

**REPORT OF THE INDEPENDENT
ASSESSMENT MISSION**

2010

ON

**THE HUMAN DEVELOPMENT
INITIATIVE
IN MYANMAR**

LARS BIRGEGAARD
GLEN SWANSON
DULAN DE SILVA

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List of Acronyms

ARV	Anti-Retro Virus drug
CBOs	Community Based Organizations
CDRT	Community Development in Remote Townships
CF	Community Facilitator
CGAP	Consultative Group for Alleviation of Poverty
CO	Country Office
CPD	Country Programme Director
CTA	Chief Technical Officer
DEX	Direct Execution
DRR	Disaster Risk Reduction
DSA	Daily Supplementary Allowance
EB	Executive Board
ER (P)	Early Recovery (Project)
FM	Financial Management
GC/EB	UNDP Governing Council/Executive Board
HDI	Human Development Initiative
HIV/AIDS	Enhancing Capacity for HIV/AIDS Prevention and Care Project
HHs	Households
IAM	Independent Assessment Mission
IASC	Inter-Agency Standing Committee
ICP	International Comparison Program
ICDP	Integrated Community Development Project
ICERF	Integrated Community-Based Early Recovery Framework
IHLCA	Integrate Household Living Conditions Assessment
INGO	International NGO
JUN	Joint UN Programme for HIV/AIDS
LIFT	Livelihoods and Food Security Trust Fund
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MDG	Millennium Development Goals
MF	Micro-finance

MKKs	Myanmar Kyats (ks 1,000 = US\$1: May 2010)
MPG	Myanmar (HIV) Positive Group
MPP	Micro-Project Proposals
NGO	Non Government Organization
NLD	National League for Democracy
OCHA	Office for the Coordination of Humanitarian Affairs
PLWHA	People Living with HIV/AIDS
PONJA	Post-Nargis Joint Assessment
PONREPP	Post-Nargis Recovery and Preparedness programme
PoP	Poorest of the Poor
RCC	Recovery Coordination Centre
SHG	Self-Help Group
SPCD	State Peace and Development Council
SRG	Self Reliance Group
TCG	Tripartite Core Group
TF	Township Facilitator
TM	Township Manager
TS	Township Specialist
USD	United States Dollar
USDA	Union Solidarity and Development Association
USDP	Union Solidarity and Development Party
UNDP	United Nations Development Programme
UNHCR	UN High Commission for Refugees
UNOPS	United Nations Office for Project Services
VTDC	Village Technical Development Committee
WATSAN	Water and Sanitation Hygiene

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Executive Summary

The HDI is implemented in full compliance with the Mandate given to UNDP Myanmar by the Governing Council/Executive Board (GC/EB), through its consecutive decisions since 93/21.

The significant developments on the political arena during the period under review have not negatively affected the implementation of the programme.

The drought that affected the Dry Zone in particular in the agriculture season 2009 put strain on Self Help Groups (SRG) and Micro Finance (MF) project's group members to service their loans. Yet, provision of financial services through these mechanisms continues to be a strong element in the programme; particularly the MF project.

The programme has successfully managed to implement and deliver up to its budget frame.

Over the past two years, impact studies have been undertaken for the MF project, the ICDP/CDRT and the Early Recovery (ER) project. The MF project shows good results. The ICDP/CDRT and the ER projects show only limited impact as further elaborated in the report. Given the resources and the time villages have received support, notably in ICDP/CDRT, these findings are disappointing.

The main reason for these results seems to be the very wide scope of diverse activities resulting in resources being spread thinly in combination with the limitations in terms of technical specialist capacity in a wide range of fields, particularly at township level. The inability to engage with township technical departments due to mandate restrictions also contributed.

The Team does not support the idea of a continuation of ICDP/CDRT and ER in their present form, after 2011. While retaining key elements such as MF and SRGs, a much more thematically focused programme would give higher contribution to poverty reduction.

The direct execution modality (DEX) of the programme has tended to reduce efficiency in programme implementation. This is primarily not a consequence of inefficiency in DEX management, but rather the implications of the introduction and enforcement of UNDP global regulatory and administrative frameworks (related to procurement, finance, service contracts, security, travel etc).

Integration of gender, environmental sustainability, DRR and a Rights-based Approach has been achieved with varying degrees of success in the HDI.

SRGs and MF has had a good impact in addressing women equality as the members and clients are almost exclusively women. In spite of these achievements HDI has relative weakness and inconsistencies in applying its gender strategy and action plan.

Project monitoring and reporting continues to be burdensome and tedious.

A continued conservative interpretation of the mandate as reflected in the implementation of the programme reduces results and sustainability. The limited engagement with technical departments at township level is particularly harmful.

Introduction

The IAM 2010 was undertaken in May of this year. The Team reviewed extensive documentation on the HDI projects, interacted with UNDP programme and project management staff, donor representatives, embassies, UN agencies represented in Myanmar and international and local NGOs. The Team made field trips to the Delta, Chin State, Dry Zone and Chan State meeting Area Managers, Township Managers and their staffs and beneficiaries in nine villages. The Team feels confident to have reached a high level of insight into the HDI activities as a basis for arguments forwarded and recommendations given in this report. The team leader had participated in four prior Independent Assessment Missions (IAMs) and one of the team members in one earlier IAM. A summary of the ToR is given in annex 1.

Overall assessment of performance

As elaborated below, it should be recognised that HDI is implemented in a highly complex, difficult and unpredictable environment. Under these circumstances the Team wants to compliment the UNDP staffs at all levels for its noteworthy achievements in the past year. In large measure this is due to highly committed and hard working staff that the Team has noted first hand at both the centre and the field level, and in combination with the major programme components of high quality.

In any programme there are aspects that may call for further consideration with the view to seek improvements. What follows should be seen in this light and hopefully be taken as the constructive but probing observations as they are intended to be. This is particularly so as projects are coming to an end in December 2011 and this provides an opportunity for a re-designed programme.

1 Compliance to the GC/EB

The Team has reviewed extensive documentation on the HDI Programme and made observations in interviews and interaction with UNDP CO staff, project staff at different levels, project related Community Organisations and beneficiaries in four different geographic areas as well as with UN agencies and NGOs in order to establish the extent to which the Mandate given to UNDP-Myanmar by the Governing Council/Executive Board (GC/EB) through its consecutive decisions since 93/21 is adhered to.

Our conclusion is that the implementation of the HDI by UNDP-Myanmar is undertaken in full compliance with its mandate.

The Team concurs with previous IAMs in their concern regarding the negative consequences the mandate and its interpretation have had on the effectiveness and sustainability of HDI activities. The inability to engage with the technical offices at the township level is particularly harmful.

In the view of the Team, the Mandate continues to be given a conservative interpretation.

2 The HDI programme components

The HDI comprises five projects.

i) ***The Integrated Community Development Project (ICDP)*** is a multi-sector project which operates in 19 townships in the Dry Zone, Shan State and the Ayeyarwady Delta. The core objective of the project is to strengthen the capacity of poor communities to address the basic needs of the community, particularly those of the poor and disadvantaged.

Following Cyclone Nargis, the Integrated Community Early Recovery Component (ER), designed to address the emergency and recovery needs in the Ayeyarwady Delta, was added to the ICDP for reasons of administrative expediency. However, this component is operated as a separate project with its own management and budget. It will eventually be reintegrated into the regular ICDP project. ER operates in four townships.

ii) ***Community Development in Remote Townships (CDRT) Project*** operates with the same objectives as ICDP in the border states, Kachin, Chin, Kayin/Mon, and Rakhine, including the northern Rakhine State. The CDRT activities are undertaken in 26 townships.

iii) ***Sustainable Microfinance to Improve the Livelihoods of the Poor (MF)*** focuses on disciplined and sustainable micro-finance services to female micro-entrepreneurs, in selective poor villages. The MF project operates in 22 townships.

iv) ***Enhancing Capacity for HIV/AIDS Prevention and Care Project (HIV/AIDS)*** refocused its objective in 2005, on strengthening the capacity of the Self-help Groups (SHGs) and on raising awareness of the villagers, including young adults, adolescents and men at risks of HIV/AIDS.

v) ***The Integrated Household Living Conditions Assessment (IHLCA)*** conducted the first national survey on the extent, nature and causes of poverty in Myanmar. A second follow-up survey is presently underway.

3 Programming environment

It should be recognized that HDI is implemented in a difficult and unpredictable environment. In addition, major events in the last few years have further complicated the task to manage a large programme. In 2007, the demonstrations and unrest resulted in uncertainty and slowdown in activities. In 2008 the Cyclone Nargis turned the normal programme implementation for a significant period of time into an emergency response operation, engaging staff and management resources from the different projects.

During the year since the last IAM, a number of significant developments have taken place in the country. Among these are the extended house arrest of Aung San Suu Kyi, the enactment of election laws, the withdrawal of NLD from the political process leading up to the parliament elections that are expected to take place sometime in 2010, the resignation from military services of cabinet ministers and the registration of USDP as a political party.

