate to ensure the use of shared applications and infrastructure are utilized, instead of agencies building their own.

eGSC’s establishment provides a timely and significant opportunity for GOM to take a whole-of- government (WOG) approach for its e-government goals and activities. The WOG approach will enable GOM to make more holistic, effective, and efficient ICT investments, and enable GOM to deliver faster and better results to Myanmar’s people and businesses.

The WOG approach for e-government has been a long-term strategy of many governments around the world over the past 10- 20 years. This “one-stop government” approach moves isolated silos in public administration to formal and informal integrated networks. It is a global trend driven by societal forces and the opportunities presented by the Internet, to transform the way that governments work for citizens. The WOG approach to manage ICT has proven ultimately to achieve higher government efficiencies, enable cross-agency coordination of resources and services, and foster one-stop governance transformation and e-service delivery. Contributing to this result has been strong leadership, culture and structural change, new approaches to budget/financing and strong co-ordination mechanisms. Numerous countries have already implemented this WOG approach, such as Australia, the Republic of Korea, Singapore, and the United Kingdom, and this is expanding to the adoption of digital by design principles. The digital technologies available today also enable Myanmar to start, on a limited-scale, a catalytic approach to develop their shared digital foundations and services, and to ensure its full utilization. An initial, limited-scale platform and services can be made available to early adopter agencies in GOM that are more receptive and ready, and/or for new digital systems or services under new projects in other sectors. These early adopters of the digital platform will also provide a demonstration effect to catalyze demand by other agencies, and the platform can be eventually scaled up to meet increased demands, as and when needed.



Relationship to CPF

The latest World Bank Group's Myanmar Country Partnership Framework (2015-2017) has three focus areas: (1) Reducing Rural Poverty, (2) Investing in People and Effective Institutions, and (3) Supporting a Dynamic Private Sector to Create Jobs. The proposed project is fully aligned with these three focus areas. More specifically, the proposed project will support increased access to infrastructure and public services under the Reducing Rural Poverty pillar. The project will support more efficient and effective management of government institutions by introducing horizontal digital technology enablers (digital platform and shared infrastructure) under Investing in People and Effective Institutions. The project will support the creation of an enabling environment for private sector development and job creation by strengthening analog enablers (that is, policy and legal support, capacity building, public-private partnerships) under Supporting a Dynamic Private Sector to Create Jobs.

Alignment with GOM's Policies

The proposed Digital Myanmar Project is fully aligned with the Myanmar Sustainable Development Plan (MSDP), and the National Economic Plan and its key national strategies. It will put in place the key enablers, governance processes, and strategic quick-wins needed to deliver the National e-Governance Master Plan. E-government is also one of the priorities identified in GOM's 12-Point Economic Policy, and the proposed project is needed for all three Pillars of the Myanmar Sustainable Development Plan:

- For Pillar 1 "Peace & Stability", Goal 1 on "Peace, National Reconciliation, Security & Good Governance," and Strategies 1.4 and 1.5: This project will implement a whole-of-government approach to improve governance effectiveness, transparency and accountability, and provide digital services to Myanmar's people and businesses.
- For Pillar 2 "Prosperity & Partnership", Goal 3 on "Job Creation and Private Sector Led Growth": This project's digital platform and readiness for the digital economy will serve as an enabler to diverse economic opportunities, create job opportunities, unlock creativity and innovation in the digital era to catch up regional peers
- For Pillar 3 "People & Planet": The digital platform could serve as a new platform to provide socioeconomic opportunities (that is, opportunities to develop skills, support social and economic mobility, access to the information and services, and so on) to vulnerable people.

Coordination with Other Donors and Development Partners in Myanmar

The proposed project has been discussed with other multilateral and bilateral donors, such as ADB, JICA, Korean Exim Bank, development partners, and NGOs, and coordination with these donors and partners will continue. For example, MOTC is currently implementing a US\$80 million integrated datacenter development project with the Republic of Korea's Economic Development Co-operation Fund.

C. Proposed Development Objective(s)

The objective is to (i) increase integration and efficiency of digital investments for targeted public sector agencies using a shared digital government platform, and (ii) increase availability and transparency of selected digital services for Myanmar people, businesses and government employees.

Key Results



Progress towards the achievement of the PDOs would be assessed using the following results indicators (the proposed indicators will be refined during project preparation):

1. Number of GOM agencies' digital systems, applications and/or services integrated into the shared digital government platform developed by the project
2. Increased efficiency of digital investments by early adopter agencies of the digital government platform
3. Increased availability of digital services for Myanmar people, businesses and/or government employees; e.g. government email, e-procurement, mobile-based health or agriculture services, and so on.
4. Usage of the project's digital services by Myanmar people, businesses and/or government employees
5. Increased transparency of the public procurement process in Myanmar.

