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Annual Report 2013 - Pillar Board Meeting

Pillar Name: Pillar 1 - Local Governance Program

Stated Objective/CP Outcome:

Community driven development institutions that support local governance in service delivery; and inclusive growth, including agricultural development and enhancement of employment opportunities for women and men.

Situation Analysis:

The Government of Myanmar is pursuing ambitious democratic reforms and brokering a peace process to achieve peace in the country's border states.

While decentralization is squarely on the reforms agenda, there isn't yet a national strategy to define the future roles of union, state government and other tiers of governance.

The lack of comprehensive data at the sub-national level is a key challenge. Without data it is difficult to understand variances at different levels of government or the interests and needs of people accessing government services. With the increase of development investments at the local level, there is an increased need to strengthen local-level planning, particularly by improving people's participation in decision-making.

Civil Society and media have a critical role to play in development and local governance. There are a variety of challenges in this regard. Decades of authoritarian regime have in many ways stifled the growth of organized civil society groups and thus many are still hesitant to collaborate with their government counterparts on matters of mutual interest. Opportunities for regular engagement and joint dialogue between civil society and local governments are emerging albeit limited. Civil society organizations and local media need stronger capacities to network, engage and advocate in order to assume scrutiny functions and foster social accountability. The government has also stressed the importance of strengthening bottom up participation and the role played by Civil Society and Community Based Organizations in national development. Recent discussions on the "Association Law" are an example of both the Government and the CSOs recognizing the importance of working together to achieve common goals.

Although it is anticipated that Myanmar's national economy will grow between 6-7% in the next few years, growth patterns are uneven across regions, with the border states and ceasefire areas recording high poverty levels. Many of these states have faced sporadic instability resulting from ethnic conflicts as well as inter-communal tensions, which impedes recovery and development. While there are a number of root and proxy

causes to the conflict, perceptions of exclusion from basic services and development efforts are an important factor. Myanmar is a diverse country, with multiple ethnicities, languages and religions. Populations live in largely ethnically stratified communities, and ethnic nationalism is strongly linked to territory and natural resources. The country's economic growth is not necessarily translating into social and human development gains. For example, about 25% of the population continues to live below the poverty line of USD 1.12 per day. Border states such as Chin and Rakhine record the highest poverty incidence in the country. Some of the effects of economic expansion such as migration, urban congestion, land grabs, resource extraction and environmental pollution, are increasing the vulnerabilities of some groups, and contributing to tensions among different groups. There is a need to strengthen political, economic, social institutions and relations in the country, so that diverse groups can feel part of a collective identity that is larger than their separate identities and support the notion that development gains should benefit all sections of the population. Capacity development in building consensus and peace, and more specifically conflict prevention and conflict management among government and civil society is critical to build trust between different groups. Civil Society Organizations (CSOs) and media organizations play and have the potential to play catalytic roles in increasing people's participation in local governance and cohesion-building.

Key Activities to date:

Four specific outputs are being pursued:

- Output **1** - Strengthened institutional capacity of local governments and township administrations for area-related development planning, responsive and effective public service delivery, organizational management and conflict prevention;

- Output **2**[1] – Citizens and communities engaged in local development and monitoring of service delivery (combined civil society and media support)

- Output **4** - Strengthened capacity of institutions required to support livelihoods at the local level (microfinance, vocational training, technical extension centers);

- Output **5** – Livelihood (LH) support for social cohesion

- Under **output 1**, UNDP organized jointly with GAD/MOHA the first Myanmar Local Governance Forum in order to introduce good local governance practices from the region. A local governance mapping exercise was launched in Mon and Chin states. The methodology was developed and rolled-out in close consultation with

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[1] Merging of outputs 02 and 03 in one joint output was agreed with the respective government counterparts at output and steering committee level.

union and local governments. Support to local-level planning was initiated in Mon and Chin states, through training events for village tract administrators, township administrations, and township committees on area based participatory township planning. Together with UNCDF preparatory steps were taken for the introduction of a township development fund through technical workshops and the drafting of a manual on the township development fund mechanism and an MOU between UNCDF and township administrations.

