**Quarterly Project Progress Review Report**

**DATE: 07 July 2014**

**Award ID: 00074121**

**Description: Strengthened Institutional capacity to support sustainable livelihoods and reintegration programmes**

**Implementing Partners: Pact Institute; GRET; Save the Children**

**Period Covered: April – June 2014**

**1. Project Risks and Issues logs:**

| **#** | **Description** | **Date Identified** | **Type** | **Impact &**  **Probability** | **Countermeasures / Mngt response** | **Owner** | **Submitted, updated by** | **Last Update** | **Status** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | **Delay in transition process** | Jan 30 2014 | Operational | Delay caused by due diligent process of Government to approved MFP Transition MoU  P = 4  I = 4 | Follow up counterpart Departments – SSID & FERD in a weekly basis and updates development partners monthly basis | Output Lead/ MF Analyst | Output Lead/ MF Analyst | June 30, 2014 | Completed. MFP Transition Signing ceremony held in Naypyitaw on the 4th June 2014. |
| 2 | **Insufficient institutional capacity of organization to which MFP assets are transferred** | February 2013 | Organizational | If the organization to which MFP assets are transferred is unable to manage these properly, this would impact future sustainability and reputation of the project.  P = 3  I = 4 | Appropriate assessment of the organization to which MFP assets are to be transferred | Output Lead/ MF Analyst | Output Lead/ MF Analyst | Dec 2013 | Completed. Assets Valuation Exercise showed PACT MFP has a strong senior management and middle  management team. |
| 3 | **Delay in No Cost Extension (NCE) approval, this is the consequence of delay in MFP Transition process.** | March 6th 2014 | Organizational | Delay caused by due diligent process of Government to approve MFP NCE.  P = 4  I = 4 | Follow up counterpart Departments – SSID & FERD in a daily basis and update management in a weekly basis | Output Lead/ MF Analyst | Output Lead/ MF Analyst | June 30, 2014 | Completed. NCE approved by FERD dated 14th May 2014. |

**2. Project Performance: Strengthened Institutional capacity to support sustainable livelihoods and reintegration programmes**

Project ID: 00086667

Description: UNDP Microfinance Project Transition

Implementing Partner: Pact Institute; GRET; Save the Children

Baseline: *as per CP* Microfinance operations and ownership is currently with

UNDP

Indicator: as per CP Micro-finance operations and ownership transferred to the

selected financial intermediary

[2014] Target: Micro-finance operations and ownership transferred to

selected financial intermediary-PGMF

[2014] Achievement: *Narrative – please describe achievements at the output level, taking into account all activities*

* Microfinance Project Transition draft MoU between the Ministry of Co-Operatives and UNDP was submitted in December 10, 2013 and made 2 revisions - in February and in May 2014.
* Asset transfer agreement to be signed between UNDP and PGMF has also been submitted to Ministry of Co-Operatives for government review in December 10th 2013 and resubmitted the final version in February 2014.
* UNDP Micro-finance operations and ownership transferred to Pact Global Microfinance Fund, a subsidiary of Pact Inc. The Signing ceremony of UNDP Microfinance Project-End Memorandum of Understanding and Asset Transfer Agreement & Project Closing Meeting was held at the Hotel Royal Ace in Nay Pyi Taw on the 4th June 2014.

How has the gender dimension been addressed: *Please describe specific results achieved in the area of gender mainstreaming (if any) with a brief narrative*

N/A

**2.1 Activity Performance: Increased institutional capacity to promote inclusive rural financial services**

Activity ID: 1.3

Start date: Jan 1, 2014

End date: Mar 31 2014

Purpose: Smooth transition of UNDP’s current retail microfinance portfolio in support

of a Competitive and effective microfinance sector

The set of activities consists in transferring the management and ownership of the funds that UNDP has invested in communities through INGO institutions like PACT, GRET and Save the Children, to sustainable institution(s) that can promote the interest of further developing inclusive financial services. A transition strategy has been developed to this effect, based on consultations with project donors.

* Microfinance Project Transition Proposal was submitted to Ministry of Co-operatives in October 2013 and upon acceptance of that proposal, draft Memorandum of Understanding (MoU) on UNDP Microfinance Project Assets Transfer and Transfer Agreement had submitted to Ministry of Co-operatives in December 2013 and finalized in February and May 2014. This MoU on project asset transfer is to be signed between the Ministry of Co-Operatives and UNDP.
* The final consultation meeting between UNDP and Ministry of Co-Operatives held on the 9th May at SSID Office to confirm timeline and agenda for MFP MoU Signing Ceremony; final review of the MoU and identify the project transfer effective date; and mutual understanding on delay merging of UNDP MFP and PGMF.
* It was confirmed that the effective date for the asset transfer is still January 1, 2014. Changing the date would have implications re. updating the asset valuation and carrying out another audit.
* SSID had proposed an ‘interim period’ of 1 year before MFP and PGMF ‘projects’ are ‘merged’. It was explained that PGMF will have full ownership of its assets and should manage the total assets in the best interests of its clients and its operations in total 51 townships (UNDP 25 and PGMF 26).
* It was agreed that the ‘merger’ could take place once certain processes re. PGMF are completed (i.e. clarification of source of funds, INGO registration and update of PGMF-SSID MoU).
* SSID was informed that the proposed “transition oversight committee” mentioned in MoU will be organized as part of LIFT FI subcommittee for reasons of efficiency and donor coordination. It was mentioned that no modification of MoU required as the functions remain the same.
* The Director General of SSID confirmed that the Cabinet has approved the MFP Transition MoU on the 9th May 2014 and accordingly UNDP MFP project ending and Transition MoU signing ceremony was held on the 4th June 2014 in Nay Pyi Taw, chaired by H.E. U Kyaw Sann, the Union Minister of Co-Operatives.