The Team has attempted to determine if these developments in some way have affected the implementation of HDI, particularly at the field level. Consultations with programme and project staff, particularly in the field, suggest that by and large the implementation of activities have not been affected.

However, at policy level it has been noted that ministers are less prepared to make binding commitments.

In some instances minor concerns were raised. For instance, the processing of domestic travel permits for international staff now takes a bit longer than in the past. In a couple of townships it was reported that the authorities were more demanding on being informed about mass gatherings at village level for planning or training purposes. However, such events had not been denied, but at times more closely monitored.

It is anyone's guess, if constraints with negative effects on the HDI will be introduced as the elections come closer.

The HDI has been affected by the severe drought that reduced production in the last agriculture season, particularly in the Dry Zone. The drought had particularly serious impact on rural poor in the affected areas who are the target beneficiaries of HDI. The hardships accentuated the outstanding importance of food security and strain was put on members in SRGs and micro-finance groups to service their loans.

The HDI was also decisively affected by funding constraints during the period under review. The funding of the Early Recovery activities was drastically reduced from some USD 17 million in 2009 to USD 4 million in 2010 as a result of a decline in non-UNDP funding. The result has been a serious reduction in support delivery and under-utilisation of an oversized delivery structure. Steps are taken to reduce the staff.

Funding that was hoped for from the newly established Livelihoods and Food Security Trust Fund (LIFT) has not yet been accessed. Approval has been granted by the LIFT for USD 6 million for MF and USD 2 million for activities in the Delta. The funds have not been released due to the cost-recovery provisions of the LIFT being inconsistent with UNDP executive Board mandated cost-recovery policy. The issue is still being reviewed in UNDP HQ.

Donors also constitute part of the external framework of HDI. After the donor review of HDI in 2010, the core donors have questioned whether HDI should make efforts to reach the poorest of the poor (PoP).¹ This is a noteworthy change in the view on the HDI poverty focus; earlier donors have argued that the HDI paid inadequate attention to the poorest of the poor.

While the general donor view on HDI is highly supportive, at times the donors do not always speak with one voice.

The interpretation of the mandate continues to reduce efficiency and effectiveness in programme implementation and raises serious concerns related to sustainability. In this respect we strongly concur with arguments made by previous IAMs. An important task for the CO is to explore whether it is possible to find practical ways to engage and mobilise the seriously underutilised technical capacity at township level that are consistent with the existing mandate. This holds the potential to have significant impact on achievements and sustainability of HDI.

4 Follow-up and action on the 2009 IAM recommendations

In the opinion of the Team, there seems to be a misunderstanding by the HDI management both on the nature of recommendations given by an IAM and the purpose of a management response. The management response seems to reflect a perceived need to follow the IAM recommendations. Efforts are made to prove that action has been taken on all recommendations or at least that action will be taken.

Recommendations from an IAM should be seen as recommendations, and no more. There may be good reasons not to accept a recommendation, and the HDI management should indeed feel

¹ UNDP HDI - 2010 Annual Partnership Review Mission. AusAID, DFID and Sida feedback. April 2010.

free to say so and do so, provided a reason is given. This view should also be reflected in the ToR for IAM missions.

The management response seems to be used as a mechanism to inform subsequent IAMs (and others?) what action has been taken on the different recommendations, rather than as a management tool. Used as such, the response should be the outcome of an analysis of the recommendations given. This analysis should be made when the recommendations are given and serve to guide the operations thereafter.

With appreciation, the 2009 IAM recognised that a gender strategy had been and was to be implemented. This has not happened and no convincing reason has been forwarded. Furthermore, it is not clear why the proposed assessment of the poorest of the poor (PoP) strategy is not undertaken.

We notice with satisfaction that a comparative study of SRGs and CBOs is underway.

5 Follow-up on impact studies

The Outcome/Impact Study of ICDP/CDRT is both a critical and important source of information for HDI and its potential should be used to the fullest.

In the absence of base line data the survey made observations in a sample of villages that have received support through HDI from 1994 and onwards and in villages that have not received such support (a control group of villages). The methodology and the survey design has been considered robust by a survey specialist brought in to design the second round of the nationwide Integrated Household Living Condition Assessment.

The findings in the survey show either modest or only limited difference between villages receiving HDI support and non-HDI villages. The difference exceeds 15% on only a few indicators and typically on indicators measuring aspects where HDI projects have made specific efforts such as distribution of pesticides (20% difference), fertilizer (17%), access to credit through SRGs (14% lower dependence on money lenders). On food security without resorting to borrowing, which is a more decisive and of critical concern to poor people, the difference is small. Households in HDI-villages manage on average three weeks longer in the year than non-HDI villages. The differences between HDI-villages and non-HDI villages were found to be particularly low in the field of health and education. Of 17 variables related to education the difference was less than 2% on 13 of these.

The use of control groups in surveys like this is not without methodological problems. Despite the best of efforts to select a control group that is equivalent to the group that has been exposed (here to support from HDI), there is always a question mark to what extent this has been achieved. In this survey the problem is compounded by the fact that support has been given over such a long period of time.

The survey team was conscious of these problems and made well designed efforts to reduce the risk of a non-representative selection. Yet it cannot be excluded that a certain degree of error entered into the selection. The interpretation of the results should bear this in mind.

These methodological problems were discussed by the 2009 IAM which drew the attention to the fact that no attempt had been made to analyse the correlation between impact and duration of support; different villages in the sample had received support during different periods of time. Such an analysis would have the advantage of eliminating the question of representativity of villages in a control group. The UNDP was recommended to undertake the analysis.

The analysis was eventually undertaken during this IAM. A comparison was made between villages receiving support since 1994-1999 and villages supported since 2005-2008. This means an average difference of 10 years.² The result shows that there are differences indicating higher impact after an additional ten years on a number of indicators in different dimensions. For instance, access to fertiliser and reduction in dependence on money lenders show marked differences. On other indicators the difference is more limited (<10 percentage points). Perhaps the most telling statistic is that the drop in the poverty headcount is one percentage point.

It should be noted that the impact study did not attempt to measure achievements in terms of social capital formation.

The question is then what conclusions that can be drawn from these findings. The Team makes the following interpretation.

The use of a control group introduces the possibility of a degree of error in the point of reference against which change is measured. However, given the efforts to minimize this problem in the design of the survey, it is unlikely that this source of error has resulted in strongly misguided conclusions.³

Furthermore and importantly, the analysis of HDI-supported villages only, gives credibility to the conclusion that overall impact has been modest.

Passing a judgment on the degree of satisfaction with the achievements can be made on at least three grounds. Firstly, it can be a value judgment. Secondly, a comparison can be made with other similar programmes. Thirdly, an assessment can be made of the potential of alternative approaches in the specific context of the programme in focus.

The Team has based its conclusion on the two latter. The Team members have seen the limitation of a community development approach to poverty reduction in a number of other countries. Furthermore, in assessing the ICDP/CDRT the Team finds a number of design weaknesses (absence of a problematisation of poverty and empowerment, no strategic framework at programme or project level outlining means-end relationships for poverty reduction, activity selection reflecting degree of contribution to objective fulfillment, the role of CBOs for poverty reduction, definition of end state and time frame, and so forth). The considered opinion of the Team is that a significantly revised design entailing a different strategic approach would have had significantly higher impact in terms of poverty reduction. In a separate report to the UNDP CO such an approach is outlined.

Based on these considerations the Team concludes that the performance of ICDP/CDRT is unsatisfactory and the Team cannot support the idea of a continuation of these projects in their present form beyond 2011.

It should be added that the SRGs in CDRT is a valuable activity both from a livelihoods point of view and as a mechanism to form social capital.

It stands to reason that the absence of a policy/regulatory/institutional framework conducive to broad-based economic and social development has constrained HDI in having a greater impact. However, if this is the case, it raises concerns regarding the potential of a programme such as HDI to make a difference. While acknowledging these constraints the Team ascribes design flaws of HDI a much greater explanatory value on the issue of impact. Likewise, design flaws rather than management have resulted in limited impact. The failure to engage in scale with technical

² The mean would have been a more relevant measure.

³ Technical Report Household Questionnaire Survey Outcome/Impact Assessment 2008, UNDP Yangon (Myanmar), February 2009.

departments at township level due to the interpretation of the mandate has also contributed to reduced impact.

Some of the concerns that the results of the ICDP/CDRT impact study generate are reflected in the Concept Note on Programming for 2010-2011 (developed by the country office following the 2009 IAM) and the work plan for the same period. The Concept Note deals with, among other, issues as to how the technical capacity to support HDI activities can be enhanced. The establishment of the Learning Academy to develop staff capacities was also a result of the impact studies. Linking the MF Project to SRGs and pilot activities to increase market access are likewise measures to increase impact and enhance sustainability. These are positive developments.

Still, in the view of the Team the proposed measures if implemented will fall far short of the change of approach and revision of programme design that is needed.

A second Outcome/Impact Assessment for the ER Delta activities was undertaken in 2009 to similarly measure overall impact by assessing the extent to which the affected population has been able to recover from the devastating cyclone. This study identifies quite similar results; questioning the overall impact of interventions beyond the initial benefits gained from the direct dispersal of material goods, education (enrolment), household food supplies, sources of debt (showing slight decrease in debt to money lenders from), and utilisation of loans (with only a slight increase in inputs to livelihoods) when compared to the control communities that did not receive assistance.

