UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT
Myanmar

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Project Title: Township Democratic Local Governance Project
Project Number:
Implementing Partner: United Nations Development Programme
Start Date: 1 November 2017 **End Date:** 31 December 2020 **PAC Meeting date:** 3 October 2017

Brief Description

The adoption of the 2008 Constitution of the Government of the Republic of the Union of Myanmar marked the beginning of a decentralization process by the Government towards a federal state. While some functions and budget allocations have been decentralized to the state and regional governments, the township administrations—where the majority of public services are delivered—remain largely ignored by decentralization efforts, with little influence over the budgets executed by line ministries and little capacity to effectively coordinate service delivery. The current institutional set-up for the township administrations greatly limits the ability of officials to address expressed local needs; dissuades public participation in the annual planning processes and engagement with township administrations, especially for women; fosters dissatisfaction with public service delivery and information sharing by the State; and hinders further decentralization reforms.

The Township Democratic Local Governance Project addresses the institutional challenges in Myanmar's local governance structures, emphasizing planning at the township level. It is designed along four work streams to strengthen the capacities of township administrations to meet local needs for public services; to facilitate information sharing and meaningful participation by the public in planning processes; to facilitate township administrations engaging with ethnic armed organizations on service delivery coordination; and to utilize lessons learned by the project to advocate for policy change.

Ultimately, the project will result in 15 participating townships making investment decisions informed by, and more accountable to, a broader and more inclusive range of stakeholders, which will also promote and help underpin a stable and peaceful political settlement in Myanmar promoted through local engagement and increased trust. It will also contribute to the development of a policy framework for democratic local governance and decentralization. This project builds on a pilot initiative on participatory township planning by UNDP Myanmar 2013–2017.

CPD output:
Effective public institutions enabled to develop and implement evidence-based policies and systems that respond to the needs of the people

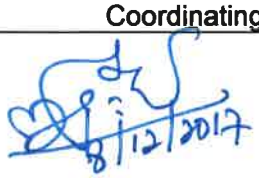
Outputs

- Township administrations have improved capacity to respond to people's needs
- Improved engagement between people and township administrations on public service delivery
- Improved ethnic armed organization engagement in annual township planning and public service delivery
- Dialogue on policy and institutional local governance reforms informed by technical support and research

Gender marker: GEN2

Total resources required (USD):		19,130,751
Total resources allocated (USD):		
	UNDP TRAC	TBC
	Switzerland (SDC)	10,028,106
	United Kingdom (DFID)	5,173,656
	In-kind:	TBC
Unfunded (USD):		3,926,861

Agreed by (signatures):

Government Coordinating Agency	UNDP
 U Tun Tun Naing Permanent Secretary Ministry of Planning and Finance	 Mr. Peter Batchelor Country Director UNDP Myanmar
Date: 8th December, 2017	Date: 11/12/17

DEVELOPMENT CHALLENGE

Over the past few years, and following the 2008 adoption of the constitution, a series of decentralization efforts have been initiated by the Government of Myanmar (GoM) in the direction of remodelling the unitary state along the lines of a decentralized federalist structure. The new constitution was in part an effort to contribute to solving the ethnic conflicts by decentralizing certain powers to the state and regional (S/R) governments. The most notable developments in the realm of political decentralization include the establishment of S/R parliaments and subnational governments that are gradually getting increased budgets and decision-making powers; however, as the country remains in transition, no clear decentralization policy exists and S/R political autonomy is limited. S/R chief ministers are centrally appointed, and administrative, accountability and reporting lines remain ambiguous for newly decentralized departments, in part because responsibilities of S/R governments and Union ministries tend to overlap. Several ministries have started delegating increasing responsibility (and small budgets) to their township departments, but there is no single township administrative unit with its own discretionary budget. Township administration describes, rather, a grouping of individual departments, which is coordinated by the township administrator from the General Administration Department (GAD). Each department has its own budget and administration, and some departments (those under schedule two of the 2008 constitution) report to government at the S/R levels, while others (those under schedule one of the 2008 constitution) report to the Union Government.

The constitution did not include any provisions for township-level involvement in governance and administration, yet it is at this level where the bulk of essential public services (such as health, education, water supply, rural infrastructure and administrative/regulatory services), which affect peoples' daily lives, are delivered. Townships, as the lowest administrative level with substantive government staff and service delivery responsibility, may host up to 40 line departments, and the only binding element that brings these departments together is the fact that they are in the same geographical area, and coordinated by the township administrator.

Improvements has been made, including the creation of a coordinating body, the Township Plan Formulation and Implementation Committee (TPIC)[1], which facilitates horizontal coordination between line departments during the annual planning process, though departments mainly continue to operate within their respective sectors, sending information vertically rather than discussing development priorities horizontally (while executing decisions made at higher levels of Government). Apart from a few small discretionary funding decisions made at the township level, most budgetary decision making and management takes place at levels above the township; therefore, local officials have very limited incentives to take initiative, reach out or to become more responsive to expressed community needs.

At the same time, however, the need for more responsive subnational governance systems and public service delivery is clear, as a large proportion of people are dissatisfied with services provided. In fact, many people often avoid using public services (e.g. 43% of people use private health services and a majority use natural or private water sources).[2] Evidently, low satisfaction levels are also explained by very low public investment in core sectors such as health and education. Investments continue to be among the lowest in South-East Asia despite ongoing reforms.[3] Meanwhile, public service tends to vary greatly across Myanmar, as well as within states and regions; therefore, a localized approach, including discretionary budgets to address people's needs and improve participation and citizen satisfaction with public service delivery, is required.

The unresponsiveness of institutions and poor service delivery are exacerbated by limited public participation in local governance, and the absence of clear accountability and oversight

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[1] President's Office Notification No 13/2016 directs the state and regional governments "...to form a Township Planning and Implementation Committee with the Township Planning Officer as secretary and the Township Administrator as chairperson; and representatives of Township Elders, CSOs and relevant Heads of Departments as members." The Notification also states that state/regional planning committees should be formed to support the National Planning Commission of the Union Government.

[2] UNDP, *The State of Local Governance: Trends in Myanmar* (2015). Available from http://www.mm.undp.org/content/myanmar/en/home/operations/projects/poverty_reduction/LocalGovernancePillar1/local-governance-mapping.html.

[3] World Bank, *Realigning the Union Budget to Myanmar's Development Priorities: Myanmar Public Expenditure Review 2015* (2015). Available from http://www.worldbank.org/en/country/myanmar/publication/myanmar-public-expenditure-review-realigning-budgets-to-development-priorities.

structures (i.e. checks and balances) erodes trust between citizens and the State. The elected ward/village tract administrators (W/VTAs) are widely recognized as institutionally responsible for leadership on community-level development issues, but only 13% of the population consider the township administrators responsible for their development issues.[4] The fact that civil servants rotate duty stations every third year contributes to the W/VTA being generally better known in the communities. W/VTAs also play a pivotal role in communicating information between township administrations and the people, since most people rely on the them, alongside ten household leaders, to provide government-related information. Hluttaw members constitute another important group that has started to engage with the population in a more systematic way and controls a small budget for local development interventions. They regularly interact with their constituencies and also with the township departments to be more involved in development.

While Union-level government institutions have taken initiatives to strengthen the position of women in the public sector, women's participation in township development planning and service delivery is impeded by current policies, or the lack of them. In local administrations, the situation varies between different departments, but generally there are fewer women in local administration than in ministries or higher levels of administration. The departments of planning, education and health have more women, while there are no female township administrators in any of the 330 townships. Currently, only 88 of nearly 17,000 W/VTAs are women (i.e. approximately 0.45%).[5]

In conflict-affected areas, ethnic armed organizations (EAOs) maintain authority as administrators and public service providers in contested geographical areas, not necessarily mirroring township boundaries and often only covering part of townships. EAOs are often recognized by the public as the *de facto* administrations of their respective areas, while their legitimacy is often contested by other EAOs, ethnic parties or civil society (many of whom have affiliations with specific ethnic groups). Chapter 6, Paragraph 25 of the Nationwide Ceasefire Agreement (NCA), signed on October 15, 2015, recognizes that EAOs, who have signed the NCA, are key parties responsible for promoting development, security, regional stability and peace for civilians living in their respective states and regions during the interim period. Changes to governance and social service delivery systems for areas emerging from conflict will be determined as part of the national political dialogue, but final arrangements will probably take years to be concluded. In the interim period, it is essential that communities in conflict areas have their basic needs met and are empowered to engage in the transition that will determine their future.[6] In recognition of the State's contested authority in these areas, both the states and EAOs (and their affiliated service providers) need to engage in coordination and collaboration on local development and public service delivery, as recognized in the interim arrangements, in order to benefit people residing in these areas.

EAO governance structures are often placed at state, district and township levels and show similar characteristics to the structures (and procedures) of the GoM. Many EAO service providers (e.g. education and health) have limited capacity, and the main funding for implementation of social programs comes through taxes. Improving this situation requires coordination and cooperation with government counterparts (convergence). As for the (former) government structures, EAO-society relationships have remained top-down in nature, and are often dominated by military leaders, with little real dialogue and the absence of clear accountability and oversight structures.

In Mon State, the relation between the EAOs and Mon State Government has positively progressed recently. More constructive engagement between the parties relating to service delivery under the NCA is ongoing. In Thaton District, the KNU have officially nominated five officials responsible for service delivery in different areas to participate in all activities organized under this project. In addition, all village tracts and wards in KNU-controlled areas have assigned equivalents to W/VTAs to join all sessions related to the development of the annual township plan.

Increased activity by civil society organizations (CSOs) is an evolving issue across the country, but this presents a constant challenge around how to constructively integrate them in governance at different levels. Even though the trust between the Government, CSOs and the people has improved, citizen engagement with local administrations is still generally low.

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[4] UNDP, *The State of Local Governance: Trends in Myanmar* (2015). Available at http://www.mm.undp.org/content/myanmar/en/home/operations/projects/poverty_reduction/LocalGovernancePillar1/local-governance-mapping.html.

[5] World Bank, *Institutional Assessment of Local Governance in Myanmar* (2016).

[6] USAID, *Advancing Community Empowerment in Southeastern Myanmar* (2017), p.7.

In brief, key challenges in local governance, participation and public service delivery can be summarized as follows:

- Planning, sufficient use of statistics and data, coordination and structures of public service delivery at S/R and township levels are centralized and top-down, with little opportunity for local officials to meaningfully influence or coordinate budget allocations that respond to people's expressed needs.
- Public participation in township development and local coordination platforms is low, particularly for women. Women are also significantly underrepresented in local-level civil service positions.
- The number of elected women is very low at Union, state and region levels, and as W/VTAs.
- In contested and mixed areas there is little dialogue and coordination on service delivery provision between township and EAO administrations.
- People have little knowledge of and information on local governance structures, service delivery standards and what they could expect from the Government. At the same time, people are dissatisfied with public service delivery. They neither feel informed about public expenditures, nor think that the Government and local administrations are responsive to community needs and priorities.
- Civil society has both limited capacity and sporadic opportunity to engage constructively in governance or policy dialogue, or to support and mentor people's constructive engagement in local governance.
- Generally, citizens are unable to participate in planning and coordinating service delivery. An absence of institutionalized participatory processes limits people's opportunity to express their needs for service provision and service providers.
- Local governance reforms are hindered by lack of legal and policy frameworks for autonomous planning and budget execution and coordination of public services at township level. There are currently few interministerial coordination, oversight, and accountability mechanisms, which limits the development effectiveness of budget allocations.

Support to local governance in Myanmar

Development partners (DPs), such as local and international NGOs, are working on many different aspects of governance, but have so far mainly focused on either the national level (with DPs now also increasingly focused on the S/R level) or supporting, in virtually all states and regions, village-level interventions. Support is mainly geared toward village-level planning with notable examples being the 'village books' by Action Aid,[7] village development plans by PACT[8] and the National Community Driven Development Project (NCDD-P) financed by the World Bank.[9] Oxfam is active at both township and S/R levels, working on public financial management (PFM) and social accountability related issues and building a responsive subnational government by capacitating local administrations to better respond to local priorities and suggest allocations of resources properly in the annual planning processes.[10] At the same time, the GoM is seeking ways to make public sector management at the township level more responsive and people centered, and improve the way public services are delivered. So far there is no explicit vision for future arrangements and structures for decentralization and local governance expressed by the GoM, which has led to fairly limited institutional support to the S/R and township-level departments.[11]

Two exceptions from the community development approach have been the United Nations Development Programme (UNDP) under its local governance project,[12] and the European Union (EU) project implemented by the International Cooperation Agency of the Association of Netherlands Municipalities (VNG) in Tanintharyi Region.[13] UNDP has, since 2013, (initially in Mon and Chin

[7] See https://mohinga.info/en/profiles/activity/MM-FERD-ID0761/.
[8] See http://www.pactworld.org/country/myanmar/project.
[9] See http://projects.worldbank.org/P132500/myanmar-national-community-driven-development-project?lang=en.
[10] See https://myanmar.oxfam.org/what-we-do/holding-decision-makers-account.
[11] SDC, "Township Democratic Local Governance," internal draft project document (2016).
[12] See http://www.mm.undp.org/content/myanmar/en/home/operations/projects/poverty_reduction/LocalGovernancePillar1.html.
[13] See https://ec.europa.eu/europeaid/projects/promotion-participatory-and-accountable-local-governance-tanintharyi-region_en.

