

# Health sector first casualty of Myanmar aid cuts

by Trevor Wilson  
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It is not easy to identify from the Coalition Government's 2015 budget papers where the brunt of the cuts in Australia's aid program will be felt, and indeed Foreign Minister Julie Bishop has announced that the details of the changes in Australia's aid 'investments' will be disclosed in September, presumably after all affected parties are informed.

However, one early cut to Australia's aid program in Myanmar has already grabbed the headlines, in Australia and in Myanmar. The health services aid consortium, the Three Millennium Development Goals (3MDG) Fund, issued a statement in Yangon on 28 May 2015 about the Australian Government's withdrawal of a commitment of US \$42m (AUD \$55m).<sup>[1]</sup> The statement was reported with some shock by media inside Myanmar: the *Myanmar Times* reported it under the headline 'Australia drains health fund's budget'; and *Mizzima News* reported it as 'Nervousness mounts over Australia's aid cuts to Myanmar'. No statement was issued by the Australian Government.

Although the original commitment to this program was made under the Gillard Labor Government in 2012, it was specifically reaffirmed by Julie Bishop in the 2014 budget, and remained the centrepiece of Australia's humanitarian assistance to the Myanmar health sector. Both Labor and Coalition Governments made political mileage out of this significant commitment, and at the time the cut was notified to the parties in the multi-donor fund, Australia was apparently acting as chair of the donor group. Publicly available information on the progress of the 3MDG Fund suggests that it was judged an effective and successful program until the Australian decision to not proceed with the next commitment was announced.

One can imagine the dismay the Australian decision would have caused on the part of the Myanmar Government, which had fought long and hard to keep the scheme going after a premature and politically-driven US Congress decision in 2005 to withdraw from an earlier version of the program, the World Health Organisation's Global Fund. But it is hard to envisage the reaction of Australia's fellow donors, with whom Australia has already worked side by side for three years of the five-year program. The consequences for the 3MDG program cannot be trivial, although the 3MDG Fund statement says that the program overall will not be seriously affected.

Not only is this a rebuff to the Myanmar Government (which through its Ministry of

Health promoted this ‘multi-donor fund’) but it also represents a breach of Australia’s pledge to fellow donors: the US, the UK, the EU, Sweden, and Canada. (Indeed this commitment was mentioned specifically in Australia’s bilateral development ‘partnership’ agreement with the EU.) There is no suggestion that Myanmar’s needs in the health sector are reduced or that the program itself is questionable.

This is perhaps a fairly typical case of the impact of an unexpected cut in aid funding by a donor. At the very least, it disrupts the careful planning and coordination of effort that has gone into the design of the health assistance program. At worst, funds anticipated as being committed to meet agreed health priorities for people in need are suddenly not available.

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[1] *“The 3MDG Fund was established in 2012 to support the Ministry of Health’s plans to strengthen health systems and accelerate service delivery, particularly to the poorest and most vulnerable communities in Myanmar. It is supported by Australia, Denmark, the European Union, Sweden, Switzerland, the United Kingdom and the United States of America, and managed by UNOPS (United Nations Office of Project Services).” Source: [3MDG Fund](#)*

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