A third impact study focused on micro-finance. The Micro-finance Impact Study was carried out in 2007 and is soon to be followed by an update planned for later this year (2010).

Overall the results are both good and favourable to the Micro Finance Project for having a positive impact on households and providing capital for investment in a range of activities.

6 Scope of activities

The overall portfolio of activities of the HDI has grown over the course of the years to include a very broad range of activities. The interpretation of the Mandate has contributed to this. The Mandate indicates that activities should be targeted to the grassroots' level and address needs *"particularly in the areas of primary health care, the environment, HIV/AIDS, training and education and food security."* Rightly or wrongly, HDI has developed on the understanding that activities have to be undertaken in all these areas. Furthermore, in each area the number of different activities has grown over the years widening the scope of activities in each area, particularly in the area related to livelihood. As one person in senior management described the problem, the project is trying to do *"everything under the sun..."*.

The result has been that programme resources have been spread very thinly. Furthermore, it has not been possible to provide adequate technical support and guidance at project level to many activities. This has affected the relevance and effectiveness of activities. It is noted by the Team that another contributing factor to broadening of activities is rooted in the decision by UNDP to expand HDI and the approval by the government of an expansion to 40 new townships in 2005 in order to extend UNDP presence. This has reinforced a tendency to spread activities to many townships and villages and maintain that presence for a long duration, with the consequence of being too thin, as described above.

A final contributor towards this broad scope of activities is the fact that the HDI is the only aid agency in many of the townships and seems to feel obliged to work in a range of activities that would normally be shared by others. In that vacuum, HDI has evolved into the sole provider to the communities.

In our view these factors also go a long way towards explaining the relatively restricted results reflected in the impact studies.

7 Targeting the most vulnerable and poorest in HDI

In the two largest rural development projects of HDI, CDRT and ICDP, households are wealth ranked into five categories listed from A through to E; with A been the richest and E the poorest. This is done by the village members in a participatory manner. The bulk of project assistance, especially for SRGs, are for the poor identified as category C and D families, while the micro-finance programme is supportive to category B to E families, with limited stress on category E families. Furthermore, village-wide interventions, such as education, water and other infrastructure, benefit the entire village. Thus it is correct to say that the bulk of the project and staff focus is on those poor C and D families, which are members of SRGs. This is strictly enforced and the Team even saw an example of the richer A and B families voluntarily forming their own SRG; learning and emulating the success of SRGs formed by poorer members of their village, as they themselves were excluded from joining the existing SRGs intended for the poor.

However, as of December 2009 there were 30,157 category “E” families, or poorest families, in the ICDP project areas alone. These poorest households were neglected until 2007 when based on recommendations of the IAM in 2007 a strategy to address the ‘Poorest of the Poor’ (PoP) was developed. This was piloted in ten villages in each township within the CDRT and the ICDP. This covered a sample of 15,839 families in CDRT and 1,852 families in ICDP. But by 2009 the number of household dropped to 2,638 in the CDRT and 1,120 in the ICDP, partly due to some of these families graduating to SRG groups.

The HDI management recognises the need for an assessment of the experience gained on the implementation of the PoP strategy. Such an assessment will be undertaken shortly. While accepting the recommendation by the 2009 IAM not to apply the vulnerability assessment tool developed at that time, the HDI team considers vulnerability an important consideration when supporting the poorest of the poor. Therefore, a revised tool for vulnerability assessment will be developed. The IAM Team welcomes this effort.

The HIV/AIDS Project also focuses on the most vulnerable. The Early Recovery Project in 2009 supported some persons with disability in partnership with Leprosy International Mission. Besides this the ER Project has developed a project proposal for LIFT, seeking funding to support the most vulnerable people in 100 villages affected by Cyclone Nargis.

In the Micro Finance Project the “poorest” are not focused directly. Though in 2006 the project developed a product named “vulnerable” loan meant for the poorest that do not normally join the micro-finance group. This loan has not been popular. Only 846 of these loans were issued in 2009. Health loans are another important product for the poorest which has also not been popular, with only 3,375 loans issued in 2009.

Hence while HDI focus is on the poor, the focus on the poorest and vulnerable needs more attention immaterial of the outcome of the assessment of pilot PoP work.

8 Exit Strategies and leaving behind sustainable benefits.

There are many interventions of the HDI which result in sustainable benefits at the household level. These include:

- Improvement to income and assets through access to capital;
- Skills enhancement from agriculture, livestock extension and training;
- Access to livestock, fisheries, small-scale business training;
- Construction of fly-proof latrines; and
- Construction of hand dug wells.

In addition, larger village-wide sustainable benefits have been implemented through:

- Construction and renovation of school buildings; and
- Health Centre Construction.

Training and developing village workers, particularly Auxiliary Mid-Wives (AMWs) has also helped to create sustainable health benefits to the communities. These interventions do not need “exit strategies” for villagers who received such assistance. In the case of SRGs, a greater stress on savings, improving a repayment culture and independent management are the key elements needed for sustainability that would allow the project activities to exit.

Exit can be regarded as exit both from a geographical area such as from townships and villages, as well as an end of activities. There is an argument that UNDP’s presence in villages ensures linkages to the communities. However as ICDP/CDRT currently works in less than 40% of the villages in the townships they work in, why is presence given to these villages for an indefinite period? The projects can be rolled over into new villages even in same townships, to afford them presence. Introducing the micro-finance project to the villages that ICDP and CDRT exit is another way to ensure presence.

The need for an exit strategy has been seriously acknowledged by UNDP. However to date the only action taken by the projects ICDP and CDRT is to shift the balance between socio-economic investments and livelihoods, in favour of the latter, and to reduce efforts on capacity building. Secondly there was a reduction of inputs to communities that received a substantial amount of support from HDI over the years. Introducing micro-finance “bulk loans” to SRG’s is also seen as a potential exit from SRG’s.

However there is no clearly defined “exit” strategy to withdraw from villages or community organisations, such as SRGs, and there are no plans to do so in 2010 or 2011.⁴ As HDI works only in 33.6% of the villages and 35.3% of households in the townships are covered by CDRT and ICDP, there is considerable work that can be done and presence ensured, in the same townships UNDP currently works, even if HDI had an exit strategy from existing villages.

The Early Recovery Project’s exit strategy is to move from villages and areas from a relief and rehabilitation phase to development phase, by linking them with ICDP and micro-finance. This is a good strategy to end the Early Recovery phase.

The current absence of an “Exit Strategy” from villages has implications for the development of a new programme from 2012. In the absence of a planned phased ‘Exit Strategy’ it would be improper and difficult to leave communities where the projects have worked for years; some times over 10 years, merely because the project is over. Furthermore, in order to continue a presence in existing villages, an exit strategy could still entail once a month follow-up visits to

⁴ There is a Guidance note for townships on SRG sustainability and exit planning. This note gives suggestions what further assistance that might be given to SRGs given their level of maturation. The note gives no information about an end state or a timeframe when an SRG can be left to stand on its own feet. Therefore, it is hard to consider this an exit strategy.

mature project villages, in order to monitor SRGs and ensure presence. Thus it is an urgent requirement that HDI, particularly its two main long-term rural development projects, develop and implement an exit strategy to move on from current villages.

The HIV/AIDS with its partnership with Myanmar Positive Group has the potential to exit after building the capacity of the local groups and linking financial assistance to them from UNDP and other donors.

9 Monitoring and evaluation

The Monitoring, Evaluation and Learning group (MEL) was established in 2008 with the objective to develop and upgrade M&E approaches and methodologies. A training needs assessment was undertaken.

In the middle of 2009 UNDP initiated what has been referred to as a re-profiling exercise for HDI. This involved changes in the staffing of the projects (except the MF project under PACT implementation) in HDI and changes in the roles and responsibilities of different positions. The contracts with all staff (except Community Facilitators (CFs)) in the projects were terminated and the staff was required to apply for employment in the new structure. This involved a major exercise of assessing applications, making interviews, selection among candidates for different positions and preparation of new contracts with the aim of choosing a right person for the right job. The most notable change in the staffing of the projects was the elimination of the post of Township Facilitator in the ICDP, CDRT and ER. Although the exercise was expected to have several positive outcomes, it also had a number of negative consequences and the office stopped the process in November 2009 and has started to review the outcomes and is taking necessary steps to address shortcomings.

The MEL group activities slowed down as a result of the re-profiling as it resulted in the loss of principal monitoring personal at the project level, though three of these positions are now just being filled. Hence the M&E capacity has been notably weakened in the last year. Recruitment is now underway to re-establish capacity. Further strengthening of this capacity is called for. This is already recognised by the HDI Team and one of the elements in the plan to restructure the CO presently under consideration is the intention to establish a strong M&E unit. The IAM Team welcomes this idea.