- Under **output 2**, UNDP's former programme called HDI (Human Development Initiative) was closed through a transition period of nine months consisting in the transfer of HDI tools and initiatives to communities, partners and other stakeholders in 49 townships. UNDP reduced its field office presence from 49 township offices to 7 Area Offices and 6 Satellite offices. In addition the Country Office organized a mapping of civil society organizations and workshops on participatory planning and service delivery in Mon and Chin states. A joint study tour was organized for partners of outputs 1 and 2 to Cambodia on participatory and bottom up planning, and CSO-government interaction. Finally UNDP together with UNESCO designed joint interventions for media support in two States as part of the UN Peace Development Fund.
An independent evaluation of HDI transition stated that the transition was effective and achieved its overall objectives. As part of the transition more than 5000 SRG (Self Reliance Groups) groups were sensitized for registration and cooperative formation. 509 SRGs have already received registration from Ministry of Co-operatives while 1009 SRGs are in the process.

- Under **output 4**, the modalities for the transition of UNDP's microfinance project including the transfer of equity funds for micro-finance were negotiated with government and donor partners, and the legal groundwork for the transition was prepared and submitted for government approval. A National Microfinance Workshop was organized providing the context for the transition. In the meanwhile retail micro-finance services continued in four regions: Shan, Dry Zone, Ayeyarwady and Chin. On a separate development, and in partnership with UNCDF, a countrywide diagnostic of inclusive finance was initiated. Also in partnership with UNCDF, regional microfinance service providers were selected through a competitive process under the MicroLead program (UNCDF). Finally UNDP participated in the Technical Vocational Education Training (TVET) working group of the Comprehensive Education Sector Review (CESR) and selected a pilot vocational training center to undertake a market analysis for the demand of vocational training and a capacity assessment of the institution.

- Under **output 5**, work was initiated to provide a package of social protection, livelihood, training and infrastructure support in 24 townships and 300 villages across Rakhine, Kachin, Kayah, Kayin, Shan, Chin and Mon reaching approximately 465,150 persons. This is currently being implemented through 36 partners with an emphasis on improving social cohesion. In Rakhine state, UNDP initiated livelihood and social cohesion assistance in 12 villages across 3 townships. Assistance consists in joint asset replacement and creating

opportunities for interaction and dialogue to improve relationships between ethnic communities. Early Recovery Sector coordination mechanisms were initiated and rolled-out in Kachin, Rakhine and Yangon.

Results to date:

2013, as a startup year, focused heavily on partnership building and communication with a range of new Government partners at Union, State and Regional level. Renewed engagement with former partners was also necessary to build awareness on UNDPs new role in the area of local governance in contrast with the previous programme's (HDI) exclusive focus on community development.

- As a launch to the local governance program, UNDP convened jointly with GAD/MOHA the first National Forum on Local Governance, which brought together government, UN, academia, civil society and donors for dialogue and exchange of ideas based on good local governance and people-centered service-delivery practices from the region. The event created new space for dialogue, learning and interaction onrelevant regional country examples and best practices and an opportunity to share experience that could inform ongoing government reforms.

- A methodology for mapping of subnational governance capacities (tools, timelines, and an advisory committee) was developed with national partners at Union, State and Regional levels in a step by step and participatory approach. This was then endorsed at the National Forum. This work was piloted in two states (Mon/ Chin) and was important in introducing the notions of performance, transparency and accountability in public administration.

- Building on the achievements of HDI, Federations of Self Reliance Groups were established in 28 townships. Capacity development interventions for the federations focused on livelihood and social cohesion. These federations are led primarily by women and have the potential to become more significant players in local development processes.

- As a result of UNDP's early recovery (ER) coordination roll-out both at national level, and in Rakhine and Kachin, there is increasing recognition by government and development partners of ER as a cross cutting element within humanitarian and recovery operations. A South-South knowledge-sharing exercise was facilitated between Myanmar and Indonesia, where experiences on social cohesion from Indonesia were shared with union and state government officials, increasing information exchange and strengthening relations between two key countries in the region on conflict management, conflict prevention and early recovery.