States) been supporting township administrations to institutionalize participatory township planning. Starting in 2016, UNDP began implementing a pilot project to provide township development grants in two townships (Bilin Township in Mon State and Kawa in Bago Region) explicitly using an institutional approach. The project works with the departments responsible for annual township planning by strengthening and developing systematic procedures and policies for participatory planning and budget execution. Under the pilot, township administrations receive a modest discretionary grant to implement projects approved in the annual township plan (if they meet the stipulated minimum conditions of preparing the plans in a participatory and inclusive manner) for a minimum period of three years. In Bilin Township the pilot initiated collaboration with the World Bank (NCDD-P) to improve the link between village tract and township planning, a collaboration that continues in all areas where both UNDP and the NCDD-P are working. In addition, UNDP, under the same local governance project, has been technically supporting the GoM in its establishment of One Stop Shops (OSSs) and is currently the technical lead for further improvement of the initiative, such as providing technical assistance for policy development to the Union-level committee under the supervision of Vice President H.E. U Henry Van Thio. The OSSs are only providing administrative services and are not implementing any projects under the annual planning process, but they play an important role in the GoM's efforts to improve transparency and accountability in local service delivery. Recently, the GoM has been supported by various CSOs in raising awareness about the OSSs and the services they provide. The OSSs provide many opportunities for the GoM to improve its engagement with citizens.

UNDP is supporting the GAD and other participating departments by training OSS officials and providing technical support to improve processes, systems and service delivery. In addition, UNDP has been able to build a solid relationship with the GoM in areas related to subnational governance and public service delivery, in particular through the nationwide local governance mapping in 2014, biannually held local governance forums, support to the OSSs and GAD's Institute for Development Affairs (IDA), which trains all GAD staff, and its work on participatory township planning in Mon State and Bago Region.[14] The relation with GAD, which is the coordinating body at all levels, is important for access to other relevant institutions and smooth implementation of projects at subnational level.

STRATEGY

The Township Democratic Local Governance Project (TDLG) is designed to 'institutionally' address the above-mentioned development challenges in Myanmar in alignment with ongoing interventions in the country. The project seeks to contribute to a long-term vision for democratic local governance in Myanmar:

> *Inclusive and responsive public institutions collaborate with local stakeholders to improve service delivery, leading to increased trust between the State and the people, and contributing to peace and stability in Myanmar.*

The strategy for achieving the project's overall objective is testing fiscal decentralization and supporting the TPICs to establish an inclusive and participatory model and a regulatory framework for annual township development planning and public service delivery. This includes providing capacity development to township departments to plan, budget, execute and monitor implementation of local development infrastructure projects and the delivery of basic services; supporting community-based monitoring of these initiatives to enhance local transparency and accountability of local administrations; piloting intergovernmental fiscal transfer systems (IFGS) from S/R to township level; and incentivizing decentralization reforms and the systematic documentation of lessons learnt, and experiences gained in the process of improved service delivery. The project is designed according to the following theory of change:

[14] Nicolas Garrigue, Marla Zapach, U Kyaw Thu, *Independent Outcome Evaluation of UNDP Myanmar's Outcome 1 (Local Governance Programme (2013–2016)* (2017). Available at https://erc.undp.org/evaluation/evaluations/detail/6633.

If township departments, led by the TPICs, plan and coordinate development and public service delivery vertically and horizontally in an inclusive, transparent and accountable manner, facilitating people's needs to be considered, the following major improvements will occur:

- Township departments will be institutionally strengthened, more responsive and accountable in delivering public services.
- Wider participation of various stakeholders in township annual planning will be institutionalized.
- Township administrations and EAOs in applicable areas will collaborate to promote responsive and inclusive service delivery in accordance with the NCA interim arrangements, which may inform the political dialogue under the peace process.
- Vertical and horizontal coordination and sharing of information between departments at township and S/R levels will improve, resulting in better capacity and quality of township and S/R planning, budget execution and service delivery systems.
- S/R governments and parliaments will enhance their democratic accountability.
- People's satisfaction with public services will improve, and trust in local institutions will be enhanced.
- Lessons learned will inform national policy on local governance and decentralization and allow the GoM to institutionalize an improved annual model for fiscal transfers and local development planning.

Ultimately, the project will result in township investment decisions in the participating townships being informed by, and more accountable to, a broader and more inclusive range of stakeholders, which will also promote and help underpin a stable and peaceful political settlement promoted through local engagement and a stronger social contract between the State and the people. It will also contribute to the development of a policy framework for democratic local governance and decentralization through replicable models tested and refined in partnership with the S/R and Union governments over time.

These improvements support the GoM's reform process, initiated by the 2008 constitution and continued through ongoing political discussions in relation to enhancing public participation, by improving public service delivery and contributing to the peace process (as guided by the NCA) through establishing a decentralized federalist structure for the country that fosters people-centred development.

The project contributes to output 1.1 in the UNDP Country Programme Document (CPD) for Myanmar, currently being finalized to be effective by January 1, 2018: 'Effective public institutions enabled to develop and implement evidence-based policies and systems that respond to the needs of the people.' The project constitutes a significant part of UNDP's new country programme emphasizing integrated programming to better address the interlinkages between peacebuilding, governance, natural resource management/resilience and balanced and inclusive growth, while strengthening vertical linkages between subnational and national structures.

The project is a key part of UNDP's contribution to the GoM's efforts to integrate the Sustainable Development Goals (SDGs) into government planning, budgeting and monitoring frameworks for the effective implementation of the SDGs at subnational level. In line with Agenda 2030 and the central principle of leaving no one behind, this project is designed to promote peaceful and inclusive societies founded on effective, accountable and inclusive institutions, and reflects UNDP's commitment to expand its use of conflict-sensitive and human rights-based approaches to programming.[15]

Intervention logic

The TDLG aims to improve democratic local governance structures by supporting GoM in developing policies, processes, systems and procedures, as well as encouraging changes in attitudes and behaviour, that will lead to more equitable and responsive service delivery to meet the needs of the population. The overall objective of providing discretionary funds to townships is to

[15] This project contributes to SDG 16: Peace, justice and strong institutions. See https://sustainabledevelopment.un.org/sdg16.

assist in establishing a responsive township administration that effectively and efficiently provides basic services to its population, in an evidence-based, inclusive, accountable and transparent manner in consultation with the population and/or its representatives. The discretionary funding, hereafter called township development grants, will be made available to participating townships through the S/R governments according to stipulated minimum conditions.[16] The funds will serve as an incentive and be divided across townships following an expenditure needs-based allocation formula, which will leverage the engagement of townships in a guided development planning and implementation process (outlined in the annually updated grant manual).

Using fiscal decentralization and discretionary funding to townships as a driver of change, the specific objectives of the township development grant are to:

- Pilot and promote participatory and responsive planning and budgeting at township level
- Promote local democratic governance through the W/VTAs, whereby people are given a voice to influence public service delivery by the township administration
- Institutionalize guidelines for public participation
- Pilot initial steps of fiscal decentralization and intergovernmental fiscal transfers to township level, thereby providing the township with some cross-sectoral discretionary decision-making powers
- Enhance township-level public financial management capabilities
- Pilot new roles and accountability mechanisms for and within township administrations

This process systematically involves the TPIC (which is the body responsible for finalizing and submitting the annual township plans to the S/R governments), the heads of the sector departments, civil society representatives, Hluttaw members and the elected W/VTAs. How the township development grant is to be used will ultimately be decided in the annual township planning process facilitated by the TPIC (with active participation of the W/VTAs, CSOs, the Hluttaw members and the sector departments). Elected representatives will also be encouraged to perform an oversight function during implementation of projects approved in the plan.

The project will work with government institutions at all levels (Union, S/R and township) and introduce and apply democratic (local) governance systems and processes, while recognizing that the general population, as well as non-State actors (i.e. various interest groups), have a key role to play. The project will therefore develop a mutually reinforcing feedback loop through information, consultation, civic engagement and civil society forums, whereby the township administrations can practice and learn to be more transparent and participatory, for example by transparently publishing plans and budgets through channels that reach people widely and where, as a result, increased demand from people for more information, stronger voice and ultimately improved accountability will be the result. An essential part of the project is to address issues of inclusiveness, particularly with regards to women in official local governance structures and their ability to engage in and inform planning processes—thereby offering them voice and participation. The project emphasizes institutional development and provides concrete opportunities for local people through W/VTAs (as their elected representatives), Hluttaw members, CSOs and township administrations to engage in democratic processes that may generate learning and inspire wider democratic transition initiatives beyond the scope of this project.

Institutionalizing participation also means that township and district administrations will engage with and formally involve EAO administrations in mixed control areas in annual planning processes, prioritizing development projects and coordinating issues related to inclusiveness and service delivery in line with the interim arrangements. These interactions will be combined with opportunities for EAOs and the GoM to explore options for applying democratic and participatory approaches under the interim arrangement with regards to responsibilities in development planning and service delivery processes; a process no other development actor has been able to support so far.

In addition to engaging the townships in developing and implementing a participatory and inclusive annual planning process, the provision of the grant also provides an entry point for technical assistance to the S/R and Union governments on issues of planning and budgeting, fiscal decentralization and PFM and intergovernmental fiscal transfer systems to allow subnational development, administrative reform and particularly more local governance policy dialogues with the S/R and Union governments. The project will document experiences, lessons learned and evidence

[16] See the grant manual in annex seven for a detailed description of the grant modality and minimum conditions.

collected from the participating townships, state and regions that will regularly feed into policy dialogues through UNDPs systematic policy consultations with its counterparts, but also through larger events such as the Good Governance Forums. The project will also contribute to clarifying what the NCA interim arrangements can mean at local levels and potentially provide contributions for the political dialogue under the peace process by engaging in and testing practical modalities, as well as facilitating discussions between Government and EAO representatives on roles and responsibilities in public service delivery.

Policy dialogue based on evidence and learning from a S/R intervention, where the Government itself is engaged in the provision and management of such a grant, is viewed as a key mechanism for leveraging the development of a coherent local governance policy and institutional change in Myanmar. This approach, using fiscal transfers to drive institutional or policy change, has also proved effective in establishing strong foundations for fiscal decentralization and formula-based allocations and improving government capacities around planning and budget execution, e.g. using templates for costing infrastructure projects.[17]

Human rights-based and conflict-sensitive approaches

The TDLG project will support the development of institutions, systems, and procedures for duty-bearers to better understand their responsibilities, and for people to voice their needs (which will primarily be a consideration of the township development plans). The following approaches to promoting human rights will be applied: 1) Human rights will be mainstreamed into all training packages delivered to both duty-bearers and rights holders; 2) regular dialogue between duty-bearers and right holders on development and service needs will be facilitated; 3) social accountability mechanisms will be supported to open government processes and practices up to the public; and 4) service providers will be incentivized to strengthen their performance.

While being based on inclusion and participation as underlying principles of good governance, as well as objectives of this project, it is recognized that interventions might potentially worsen conflict drivers in target areas. The project dedicates an entire work stream under result area three to fostering governance collaboration and trust between government institutions and EAOs within the remit of the interim arrangements, but it also recognizes that conflict may happen beyond the armed conflicts, for instance between ethnic, religious and political groups. Conflict sensitivity is more effective when adopted by all relevant stakeholders across sectors in a common operating environment, which is challenging when the definition and understanding of conflict sensitivity varies between actors.[18] The project therefore follows a three-step working definition of and strategy towards conflict sensitivity based on continuous analysis:[19]

- Understand the conflict context. An actor working in fragile and conflict-affected situations is part of the context. Its representatives should understand the actors related to conflict and fragility, tensions and conflict-related events, and have a basic understanding of the related governance and fragility issues.
- Understand the interaction between the organization and the conflict context. What is the interaction between the identified elements of conflict and fragility and the project? The project will identify the factors creating tensions or having positive impacts on the conflict context that may be related to information sharing and communication and/or the transfer of resources. Relevant messages will then be sent out during project implementation.
- Develop strategic decisions from project management. Based on the actors and factors that are creating tensions or having a positive impact on the conflict context, strategic management choices will be developed. Adjustments of the project to the conflict context therefore become part of the project management cycle.

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[17] For examples from Bhutan, see UNCDF, *End of Programme Evaluation of Local Governance Support Programme* (2013) and Gross National Happiness Commission, Thimpu Bhutan 2013. See also James Manor, ed., *Aid That Works: Successful Development in Fragile States* (Washington, D.C., The World Bank, 2007).

[18] South-East Working Group, "Discussion Paper on Conflict Sensitivity in South-East Myanmar" (2017). Available at http://ingoforummyanmar.org/sites/ingoforummyanmar.org/files/report-files/Discussion_Paper_on_Conflict_Sensitivity_in_South-East_Myanmar_SEWG_Feb.pdf.