| **Quality Criteria** | **Quality Method** | **Quality Assessment Due Date** | **User Perspective** | **Timelines** | **Resource Usage** | **Gender Perspective** |
| --- | --- | --- | --- | --- | --- | --- |
| **(Date – Rating: Comments)** |  |
| *Please enter activity result here* | *Please indicate how you will establish what really happened, i.e. source of information (e.g. project manager’s reports, training surveys, etc.)* | *Please indicate the planned completion date for the result activity (as per AWP)* | *By date, please provide a short narrative of project activities that were undertaken, including some detail as to what exactly was done/happened, as well as feedback on success/impression of the project activity* | *Please indicate whether the activity was completed on time* *as per AWP* | *Please indicate whether this required any additional funding/resources, or made use of special funds, etc.* | *Please describe how the gender dimension has been addressed in the implementation of the project activity* |
| Memorandum of Understanding (MoU) of the Microfinance Project Transition between UNDP and Ministry of Co-Operatives. | Submission of Memorandum of Understanding (MoU) of the Microfinance Project Transition to Ministry of Co-Operatives. | Submitted draft MoU on 10th December 2013 and finalized in February 2014 based on feedbacks from Ministry of Finance, Ministry of Home Affair, Ministry of National Planning and Economic Development and Attorney General Office.  MoU final revision was done in May 9th 2014 based on UNOPS feedbacks. | The principal interest of both SSID and UNDP is the continuity of the provision of microfinance services to current clients of the Microfinance Project and generally to promote the further development of inclusive financial services in Myanmar.  Serves as project closing document. | Completed | No additional fund required | N/A |
| *Please enter activity result here* | *Please indicate how you will establish what really happened, i.e. source of information (e.g. project manager’s reports, training surveys, etc.)* | *Please indicate the planned completion date for the result activity (as per AWP)* | *By date, please provide a short narrative of project activities that were undertaken, including some detail as to what exactly was done/happened, as well as feedback on success/impression of the project activity* | *Please indicate whether the activity was completed on time* *as per AWP* | *Please indicate whether this required any additional funding/resources, or made use of special funds, etc.* | *Please describe how the gender dimension has been addressed in the implementation of the project activity* |
| Transfer Agreement | Submission of the Transfer Agreement to Ministry of Co-Operatives | submitted on 10th December 2013 and revised in February 2014. | Transfer agreement serves as legal basis for assets transfer from UNDP to PGMF. | Completed | No additional fund required | N/A |

**2.2 Activity Performance: Increased institutional capacity to promote inclusive rural financial services**

Activity ID: 1.3

Start date: Jan 1, 2014

End date: Mar 31, 2014

Purpose: Sustainable Microfinance to improve the Livelihoods of the Poor

Description: *describe the big chunks of activities that are to take place under this activity ID during the year. Depending on how detailed the AWP targets are, these could be used here.*

UNDP Myanmar has implemented its microfinance project under the legal framework of the signed project document. This activity is the extension of HDI IV under Microfinance Project which has been conducted under contractual arrangement with Ministry of Co-Operatives through Foreign Economic Relation Department since 1997 during HDI II implementation period.

However, with the enactment of a Microfinance law in 2011 and the ending of the project under the HDI-IV, UNDP and its implementing partners in cooperation with relevant stakeholders are required to process the transfer of the project assets as stipulated under the legal framework of the project document.

Before the MF project transition option becomes clear, it is needed to continue providing the retail micro financing for uninterrupted and continuous financial services to the targeted community.

Retail microfinance has been implemented in Myanmar since 1997 to date via 3 INGOs: Pact, GRET and Save the Children in 4 regions: Shan, Dry, Delta, and Chin. As MF project is planning to hand over to PGMF, UNDP MFP is operationally closed as of December 31 2013 and annual project audit – 2013 NIM/INGO audit – was conducted during March 2014.