CPAP Outcome level	Outcome Indicators (DRAFT)	Targets	Progress Towards Targets (02/2014)
Outcome22: Community driven development institutions that support local governance in service delivery; and inclusive growth, including agricultural development and enhancement of employment opportunities for women and men.	**Indicator- 1** A participatory methodology for area-based township planning developed and demonstrated jointly with national partners ready for replication.	**Target 2015:** Methodology for participatory area-based township planning developed and demonstrated in at least 6 Townships in 2 states/ regions	- Preparatory activities and initial training for stakeholders at tract, township and state levels provided in 2 states covering 12 townships. - Design, and methodology of setting up a *Township Development Fund (TDF) modality* in two pilot states completed; MoU under government review.
	Indicator- 2 Nationwide baseline on the quality of local governance established and disseminated (as state of governance reports)	**Target 2015:** Nationwide data on sub national governance capacity collected and made available.	- Methodology developed and field tested in 2 states (Mon/ Chin) - Data analysis for Mon/Chin completed and interim findings shared with stakeholders - Phase II roll out (5 states/ regions) initiated
	Indicator-3 Number of times a UNDP approach to community social cohesion building has been replicated by partners	**Target 2015:** A UNDP approach to community social cohesion building has been replicated by partners at least 1 time	-Pilot activity in (12) villages in Rakhine for community interaction and dialogue initiated, initial lessons captured and shared with partners -Refinement/deepening of approach initiated in 2013

Output Level *As per Pro-doc*	Output Indicators	Annual Targets	Progress Towards Targets (02/2013)
Output 1: Strengthened institutional capacity of State/Region and Township administrations for area-related participatory development planning, public financial management, and public service delivery	**Indicator 01** # of states and regions for which LG mapping reports and related baselines are established [13 States/regions and at least 1 District and 1 Township in each State]	**Targets (year 2013)** - Baseline for local governance mapping established in 2 states	- Achieved. Field work completed, state of local governance reports for (2) states to be ready mid-March for interim presentation to government and partners
	Indicator 02 # of usages (by government officials and MPs) of the mapping findings for local development reform (# of downloads of the baseline study, # of mentions in speeches or documents, etc.	**Targets (year 2013)** - Development and endorsement of mapping methodology by partners and key stakeholder	- Achieved.
	Indicator 03 Improved public expenditure management cycle tested in targeted pilot townships	**Targets (year 2013)** - Sensitization of state and township level officials on the importance of improved PFM systems in pilot states (Mon/ Chin)	- Ongoing. Study on fiscal space at township level being prepared by UNCDF.
	Indicator 04 Mechanisms and guidelines for citizens' participation and increased horizontal	**Targets (year 2013)** - Sensitization of state/township level officials and citizens	Achieved.

	coordination for development planning at township level developed and tested	on participatory planning processes and introduction of tools and methodologies in pilot states (Mon/ Chin)	
	Indicator 05 # of townships (out of 12) improving their performance in delivering pro-poor services and infrastructure projects based on the performance based grant system	**Targets (year 2013)** - 12 Townships in pilot states supported to develop participatory local investment plans	-Some delay/ Ongoing. Initial sensitization and workshop organized. Township planning in (6-12) locations will be supported in 2014 for fiscal year 2015/2016
Output 2: Citizens and communities engaged in local development and monitoring of service delivery	**Indicator- 1** TCCs/CMCs established	**Targets (year 2013)** - N.A. (Sensitization; development phase for TCCs/CMCs establishment) -	Target 2013: N.A. Preparatory work ongoing.
	Indicator- 2 # of consultations with citizens, CSOs and CBOs at Township level on service delivery	**Targets (year 2013)** - N.A. (Sensitization; development phase for consultations with citizens, CSOs and CBOs at Township level on service delivery	Target 2013: N.A. Preparatory work ongoing.
	Indicator- 3 # of Media support initiatives provided by UNDP	**Targets (year 2013)** N.A. (development phase for media training in 2-3 states)	Target 2013: N.A. Preparatory work ongoing.