Within the HDI an inexplicable number of reports are being prepared each month at the township level. It was estimated by one Township Manager that as much as 40% of his time is being used to prepare reports. In the same townships Technical Specialist and Community Facilitators estimated that they spent 20% to 30% of their time preparing reports. MEL is addressing this to adjust the monitoring and reporting mechanisms to a more concise instrument with less demand on the responsible staff at township level. This is critically important as there is limited perceived value by the township staff for this task.

In other aspects of reporting, there is limited monitoring in a gender-disaggregated manner on activities (including health, education, WATSAN, etc.). In the annual reports there is virtually nothing.

Similarly, little information is generated and reported on outcomes and impact but rather on inputs and to some extent on outputs. For example, it could be useful to inquire how many Agricultural Extension Workers and Livestock Extension Workers actually assist other farmers, one year after training.

There is presently no adequate mechanism for feedback from beneficiaries within any of the HDI structures. However, UNDP has discussed with Care Myanmar and has studied a World Vision

model to gather information on their experience on community feed-back to inform UNDP initiative. A draft has been developed based on this insight and the model will be piloted.

The Impact Assessment 2009 has been presented and discussed in a series of workshops and meeting in which staff also from the townships participated. This in turn has lead to more focused targeting and budget allocations in the planning exercises. The HDI capacity building team has been active in this respect.

The HDI team also took the opportunity to present the IAM 2008 results to the joint ICDP/CDRT annual work plan workshop in 2009, where some township level staff also participated in the deliberations. Overall the sharing of the IAM results and recommendations within the HDI townships has been limited. This is the result of the HDI over-emphasis on service delivery and less on sharing experiences and further developing best practices.

Less has been undertaken in regards to sharing these findings with the project beneficiaries. At the community level there has been no evidence of the impact studies findings leading to any additional discussion or reviews.

10 IAM Project Reporting

Earlier IAMs have drawn attention to the inadequacy of the monitoring and reporting system. A mass of data are collected at field level and presented in numerous reports. At the township level no less than 11 monthly reports and four quarterly reports are prepared which are aggregated at area level and delivered to Yangon.

This effort is in large measure a waste of staff resources, as the reports seem to be of little use for management purposes. During field visits township managers reported to spend up to 40% of their time preparing reports, technical specialists and community facilitators 20-30%.

As suggested by earlier IAMs, there is need for a fundamental overhaul and redesign of the monitoring and reporting system. It is not a matter of ad hoc and piece meal improvements.

11 Project and activity integration with HDI

Integration of HIV/AIDS, gender, environmental sustainability, disaster risk reduction (DRR) and a Rights Based Approach has been achieved with varying degrees of success in the HDI.

Currently the HDI continues to function with limited integration of the various cross-cutting themes including, gender, environment and the Rights Based Approach into HDI programming. There are also limited synergies of efforts between projects, with their current focus on service delivery in accordance to each of their own work plans. Yet the HDI is in the process of promoting the integration of activities at the programme and operational levels. This includes the ER becoming merged with the ICDP, but as this initiative has just begun it is still too soon to see the result of this integration.

Limited yet positive gains in integration are evident in the HIV/AIDS project, as well as the effort towards a DRR policy and action plan, and the environmental related activities that have attained some success in the principal projects.

Less success has been achieved in respect to the Gender Strategy and Gender Action Plan; which initially made good gains but has now tapered off. It is hoped that with the recruitment of a national adviser further implementation of the strategy and action plans can be expected. It is understood that this process is underway.

PACT, through its micro-finance project, has initiated an initiative to support SRGs with a “bulk loan”. Although still at early stages, this initiative is well received and expected to expand further.

In other areas the joint project with the UN Inter-Agency Project on Human Trafficking (UNIAP) on trafficking awareness and prevention in the Delta, is now operational after having been subject to many delays

The HDI management is aware of shortcomings in integration of crosscutting issues. In the work plan for 2010-2011 the management takes a more strategic approach to addressing such issues. The intention is to mainstream crosscutting issues at the grassroots’ level with an examination and adaptation of HDI processes at every level to incorporate crosscutting issues for poverty reduction

HIV/AIDS

The HIV/AIDS Project has made some limited gains towards wider HDI integration. These limitations may reflect weakness of the existing management structure within the principal projects to successfully dovetail their activities with the HIV/AIDS Project. As described in the Technical Review (2009)⁵ this may have been the result of a series of challenges, which include design limitations and weak implementation, the need for specialist ongoing support and community mobilisation activities; the social stigma associated with HIV; as well as the cultural challenges of encouraging behaviour change to prevent HIV infection and transmission.

Overall, aside from limited coordination focusing on site identification and local level information exchange, the HIV/AIDS Project remains a distinct, autonomous activity within the HDI. With limited integration the HIV/AIDS Project is implemented parallel to both the ICDP and CDRT, with only a limited degree of coordination.

The HIV/AIDS Project has made significant gains in integration with the Gender Strategy. This has been evident through its work with the National Strategic Plan for HIV/AIDS Technical Support Gender Working Group; a gender audit of the Joint Team; and a multi-partner gender review of the National Strategic Plan for HIV and AIDS. At the operations level the HIV/AIDS Project works with SHGs, through which it addresses gender and HIV within its own project. These successes are in spite of the absence of a UNDP focal point on gender, after the completion of the contracts of the two gender specialists in 2009 (discussed below).

GENDER

The major components of the HDI (CDRT, ICDP, ER and the Micro-Finance Project) have continued to integrate gender issues in their implementation, by promoting support to women through SRGs and micro-credit lending mechanisms.

Throughout 2008 and 2009 momentum was being built up with the development of a Gender Strategy Paper and a Gender Action Plan. This in turn led to a series of training workshops to staff at the central and township level, as well as a study on Gender Tracking; this latter document was initiated to identify and understand the coping strategies of women recovering their livelihoods as well as an analysis of gender roles in the Cyclone Nargis affected areas. During this period, the HDI engaged an expatriate gender specialist, as well as a national gender adviser, to champion this theme and to facilitate and support the overall integration of gender in the HDI.

⁵ Enhancing Capacity for HIV/AIDS Prevention and Care. Technical Review. UNDP, Myanmar. Bill O’Loughlin. April 2009.

Unfortunately as a result of funding constraints both of these critical positions have become vacant. This has resulted in a stagnation of further promotion of the strategy and more detail implementation of the action plan, and has left training at its initial basic level.

Beyond the intention of the Gender Strategy and Gender Action Plan, integrating gender is evident in the HDI through the promotion of women's empowerment and advocating gender equality at the community level. This is particularly evident in both the SRG and MF strategies, in which targeting women has contributed to measurable impact on women's empowerment.⁶ There are a number of principal areas that form the basis of women's empowerment resulting from SRG: decision making, voice, knowledge, social mobility and social status.

ENVIRONMENT

Throughout 2009 a number of efforts are evident in respect to the theme of environment and its integration with HDI activities. The impact study⁷ carried out in 2009 has identified that both access to natural resources and the overall quality of the environment has been in decline in many of the project areas, and this is consequently having a negative impact on household livelihoods. Correctly, environmental rehabilitation is being recognised as having a principal role in supporting sustainable, rural livelihoods (as well as efforts to support reducing the impact of climate change and increasing efforts towards a disaster risk reduction strategy in 2009). As a result, a number of HDI activities have been undertaken in both the Delta and throughout the country to promote responsible environmental management.

The HDI management has seen the need for an environment strategy which is now being developed. In the aftermath of cyclone Nargis a multi-agency working group on environmental issues has been formed. This group is chaired by UNDP.

In the Delta efforts have been on replanting 'multi-purpose' trees and mangrove saplings (an estimated 1.6 million have been planted through a Cash-for-Work programme initiated through the ER Project under the UNDP's post-Nargis reforestation strategy). This has extended in 2010 to include public tree planting, agro-forestry, private forestry and community forestry activities.

The promotion of environmental sound practices has also been introduced to other regions. In the Shan State and in the Dry Zone villagers have been provided with and trained to use fuel-efficient stoves. In addition, soil conservation activities and agro-forestry techniques were introduced in 183 villages throughout the ICDP programme.

Other efforts include training to raise awareness in the HDI supported communities (particularly in the border areas) addressing community-based forest management practices to promote sound conservation practices, as well as change behaviour.

Lastly, it is worth noting that the HDI has constraints in respect to accessing funding opportunities such as the Global Environmental Fund (GEF), as a result of the restrictions imposed by the Mandate.

DISASTER RISK REDUCTION

⁶ As documented in: a) The SRG case studies, and U Thein Myint and U Kyaw Thu. Impact Study of Microfinance Project. UNOPS/UNDP (Myanmar), August-September 2007; b) Smith, Reid, "A Hen is Crowing: A Gender Impact study of Two UNDP Community Development Programs". July 4, 2006; c) U Thein Myint & U Kyaw Thu, "Impact Study of Microfinance Project", UNDP/UNOPS, Aug-Sept 2007.

⁷ Participatory Impact Assessment published in February 2009 (forming part of the ICDP/CDRT impact study).

Currently the HDI is examining mechanisms to expand DRR in hazard-prone areas, at the community level. In some areas this will involve HDI townships and villages as well as others, beyond the HDI area.