[19] Definition adapted from Helvetas and the South-East Working Group. See Helvetas and Swisspeace, *Manual: 3-step for Working in Fragile and Conflict-Affected Situations (WFCS)* (2013). Available at https://assets.helvetas.ch/downloads/2013_hsi_manual_3_steps_wfcs.pdf (accessed September 15, 2017).

Gender considerations

While unequal gender representation is a systemic issue in the governance structures in Myanmar, the project recognizes that poor inclusion of women in local governance is also a result of household heads, W/VTAs, township administrators and Hluttaw members lacking awareness and capabilities to systematically integrate women's concerns in development planning and decision making. The project emphasizes women's inclusion in the annual township planning process by creating awareness and providing tools to government institutions to promote gender responsive and inclusive planning, as well as support women in taking active part in the planning process (e.g. by including one women's representative per ward/village tract next to the elected W/VTAs and/or household leaders) and systematically consulting women's groups.

UNDP value addition

Through its established partnership with the GoM and its support to substantive areas of governance and efficient public service delivery, particularly at the subnational level, UNDP is well positioned to support local governance interventions revolving around the annual township planning process using fiscal transfers. UNDP's widely respected position as a facilitator between government and non-government actors at all levels enables this project to apply the envisioned approach, not only testing fiscal decentralization and participatory planning processes, but also introducing systematic government social accountability mechanisms and wider civic engagement dialogues with civil society and EAOs.[20] UNDP's excellent relations with different government ministries and departments also enable horizontal facilitation, which is equally important as facilitation between the Government and non-State actors.

Complementarity and synergies

This project fills a current gap in local governance interventions supporting the decentralization agenda, participatory subnational development planning and coordination of public service delivery at township level. The project is aligned with the above-mentioned National Community Driven Development Project (NCDD-P), developing village tract plans in areas where both the World Bank and UNDP are present. These plans will be utilized as inputs to determine which projects will be funded by township development grants, thus improving the coordination between village tract and township-level interventions. The project will also align with other actors, e.g. the forthcoming USAID programme for South-Eastern Myanmar; the Asia Foundation's strategic support to planning and budgeting and PFM; the European Commission's support to strengthening the capacities of local authorities; and the British Council's programme, My Justice, which is working on strengthening the capacity of ward and village tract administrators to manage conflict negotiation. The project aims to further strengthen institutions using democratic processes by building on UNDP's national and subnational support to parliaments; the work with the Ministry of Natural Resources and Environmental Conservation on mainstreaming disaster risk reduction and climate change adaptation in planning policies at various levels; the support to public administration reforms, notably the work on integrity, anti-corruption and civil service reforms; and strengthening capacities of the Central Statistical Organization to collect and analyse data at the subnational level, which will contribute to the use of evidence-based data and improve the quality of township and S/R annual plans. In the absence of a national development strategy, the GoM has underlined its commitment to institutional strengthening by prioritizing SDG 16 for the country's future. The project's focus on institutional development contributes to this priority, while also seeking to advance the SDG localization agenda.

Effectiveness and sustainability

The project approach is based on global experiences of fiscal decentralization and institutional development by UNDP, UNCDF, the World Bank and bilateral agencies in countries such as Cambodia, Bangladesh, Bhutan, Solomon Islands, Uganda, Kenya, Mozambique and Nepal.[21] The

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[20] Nicolas Garrigue, Marla Zapach, U Kyaw Thu, *Independent Outcome Evaluation of UNDP Myanmar's Outcome 1 (Local Governance Programme (2013–2016)* (2017).

[21] For example, see Van't Land, G. "Township Democratic Local Governance" SDC draft project document, September 2016; Joakim Öjendal and Anki Dellnas, eds., *The Imperative of Good Local Governance: Challenges for the Next Decade of Decentralization* (Tokyo, UN University Press,

approach is tailored and contextualized to Myanmar utilizing existing institutions and structures and anchored in the S/R and township sector departments—including the TPIC and the elected W/VTAs—having a voice in identifying needs, prioritizing development projects, monitoring progress and documenting lessons learned. Moreover, by engaging EAOs in government-led planning processes in conflict areas, the project seeks to contribute to an enabling environment for dialogue, collaboration and to establish mutual trust at the local level. Eventually, the project will generate well-tested evidence enabling the GoM to continue its local governance reform process nationally and make concrete policy changes.

Assumptions

The project's change logic rests upon several assumptions: Firstly, that the GoM will maintain the vision of a decentralized federalist structure and more subnational autonomy for the states and regions. This is particularly relevant to the ongoing fiscal decentralization policies and political discussions around the NCA, which might result in some resolutions during the lifecycle of this project. In this regard, this project assumes that the township level will remain the key local governance tier for public service delivery, and that the TPIC and the GAD will maintain their central roles in planning and coordinating development and public service delivery. It is expected that sector departments both at S/R and township level will be motivated to utilize the project to align their general service delivery plans with the annual township plans, and that this—in combination with grant investments—will be sufficient for local people to perceive a quantitative and/or qualitative improvement of service delivery and subnational governance. The project also assumes that discretionary grants, capacity development and mentoring will be sufficient to leverage the changes expected and that S/R and township administrations are motivated in pursuing inclusiveness, transparency and accountability toward local citizens, as well as willingness to cooperate closely with the public and civil society to establish feedback loops. It assumes that there will be willingness among EAO administrations and service providers to engage in dialogue and coordinate with the township planning process at some level and that openness exists to examining and developing their own more inclusive and participatory planning processes. Similarly, it is expected that civil society will be capable of ensuring the inclusion of women, and that W/VTAs will manage to identify the needs of vulnerable groups and act as efficient two-way information channels between township administrations and their constituencies. It is assumed that the envisioned transparent and inclusive processes designed around the planning and implementation of the projects to be funded by township development grants will result in people trusting township administrations and, indirectly, the S/R governments as responsive and accountable institutions. Based on the above assumptions, the project expects that evidence and lessons learned from this project will enable the GoM to develop and implement policy changes on democratic local governance and fiscal decentralization.

RESULTS AND PARTNERSHIPS

Expected results

This project contributes to the overarching objective:

> Effective public institutions are enabled to develop evidence-based policies and systems responding to the needs of the people.

Myanmar's democratically elected Government is expected to promote democratic governance and translate it into visible change at the local level, alongside further improving service delivery, which provides a natural entry point for this project. The real success of the project will be in the extent of

2013); James Manor, ed., *Aid That Works: Successful Development in Fragile States* (Washington, D.C., The World Bank, 2007); Jesper Steffensen, *Performance-Based Grant Systems: Concept and International Experience* (New York, UNCDF, 2007); Roger Shotton and Mike Winter, *Delivering the Goods: Building Local Government Capacity to Achieve the Millennium Development Goals* (New York, UNCDF, 2005); and UNDP, *Decentralized Governance for Development: A Combined Practice Note on Decentralization, Local Governance and Urban/Rural Development* (2005).

its contribution to a public sector that increases the quality of both service delivery and democratic processes at township level, e.g. by putting mechanisms in place to manage inclusive annual planning and public sector management; enhancing human resource capacity to manage such mechanisms; and encouraging development of annual plans that respond to evidence-based priorities. Consequently, people's trust in local governance institutions is expected to improve as annual planning processes become transparent and accountable to the public and investments are responsive to local needs. For S/R governments, tangible projects will help them to demonstrate 'delivery' and active drivers for change, which will support Government in making policy decisions on how it can further implement democratic local governance reforms.

The project is designed along four streams of activities (see annex eight for an overview of activities during the planning cycles), each with a specific area of results:

Result one: *Township administrations have improved capacity to respond to people's needs*

This stream of work focuses on strengthening the capacities of government institutions to manage aspects of local governance and seeks to support the township administrations (all relevant departments) in the annual planning and budget execution cycle for the efficient and effective delivery of services and projects, based on the principles of inclusion and participation. Township administrations will be supported in improving their financial, procurement, technical and monitoring systems and practices through an established training program and on-the-job support. This, in combination with skills development for participatory planning and inclusivity, will constitute the foundation of capacities necessary for implementing the township planning process. The project will utilize existing government structures for annual planning—e.g. the biweekly coordination meetings between heads of departments (HoD) and W/VTAs, the township management meetings and TPIC meetings—as the entry point for initiating a more participatory and democratic planning process. Township administrations will develop their capacities to prioritize investment projects in a democratic manner using the project's grant manual as guidance. They will be supported in improving facilitation of a series of planning workshops, resulting in improved annual township development plans. To ensure evidence-based planning, the project will assist sector departments in collecting and analysing relevant data as input for the plans. Improved data utilization will also contribute to promoting issues such as inclusion, gender and environmental risk assessments, which the project will gradually strive to integrate as standards for the township plans. Measures will be undertaken to test approaches for collecting and analysing data locally aligned with the SDGs and the GoM's national SDG mainstreaming efforts.

During the planning and budget execution cycle of the infrastructure projects funded by a township development grant, the TPIC, additional sector departmental staff and W/VTAs will be given the opportunity to put new knowledge and skills into practice with extensive on-the-job support and mentoring by the project's township governance officers.

The project will continue UNDP's technical support to OSSs to enhance their capacities to provide public services in a transparent, accountable, efficient and service-minded manner that contributes to the overall objective of the project: improved township governance processes.

For the S/R Hluttaws, the project will provide an opportunity to enhance democratic accountability by engaging the Hluttaw members in the planning processes, as well as in monitoring the budget execution phase. Similarly, S/R governments will be closely involved in the planning processes, enabling them to improve vertical coordination and better align with respective S/R planning and budgeting processes.

Township administrations will be supported to launch new mechanisms and systems for transparency and social accountability as measures to improve public understanding. This will include communication on planning and budget cycles, for example through social media, public notices and simplified communication materials to assist township administrations and W/VTAs to inform and consult communities. Open budget meetings during the planning process and public procurement announcements will allow the public and civil society opportunities to monitor the planning process, as well as the budget execution phase. The project will, in agreement with S/R governments, develop complaints mechanisms to promote accountability of the township administrations. These will include various channels for the public and other stakeholders to report complaints and ensure that townships governments are performing in terms of addressing complaints.

The project will continuously seek to improve the annual planning process in a participatory manner by facilitating annual learning reviews at township and S/R levels, allowing project stakeholders to engage in an open dialogue on how to improve planning and budgeting processes.

Key activity results:

- S/R and township administration staff have increased capacity on good local governance and public sector management.
- Township administration staff have increased capacity to understand and analyse the socio-economic context including conflict (economic, social, environmental), inclusivity and gender issues.
- Township annual plans are developed in an inclusive manner and approved by TPICs and elected representatives.
- Transparency and social accountability measures are launched.
- Township administrations effectively manage the full cycle of service delivery through the township development grant.
- Public service delivery through OSSs is strengthened

Result 2: *Improved engagement between people and township administrations on public service delivery*

This area of work emphasizes the promotion of opportunities to strengthen democratic and social accountability of the S/R governments and township administrations towards the public. The project will increase information flows, enhance the role of W/VTAs as the link between communities and township administrations and provide opportunities for communities to gain voice and influence planning processes and decision making, which is expected to improve people's trust of township administrations and S/R governments.

Women's participation in the planning process is an essential area of work where the project applies a two-pronged approach to integrate gender equality into the planning process and to support women to utilize the enabling environment to advocate women's concerns. Based on township and S/R level gender and power analysis, the project will design a gender strategy for mainstreaming gender into annual development planning and service delivery, which will include identifying tools, e.g. gender responsive budgeting. Considering the minimal presence of women among W/VTAs, a women's representative will be paired with each W/VTA and receive the same capacity building measures enabling them both to support W/VTAs in the consultation and information-sharing tasks, as well as facilitate women-specific discussions in communities to allow local women to raise their concerns. Annual leadership trainings for women, in particular those who are household leaders, will be facilitated to encourage and strengthen their capacity to be active in local governance. Informal women's forums will be facilitated with participation of women from S/R Hluttaws, EAOs, township administrations, CSOs, and media. These forums will have a dual function of building trust between women from various backgrounds and facilitating broader discussions on local women's issues. Similarly, the project will identify and nurture 'inclusive development champions' in each township to be critical allies to ensure the voices of women are raised and assist in challenging structural barriers.

W/VTAs will play a key role as intermediaries of information sharing between township administrations and communities. The project will therefore provide them with skills and mentorship support in participatory public management and inclusivity. Support and training will also be provided to ensure W/VTAs and the women's representatives take active part in the planning process. W/VTAs and the women's representative will be lead facilitators in identifying community priorities, undertaking discussions and consolidating community feedback to township administrations in an inclusive and participatory manner, and the project will provide them basic facilitation skills and on-the-job support during these community meetings.