	Indicator 04 % of SRG groups sensitized for registrations and or cooperative formation engaging in registration and/or formation of cooperatives	Targets (year 2013) - At least 10% of 5000 UNDP supported SRGs engaged in registration process	25% (under process to get registered and/or received Registration from Co-op)
	Indicator 05 % of women with increased status, income, employment opportunities, and responsibilities as a result of UNDP TSP level leadership training	Targets (year 2013) - 0% of women having benefitted from UNDP leadership training have increased status, income, employment opportunities, and responsibilities as a result (set-up/ development phase; training may take place, but it will be too early to measure the effects of the training)	Target 2013: N.A. Preparatory work ongoing. (Initial leadership training for SRG township federation leaders scheduled for 03/2014.)
Output4: Strengthened institutional capacity of institutions to support sustainable livelihoods and	Indicator- 1 - National financial inclusion roadmap developed in Myanmar;	Targets (year 2013) - National diagnostic of inclusive financial services completed and submitted (UNCDF)	Achieved.

reintegration programs.	**Indicator- 2** - Number of leading micro-finance service providers from Asia Region have been introduced;	**Targets (year 2013)** - At least 2 new leading micro-finance service providers from Asia Region have been introduced	Ongoing. (3) Micro finance providers have been selected.
	Indicator- 3 - Micro-finance operations and ownership transferred to the selected financial intermediary;	**Targets (year 2013)** - Micro-finance operations and ownership transferred to the selected financial intermediary	Not achieved/ ongoing. Micro-finance transition nearly completed, all legal documents drafted, MOU under final review by government. Completion of micor-finance transition expected by 05/2014.
	Indicator- 4 - Number of vocational training institutions' capacities assessed and strengthened.	**Targets (year 2013)** - Mapping of public and private vocational training institutions completed and 1 vocational training institution's capacities assessment initiated	Ongoing. Mapping pursued as part of TVET process. (1) vocational training institution selected as pilot for demand side analysis and capacity assessment. Completion expected by 04/2014.
Output 5 : Target communities	**Indicator 01** - # of women representatives	**Targets (year 2013)** - 10% increase in	25%

and institutions have increased capacities for social cohesion, sustainable livelihoods, and improved opportunities for peace	in community-led governance structures in target locations	number of women represented in community-led governance structures in target villages	
	Indicator 02 - (# of persons targeted for livelihood assistance reporting increase income-levels in target locations (disaggregated by gender)	**Targets (year 2013)** - N.A (Measurement of increased income level of targeted persons in Y1 will take place in Y2 only)	Target 2013: N.A.
	Indicator 03 - # of persons targeted for micro-enterprise support reporting sustaining their enterprises at least 6 months after having received support (disaggregated by gender)	- **Targets (year 2013)** - N.A. (Measurement of enterprise sustainment of persons targeted will take place in Y2 only)	Target 2013: N.A.
	Indicator 04 - # of persons using/accessing constructed/rehabilitated infrastructure units	**Targets (year 2013)** - N.A. (Measurement of usage/ access of reconstructed/ rehabilitated infrastructure will take place in Y2 only	Target 2013: N.A.

	Indicator 05 - # of persons reporting 'more than 5' occasions for interaction with a member from another village/ethnicity in past 6 months in target locations in Rakhine and Kachin (disaggregated by gender, age and ethnicity) **Indicator 06** - # of persons reporting feeling 'unsafe' to move around and travel in target locations in Rakhine and Kachin (disaggregated by gender, age and ethnicity) **Indicator 07** - # of persons reporting perceptions of increased unity between people from communities in target locations in Rakhine and Kachin (disaggregated by gender, age and ethnicity)	**Targets (year 2013)** - (05 / 06 / 07) N.A. (Measurement of community interaction, perceptions of feeling unsafe and perception of increased unity will take place from Y2 onwards)	Target 2013: N.A.
	Indicator 08 - # of civil society peace building activities supported by UNDP	**Targets (year 2013)** - N.A. (Preparatory activities for setting up CSO grants	Target 2013: N.A.

		scheme in Y1)	
	Indicator 09 **-** # ER strategies developed and implemented **Indicator 10** Early Recovery principles integrated in humanitarian sector/ cluster response plans	**Targets (year 2013)** - (09 / 10) N.A. (While Early Recovery coordination mechanism will be set up and preparations for ER strategy development and advocacy for integration of ER principles in humanitarian sectors will commence in Y1.)	Target 2013: N.A. Preparatory activities ongoing. ER coordinators hired for Rakhine and Kachin and engaged with government on developing local ER strategies, and leading ER coordination. ER principles integrated in humanitarian cluster response plans.