The HDI has determined that continuing DRR in its current scope, especially in the Delta and mainstreaming into other HDI villages is weak. This was the result of limited funding, delayed plans, and confusion of the role definition for the UNDP in this context. There has also been limited dissemination of good practices and lessons learned in community based assistance.

The draft DRR strategy proposes working closer with communities to develop these good practices with high-risk communities. This will extend to include focus areas along coastal areas; the Delta; drought and fire prone areas of the Dry Zone; landslide and flash-flood prone areas of the Shan State and Coastal areas of the Rakhine.

Community based partnership, capacity development and local level governance will be the three strategies in “modelling” DRR in those areas. UNDP has been working with Action Aid on DRR, UN-Habitat on shelter and with other organizations through the DRR Working Group on these issues. In the proposed focus areas, UNDP will also be working with organisations with specific technical specialty, on a DRR component instead of building UNDP’s own capacity and personnel, as this is more cost effective and pragmatic. The IAM Team finds this approach sound and convincing.

A RIGHTS-BASED APPROACH

While UNDP continues to promote its global commitment towards the promotion of a rights-based approach to development, as a crosscutting issue, within the context of Myanmar this is hampered by the political context of the Mandate and its limitations in establishing an effective partnership with the Government. As it is understood now, the Mandate makes it very challenging to adopt a Rights-based Approach. Consequently, only certain aspects of the methodology can be applied; including accountability, transparency and participation. Modification to this approach may be adopted in respect to a Human Rights Standards to provide and a more applicable instrument of social protection.

Nevertheless, a number of donors continue to promote their interest in a rights-based approach.

As exercised in the IAM report of 2009, it is suggested that the Rights-based Framework developed by the of the United Nations High Commissioner for Human Rights⁸ may again be useful for reviewing how the HDI applies these norms and standards. The tool may also be useful to illustrate the degree to which the HDI responds to the various elements of a rights-based approach. Again, as in the past, this matrix is provided in Annex 2 to identify the relevant criteria, which may be applicable to this political context.

12 Progress made by the IHLCA and HIV/AIDS Projects

IHLCA

⁸ Frequently asked questions on a human rights-based approach to development cooperation”, Annex II, New York and Geneva, 2006.

The Integrated Household Living Conditions Assessment (IHLC) has been an effective instrument profiling poverty in Myanmar. As such, it has become a vehicle for engaging the government and the aid community in a successful, if not procrastinate, dialogue on identifying and addressing these poverty issues.

The IHLC, in its first round in 2005, is a survey tool that has been examining the extent, nature and causes of poverty and has involved 18,000 households. To date, two reports have been approved by Government; the Poverty Profile and the MDG Relevant Information. These have been published and disseminated. Together, these documents provide the Government, UN agencies and donors with viable, reliable and officially approved data from which they initiate common approaches towards establishing poverty reduction strategies and programmes.

The IHCLA is now well on track with the second national household survey being undertaken. This round is aimed at improved tracking of progress towards the MDGs and a number of protection related issues. More recently the project has promoted and facilitated the government participation in the International Comparison Program (ICP) so that a Purchasing Power Parity (PPP) might be prepared and the Myanmar economy and poverty levels can be compared at international levels.

It is also intended that this may be a critical step towards the publication of a Human Development Report for Myanmar on which there is agreement with the government and a possible Poverty Reduction Strategy Paper for Myanmar, which is under discussion with the Resident Coordinator and the respective ministers.

HIV/AIDS

The HIV/AIDS project continues to make good progress and has expanded its core activities in a sound, responsible and effective manner.

Nevertheless, there remains the ever-present question as to whether the HIV/AIDS project would not be better served being independent of the HDI. As discussed in a section above, there is an institutional behaviour that is limiting and stifling the full integration of this project in the HDI. Given its overall success and impact (as well as its relative low cost) the question of whether the project should be either imbedded in another branch of the UN family or spun-off through a stronger partnership with an NGO arises.

In respect to the latter suggestion, there is room for serious inquiry as to whether the Myanmar Positive Group (MPG) might be one example of a potential partnership, supporting their emergence as a nascent NGO that could implement much of the current project without the cumbersomeness of being imbedded within the HDI.

Recently the UNDP has become the lead agency for the AIDS Impact Mitigation Strategy for the new National Strategic Plan on HIV/AIDS (2011-2015) that is being prepared. Given the strong contributing role the project provided to the last strategy this will be a sound position of further UNDP involvement in policy formulation.

13 Financial services for rural poor provided by HDI

HDI has four different conduits to provide financial services to beneficiaries directly by UNDP except for the MF project which is implemented by an NGO, PACT . These are:

- (i) Through the creation of CBOs and providing revolving funds to them;

- (ii) Through the creation of SRGs and providing revolving funds as well developing capacity to generate capital by savings and loan interest;
- (iii) By the creation of a NGO (PACT) implemented micro-finance programme; and
- (iv) Grants to PoP groups, HIV/AIDS project and some beneficiaries of Early Recovery Program.

13.1 Community Based Organisations

The weakest conduit in providing financial services is the CBO programme which created village-wide Livelihood Technical Development Committees. These were first introduced in 2005 in CDRTs on the grounds that SRGs did not cover the entire village. The December 2009 annual reports states there are 1,835 livelihoods related CBOs with revolving funds; yet there is no information on progress of credit, particularly regarding the loan repayment status of these CBOs. Nor does the office have total figures of loans outstanding or loan repayment. In the Muitui village in township Mindat, visited by the mission detailed loan repayment figures were available, and the records showed that MKK 7,193,025 out of a total loan of MKK 9,929,100 was in arrears. Thus the loan repayment figure is only 28%. No further capital should be infused into CBOs until a study is done and the current repayment status is known and if this reveals poor repayment then action should be taken to correct this situation.

13.2 Self Reliant Groups

ICDP and CDRT alone have 4,359 functioning SRGs with 60,910 member borrowers, as of December 2009. ER has also developed 1,282 SRGs in its project area. There is greater stress on savings in SRGs compared to the micro-finance project, with an average savings per borrower in CDRT of US\$47 and in ICDP of US\$23; compared to average savings in micro-finance project at US\$13.60. However, the area of concern in SRGs is loan repayment rates where it is only 73% for CDRT and 77% for ICDP, as of December 2009. Action should be taken to develop an improved on-time repayment culture in SRGs, especially as the Micro Finance Project has recently introduced bulk loans to SRGs. They will be eligible for this loan only if they have a good repayment record. In the future no SRG should be given capital by the project, but should do savings and become eligible for micro-finance loans based on sound repayment records on credit from savings.

The Micro Finance Project has commenced a bulk loan scheme to SRGs and two loans have already been issued and seven more scheduled to be issued soon. This is a good product for under-capitalized SRGs, which need more capital for loans. The ICDP has forwarded a list of 67 SRGs to commence this project and some of them are highly capitalized with average member having MKK 500,000 and above. In fact, some of the SRGs have declined the loan, as they feel they do not need the extra capital as of now. Micro-finance loans to SRGs should focus only on undercapitalized SRGs with sound repayment record. This will also be an appropriate strategy for the project to exit from such SRGs.

As the funds under the management of SRGs increase and they also have an external loan to manage, the groups may face greater risks and responsibility in funds management and accounting. The possible options to reduce risks for SRG management of external funds are:

- That individual loans also from Micro Finance bulk loans to SRGs are in proportion to individual savings;

- That no loans from Micro Finance are given to individuals with a regular “late repayment” record even if the SRG qualifies to get a bulk loan; and
- Greater stress on savings so that this savings remains as a safe-guard against any delay in paying micro-finance loans.

13.3 Micro Finance Project

The Micro Finance Project is the best of the three approaches for providing financial services which has outstanding loans to 329,603 borrowers, as of end 2009. The project offers nine different products, including a micro-insurance product. The portfolio is good with repayment rate of 98.88% and the Portfolio at Risk is at 1.25% as of December 2009. Efficiency is high, with a case load per loan officer ratio of 1 to 394, and operating expenses at only 14.61%. These are well above “best practice” indicators and ratios given by CGAP. The Micro Finance Project has also commenced “bulk” loans to SRG’s which is discussed under the SRG section above.

One area of concern with current implementation of the programme is inadequate focus on savings, with an average savings per client of only US\$13.60. However the fact that savings can be withdrawn in the Micro Finance Project, but not in SRG’s must be noted. Nevertheless the lack of reporting on savings in the annual report, and the inadequate promotion of savings indicates less focus on savings. One can expect an improvement in 2010 as based on last IAM recommendations. UNDP in its work plan for with PACT for 2010 has indicated savings targets for the year.

Another area of concern is the inadequate focus on those loans that are very important for the poor, such as vulnerable loans and health loans. Vulnerable loans commenced in 2006 in the Delta, but only in December 2009 in the Dry Zone and in February 2010 in the Shan State. Provision of health loans commenced in 2003. Only 846 vulnerable loans and 3,375 health loans have been given in total, at year end December 2009.