As an additional engagement approach, the project will select local CSOs to: 1) strengthen community understanding of and skills in using the planning model and 2) engage with W/VTAs and the women's representative to ensure community needs and feedback are presented effectively. Local CSOs will also be involved in identifying and implementing social accountability plans in partnership with township administrations, such as citizen report cards, allowing people to assess

government performance on the implementation of township plans and provision of services. Citizen report cards will be valuable progress monitoring tools for the project to assess level of change, township administration behaviour and procedures. Other social accountability measures may include public expenditure tracking, where local CSOs and HoDs undertake joint public budget monitoring and wider public hearing forums at state level to address civic engagement monitoring and participation in state-level planning. Joint visits by CSOs and township administrations to S/R Hluttaws will enable them to engage with MPs and learn about Hluttaws' functions and PFM at this level. Finally, citizen budgets will be produced by township administrations and disseminated to the public to communicate budgets in a simplified manner.

Key activity results:

- Women have improved leadership skills and participate in annual planning processes.
- People have access to information on government procedures and increased space for constructive engagement with township administrations.
- W/VTAs and the women's representative facilitate consultations on community priorities and improve information sharing between communities and township administrations.
- CSOs facilitate public engagement in township planning.

Result 3: *Improved engagement of EAOs in annual township planning and public service delivery*

This work stream focuses on both government and non-government actors as part of local governance in areas under full or partial EAO administration with an aim to bring EAOs into the above-mentioned work streams. EAOs will be capacitated and provided mentoring support to participate in all activities and platforms related to the planning and execution of the township development grant. The project maintains a flexible approach to engaging EAOs, recognizing that the support required for their participation in the project may differ from government institutions, and the project will regularly update its engagement strategy for each participating EAO.

Depending on the local situation (as well as the national peace process), the project will gradually explore options for regular (informal) dialogues between government institutions and EAOs on budget priorities and other local governance issues. Similarly, the project may offer support to the EAOs in applying democratic and participatory governance in their areas (as per the interim agreement under the NCA).

Key activity results:

- EAOs have the capacity to participate in annual township planning processes.
- Township administrations and EAOs have improved their communication on public service delivery through constructive dialogues.
- Township administrations and EAOs explore mechanisms for coherent, efficient and inclusive service delivery.

Result 4: *Dialogue on policy and institutional local governance reforms is informed by technical support and research*

This stream of work seeks to facilitate policy development, using internal learning to improve project processes and implementation, as well as to promote external sharing of the learning results generated by the project that may lead to scale-up and national replication of the township planning model. This includes eliciting, documenting and utilizing experiences from the field and lessons learnt from the township planning processes, procurement of services and monitoring of implementation, testing of social accountability and gender actions, as well as engaging community-based organizations in documenting changes at the community level. Research will be undertaken to further explore people's expectations of local governance and social accountability, including taking the issue of contested areas in account. This work will support the project to develop knowledge products to strengthen implementation, as well as to advocate the approach externally.

The project will facilitate discussions with the S/R governments and use the lessons learnt to engage with the Union Government in policy development. This will include enhancing the capacity of government institutions that play key roles in promoting participatory and people-centred local development, championing leaders to pursue policies that support local development processes, and moving the Union Government towards wider fiscal and democratic decentralization.

The project represents an innovative model that is effectively aligned with core government objectives and strong ownership by the Government. It also includes the peace process actors in generating solutions related to interim arrangements and convergence. This area of work will also involve exploring innovative measures to improve efficiency and quality of local administration and service delivery (e.g. on digitalization).

Key activity results:

- Lessons learned are captured through participatory action research.
- Policy dialogues are supported with evidence-based facts.
- Policies for annual township planning are developed.
- Policies for subnational public participation and PFM are developed and introduced.

Resources required to achieve the expected results

The project will provide all the required capacity development support to township and S/R administrations to plan and execute the budgets of the township development grants directly at S/R and township levels, especially through the deployment of staff in all covered townships to train and provide on-the-job mentoring and support in facilitating planning cycles. The project will also offer direct support to township administrations in engaging with civil society and EAOs throughout the planning and grant execution process. The project will cover all costs related to the planning sessions, training costs and grants to participating townships for implementation of the township plans.

The UNDP Country Office and UNDP Bangkok Regional Hub will support the project with quality assurance and policy advisory support in facilitating learning cycles, strengthening the planning model and promoting policy change to the Union Government.

The project will contract INGO services to implement the activities in Mon, support annual auditing, and provide individual experts to develop and deliver capacity development activities, project advisory and research support on a competitive basis.

Capacity development will partially be facilitated by short-term consultants with subject matter expertise (e.g. on conflict sensitivity, public sector management, procurement and evidence-based data collection).

Partnerships

The main project partner is the GoM (Union and S/R governments). The project is primarily focusing on subnational governance, particularly at the level of township administration.

The project will benefit from other components of UNDPs Country Program in Myanmar, such as parliamentary work at both national and subnational levels; public administration work, primarily with the civil service and anti-corruption reforms; work on disaster risk reduction and climate change adaptation, which covers both national and subnational levels; social cohesion and conflict prevention work; and promotion of the SDGs and the 2030 Agenda. Starting in 2017, UNDP is also supporting the Joint Ceasefire Monitoring Committee (JMC), which will inform the project on how the peace process is moving forward both at Union and subnational levels. Coordination with other UNDP interventions will take place under the leadership of Country Office senior management at regular programme coordination meetings.

The project will also seek to create and maintain synergies and partnerships with the following organizations and projects implemented in South-Eastern Myanmar.

NCDD-P

The development objective of the NCDD-P is to enable poor rural communities to benefit from improved access to and use of basic infrastructure and services through a people-centred approach and to enhance the recipient's capacity to respond promptly and effectively to an eligible crisis or

emergency. As such, the project empowers villagers to manage their own development by inducing participatory approaches into planning and implementation of projects related to basic services and (public) infrastructure at village tract level. The project will achieve its objective primarily by making funds available to each participating tract (varying from MMK 20 million for small tracts below 3,000 people to MMK 120 million for tracts with more than 9,000 inhabitants) to support activities identified during a participatory planning process that involved all villages, was carefully balanced for gender representation and that highlighted the voices of poor and more vulnerable sections of the community. This funding is combined with explicit support (some 20% of the project budget) for community facilitation and training. The NCDD-P presently operates in all village tracts of 27 townships in all 14 state and regions, and is scaling up to cover at least 63 townships over the coming years. UNDP has already initiated collaboration with NCDD-P in Bilin Township and will, from the start of the TDLG project, engage in a closer collaboration with all NCDD-P townships in Mon State and Bago Region to strengthen the links between planning activities at tract and township levels. The project will also benefit from the NCDD-P's work on empowering local communities and CSOs.

British Council My Justice programme

My Justice is a five-year programme funded by the EU that focuses on strengthening public awareness and understanding of legal rights and obligations. My Justice provides one stop shop legal advice, assistance and representation in civil and criminal matters for the poor and vulnerable. It also helps raise people's understanding of their legal rights and obligations, including collaborations and linkages with community-based paralegals and social service providers. UNDP and My Justice started collaborating in 2016 on capacity development activities for W/VTAs in areas such as community dispute resolution and interest-based negotiations. My Justice is active in Mon State and UNDP will continue to partner with the programme in trainings for W/VTAs and expand to other relevant stakeholders, such as the womens' village tract representatives and the township administrators.

UNFPA

UNDP has engaged with UNFPA to improve the use of evidence-based data for planning and budgeting in supporting the Ministry of Labour, Immigration and Population to conduct Census reports in 2014. Since 2016, UNFPA has been developing census data reports at township level to support planning processes. UNDP has supported this effort by facilitating the engagement of township administrations and TPIC members from Kawa and Bilin to finalize those reports. The project will continue its collaboration with UNFPA to ensure that qualitative and quantitative evidence-based data are used in the development of the annual township plans.

UNDP ART

Developing capacity for local governance and local development (LGLD) is essential not just for delivering internationally agreed development goals, but also to support the process of making the State more responsive, inclusive and accountable. At the same time, the creation of multistakeholder partnerships has been widely acknowledged as crucial for the implementation of the new 2030 Agenda for Sustainable Development at the national and local levels. Globally, UNDP supports a wide range of interventions to promote LGLD in a variety of contexts. It builds and promotes innovative partnerships by working closely with subnational governments, their associations and other local stakeholders to support them in achieving their development objectives, and to stimulate and promote inclusive LGLD initiatives. It also strongly contributes to establishing multi-actor, multisector and multilevel governance structures and systems in order to address the complex needs of LGLD.

Since 2005, UNDP, through the ART (Articulation of Territorial Networks) initiative, has promoted sustainable human development at the local level by strengthening the capacities of local stakeholders and by facilitating the sharing of knowledge and expertise. The ART initiative is also offered as an important entry point to more than 600 decentralized cooperation partners (such as regions, cities and universities) to UNDP and the development system. The project will utilize the expertise of ART in both Mon State and Bago Region, focusing on creating awareness of how to address and relate to the SDGs in annual S/R and township planning processes.

Local Governance Initiative and Network (LOGIN)

The Local Governance Initiative and Network (LOGIN) is a multistakeholder network focused on South and East Asia that promotes reform agendas in favour of greater decentralization and the strengthened role of local governments. LOGIN spans over 11 countries and includes elected representatives, training institutions, think tanks, government departments, non-governmental organizations and intergovernmental organizations, among others. LOGIN works in favour of accountable, transparent and inclusive local governance and facilitates knowledge sharing and peer engagements on key local governance issues among its stakeholders. UNDP Myanmar is a member of LOGIN and has actively contributed to knowledge sharing, for example by sponsoring government officials to travel to workshops organized by LOGIN as a way of stimulating peer-to-peer collaboration and contributing to policy discussions. The TDLG project will actively continue its collaboration with the LOGIN network by sharing new knowledge products developed and by supporting government officials to participate in learning events and workshops organized in the region.

Joint Ceasefire Monitoring Committee and JMC Support Platform Project

The JMC was established in 2015 as a national body consisting of the Myanmar army (Tatmadaw), EAO signatories of the NCA and civilian representatives with the mandate to implement the NCA, focusing on establishing a monitoring, verification and resolution mechanism related to ceasefire violations. UNDP Myanmar has been implementing the JMC Support Platform Project since 2017, which seeks to build the JMC's institutional capacity to implement its mandate to ensure peace and stability in conflict-affected areas. The JMC presence in five conflict-affected states, one of them being Mon, includes a state-level committee (JMC-S) and a secretariat. In Mon, the KNU participates in meetings to discuss ceasefire resolutions reported by civilians and ceasefire parties, as well as in joint verification missions. While the JMC has begun to receive complaints from civilians, many fall beyond the mandate of the JMC and are instead related to local administrations and public service delivery. The TDLG project will seek to engage with the JMC, via the JMC Support Platform Project, to explore options for coordinating complaints management and the potential for establishing a referral system for those complaints that fall outside the JMC's remit, which will allow them to be taken forward by township administrations.

Supporting Partnerships for Accountability and Civic Engagement (SPACE)

The United Kingdom's support for the TDLG project in Bago is being provided through a new programme called Supporting Partnerships for Accountability and Civic Engagement (SPACE), the aim of which is to strengthen civic engagement in governance. Other components of SPACE will support the reforms that are being tested through the TDLG. This includes a new facility that is being implemented by Cardno, working in close partnership with TDLG in Bago to deepen the understanding of the context, piloting new ways of working and supporting effective engagement with broader groups of stakeholders. SPACE also includes a new component on evidence and learning, which will support impact evaluation and operational research to support policy making.

Risks and assumptions

The creation of an annual local development planning model that is participatory and inclusive, and that will be advocated for national replication, depends greatly on the Union Government's interest in the decentralization agenda, the development of a regulatory framework to guide its implementation, and on the Government's success in increasing its revenue base to mobilize funds (including overseas development assistance). Similarly, the likelihood of national replication depends on the ability of peace actors to agree on interim local governance arrangements and, eventually, permanent solutions. The relevance of the proposed model is linked to the assumption that the township level and its administration continues to be the substantial level for delivery of public services and planning of local infrastructure investments. The project will address these risks through continuous dialogues with Government and advocacy at governance fora at Union and S/R levels, and by maintaining internal tracking of these factors at board meetings and during the mid-term review (2019). In contested areas, EAO ownership of project implementation remains uncertain, and the project will address this via extensive consultations with EAOs throughout the project duration, as well as by utilizing the staged approach of rolling out the project to sensitize EAOs on the benefits of the project.

The project includes several operational risks related to the delivery of grants through township administrations that are inexperienced in managing projects according to international standards, as well as to facilitating inclusive consultations with the public. The project will address these issues through continued focus on developing capacities and providing on-the-job mentoring directly to staff involved in this process. The project will maintain a responsive approach to uncertainties and includes regular learning cycles that allows the project, together with S/R and township representatives, to continuously improve its interventions and procedures.

Stakeholder engagement

The direct target group of the project is the elected ward and village tract representatives, the township administrators, Hluttaw members, the heads of departments and other staff of the most relevant sector departments that play a role in public service delivery and that, as such, partake in the annual township planning exercise. It also includes the members of the above-mentioned TPIC.