Cross Output and Cross Pillar linkages and synergies:

- Output 1 activities are implemented in close connection with output 2, focusing on supporting local CSOs (including women groups), CBOs and media. Output 1 and 2 activities are consistently being re-focused for implementation in a limited number of states. Linkages between social cohesion, Early Recovery (ER) with governance and civil society support are specifically being looked into related to the ER focus of the activities in Rakhine and Kachin.

- Pillar 1 works at strengthening institutional and community capacities for governance, sustainable livelihoods and social cohesion at the local level. This complements the work of Pillar 3 in strengthening institutional capacities for planning and budgeting at union, state and regional level, as well in the areas of Parliament, Access to Justice and Development Effectiveness.

- The methodology, research and findings of Pillar 1 local governance mapping and Pillar 3 Access to Justice mapping are closely coordinated. Opportunities for joint initiatives between the 2 pillars resulting from the

mappings are being assessed (e.g. related to lack of streamlined procedures for grievance redress and dispute resolution; transparency and accountability mechanism; establishment of local mechanism for dialogue and access to information).

- Workshops on participatory planning and local governance at State/ Regional level were designed and organized collaboratively between Pillar 1 and Pillar 3 (support to Parliament, support to national/ regional planning). Key entry points for further strengthening of cross pillar synergies during 2014/2015 are in the areas of national and local planning, Public Administration Reform and support to Decentralization policies.

- The implementation mechanism of cross-pillar area-based work plans is carried out by the Field Implementation Unit and field offices (currently 8 Area and 6 Satellite locations).

Partners (2013):

- *Government:* GAD/Ministry of Home Affairs; Ministry of Information; Ministry of Finance; Ministry of Cooperatives; Ministry for the Progress of Border Areas and National Races and Development Affairs; Ministry of National Planning and Economic Development, State and Union Government representatives in Rakhine, Kachin, Kayah, Kayin, Shan, Chin and Mon.

- *Funding partners:* Government of Japan; UNDP Bureau for Crisis Prevention and Recovery; LIFT and USAID (for Micro-Finance project).

- *UN agencies:* UNCDF (joint implementations of output 1 activities); UNESCO (media training).

  Implementing partners for Micro-Finance: Pact Institute, GRET, and Save the Children; 38 NGO/INGO Implementing Partners for state level activities under output 5.

Budget (2013):

Summary of 2013 Budget and Expenditure

Output	2013 Budget (USD)	2013 Expenditure (USD)
O1 Local Administrations	1,371,418	1,186,204
O2- Civil Society Organizations/ HDI transition	3,016,497	2,897,348
O4-Livelihood Institution/ Incl. MF	9,421,448	7,874,209
O5-Livelihood Support and Social Cohesion	7,640,931	5,874,324
	21,450,294	17,832,085

Summary of 2013 funding status

	Fund (USD)	Expenditure (USD)
UNDP-TRAC1/2 (0400)	5,153,146	4,764,808
UNDP-BCPR	200,000	199,783
Non-core (Japan)	6,916,346	5,157,943
Non-core (LIFT)	8,243,827	7,058,311
Non-core (USAID)	936,975	651,240
	21,450,294	17,832,085

Lessons-learned/Challenges and bottlenecks:

- Local governance is a new concept in Myanmar and involves a broad range of government actors at various levels. Tackling these issues require extensive consultations, sensitization, relationship and trust-building. It would be advisable to identify strategic entry points to more systematically share, inform, increase awareness, and provide knowledge and skills to the various stakeholders. *Potential entry points to share information on a systematic basis could be in through learning centers and government training institutes.*

- While UNDP is undertaking preliminary assessments of local governance, an institution is yet to be identified to carry on such assessments and follow up on its findings. The methodology of such mapping exercises is multi-dimensional and requires intensive capacity development. *to the Country Office should identify and build the capacity of government institutions, which can carry on and follow up on these mapping exercises.*