In programme management, a major need is a more capable MIS system, as it is currently being done on an MS-Excel spreadsheet. Based on previous IAM recommendations, PACT is now in the process of calling for tenders to select a suitable agency to develop a more secure MIS.

A major problem that the project faces is the inability to expand into new townships. The project currently works only in 11 out of the 50 townships in which the ER, CDRT and ICDP work, and in another 11 that other projects do not work. Though approval for expansion to other townships has been sought since 2008, this has not been forthcoming from the government. This has resulted in saturation in some areas and inability to provide this service to needy areas. The UNDP should work to obtain approval for expansion and include micro-finance as part of the total area any future HDI project works in.

Another point of concern is that the Micro Finance Project’s success has been largely due to the leadership of one individual; the Country Representative and Manager of the project. He has been with PACT in Myanmar since 1998, after planning the initial programme in 1997. Since then, as the only expatriate staff member, he has developed and led the programme until 2010, handling major challenges such as the transition of the programme from three agencies to one in 2006 and the major loss in 2008 due to Cyclone Nagris. It would indeed be difficult to find a manager either locally or from overseas, who can take the programme forward once the current CTA leaves. Hence considerable attention must be paid by PACT and UNDP for the succession issue in order to safeguard the project.

The Micro Finance Project functions as a project implemented by PACT. There is no governance by UNDP and thus no directions on policy or strategy, by UNDP. The current short comings

such as less focus on savings and the poorest, stems from this absence. However, based on previous IAM recommendations, the 2010 work plan's note on future directions for micro finance stresses the need to increase savings and give PACT savings targets to be achieved in 2010.

PACT in response to the need for governance has advocated in its revised proposal for 2009-2010 that a Micro-finance Advisory Committee consisting of the following is appointed:

- 1 member from UNDP
- 1 member from PACT
- 1 Retired Banker
- 1 Academic and 1 private sector leader

The Team does not think this is a good composition as the key issues which need policy advice are a focus of the poor and on capital mobilization and integration with other HDI programs, which needs more direction from UNDP. A team consisting of the Resident Representative or his representative, ICDP, CDRT, the Micro Finance Project Professional in UNDP, together with the PACT CTA and the newly appointed General Manager, would be a more relevant composition of a governing body. This Board should be chaired by the Resident Representative or his nominee. Having a government representative, probably from the Ministry of Co-operatives, can also be considered from a long-term strategic point of view. The Board should meet once each three months rather than each six months, as currently proposed by PACT. Having a Micro Finance Specialist in UNDP is not a suitable response to the governance issue. That position's role is technical and more limited.

14 DEX implementation

The structure for DEX is in place and well staffed. Three aspects have been particularly challenging for the DEX management. Firstly, when taking over the responsibility from UNOPS, it was discovered that many rules and procedures applied by UNOPS were significantly different from those of UNDP. Secondly, the country office found a serious backlog of claims and updates (e.g. of inventories) to address which had not been completed by UNOPS. Thirdly, the staff at all levels were used to significantly more relaxed and simple procedures which added to a 'normal' resistance to change.

With the introduction of DEX the country office has installed iPStar VSAT providing internet and e-mail services and access to ATLAS to most townships. Bank accounts have been opened in 48 townships. Standard operating procedures, necessary measures to comply with security/safety regulations and MOSS have been taken at township level. A tracking mechanism for DSA to project staff has been introduced. These are significant achievements.

Yet, feedback from the projects indicates the following: Decision making and implementation of procurement and recruitment takes longer time than before DEX; the systems (e.g. for procurement) are felt to be less flexible; and despite training, many at the field level experience difficulties in complying with the new procedures.

Complaints were made on the delay in payment of DSA, particularly to field staff. In Chin State for instance, DSA due for December had yet not been paid (in mid-May). Community Facilitators walking days to reach their villages were financing the expenditures out of their own pockets.

The reasons for these delays may also be found in the processing of claims that is made at project level. It should be noted that a tracking sheet for DSA has recently been developed in order to ensure that systemic errors are addressed and payments are made promptly.

It appears that several of the complaints are the result of insufficient acknowledgement by programme and project staff at all levels regarding the nature and content of the regulatory frameworks that DEX makes it necessary to introduce and follow. This in turn suggests that the country office management despite their efforts has not been sufficiently effective in communicating with the projects.

Looking ahead there are reasons to raise a more fundamental issue regarding DEX. DEX by implication means that the global regulatory frameworks (e.g. the Operational Guide of the Internal Control Framework, the Procurement Guide, Financial Regulations and Rules, the Service Contract Guide, the Travel Guide and MOSS compliance) are to be applied. In a range of areas this means significantly more detailed, demanding and rigid regulations and procedures than in the past when such functions were undertaken by UNOPS as executing agency. Many of these rules and regulations are yet to be implemented. They will cover areas such as procurement, including procurement at village level, recruitment, cash management, asset management, security and general administration which will include monitoring of fuel use, phone calls, travel related costs, and so forth.

While such a framework is designed with the good intentions of safeguarding proper and effective use of funds, there is an apparent risk that it will stifle flexibility and efficiency in managing a field project and place an unreasonable burden on staff and village organisations, given their capacity and overload of tasks. The underlying problem is that the framework is designed for very different operations and projects than that of a field level operation; altogether atypical to UNDP normal activities.

It has not been possible to further assess the potential implications of DEX from this aspect. However, it seems to be an important aspect that would require comprehensive analysis to inform the design of the institutional framework for a project/programme beyond 2011.

15 Coordination of ER activities with other agencies/actors

Coordination is inherently difficult. As easy as it is to see the potential benefits and the justification for coordination, as difficult it is generally to realise this potential. In this regard, the experience in the aftermath of Cyclone Nargis is no exception.

It has not been possible to fully explore the extent to which UNDP supported activities in different phases of the post-Nargis period have been successfully coordinated with activities of other agencies. What can be said, however, is that the coordination mechanism under UN-OCHA with the task to coordinate the cluster system activities at central as well as township level brought some order to a rather chaotic relief effort set in motion immediately after the cyclone. Once OCHA's role came to an end, the responsibility for monitoring was shifted to the Recovery Coordination Centre (RCC).

Some of the coordination problems experienced early on seem to remain, however. In meeting with some 15 INGOs and local NGOs at the Bogalay RCC hub office, a number of problems in achieving coordination were reported. Among these is the difficulty to make all agencies and organisations attend coordination meetings. Another constraint is the incomplete information about activities that is provided to the RCC hub office by different actors. One problem experienced by a number of NGOs is that they do not know their funding position that would

permit preparation of annual plans which could be presented to RCC and compared for purpose of coordination. New and additional activities are started as and when funds are forthcoming.

Coordination has primarily been achieved in terms of where support is provided. This in itself is an important and commendable achievement. UNDP's presence with (ICDP) activities prior to Cyclone Nargis has tended to define "UNDP's villages" which then have been avoided by other relief providers. Still, examples of overlap were hardly surprising. In such cases the RCC hub office has played a role in *ex-post* coordination.

As could be expected, it has been difficult to achieve coordination to take advantage of the support profile of different actors in order to complement one another. The complexity of such coordination is apparent at the same time as complementary interventions often could have resulted in significantly greater impact.

For each of the areas livelihood, protection and basic services there is a working group. UNDP is chairing the livelihood working group in Bogalay and Mawlamyinegyun townships. This group, which does not have a primary coordination role, was reported to have been useful and active as a platform for exchange of technical experiences in Bogalay.

Recommendations

The recommendations below are given bearing in mind that the current phase of the HDI comes to an end in 2011. This provides an opportunity to take a step back and reflect on the future direction of the programme not to be missed. For reasons given in this report the Team sees strong reasons to do so. The Team concludes that a major revision of the programme concept is called for in order to enhance impact on poverty. It is recognized that UNDP may come to a different conclusion. Bearing this in mind the Team offers the following recommendations for consideration. The first recommendation is by far the most important.

- 1 As matter of urgency and highest priority UNDP should
 - (i) assess the strategic framework implied in the CDRT, ICDP and ER projects in terms of its effectiveness and efficiency in addressing rural poverty;
 - (ii) identify and assess alternative strategic frameworks in terms of their expected effectiveness and efficiency in addressing poverty, and take a stand on which framework that should be the basis for the formulation of a programme beyond 2011.
- 2 Efforts to address the concerns identified in this report should be put on hold until a strategic framework for a future programme has been agreed upon.
- 3 Should the chosen strategic framework be significantly different from the present in ICDP, CDRT and ER, UNDP should focus on formulating a new programme to be implemented in 2012 and onwards rather than addressing concerns with the present programme as many of the 'solutions' to these concerns will not be relevant in a new and significantly different programme. On the basis of the chosen framework activities that do not fit should be phased out.
- 4 Should the strategic framework in the present ICDP, CDRT and ER with only modest changes be preferred as a basis for a programme beyond 2011, the following issues should be considered for action.
 - (i) A thorough overhaul of the reporting and MIS system.
 - (ii) Strengthen the technical capacity at township rather than at the Yangon level.