Through its engagement with the township administrations, and while operating under the cover and with endorsement at the S/R government level, the project will also engage with and develop capacity of the S/R governments, notably cabinets and staff from budget, planning and other relevant departments. Through the policy advocacy component, the experiences of the project will be shared with the Union Government, which is therefore an additional target group of the project.

Civil society is another key actor for establishing dialogues and public participation in planning processes, as well as to promote better accountability of the township administrations. Civil society will be included in the annual planning process and supported to organize forums to discuss priorities and planning process separately.

Similarly, the project will target EAO administrations (in relevant townships) and the bodies of public service providers (notably in health and in education) they represent, to engage township administrations in the township planning cycle and improve coordination and responsiveness in service delivery. This may also include providing support to EAOs outside of the annual planning process if deemed effective. The project recognizes the risk that some EAOs may refuse to cooperate with the project due to political factors around collaborating with township administrations; therefore, the project will undertake a series of studies and analyses during the initial months by a conflict advisor, which will allow the project to define engagement strategies for various stakeholders. The conflict advisor will continuously be linked to the project during its implementation.

The ultimate beneficiary group for the project is, in principle, the entire population in the townships that participate in the project, as the project is based on the premise that township administrations become more responsive and engaged with the population in a transparent, accountable and inclusive manner, and that public services are to be more equally and equitably accessible to all.

With dedicated activities, the project focuses on two groups of residents that are currently underrepresented in public decision making: women and people in areas that are under the control of ethnic armed groups.

South-South and triangular cooperation

The project will benefit from UNDP's global and regional expertise on local governance and decentralization, particularly from the experiences and best practices of similar projects implemented in the Asia-Pacific region. It should be noted that the Swiss Agency for Development and Cooperation (SDC) is currently engaged with UNDP on four other local governance/decentralization projects in the region. A joint initiative between SDC, the UNDP Bangkok Regional Hub and the four projects could be envisaged to share knowledge and discuss common approaches, particularly around the importance of local governance for the SDGs at subnational/local levels. The ART initiative, discussed above, is also an important entry point for decentralized cooperation partners to engage UNDP and the development system.

At the policy and strategic level, Myanmar's political context—especially its current transition phase—inevitably impacts on the pace of its decentralization and local governance reform process. Several countries in the region have been facing similar situations, and lessons learned will be

shared to improve the capacity of the project (and the Country Office) to either anticipate or respond to such changes. Ongoing experiences from the region related to online training courses and the use of mobile technology to connect citizens to local administrations or to report fraud could be tested and integrated in the project.

At the technical and implementation level, Myanmar's experience and best practices from the project will be shared and promoted within the region and globally through UNDP's network, notably through interactions with the UNDP Bangkok Regional Hub and UNDP's Global Centre for Excellence in Public Service in Singapore. The project has also initiated a collaboration with the UNDP global initiative, Gender Equality in Public Administration (GEPA), a facility that:

(i) Supports women's empowerment and expanded participation and leadership in the executive branch of the State.

(ii) Contributes to the availability of up-to-date information on gender equality in public administration and of evidence and analysis to facilitate informed policy and decision-making.

Experiences, lessons learned and results from the project will be shared and promoted through the GEPA network, contributing to global awareness and policy development.

Knowledge

The project will document, analyse and develop new knowledge products and practical handbooks, e.g. on local development planning, fund management, civic engagement, effective financing mechanisms, public participation, project management and procurement for township and state/region officials, among others. These products will be regularly updated with new content and reproduced for wide dissemination through printed and online forms. The project, supported by the above-mentioned global UNDP initiatives, will also develop knowledge products in Myanmar language drawing from international sources, as most local officials and practitioners working in local governance do not speak English.

Sustainability and scaling up

The project will be testing a model of fiscal transfers for participatory local development planning that is designed in a way that could be scaled up and used all over the country. By using government systems, rules and regulations, the sustainability of the project is high, since capacities developed and improvements of intergovernmental systems will remain when the project is finished. It is anticipated that average grant amount will be US$1 per capita. The amount has deliberately been kept low to enable the GoM to use its own resources to sustain funding of the township development grants in the future. The project is designed to support the Government and participating townships for a minimum of three planning and budget execution cycles, which will allow participatory learning and policy development in local governance areas that contribute to strengthening government responsiveness in areas such as:

- What do effective and transparent financing mechanisms for local service delivery look like?
- How can inclusive, efficient and accountable public expenditure management procedures for township administrations be established and used?
- How could government policy, regulatory, support and supervisory functions be strengthened?
- How can systematic participation and consultations help to improve government capacity to respond better to people's needs and development challenges in the townships?

PROJECT MANAGEMENT

Cost efficiency and effectiveness

The project will maintain a high rate of cost efficiency by linking and integrating all activities to the annual township planning and budget execution process. This is particularly evident in the decision to apply an institutional approach: utilizing government processes and existing bodies for planning and coordination as the main avenues for implementation. While the project ensures technical

assistance in place locally to support the S/R governments and township administrations, the bulk of work related to developing annual township plans and budget execution, as well as progress monitoring, will be carried out by township administration staff, thereby making the project operationally light, sustainable and making it possible for Government to continue after the project is finished.

The Governments of Bago and Mon, and the involved departments at township level, will provide their staff time as government contribution to the project (this will be costed). The project will be audited annually by an external audit firm that has a long-term agreement with UNDP to conduct audits for all UNDP supported projects. In line with the UNDP Executive Board approved Policy on Cost Recovery (EB document DP-FPA/2012/1, DP-FPA/2013/1 and EB Decision 2013/9), organizational costs incurred by UNDP in terms of staff time and other implementation costs of a policy advisory, technical and implementation nature that are essential to delivering development results of the project will be included in the project budget and directly charged. Operational costs will also be kept low by utilizing public buildings for trainings and workshops and to host local project offices as in-kind contributions, as well as by using UNDP's common services for processing procurement, administration, finance (including its field offices) and Yangon-based operations.

The project is expected to be very cost effective, as the grants will be invested via public implementation channels, coordinated horizontally among line departments and based on identified local development needs. Lessons learned and capacity developed will hence remain within the supported institutions, promoting sustainability of the interventions. Secondly, as this project creates evidence and facilitates policy discussions on local governance practices and fiscal decentralization, the implications may result in national reforms impacting a much wider group of beneficiaries than directly covered under this project.

Project management

The project will initially operate in one state (Mon) and one region (Bago). In Mon State, the project will be implemented in all ten townships starting with the four townships in Thaton District in 2017, covering all the remaining townships in 2018. In Bago, the project will start in five townships, covering all four districts. The different implementation modalities will enable comparison and additional learning on effective implementation strategies.

The project will have a field coordination office in the regional government compound in Bago while utilizing the UNDP Area Office in Mawlamyine to cover Mon. A project support team will be placed at the UNDP Country Office to ensure efficient delivery, administration and coordination with Country Office operations and programme support units. Through UNDP regular programme coordination, the project will ensure that linkages to other UNDP interventions are effectively maintained.

Implementation arrangements

The project will use the direct implementation modality (DIM), under which UNDP is the implementing partner (IP). Under DIM, UNDP will bear full responsibility and accountability to manage the project, achieve project outputs and ensure the efficient use of funds. UNDP will be accountable to the funding partners for disbursing funds and achieving the project objective and outputs, according to the approved annual work plans. In particular, the IP will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) approving terms of reference for consultants and tender documents for subcontracted inputs; and (vi) reporting to the project board on project delivery and impact.

The day-to-day management of the project will be delegated to a project manager. The project manager will be supported by a project management unit (PMU) that will be staffed by a chief technical advisor, a project coordinator (national), a project associate (national), five township governance officers (national), a monitoring and evaluation (M&E) specialist (international), a civil engineer (national) and a project driver.

The PMU will be supported by the UNDP Country Office. UNDP will provide direct project services (DPS), according to the UNDP's policy on direct project costs. DPS costs are those incurred by UNDP for the provision of services that are execution-driven costs, directly related to the delivery of project.

UNDP, as IP, can enter into agreement with other entities, i.e. responsible parties (RPs) to deliver project outputs. Oxfam has been selected following a competitive procurement process as the RP to carry out project activities and produce project outputs covering Mon State, whereas UNDP will maintain responsibility over implementation in Bago, as well as disbursing funds to S/R governments, and national policy advocacy activities.

UNDP will sign a standard letter of agreement (LoA) with respective government agencies as RPs for implementing the funded projects (i.e. by a township development grant) to be transferred to those government agencies.[22] The LoA regulates the implementation modality, usage of the funds provided by the UNDP, reporting and audit requirements.[23]

UNDP will ensure technical and financial monitoring of all activities undertaken by RPs and S/R government in line with the signed agreements. Bimonthly or monthly project management meetings between UNDP and the RPs, and between UNDP and the townships, will provide further guidance on implementation.

Audit
As the implementation modality for the project is DIM, UNDP will apply the DIM audit arrangements. The audit of DIM projects is made through the UNDP's Office of Audit and Investigation (OAI). Audits shall be conducted on an annual basis. The townships receiving a development grant shall also be subject to an annual independent audit conducted by a private firm, to be recruited by UNDP in consultation with the S/R government. The outcome of the annual audit will determine the eligibility of the township for a subsequent grant in the following year. Should the biennial audit report of the board of auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the donor.

Equipment, supplies and other property
Ownership of equipment, supplies and other property financed from the project shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with applicable policies and procedures of UNDP.

[22] The township development grant should technically be considered an intergovernmental fiscal transfer from S/R governments to the township administrations, whereby to the extent possible, planning and implementation, as well as all related functions, are transferred or delegated to the township level. However, as the township administration is not a legal entity nor body corporate (all departments continue to belong to either the S/R government or the Union Government), the S/R government remains legally the ultimate responsible party for the use and implementation of the grant. In line with the Government's ongoing decentralization policy to give more authority to the S/R governments, funding from UNDP is made available to the S/R governments directly. This will not, for the moment, pass through the Union budget for further allocation to the participating townships.

[23] UNDP will use cash advances to disburse funds on a quarterly basis (against approved progress and financial reports) to the S/R government for immediate transfer to the townships. The transfers will be based on the estimated cash flow needs from the townships. S/R governments or townships are not allowed to use the funds for any other purpose than intended. The funds shall be received by the townships in a separate dedicated bank account established for that purpose. Unspent funds shall be returned to UNDP at the end of the fiscal year.

RESULTS FRAMEWORK

Intended outcome as stated in the UNDAF/Country Programme Results and Resource Framework: TBC
CPD outcome TBC
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: TBC
Applicable output(s) from the UNDP Strategic Plan: TBC
UNDP Country Programme output 1.1: Effective public institutions are enabled to develop and implement evidence-based policies and systems that respond to the needs of the people. Indicator 1.1.1: # of government development plans, at national/subnational level, including townships, formulated with UNDP support based on the following principles of the 2030 Agenda and the SDGs: use of data, inclusive participation, cross-sectoral coordination Baseline: Union – 0/0, Region/State – 0/1, Township – 0/0 Target: Union – 1, Region/State – 4, Township – 64 Indicator 1.1.2: # of female village tract administrators Baseline: 88 Target: 500 Indicator 1.1.3: Formula-based allocation for participatory local development planning adopted by Government Baseline: No such formula exists Target: Formula-based allocation mechanism operational by 2020 Indicator 1.1.4: # of townships using formula-based allocation mechanism in participatory planning Baseline: 2 Target: 15
Project title: Township Democratic Local Governance Project

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS				DATA COLLECTION METHODS & RISKS
			Value	Year	2018	2019	2020	FINAL[24]	
Result 1 Township administrations have improved capacity to respond to people's needs	1.1 % of trained township administration staff reporting having been able to apply public sector management skills for successful implementation of township development grants (disaggregated by sex)	Annual survey	TBC	2018	75%	85%	90%	83%	Annual survey, using questionnaire
	1.2 % of township development grant planning cycles completed in compliance with grant manual	Annual learning workshop report	TBC	2018	50%	80%	100%	82%	Annual learning workshop report using checklist
	1.3 % of township development grant capital investments implemented, as per work plan	Annual learning workshop report	TBC	2018	0	25%	50%	42%	Annual learning workshop report using checklist

[24] Final targets are cumulative. Final target may reduce due to staged rollout of planning process (i.e. 2018: 9 townships; 2019: 15 townships; 2020 15 townships).