- CSOs overall still have a strong focus on service-delivery and less experience and expertise in interfacing with government on development issues. Many CSO/CBO partners have strong local knowledge, but limited technical and institutional capacities, inadequate geographical coverage and are not well interconnected. These organizations require strengthening of their capacities, particularly technical training on emerging topics and approaches (i.e. governance, social cohesion). *Engagement and capacity development will be needed to strengthen CSOs role as equal partners in local development and peace building. There are also opportunities for joint capacity development and training, as government requests for capacity strengthening emerge.*

- Lack of experience in working together between government and CSOs. Requests to assist in coordination and facilitation of dialogue between CSO and government have been appearing (e.g. UNDP

supported CSO-government coordination in Mon State). *There seems to be the need for a combined response to establish a close link between capacity development/training, better access to information, and facilitation or provision of space for informed and constructive dialogue between government and civil society actors.*

- Capacities for conflict analysis, conflict sensitivity and peace building are limited at national and local level, and across the range of stakeholders and partners . There is a significant need for increasing capacities in these areas in order for government, civil society and communities to be able to identify and understand local conflicts, be more proactive to prevent the outbreak or escalation of conflict, and to build peace. *Based on lessons learnt from Rakhine interventions, UNDP's updated engagement strategy will aim to broaden the approach regarding local interventions (livelihood and socio economic recovery linked to social cohesion). This will include capacity development and training at the community and township levels, seeking active engagement of local governments in the implementation process for ownership and provision of a secure and conducive environment, as well as focus on specific groups (women/ youth). In parallel, engagement with higher levels of government for policy development is needed.*

- As demonstrated through the National Forum on Local Governance, UNDP with its regional and global outreach can function as a competent broker for bringing government, academia, parliament and civil society representative together on issues related to local governance. Results from the subnational governance mapping will offer opportunities for follow up actions at various levels (e.g. Identification of specific topical/ issue results such as integrated local data management/ complaint mechanism; Capacity gaps; Health and education sector related governance issues; as well as process related results: models for citizen participation such as community dialogues and governance self-assessment). This will also inform local action as well as provide inputs into the Public Administration Reform and decentralization discussions.

Looking ahead – Key Activities 2014

- The *local governance mapping exercise* will be rolled out to remaining states and regions; Mon and Chin reports (Phase I) will be launched in March 2014; mapping findings of Phase II and Phase III will be shared using a variety of mediums. It will provide government, UNDP and other development partners with entry points for structural, process as well as capacity related interventions at township, state/regional and union levels.

- *Area based, participatory township planning* will be supported in Mon and Chin townships. Lessons and methods applied will provide potential *policy inputs for harmonization of township planning frameworks* at the state/ regional and union levels.

- The *Second Annual Local Governance Forum* will be organized jointly with GAD/MOHA in October 2014 serving as an institutionalized platform for international and national exchange on key local governance and reform issues.

- CSO fora will be supported in Mon and Chin states; Community learning centers, addressing issues of access to information and dialogue space within a local governance framework, will be piloted in 3 locations; Conflict sensitive media training and piloting of community broadcast (jointly with UNESCO) will be rolled-out in Mon and Kayin States. Focus will be on modeling and lessons learned for replication in other locations.

- HDI based Township Federations of Self-Reliance Groups (SRGs) will be supported for leadership, organizational development and networking, aiming ultimately at supporting a national federation of rural women groups.

- Marking a key milestone of the CPAP, *UNDP's micro-finance portfolio will be fully phased-out* and handed-over to partners.

- Under the lead of UNCDF, the development of a *national Road-Map for access to finance* will be facilitated, as well as capacity development for additional micro-finance providers (MicroLead), and innovative research on clients financial needs and uses (Financial Diaries) provided.

- *Social cohesion, conflict prevention and peacebuilding interventions* will be deepened by introduction of technology innovations, strengthening involvement and capacity of government partners, targeting youth and women, and using socio-economic activities strategically to promote positive values.

- *South-South cooperation* will provide a key vehicle for capacity and policy development for social cohesion and peacebuilding.

- In addition to promotion of the governance mapping results, *knowledge and information sharing* is a crosscutting target.