- (iii) An exploration of the full implications of the enforcement of the UNDP regulatory framework under DEX for effective and efficient project operation.
- (iv) Depending on the findings under (vi) explore NGO implementation as an alternative to DEX.
- (v) The extension of MF activities by exploring the possibility to invite and fund a major and established MF actor (from abroad).
- (vi) Define and implement an exit strategy which satisfies the dual goals of 'presence' and 'development'.
- (vii) Cease funding of Village Technical Development Committees in CDRT until a study of the experience so far suggest that the concept is viable and the activities sustainable.
- (viii) Enhance savings in both SRGs and the MFP and create a governance function for the MFP.

Objectives and Scope

In line with the Executive Board's directive, the mission will assess compliance with the mandate in the implementation of HDI Phase IV projects during the period June 2009 – March 2010 (including activities implemented as part of UNDP's early recovery response to the damage caused by Cyclone Nargis), and provide recommendations for future programming through review and feedback on the analytical papers and draft concept paper prepared by the country office.

Major Issues to be addressed

The assessment mission will be expected to examine the following major issues:

Review of Compliance:

- Are the directives of the Governing Council and Executive Board decisions being closely followed?
- Are the projects addressing the basic human needs of the target beneficiaries in a sustainable manner in the areas mandated in GC decision 93/21, namely, primary health care, the environment, HIV/AIDS, training and education and food security? Differentiate the analysis for men and women as much as possible.
- Has appropriate follow-up action been taken to implement the recommendations made by the HDI 2009 Assessment Mission as well as additional assessments, **including Outcome/impact surveys, case studies and annual partner/donor review missions.**

Review of Performance and Results:

- How has the focus of targeting the most vulnerable in HDI programme areas been enhanced and how has assistance thus far been organized to assist the most vulnerable, including the poorest of the poor?
- Are current monitoring and evaluation mechanisms and procedures adequate to measure results in a gender disaggregated manner and ensure transparency and accountability of project activities? Is there an adequate flow of information to the beneficiaries to empower them to hold projects accountable to deliver timely, effective and efficient (cost-effective) assistance?
- Are there mechanisms in place within the projects to provide remedies for individuals/groups (both beneficiaries and non-beneficiaries) who have concerns with project inputs/outputs, processes or staff?
- What specific progress has been made to strengthen capacities to evaluate the impact of the programme and share HDI findings with various stakeholders?
- What are the challenges and constraints being faced by HDI in its implementation in light of the current operating environment? How are these being addressed?
- Examine whether the programme adequately integrates gender, HIV/AIDS, environmental sustainability, disaster risk management and risk reduction and the rights-based approach in the relevant interventions. Review the lessons learned in working with local NGOs.
- How have the changes in execution modality undertaken in 2008-09 affected implementation of the projects?
- What plans and exit strategies have been developed to ensure HDI initiatives leave behind sustainable benefits for the targeted communities?
- How are UNDP's activities under the Revised Humanitarian Appeal and Post-Nargis Recovery and Preparedness Plan (PONREPP) coordinated with the activities of other UN agencies, bilateral assistance programmes, and NGOs?

Annex 2: Elements of a Rights-Based Approach and HDI

(The responses here are only suggestions)

The following elements are necessary, specific, and unique to a human rights-based approach:	HDI-IV
<i>(a) Assessment and analysis in order to identify the human rights claims of rights-holders and the corresponding human rights obligations of duty-bearers as well as the immediate, underlying, and structural causes of the non-realization of rights.</i>	This is done in a general way, since such analysis is the basis for the sanctions towards Myanmar, and for UNDP's restricted mandate in Myanmar.
<i>(b) Programmes assess the capacity of rights-holders to claim their rights, and of duty-bearers to fulfill their obligations. They then develop strategies to build these capacities.</i>	UNDP can only work directly with the rights-holders and cannot work with the duty-bearers, i.e., the government of Myanmar
<i>(c) Programmes monitor and evaluate both outcomes and processes guided by human rights standards and principles.</i>	No, not with HR based indicators directly, but some poverty, empowerment and sustainability indicators used in the HDI monitoring also apply to a HR approach.
<i>(d) Programming is informed by the recommendations of international human rights bodies and mechanisms.</i>	Yes, it is informed, but the recommendations cannot be followed to full extent. A HR vocabulary is not used.
<i>Other elements of good programming practices that are also essential under a human rights-based approach include:</i>	
1. People are recognized as key actors in their own development, rather than passive recipients of commodities and services.	Yes, strong, with SRGs
2. Participation is both a means and a goal.	Yes, strong community participation in all activities
3. Strategies are empowering, not disempowering.	Yes, though the word empowerment is not used widely
4. Both outcomes and processes are monitored and evaluated.	Yes, though the IAM finds that processes could be monitored better.
5. Analysis includes all stakeholders.	The IAM has not seen any stakeholder analysis produced under the HDI. If such has been done it would be difficult for UNDP to include the government.
6. Programmes focus on marginalized, disadvantaged, and excluded groups.	Yes, strong focus on poor and the poorest of the poor people. However, some groups cannot be reached due to geographical restrictions imposed by government
7. The development process is locally owned.	Yes, locally in the sense of at group level and village level, but not beyond that
8. Programmes aim to reduce disparity.	Yes, strongly – very detailed wealth ranking and vulnerability analysis – too detailed actually
9. Both top-down and bottom-up approaches are used in synergy.	No, UNDP is limited in engaging with government, and only bottom-up approach is used. The top-down approach, if any, is by the HDI project.
10. Situation analysis is used to identify immediate, underlying and basic causes of development problems.	The analysis that is translated into project actions stops at the 'village gate'. The broader and deeper analysis is not translated into actions, but to restrictions in mandate
11. Measurable goals and targets are important in programming.	Yes, to some degree, the monitoring system still needs to be strengthened with respect to feedback into strategic management decisions
12. Strategic partnerships are developed and sustained.	To a limited degree with NGOs and other UN organizations
13. Programmes support accountability to all stakeholders.	Accountability to government of Myanmar is limited.

Annex 3: Schedule of Mission

Tentative Programme for the Assessment Mission 2010 (3 May – 2 June 2010)

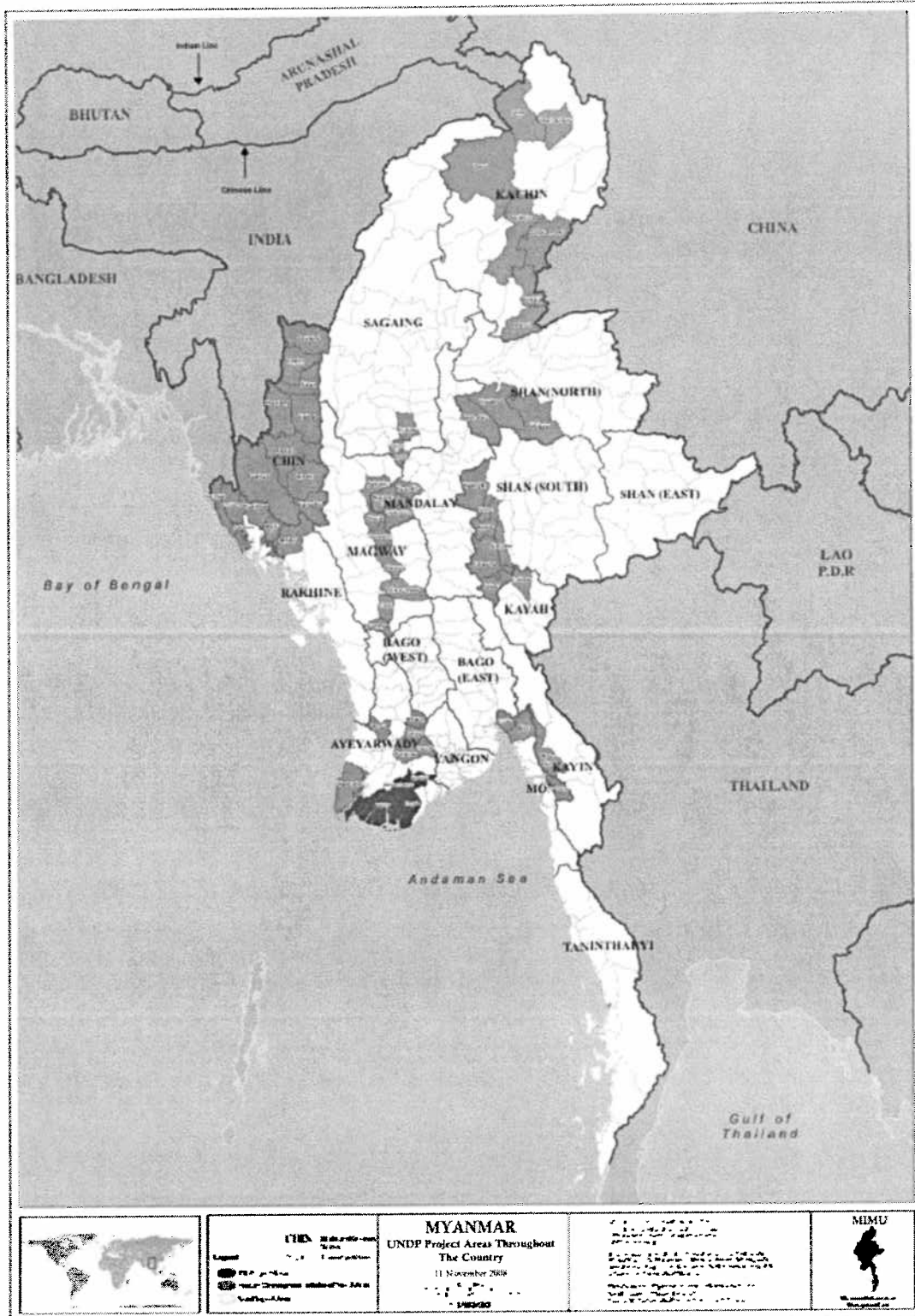
	<u>Arrival</u>	<u>Departure</u>		
<ul style="list-style-type: none"> Mr. Lars Birgegaard Mr. Glen Swansen Mr. Dulan De Silva 	5 th May (TG 303)	2 nd June		
	5 th May (TG 303)	2 nd June		
	5 th May (TG 303)	2 nd June		
3 May 2010 (Monday) <ul style="list-style-type: none"> Arrival of IAM to Bangkok Review documents and reports, preparation for meetings 				
4 May 2010 (Tuesday) <ul style="list-style-type: none"> Meeting with Norway Embassy at 1 pm (tentative) Meeting with Swedish Embassy at 2:30 pm (tentative) Meeting with Denmark Embassy at 4 pm (tentative) Leave for Yangon in the evening (IAM) 				
5 May 2010 (Wednesday) <ul style="list-style-type: none"> Arrival of IAM to Yangon (morning flight) 				
Date & Time	Programme	Participants/ accompanied by	Place	Remarks
10:30 am to 13:00 pm	<ul style="list-style-type: none"> Meeting with RR and Programme Management Group Briefing: HDI and discussions on "Follow up to Recommendations" of last year Assessment Mission Report and the UNDP Management response (by Mr. Sanaka Samarasinha, Maung Maung Kyaw and Ms. Sudha Gooty) Micro Finance Projects' presentations by Mr. Fahmid Bhuiya 	RR and Programme Management Group	UNDP 3 rd Floor Conference Room	The group is composed of DRR (P), ARRs, PMs and PAs
14:30 pm to 17:30 pm	<ul style="list-style-type: none"> Projects' presentations – ER (U Aye Kyaing), CDRT and ICDP (U Aye Lwin and Mr. Jessie Garana) 		UNDP 3 rd Floor Conference Room	
6 May 2010 (Thursday)				
09:00 am to 11:00 am	Assessment of meetings held, preparation of field work		IAM 's room	
11:00 am to 12:30 pm	Meeting with Monitoring and Evaluation Learning Group (MEL Group) (M&E system)	MEL Group	UNDP 3 rd Floor	

