PRESENTATION TO MYANMAR MINISTRY OF LABOUR, IMMIGRATION AND POPULATION

SKILLS DEVELOPMENT FUNDS: LESSONS FROM ASIA

WEDNESDAY 8 AUGUST 2018, YANGON
MEETING REPORT

SUMMARY

- On 8 August 2018, Dr Aarti Krishnan from the Supporting Economic Transformation (SET) programme presented findings of analysis of skills development funds (SDFs) designed and implemented across Asia, to senior stakeholders at the Myanmar Ministry of Labour, Immigration and Population (MOLIP), including the Director and Director General.
- This presentation and analysis forms part of a larger project (i) drawing out lessons from SDFs of use to Myanmar as it implements skills and employment legislation and (ii) supporting the Aung Myin Hmu (AMH) Garment Skills Training Centre to develop a sustainable business and funding model.
- Following the presentation, a multi-stakeholder SDF Technical Committee was set up by MOLIP, and Dr Krishnan addressed its first meeting on 11 August.

PRESENTATION: SKILLS DEVELOPMENT FUNDS IN ASIA, DR AARTI KRISHNAN

Dr Krishnan opened the meeting by introducing to attendees the three key pillars of a skills development fund (SDF):

- **Collection:** the mechanism through which SDFs accumulate finance;
- **Governance:** the structure of the board and degree of independence from government;
- **Distribution:** the allocation of the SDF's revenue to different target groups, and the different instruments and mechanisms through which the SDF's revenue is spent on training.

There are currently seven countries in Asia who have considered plans for an SDF: Singapore, Malaysia, Vietnam, Cambodia, Thailand, Philippines, and Bangladesh. Three of these (Singapore, Malaysia and Thailand) have operational SDFs, while the others have not progressed beyond the proposal stage. Further detail can be found in the briefing paper, *Skills development funds: lessons from Asia.*

The collection, governance and distribution models for each of the three operational SDFs were discussed in detail. Specific challenges were highlighted that have implications for Myanmar; for instance, the collection model in Thailand (through tax exemptions) was considered too complicated a system, as Myanmar's tax infrastructure is as yet underdeveloped. However, both in Malaysian and Singapore's SDF structures, which revolve around levy subsidy and reimbursement schemes, have potential as models to imitate.

Detailed information was gathered from MOLIP representatives in attendance to feed into analysis of how Myanmar can learn lessons from these three examples. A checklist of questions to guide MOLIP responses was provided, which can be found at the end of the presentation slide pack.

The full report will include details on the capabilities and knowledge systems required by Myanmar to collect, govern and distribute SDF and considering perspectives of various stakeholders involved in the SDF.