The 2013 annual certified audit report presented by ECOVIS STT Vietnam for Project Award ID 00051335 & 00074121 - “Sustainable Microfinance to Improve the Livelihoods of the Poor” - was received in April 2014 with Unqualified Audit Opinion.

| **Quality Criteria** | **Quality Method** | **Quality Assessment Due Date** | **User Perspective** | **Timelines** | **Resource Usage** | **Gender Perspective** |
| --- | --- | --- | --- | --- | --- | --- |
| **(Date – Rating: Comments)** |  |
| *Please enter activity result here* | *Please indicate how you will establish what really happened, i.e. source of information (e.g. project manager’s reports, training surveys, etc.)* | *Please indicate the planned completion date for the result activity (as per AWP)* | *By date, please provide a short narrative of project activities that were undertaken, including some detail as to what exactly was done/happened, as well as feedback on success/impression of the project activity* | *Please indicate whether the activity was completed on time* *as per AWP* | *Please indicate whether this required any additional funding/resources, or made use of special funds, etc.* | *Please describe how the gender dimension has been addressed in the implementation of the project activity* |
| MF Project Audit Opinion | 2013 Annual audit report | 30 April 2014 | The audit report received on the 29th April 2014.  “Unqualified Audit Opinion” received in 2013. | It is uploaded in CARDS on the 30th April 2014. | US$ 24,653 | N/A |

**3. Project Performance: Strengthened Institutional capacity to support sustainable livelihoods and reintegration programmes**

Project ID: 00086666

Description: Strengthen Institutional Capacity – Sustainable Livelihood

Implementing Partner: n/a

Baseline: *as per CP* Zero number of vocational training institutions’ capacities

assessed and strengthened.

Indicator: as per CP Number of vocational training institutions’ capacities assessed

and strengthened.

[2014] Target:

* + - Mapping of public and private vocational training institutions completed.
    - At least 2 new vocational training institution’s capacities assessed and strengthened.

[2014] Achievement: *Narrative – please describe achievements at the output level, taking into account all activities – In progress*

*Introduction:*

Institutional Capacity Assessment of Saunder Weaving School has been conducted in March 2014 in Amarapura Township, Mandalay Region. Debriefing has been done both in UNDP and SSID in Nay Pyi Taw on the 3rd April 2014.

The Institutional Capacity Assessment report for Saunder Weaving School was received in June 2014 including capacity development plan for the said institution.

*How has the gender dimension been addressed: Please describe specific results achieved in the area of gender mainstreaming (if any) with a brief narrative:*

Gender responsive questionnaires were developed by consulting with UNDP Gender Specialist and questioning to individual interviewers and focused group discussion.

**3.1 Activity Performance: Enhanced institutional capacity to create employment opportunities particularly for women and youth**

Activity ID: 2.1

Start date: Jan 1, 2014

End date: Mar 31 2014

Purpose: To deliver market adapted skills development programme with the best

outreach to rural communities including youth and marginalized

communities.

Description: *describe the big chunks of activities that are to take place under this activity ID during the year. Depending on how detailed the AWP targets are, these could be used here.*

UNDP and Ministry of Co-Operatives agreed to implement pilot activity on strengthening institutional capacity of Vocational Training Institutions in Mandalay Region, Ref: CPAP Pillar 1 Output 4 - Activity 4.2, and thus UNDP contracted with an international consultant to conduct institutional capacity assessment at Saunder Vocational Training Institution in Amarapura Township, Mandalay Region during 21st-31st March 2014. One interpreter was hired to assist the international consultant during the assessment period for translating documents and interpreting interview and focused group discussions.

The draft assessment framework and survey design was submitted to Ministry of Co-Operatives to seek Director General’s guidance on this assessment and to consult with TVET focal team in Department of Small Scale Industries, Ministry of Cooperatives to confirm draft institutional assessment plan.

The detail assessment was done in Saunder Weaving School in Amarapura Township during March 2014. The debriefing meeting with UNDP and Ministry of Co-Operatives have been done during early April 2014.

The draft Institutional Capacity Assessment report was received on the 25th April 2014. The final Institutional Capacity Assessment Report for Saunder Weaving School was finalized in May & June 2014 incorporating feedbacks from UNDP and UNESCO.

| **Quality Criteria** | **Quality Method** | **Quality Assessment Due Date** | **User Perspective** | **Timelines** | **Resource Usage** | **Gender Perspective** |
| --- | --- | --- | --- | --- | --- | --- |
| **(Date – Rating: Comments)** |  |
| *Please enter activity result here* | *Please indicate how you will establish what really happened, i.e. source of information (e.g. project manager’s reports, training surveys, etc.)* | *Please indicate the planned completion date for the result activity (as per AWP)* | *By date, please provide a short narrative of project activities that were undertaken, including some detail as to what exactly was done/happened, as well as feedback on success/impression of the project activity* | *Please indicate whether the activity was completed on time* *as per AWP* | *Please indicate whether this required any additional funding/resources, or made use of special funds, etc.* | *Please describe how the gender dimension has been addressed in the implementation of the project activity* |
| Reports on:  Vocational Training Institutions’ (VTI) capacities assessment and VTI Capacities Development Plan;  and  VTI Curricula development. | Institutional Capacity Assessment  and  desk review | April 30, 2014 | The institutional capacity assessment at Saunder Vocational Training Institution in Amarapura Township, Mandalay Region during 21st-31st March 2014.  The debriefing meeting with UNDP and Ministry of Co-Operatives have been done during early April 2014. The draft Institutional Capacity Assessment report was received on the 25th April 2014 and final assessment report was received on 1st June 2014. | Completed | US$ 18,048 | The target beneficiaries of this project are women and Youth. |