	presented by Mr. Salai)		Conference Room	
14:00 pm to 17:00 pm	Projects' presentations <ul style="list-style-type: none"> HIV/AIDS by Maung Maung Kyaw IHLCA by U Min Htut Yin 	Programme and project staff	UNDP 3 rd Floor Conference Room	
7 May 2010 (Friday)				
09:30 am to 11:30 am	Meeting with PACT Myanmar		PACT's office	
14:00 pm to 16:00 pm	Assessment of meetings held, preparation of field work		IAM's room	
16:00 pm to 17:00 pm	Meeting with Dfid and AusAid		At AusAid's office	
8 May 2010 (Saturday) to 9 May 2010 (Sunday)				
<ul style="list-style-type: none"> Field Visit to Delta (IAM members accompanied by project and programme personnel concern) 				
10 May 2010 (Monday) to 13 May 2010 (Thursday)				
<ul style="list-style-type: none"> Field visit to Shan State and Dry Zone (ICDP and Micro Finance Project activities) (Team A) (Mr. Glen Swansen, Mr. Dulan De Silva) Field visit to Southern Chin State (CDRT Project activities) (Team B) (Mr. Lars Birgegaard) 				
14 May 2010 (Friday) to 16 May 2010 (Sunday)				
<ul style="list-style-type: none"> Preparation for presentation on findings and for debriefings In – country report writing 				
17 May 2010 (Monday)				
09:00 am to 12:00 pm	<ul style="list-style-type: none"> IAM own time (review documents/reports) Meeting with U Min Htut Yin for Environment sector 		IAM's room	
14:00 pm to 16:00 pm	Meeting with RC Unit	RC Unit	UNDP 3 rd Floor Conference Room	One member per one meeting
	Meeting with HDI DEX Service Center (DSC)	DSC		
18 May 2010 (Tuesday)				
08:30 am to 10:00 am	IAM own time (preparation for Meetings)		IAM's room	
10:00 – 12:30 pm	Individual meetings with projects and programmes	Individual project managers and Programme	UNDP 3 rd Floor Meeting	

		Managers	Room	
13:30 pm onwards	Revising report		IAM's room	
19 May 2010 (Wednesday)				
09:00 am to 12:00 pm	Meeting with NGOs <ul style="list-style-type: none"> • World Vision (Glen) • Save the Children (Dulan) • CARE Myanmar, Ranmarwaddy Rural Development Services (RRDS), Ratana Metta Organization (RMO), FORM/ECCDI, Swanyee Development Foundation, NGO Gender Group, Myanmar Positive Group (MPG), International AIDS Alliance, TLMI (The Leprosy Mission International), APDC, PACT, GRET, CBI (Capacity Building Initiative)5/14/2010 12:05:20 PM (LARs) 		WV office SC office UNDP 3 rd Floor Conference Room	
14:00 pm to 16:00 pm	Meeting with UN Agencies <ul style="list-style-type: none"> • UNICEF (Glen) • FAO (Lars) • UNFPA, UN-Habitat (Dulan) 	UNICEF office FAO office	UNDP 3 rd Floor Conference Room	
20 May 2010 (Thursday)				
08:30 am to 12:30 pm	<ul style="list-style-type: none"> • IAM own time (preparation for Meetings) • Meeting with UNOCHA (Lars) (09:00 am) 		UNOCHA office	
14:00 pm to 16:00 pm	Meeting with Donors Agencies <ul style="list-style-type: none"> • USAID (14:00 pm to 15:30 pm) • SIDA (yet to be confirmed) 		At their respective offices	
21 May 2010 (Friday)				
08:30 am to 12:00 pm	Preparation for presentations/meetings		IAM's office	

14:00 pm to 16:00 pm	Presentation of findings to Programme Management Group		UNDP 3 rd Floor Meeting Room	
<p>22 May 2010 (Saturday) to 23 May 2010 (Sunday)</p> <ul style="list-style-type: none"> ▪ One day break ▪ In-country report writing (Revising the report based on discussion) <p>24 May 2010 (Monday) to 25 May 2010 (Tuesday)</p> <p>Meeting with Minister, Ministry of National Planning and Economic Development, and National Project Directors (NPDs) at Nay Pyi Taw; There would be two separate meetings: (1) with the Minister and (2) with FERD DG and NPDs</p> <p>26 May 2010 (Wednesday) to 30 May 2010 (Sunday)</p> <ul style="list-style-type: none"> ▪ In-country report writing <p>31 May 2010 (Monday)</p> <ul style="list-style-type: none"> ▪ Submission of draft report to the UNDP Programme Management Group (Morning) ▪ Debriefing with donors/embassies in UNDP 3rd Floor Conference room (Afternoon) <p>1 June 2010 (Tuesday)</p> <ul style="list-style-type: none"> ▪ Submission of final report to UNDP Management <p>2 June 2010 (Wednesday)</p> <ul style="list-style-type: none"> ▪ Departure of the IAM 				

Annex 4: UNDP Projects Map



Annex 5: Programme Funding Breakdown

As at: 16 March 2010
Annex

Programme Resource Breakdown 2008-2011					
CO Myanmar 2008-2011 Programme Fund Status					
Project ID	2008	2009	2010	2011	2008-2011
	Delivery	Delivery <i>(as at 14 Jun'09)</i>	Projection	Projection	TOTAL
Core+Non Core					
ICDP	4 952 827	★ 4 741 784	7 350 000	7 350 000	24 394 611
Nargis Early Recovery	6 327 557	17 495 942	7 000 000	6 000 000	36 823 499
CDRT	7 565 576	★ 5 478 668	7 350 000	7 350 000	27 744 244
HIV/AIDS	733 350	309 974	500 000	700 000	2 243 324
Micro Finance (INGO)	4 623 027	3 720 739	3 500 000	3 500 000	15 343 766
IHLCA	161 823	423 733	1 500 000	1 000 000	3 085 556
					-
					-
					-
TOTAL	24 364 160	32 170 840	27 200 000	25 900 000	
				53 100 000	

★ICDP reduced its delivery outside the Delta to concentrate post-Nargis recovery in 2008.

★Delivery was deliberately reduced by more than US\$2 million through ICDP & CDRT because of insufficient funding available for 2009.