	1.4 % of township administrations that managed resources in accordance with national public procurement standards and regular external audits	Project procurement process control checklist, external audit report	TBC	2018	50%	78%	80%	73%	Project procurement process control checklist, external audit report
	1.5 % of township development grant capital investment portfolios with accumulated 'satisfactory' rating received by people's representatives	Annual survey	TBC	2018	50%	100%	100%	96%	Survey, using random sampling questionnaire
	1.6 % of complaints and issues received via complaints mechanism addressed by township administrations	TPIC meeting minutes	TBC	2018	25%	50%	75%	50%	TPIC meeting minutes
	1.7 # of public financial management procedures/guidelines/policies put in place by state/regional governments	Project board meeting minutes	0	2017	2	2	2	6	Project board meeting minutes

Result 2 Improved engagement between people and township administrations on public service delivery	2.1 % of participating women reported having satisfactory access to planning process	Annual survey	TBC	2018	50%	75%	90%	90%	Annual survey during annual learning workshop using questionnaire
	2.2 % of people reporting being satisfactorily informed on township planning process by their ward/village tract administrator (disaggregated by sex)	Local governance mapping	76%	2015	80%	90%	90%	90%	Citizen report card
	2.3 % of people reporting improved public service delivery (disaggregated by sex)	Citizen report card	TBC	2018	50%	75%	90%	90%	Citizen report card
	2.4 % of civil society members reporting having satisfactory engagement with township administrations	Annual survey	TBC	2018	50%	75%	90%	90%	Annual survey during annual learning workshop using questionnaire
Result 3 Improved engagement of EAOs in annual township planning and public service delivery	3.1 # of townships with EAOs engaged in township planning processes	Annual learning workshop report	0	2017	1	2	4	4	Annual learning workshop report

	3.2 % of mixed-administered townships with improved participation, alignment and convergence organizations	Annual learning workshop report	0	2017	20%	60%	100%	100%	Annual learning workshop report
Result 4 Policy and institutional decentralization reforms informed by technical support and research	4.1 % policies for public participation developed and used	Project board meeting minutes	0	2017	25%	75%	100%	100%	Project Board meeting minutes
	4.2 Formula-based allocation for participatory local development planning taken up by Government	Project board meeting minutes	No	2017	No	No	No	Yes	Project board meeting minutes
	4.3 # of innovative local administration and service delivery practices tested	Project board meeting minutes	0	2017	1	2	2	5	Project board meeting minutes

MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans.

Monitoring plan

Monitoring activity	Purpose	Frequency	Expected action	Partners	Cost (USD)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator	Slower than expected progress will be addressed by project management.		316,342
Monitor and manage risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's social and environmental standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners, and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		33,450
Annual project quality assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision-making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and make course corrections	Internal review of data and evidence from all monitoring actions will inform decision-making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
Project report	A progress report will be presented to the project board and key stakeholders, consisting of progress data showing the results achieved against predefined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures,	Annually and at the end of the project (final report)			

	and any evaluation or review reports prepared over the period.				
Project review (project board)	The project's governance mechanism (i.e. project board) will hold biannual project reviews to assess the performance of the project and review the multi-year work plan to ensure realistic budgeting over the life of the project. In the project's final year, the project board shall hold an end of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Twice per year	Any quality concerns or slower than expected progress should be discussed by the project board with management actions agreed to address the issues identified.		

Evaluation plan

Evaluation title	Partners (if joint)	Related strategic plan output	UNDAF/CPD outcome	Planned completion date	Key evaluation stakeholders	Cost and source of funding
Mid-term review				December 2019	Bago Region Gov, Mon State Gov, GAD	75,000

MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		2017	2018	2019	2020		Funding Source	Budget Description	Amount
Result 1: Township administrations have improved capacity to respond to people's needs	Activity 1.1: State/regional and township administration staff have increased capacity in good local governance and public sector management	19,040	175,132	204,262	182,262	UNDP	DFID	Training, Workshop and Confer	58,060
							Others		300,000
						UNDP	Others	International Consultants	110,000
						Oxfam	SDC	Professional Services	99,036
						UNDP	DFID	Travel	4,600
							Others		9,000
	Activity 1.2 Township administration staff have increased capacity to understand and analyse the socio-economic context including conflict (economic, social, environmental) and gender issues	-	89,242	88,372	63,372	UNDP	Others	Training, Workshop and Confer	13,950
						UNDP	Others	International Consultants	125,000
						Oxfam	SDC	Professional Services	99,036
						UNDP	Others	Travel	3,000

	Activity 1.3: Strengthened service delivery through OSSs	-	108,592	82,722	82,722	UNDP	Others	International Consultants	175,000
						Oxfam	SDC	Professional Services	99,036
	Activity 1.4: Township annual plans developed in an inclusive manner and approved by a meeting of citizen representatives	38,814	246,123	246,984	251,229	UNDP	SDC	Salaries	408,944
						UNDP	SDC	Training, Workshop and Confer	1,200
							DFID		202,650
						Oxfam	SDC	Professional Services	99,036
						UNDP	DFID	Travel	19,300
						UNDP	Others	Country Office Support and Oversight	52,020
	Activity 1.5: Transparency and social accountability measures launched	10,500	53,892	53,022	53,022	UNDP	DFID	Training, Workshop and Confer	50,200
							Others		12,600
						Oxfam	SDC	Professional Services	99,036
						UNDP	DFID	Travel	5,600
							Others		3,000
	Activity 1.6: Township administrations effectively manage the full cycle of service delivery through the township development grants	403,338	1,689,854	2,871,036	2,871,036	Oxfam	SDC	Professional Services	99,036
						UNDP	SDC	Grants	5,024,586

							DFID		2,711,642
	Subtotal for result 1								**9,884,571**
Result 2: Improved engagement between people and township administrations on public service delivery	Activity 2.1: Women have improved leadership skills and participate in planning processes	26,714	224,765	224,757	226,574	UNDP	SDC	Salaries	215,298
							DFID		176,218
						UNDP	Others	Training, Workshop and Confer	52,200
						Oxfam	SDC	Professional Services	198,073
						UNDP	Others	Travel	9,000
						UNDP	Others	County Office Support and Oversight	52,020
	Activity 2.2: W/VTAs and women's representatives facilitate community consultations	-	269,473	167,735	217,735	UNDP	Others	Training, Workshop and Confer	450,000
						Oxfam	SDC	Professional Services	198,073
						UNDP	Others	Travel	6,870
	Activity 2.3: Civil society facilitates public engagement in township planning	-	81,883	80,145	80,145	UNDP	Others	Training, Workshop and Confer	42,300
						Oxfam	SDC	Professional Services	198,073
						UNDP	Others	Travel	1,800
	Subtotal for result 2								**1,599,925**

Result 3: Improved engagement of EAOs in annual township planning and public service delivery	Activity 3.1: EAOs have capacity to participate in township planning process	-	104,975	102,367	102,367	UNDP	Others	Training, Workshop and Confer	12,000
						Oxfam	SDC	Professional Services	297,109
						UNDP	Others	Travel	600
	Activity 3.2: Township administrations and EAOs explore mechanisms for coherent, efficient and inclusive service delivery	26,714	287,957	317,079	318,896	UNDP	Others	Salaries	391,516
						UNDP	SDC	International Consultants	150,000
							Others		60,000
						Oxfam	SDC	Professional Services	297,109
						UNDP	Others	Country Office Support and Oversight	52,020
	Subtotal for result 3								**1,260,355**
Result 4: Dialogue on policy and institutional local governance reforms informed by technical support and research	Activity 4.1: Lessons learned captured through participatory action research	10,000	117,183	165,445	165,445	UNDP	Others	International Consultants	100,000
						Oxfam	SDC	Professional Services	198,073
						UNDP	DFID	Publication	40,000
							Others		120,000
	Activity 4.2: Policy dialogues supported with evidence-based facts	-	90,883	89,145	220,605	UNDP	Others	Training, Workshop and Confer	213,000
						Oxfam	SDC	Professional Services	198,073
						UNDP	Others	Travel	10,560
	Activity 4.3: Policies for subnational public participation and PFM	26,714	204,365	204,357	206,174	UNDP	DFID	Salaries	391,516

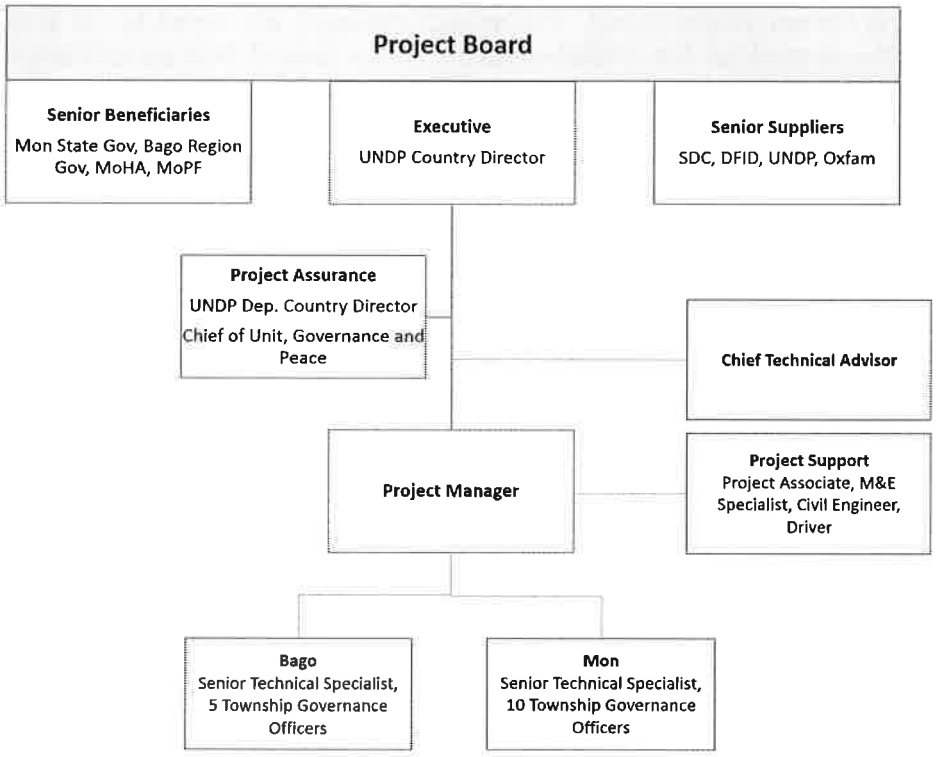
	developed and introduced					Oxfam	SDC	Professional Services	198,073
						UNDP	Others	Country Office Support and Oversight	52,020
	Subtotal for result 4								**1,521,315**
Total Programme									**14,266,165**
Management and running cost		102,683	639,253	597,220	600,335	UNDP	DFID	Salaries	154,936
							Others		516,234
						UNDP	Others	Travel	15,000
						UNDP	Others	Publ cation	300,000
						UNDP	DFID	Equipment and Furniture	35,000
							Others		35,000
						UNDP	SDC	Rental and Maintenance	31,189
							DFID		28,239
							Others		6,250
						UNDP	SDC	Country Office Support and Oversight	379,853
							DFID		335,234
							Others		417,556
	Subtotal for management and running cost								**2,254,491**
Monitoring and evaluation and communication cost		17,466	191,864	298,364	263,364	UNDP	Others	Salaries	155,000
						UNDP	Others	Travel	90,000
						UNDP	Others	Country Office Support and Oversight	227,058
						UNDP	SDC	Evaluation and Assessment	141,500
							DFID		97,500

							Others		150,000
	Subtotal for monitoring and evaluation and communication cost								**861,058**
Contingency		-	91,509	115,860	118,106	UNDP	SDC	Foreign Currency Exchange Loss	176,465
							DFID		87,109
							Others		70,749
General management support		54,558	373,356	472,710	481,871	UNDP	SDC	Facilities and Administration	742,823
							DFID		383,234
							Others		288,656
TOTAL									**19,130,751**

GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Figure one below outlines the project's governance structure, including the different roles and responsibilities of the parties involved in governing and managing the project. The project governance structure will ensure UNDP's accountability for programming activities, results, monitoring and managing risks, and using resources, while at the same time fostering national ownership and alignment with national processes.

Figure 1: Project governance structure



The different roles and responsibilities within the project's governance structure are described below:

The ***project board*** is the highest authority within the project's governance structure. The board is responsible for providing overall strategic direction to ensure that the project's objectives are being met, that progress is achieved against set targets and that risks and issues are adequately addressed through management actions. The board is composed of the following members: the UNDP Country Director in the role of senior executive, the involved government institutions (Mon State Government, Bago Region Government) in the role of senior beneficiary, and donors (DFID, SDC and other donors) in the role of senior supplier. Decision-making will require consensus of the members of the project board present at a duly convened meeting of the board. If no consensus can be reached, the final decision rests with UNDP. Only project board members have decision-making rights. Other relevant stakeholders (i.e. CSOs, community representatives and responsible parties from the areas where the project is being implemented) may be invited to participate in the project board meetings as observers, as approved by the members, but will not have any decision-making rights. The project board will meet twice per year, but can be convened at an ad-hoc basis at the request of any of the members or of the project manager.

The UNDP Country Office, through the Deputy Country Director and the Chief of Unit, Governance and Peace, will perform a ***project assurance*** role, in support of the project board, by carrying out objective and independent project oversight and monitoring functions, to ensure strategic and substantive coherence between the UNDP country programme and the project. Project assurance remains the overall responsibility of each member of the project board, although the UNDP Country

Office usually holds this function by formal delegation of the project board to ensure that this oversight function is performed on an ongoing basis. The UNDP Country Office ensures that the project contributes effectively to the UNDP country programme objectives, that the project remains relevant and meets quality standards, that appropriate project management milestones are managed and completed, and that the project is implemented in compliance with UNDP and government rules and regulations.