D. Concept Description

The proposed Digital Myanmar project is a strategic e-government investment for GOM, and the first step to implementing the country's e-Governance Master Plan. It will also catalyze the integrated and holistic use of ICT in the public sector, and contribute to GOM's broader whole-of-government transformation goals. For these purposes the project will:

- Strengthen the enabling environment for digital government and digital services transformation in Myanmar
- Provide a limited-scale digital government platform for early adopter agencies in GOM to use and deliver value to their internal and external constituents
- Identify and support the development of at least five high-value priority digital services, to bring valuable and visible results to Myanmar's people and businesses
- Identify and generate demand and usage of the digital platform and digital services through comprehensive activities for coordination in use of ICT across adopter agencies, change and stakeholder management, and digital services promotion for the public.
- Set up a project implementation unit in the Ministry of Transport and Communications (MOTC) that will coordinate and work across the adopter agencies, working under the mandate of the e-Government Steering Committee (eGSC), to promote and catalyze a whole-of- government perspective for ICT usage in the government.

The design and scaling of the project's components will be based on the needs and demand-assessment to be conducted during project preparation. The scaling of the proposed digital government platform will be based on pipeline initiatives with ICT activities that require such shared computing resources. It will also be based on GOM's priority systems, applications, and services that are identified in the e-Governance Master Plan and through consultations with GOM agencies.

This project's "utility" or "as-a-service" approach for the shared equipment and software allows GOM to start small and scale up quickly as needed to meet demand. GOM can scale the platform as needed subsequently under additional financing for this project, or via their other digital initiatives. The project will have four components as illustrated in Figure 2.

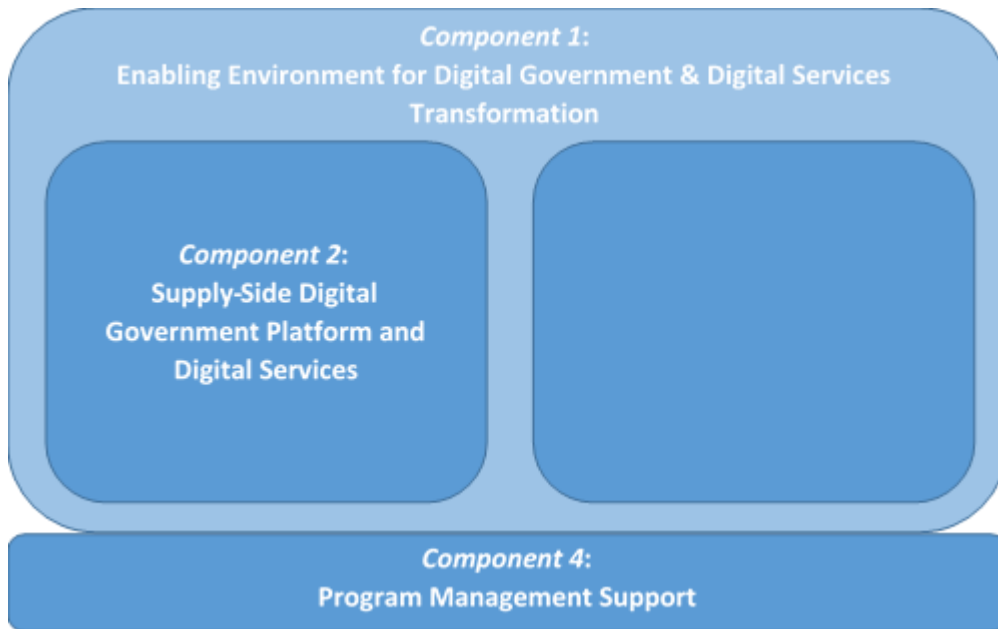


Figure 2. Diagrammatic Illustration of Project Components

This project has been designed to be catalytic in nature. It will provide a limited-scale platform and a limited number of digital services to catalyze the government’s move towards a whole-of- government approach for digital transformation and digital service. Early adopter agencies of the platform will be identified and incentivized to implement the platform through relevant communication and capacity-building efforts. In turn, they will help to provide a demonstration effect to other GOM agencies and provide the needed experience to fine tune the platform for its eventual scale up.

This project does not aim to build a large-scale platform to cater to all GOM agencies. Its scale is highly limited as compared to the US\$1.2 to US\$1.4 billion investment estimate provided in the country’s e-Governance Master Plan.



Instead the platform is designed to be scaled and reconfigured as needed to meet eventual demands, and as and when it is needed. It is however, also designed to future-proof existing investments, particularly through analog, co-ordination and WOG enterprise architecture including standards.

The project’s estimated US\$100 million cost will be detailed during its preparation process. This cost is expected to be realistic based on international experiences of building such platforms in other countries. The components’ design also considers the US\$80 million new datacenter that is being built by GOM with Korean bilateral assistance. This project will provide the platform- and software-as-a-service for early adopter agencies, but does not include infrastructure-as-a-service.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Project will be carried out mostly in Nay Pyi Taw, and the platform and services are digital/virtual in nature.

B. Borrower’s Institutional Capacity for Safeguard Policies

N/A. no safeguards policies are triggered.

C. Environmental and Social Safeguards Specialists on the Team

Martin Fodor, Environmental Specialist
Zeynep Durnev Darendeliler, Social Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The project will support strategic e-government investment for GOM through strengthening of digital government and digital services. The platform and services will be digital/virtual in nature and do not involve physical works. The project is likely to have minimal or no adverse environmental and social impacts.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	



Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Apr 30, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

TBD

CONTACT POINT

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APPROVAL

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