The ***project manager*** has the authority to run the project on a day-to-day basis on behalf of the project board within the constraints laid down by the board (i.e. framework set by the project document and approved annual work plan [AWP], allowable deviation from time and budgets, project board/UNDP Country Office decisions, UNDP rules and regulations, and national legislation) and will provide direction and guidance to the project support and to the Bago and Mon implementation teams (UNDP and Oxfam, respectively). The project manager will report to the project board and UNDP senior management on the implementation of the project and periodically update on the project management and assurance mechanisms in place.

The ***project support*** team provides project administration, management and technical support to the project manager for the implementation of the project, ensuring that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints as set by the project board. The project support team will mobilize resources to carry out activities and produce outputs in line with the approved AWP, including the management and oversight of the responsible parties for procuring goods and services, as specified within the AWP. The project support team will monitor progress in the implementation of the project, assess progress in the achievement of outputs and targets and in the use of financial resources, review project activities per set quality criteria, monitor issues and risks and update these in the project issues and risks logs.

LEGAL CONTEXT

This project document shall be the instrument referred to as such in article one of the Standard Basic Assistance Agreement (SBAA) between the Government of Myanmar and UNDP, signed on 17 September 1987. All references in the SBAA to 'executing agency' shall be deemed to refer to 'implementing partner.'

This project will be implemented by UNDP ('implementing partner') in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the financial regulations and rules of UNDP. Where the financial governance of an IP does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

RISK MANAGEMENT

1. UNDP, as an IP, will comply with the policies, procedures and practices of the United Nations Security Management System.

2. UNDP, as an IP, will undertake all reasonable efforts to ensure that none of the funds (i.e. project funds[25] or UNDP funds received pursuant to the project document[26]) are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all subcontracts or sub-agreements entered into under this project document.

[25] To be used where UNDP is the IP

[26] To be used where the UN, a UN fund/programme or a specialized agency is the IP

3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related accountability mechanism (http://www.undp.org/secu-srm).

4. UNDP, as an IP, will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the accountability mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the accountability mechanism.

5. All signatories to the project document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

6. UNDP, as an IP, will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

    a. Consistent with article three of the SBAA (or the supplemental provisions to the project document), the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
        i. Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried.
        ii. Assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

    b. UNDP reserves the right to verify whether such a plan is in place and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this project document.

    c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

    d. The requirements of the following documents, then in force at the time of signature of the project document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this project document and are available online at www.undp.org.

    e. Any required investigations relating to any aspect of UNDP programmes and projects will conducted by UNDP. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable

conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as an IP in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

g. Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities that are the subject of the project document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or paid otherwise than in accordance with the terms and conditions of the project document.

Note: The term 'project document' as used in this clause shall be deemed to include any relevant subsidiary agreement further to the project document, including those with responsible parties, subcontractors and sub-recipients.

h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this project document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

i. Should UNDP refer to the relevant national authorities for appropriate legal action regarding any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing and recover and return any recovered funds to UNDP.

j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled 'Risk Management' are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled 'Risk Management Standard Clauses' are adequately reflected, *mutatis mutandis*, in all its subcontracts or sub-agreements entered into further to this project document.

I. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Procedures (SESP)**
3. **Risk log**
4. **Capacity assessment (HACT)**
5. **Project board terms of reference and TOR for key management positions**
6. **Theory of change diagram**
7. **Grant manual**
8. **Activity overview during the planning and budget execution cycle**
9. **Township development grant allocation per formula**

Annex 1: Project Quality Assurance Report

PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL

OVERALL PROJECT

EXEMPLARY (5) ●●●●●	HIGHLY SATISFACTORY (4) ●●●●○	SATISFACTORY (3) ●●●○○	NEEDS IMPROVEMENT (2) ●●○○○	INADEQUATE (1) ●○○○○
At least four criteria are rated Exemplary, and all criteria are rated High or Exemplary.	All criteria are rated Satisfactory or higher, and at least four criteria are rated High or Exemplary.	At least six criteria are rated Satisfactory or higher, and only one may be rated Needs Improvement. The SES criterion must be rated Satisfactory or above.	At least three criteria are rated Satisfactory or higher, and only four criteria may be rated Needs Improvement.	One or more criteria are rated Inadequate, or five or more criteria are rated Needs Improvement.

DECISION

- **APPROVE** – the project is of sufficient quality to continue as planned. Any management actions must be addressed in a timely manner.
- **APPROVE WITH QUALIFICATIONS** – the project has issues that must be addressed before the project document can be approved. Any management actions must be addressed in a timely manner.
- **DISAPPROVE** – the project has significant issues that should prevent the project from being approved as drafted.

RATING CRITERIA

STRATEGIC

1. Does the project's Theory of Change specify how it will contribute to higher level change? (Select the option from 1-3 that best reflects the project): • **3:** The project has a theory of change with explicit assumptions and clear change pathway describing how the project will contribute to outcome level change as specified in the programme/CPD, backed by credible evidence of what works effectively in this context. The project document clearly describes why the project's strategy is the best approach at this point in time. • **2:** The project has a theory of change. It has an explicit change pathway that explains how the project intends to contribute to outcome-level change and why the project strategy is the best approach at this point in time, but is backed by limited evidence. • **1:** The project does not have a theory of change, but the project document may describe in generic terms how the project will contribute to development results, without specifying the key assumptions. It does not make an explicit link to the programme/CPD's theory of change. *Note: Management Action or strong management justification must be given for a score of 1	3	2
	1	
	Evidence Theory of Change clearly links intervention logic to UNDP CPD (2018-2022) output indicator 1.1: Effective public institutions enabled to develop and implement evidence based policies and systems that respond to the needs of the people. - TDLG Theory of Change Diagram - TDLG ProDoc draft - UNDP, Country Programme Document draft - UNDP, Local Governance Mapping (2015) - World Bank, Public Expenditure Review (2017) - World Bank, PEFA report - UNDP, Women W/VTA report - UNDP, Grant Manual version 2017	
	3	2
	1	

2. Is the project aligned with the thematic focus of the UNDP Strategic Plan? (select the option from 1-3 that best reflects the project): • **3:** The project responds to one of the three areas of development work[27] as specified in the Strategic Plan; it addresses at least one of the proposed new and emerging areas[28]; an issues-based analysis has been incorporated into the project design; and the project's RRF includes all the relevant SP output indicators. *(all must be true to select this option)* • **2:** The project responds to one of the three areas of development work[1] as specified in the Strategic Plan. The project's RRF includes at least one SP output indicator, if relevant. *(both must be true to select this option)* • **1:** While the project may respond to one of the three areas of development work[1] as specified in the Strategic Plan, it is based on a sectoral approach without addressing the complexity of the development issue. None of the relevant SP indicators are included in the RRF. This answer is also selected if the project does not respond to any of the three areas of development work in the Strategic Plan.	**Evidence** Project Objective accurately mirroring SP Area of Work 2: Inclusive and effective democratic governance. The project Results Framework will be aligned with UNDP Strategic Plan 2018-2021, currently being drafted, under signature solution 2: Strengthen effective, accountable and inclusive governance. - UNDP, Strategic Plan (2014-2017) - UNDP, Strategic Plan (2018-2021) draft - TDLG RRF
RELEVANT	
3. Does the project have strategies to effectively identify, engage and ensure the meaningful participation of targeted groups/geographic areas with a priority focus on the excluded and marginalized? (select the option from 1-3 that best reflects this project): • **3:** The target groups/geographic areas are appropriately specified, prioritising the excluded and/or marginalised. Beneficiaries will be identified through a rigorous process based on evidence (if applicable.)The project has an explicit strategy to identify, engage and ensure the meaningful participation of specified target groups/geographic areas throughout the project, including through monitoring and decision-making (such as representation on the project board) *(all must be true to select this option)* • **2:** The target groups/geographic areas are appropriately specified, prioritising the excluded and/or marginalised. The project document states how beneficiaries will be identified, engaged and how meaningful participation will be ensured throughout the project. *(both must be true to select this option)* • **1:** The target groups/geographic areas are not specified, or do not prioritize excluded and/or marginalised populations. The project does not have a written strategy to identify or engage or ensure the meaningful participation of the target groups/geographic areas throughout the project. *Note: Management Action must be taken for a score of 1, or select not applicable.	3 | 2 1 *Select (all) targeted groups: (drop-down)* **Evidence** With the aim of testing a nationwide township planning model, the project targets areas both impacted by armed conflict and where armed conflict has not occurred. In Mon a 'whole of state' approach is applied, as the planning model must be applicable in any context. With dedicated activities, the project focuses on inclusion and participation of two groups of residents that are currently underrepresented in public decision making – women and people conflict affected areas. - TDLG ProDoc draft
4. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design? (select the option from 1-3 that best reflects this project): • **3:** Knowledge and lessons learned (gained e.g. through peer assist sessions) backed by credible evidence from evaluation, corporate policies/strategies, and monitoring have been explicitly used, with appropriate referencing, to develop the project's theory of change and justify the approach used by the project over alternatives. • **2:** The project design mentions knowledge and lessons learned backed by evidence/sources, which inform the project's theory of change but have not been used/are not sufficient to justify the approach selected over alternatives.	3 | 2 1 **Evidence** Thoery of Change and approach soundly backed by evidence and international lessons learned. - Van't Land, G *Township Democratic Local Governance* SDC Draft Project document, September 2016; - Ojendal, J & Dellnas, A (eds.) *The Imperative of Good Local Governance. Challenges for the Next Decade of Decentralisation*. UN University Press. 2013;

[27] 1. Sustainable development pathways; 2. Inclusive and effective democratic governance; 3. Resilience building

[28] sustainable production technologies, access to modern energy services and energy efficiency, natural resources management, extractive industries, urbanization, citizen security, social protection, and risk management for resilience

• **1:** There is only scant or no mention of knowledge and lessons learned informing the project design. Any references that are made are not backed by evidence. *Note: Management Action or strong management justification must be given for a score of 1	- Manor, J. (ed.) *Aid That Works. Successful Development in Fragile states*. The World bank. 2007; - Steffensen, J. *Performance-Based Grant Systems. Concept and International Experience*. UNCDF. (2007); - *Delivering the Goods. Building Local Government Capacity to Achieve the Millennium Development Goals* (2005) - *Decentralised Governance for Development: A Combined Practice Note on Decentralisation, Local Governance and Urban/Rural Development* UNDP (2005)
5. Does the project use gender analysis in the project design and does the project respond to this gender analysis with concrete measures to address gender inequities and empower women? (select the option from 1-3 that best reflects this project): • **3:** A participatory gender analysis on the project has been conducted. This analysis reflects on the different needs, roles and access to/control over resources of women and men, and it is fully integrated into the project document. The project establishes concrete priorities to address gender inequalities in its strategy. The results framework includes outputs and activities that specifically respond to this gender analysis, with indicators that measure and monitor results contributing to gender equality. *(all must be true to select this option)* • **2:** A gender analysis on the project has been conducted. This analysis reflects on the different needs, roles and access to/control over resources of women and men. Gender concerns are integrated in the development challenge and strategy sections of the project document. The results framework includes outputs and activities that specifically respond to this gender analysis, with indicators that measure and monitor results contributing to gender equality. *(all must be true to select this option)* • **1:** The project design may or may not mention information and/or data on the differential impact of the project's development situation on gender relations, women and men, but the constraints have not been clearly identified and interventions have not been considered. *Note: Management Action or strong management justification must be given for a score of 1	3 | 2 1 **Evidence** Development Challenge identifies gender issues of inclusion in planning processes, and Strategy clearly outlines approach to strengthen inclusion of women by identifying ward/village tract female representative to accompanying W/VTAs during planning sessions. Project RRF includes indicators measuring gender equality of the outcome, output and activity level. - TDLG ProDoc draft - TDLG RRF - World Bank, Institutional assessment of local governance in Myanmar (2016)
6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national partners, other development partners, and other actors? (select from options 1-3 that best reflects this project): • **3:** An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project. It is clear how results achieved by relevant partners will contribute to outcome level change complementing the project's intended results. If relevant, options for south-south and triangular cooperation have been considered, as appropriate. *(all must be true to select this option)* • **2:** Some analysis has been conducted on the role of other partners where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project. Options for south-south and triangular cooperation may not have not been fully developed during project design, even if relevant opportunities have been identified. • **1:** No clear analysis has been conducted on the role of other partners in the area that the project intends to work, and relatively limited evidence supports the proposed engagement of UNDP and partners through the project. There is risk that the project overlaps and/or does not coordinate with	3 | 2 1 **Evidence** The project has comprehensively identified UNDP's advantage in Myanmar's development context and established linkages with other development actors such as World Bank. - TDLG ProDoc draft - NCDDP_UNDP_TS_planning_pilot_2016_040716 - Van't Land, G *Township Democratic Local Governance* SDC Draft Project document, September 2016 - Garrigue, N., Zapach, M. & Thu, K., Independent Outcome Evaluation of UNDP Myanmar's Outcome 1(Local Governance Programme - 2013-2016), 2017

partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance. *Note: Management Action or strong management justification must be given for a score of 1	

SOCIAL & ENVIRONMENTAL STANDARDS

7. Does the project seek to further the realization of human rights using a human rights based approach? (select from options 1-3 that best reflects this project): • **3:** Credible evidence that the project aims to further the realization of human rights, upholding the relevant international and national laws and standards in the area of the project. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. *(all must be true to select this option)* • **2:** Some evidence that the project aims to further the realization of human rights. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. • **1:** No evidence that the project aims to further the realization of human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered. *Note: Management action or strong management justification must be given for a score of 1	3 | 2 1 **Evidence** The project identifies its approach to promotion of human rights as well as Includes Indicators (e.g. via complaints mechanism and citizens report cards) to measure potential adverse impacts of the project - TDLG ProDoc draft - TDLG RRF draft
8. Did the project consider potential environmental opportunities and adverse impacts, applying a precautionary approach? (select from options 1-3 that best reflects this project): • **3:** Credible evidence that opportunities to enhance environmental sustainability and integrate poverty-environment linkages were fully considered as relevant, and integrated in project strategy and design. Credible evidence that potential adverse environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. *(all must be true to select this option).* • **2:** No evidence that opportunities to strengthen environmental sustainability and poverty-environment linkages were considered. Credible evidence that potential adverse environmental impacts have been identified and assessed, if relevant, and appropriate management and mitigation measures incorporated into project design and budget. • **1:** No evidence that opportunities to strengthen environmental sustainability and poverty-environment linkages were considered. Limited or no evidence that potential adverse environmental impacts were adequately considered. *Note: Management action or strong management justification must be given for a score of 1	3 | 2 1 **Evidence** Grant Manual prohibits capital investments with adverse environmental impacts. Natural Disaster Risk Profiles are planned for all targeted townships to help guide investment decisions. Project aims to mainstream environmental impact assessments into township planning processes and quality assurance mechanism. RRF includes indicators to measure success of mainstreaming efforts. - UNDP Grant Manual version 2017 - TDLG ProDoc - TDLG RRF
9. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks? The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences and/or communication materials and information dissemination. [if yes, upload the completed checklist. If SESP is not required, provide the reason for the exemption in the evidence section.]	Yes | No SESP Not Required

MANAGEMENT & MONITORING		
10. Does the project have a strong results framework? (select from options 1-3 that best reflects this project): • **3:** The project's selection of outputs and activities are at an appropriate level and relate in a clear way to the project's theory of change. Outputs are accompanied by SMART, results-oriented indicators that measure all of the key expected changes identified in the theory of change, each with credible data sources, and populated baselines and targets, including gender sensitive, sex-disaggregated indicators where appropriate. *(all must be true to select this option)* • **2:** The project's selection of outputs and activities are at an appropriate level, but may not cover all aspects of the project's theory of change. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of gender sensitive, sex-disaggregated indicators, as appropriate. *(all must be true to select this option)* • **1:** The results framework does not meet all of the conditions specified in selection "2" above. This includes: the project's selection of outputs and activities are not at an appropriate level and do not relate in a clear way to the project's theory of change; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change, and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. *Note: Management Action or strong management justification must be given for a score of 1	3	2
	1	
	Evidence All indicators and targets identified but some baselines are to be undertaken during 2018. - TDLG RRF	
11. Is there a comprehensive and costed M&E plan in place with specified data collection sources and methods to support evidence-based management, monitoring and evaluation of the project?	Yes (3)	No (1)
12. Is the project's governance mechanism clearly defined in the project document, including planned composition of the project board? (select from options 1-3 that best reflects this project): • **3:** The project's governance mechanism is fully defined in the project composition. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. *(all must be true to select this option).* • **2:** The project's governance mechanism is defined in the project document; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The prodoc lists the most important responsibilities of the project board, project director/manager and quality assurance roles. *(all must be true to select this option)* • **1:** The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided. *Note: Management Action or strong management justification must be given for a score of 1	3	2
	1	
	Evidence Project Board structure defined and only individual members are to be identified. - TDLG Project Board ToR	
	3	2
	1	

13. Have the project risks been identified with clear plans stated to manage and mitigate each risks? (select from options 1-3 that best reflects this project): • **3:** Project risks related to the achievement of results are fully described in the project risk log, based on comprehensive analysis drawing on the theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis. Clear and complete plan in place to manage and mitigate each risk. *(both must be true to select this option)* • **2:** Project risks related to the achievement of results identified in the initial project risk log with mitigation measures identified for each risk. • **1:** Some risks may be identified in the initial project risk log, but no evidence of analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified and no initial risk log is included with the project document. *Note: Management Action must be taken for a score of 1	**Evidence** Risks are identified with related mitigation measures - TDLG Risk log	
EFFICIENT		
14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include: i) using the theory of change analysis to explore different options of achieving the maximum results with the resources available; ii) using a portfolio management approach to improve cost effectiveness through synergies with other interventions; iii) through joint operations (e.g., monitoring or procurement) with other partners.	Yes (3)	No (1)
15. Are explicit plans in place to ensure the project links up with other relevant on-going projects and initiatives, whether led by UNDP, national or other partners, to achieve more efficient results (including, for example, through sharing resources or coordinating delivery?)	Yes (3)	No (1)
16. Is the budget justified and supported with valid estimates? • **3:** The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. • **2:** The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget. Costs are supported with valid estimates based on prevailing rates. • **1:** The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget.	3 / 1 **Evidence** Multi-year budget covering all activities, currency exchange fluctuations with allocated funding sources is developed. - TDLG Budget	2
17. Is the Country Office fully recovering the costs involved with project implementation? • **3:** The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and	3 / 1 **Evidence** Budget specifies individual project support items. - TDLG Budget	2

communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.) • 2: The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant. • 1: The budget does not adequately cover project costs that are attributable to the project, and UNDP is cross-subsidizing the project. *Note: Management Action must be given for a score of 1. The budget must be revised to fully reflect the costs of implementation before the project commences.	
EFFECTIVE	
18. Is the chosen implementation modality most appropriate? (select from options 1-3 that best reflects this project): • 3: The required implementing partner assessments (capacity assessment, HACT micro assessment) have been conducted, and there is evidence that options for implementation modalities have been thoroughly considered. There is a strong justification for choosing the selected modality, based on the development context. *(both must be true to select this option)* • 2: The required implementing partner assessments (capacity assessment, HACT micro assessment) have been conducted and the implementation modality chosen is consistent with the results of the assessments. • 1: The required assessments have not been conducted, but there may be evidence that options for implementation modalities have been considered. *Note: Management Action or strong management justification must be given for a score of 1	3 | 2 1 **Evidence** HACT assessments conducted for RPs Bago region Government, Mon State Government and Oxfam with detailed position papers outlining management actions according to assessment findings. - HACT assessment Bago Region Government - HACT assessment Mon State Government - HACT assessment Oxfam Myanmar - Position Paper Bago Region Government - Position Paper Mon State Government - Position Paper Oxfam Myanmar
19. Have targeted groups, prioritizing marginalized and excluded populations that will be affected by the project, been engaged in the design of the project in a way that addresses any underlying causes of exclusion and discrimination? • 3: Credible evidence that all targeted groups, prioritising marginalized and excluded populations that will be involved in or affected by the project, have been actively engaged in the design of the project. Their views, rights and any constraints have been analysed and incorporated into the root cause analysis of the theory of change which seeks to address any underlying causes of exclusion and discrimination and the selection of project interventions. • 2: Some evidence that key targeted groups, prioritising marginalized and excluded populations that will be involved in the project, have been engaged in the design of the project. Some evidence that their views, rights and any constraints have been analysed and incorporated into the root cause analysis of the theory of change and the selection of project interventions. • 1: No evidence of engagement with marginalized and excluded populations that will be involved in the project during project design. No evidence that the views, rights and constraints of populations have been incorporated into the project.	3 | 2 1 **Evidence** Pilot phase in 2 townships in 2016/2017 allowed women, civil society and W/VTAs opportunity to provide input on how to improve planning process and Grant Manual.
20. Does the project conduct regular monitoring activities, have explicit plans for evaluation, and include other lesson learning (e.g. through After Action Reviews or Lessons Learned Workshops), timed to inform course corrections if needed during project implementation?	Yes (3) | No (1)
21. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum. *Note: Management Action or strong management justification must be given for a score of "no"	Yes (3) | No (1) **Evidence**

22. Is there a realistic multi-year work plan and budget to ensure outputs are delivered on time and within allotted resources? (select from options 1-3 that best reflects this project): • **3:** The project has a realistic work plan & budget covering the duration of the project *at the activity* level to ensure outputs are delivered on time and within the allotted resources. • **2:** The project has a work plan & budget covering the duration of the project at the output level. • **1:** The project does not yet have a work plan & budget covering the duration of the project.	3	2
	1	
	Evidence See multiyear AWP with activity budget breakdown. - TDLG AWP	
SUSTAINABILITY & NATIONAL OWNERSHIP		
23. Have national partners led, or proactively engaged in, the design of the project? (select from options 1-3 that best reflects this project): • **3:** National partners have full ownership of the project and led the process of the development of the project jointly with UNDP. • **2:** The project has been developed by UNDP in close consultation with national partners. • **1:** The project has been developed by UNDP with limited or no engagement with national partners.	3	2
	1	
	Evidence Key counterparts, Bago Region Government and Mon State Government, have been consulted on the design over period of two years and have signed LoAs on the delivery of township development grants via township administrations. - LoA Bago Region Government - LoA Mon State Government	
24. Are key institutions and systems identified, and is there a strategy for strengthening specific/ comprehensive capacities based on capacity assessments conducted? (select from options 0-4 that best reflects this project): • **3:** The project has a comprehensive strategy for strengthening specific capacities of national institutions based on a systematic and detailed capacity assessment that has been completed. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly. • **2.5:** A capacity assessment has been completed. The project document has identified activities that will be undertaken to strengthen capacity of national institutions, but these activities are not part of a comprehensive strategy to monitor and strengthen national capacities. • **2:** A capacity assessment is planned after the start of the project. There are plans to develop a strategy to strengthen specific capacities of national institutions based on the results of the capacity assessment. • **1.5:** There is mention in the project document of capacities of national institutions to be strengthened through the project, but no capacity assessments or specific strategy development are planned. • **1:** Capacity assessments have not been carried out and are not foreseen. There is no strategy for strengthening specific capacities of national institutions.	3	2.5
	2	1.5
	1	
	Evidence Capacity needs are identified and activities outlined but a specific capacity assessment has yet not been undertaken. - HACT assessment Bago Region Government - HACT assessment Mon State Government	
25. Is there is a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.,) to the extent possible?	Yes (3)	No (1)
26. Is there a clear transition arrangement/ phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation strategy)?	Yes (3)	No (1)

Annex 2: SESP

Project Information

Project Information	
1. Project Title	Township Democratic Local Governance Project
2. Project Number	
3. Location (Global/Region/Country)	Myanmar

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
The project will support the development of systems, procedures and institutions for duty-bearers to better understand their responsibilities and people to voice their needs (primarily to be considered in the township development plans). The project applies the following approaches to promote human rights: 1) human rights will be mainstreamed into all training packages delivered to both duty-bearers and rights holders; 2) regular dialogue between duty-bearers and right holders will be facilitated on development and service needs; 3) social accountability mechanisms will be supported to open government processes and practices up to the public; and 4) service providers will be incentivized to strengthen their performance.
Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment
The project is expected to particularly favour marginalized groups, whose access to decision-making and services is expected to improve. With dedicated activities, the project will focus on women that are underrepresented in public decision-making. The project emphasizes women's inclusion in the annual township planning process by creating awareness and providing inclusion tools to government institutions to promote gender-responsive planning, as well as supporting women in taking active part in the planning process (e.g. by including one women's representative per ward/village tract to the elected W/VTAs) and systematically consulting women's groups.
Briefly describe in the space below how the project mainstreams environmental sustainability
The project will utilize environmental risk assessments in targeted townships as guidelines for selecting township development grant investments either to avoid exacerbating or to mitigate environmental risks in townships. In order to improve quality of the township plans, the project will gradually seek to mainstream analysis of environmental sustainability into the planning process.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any "Yes" responses). If no risks have been identified in Attachment 1 then note "No Risks Identified" and skip to Question 4 and Select "Low Risk". Questions 5 and 6 not required for Low Risk Projects.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5 below before proceeding to Question 6*			**QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?**
Risk Description	***Impact and Probability (1-5)***	***Significance (Low, Moderate, High)***	***Comments***	***Description of assessment and management measures as reflected in the project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.***
Risk 1: Community consultations by W/VTAs and womens' representatives may not capture needs of vulnerable and/or minority groups	I = 2 P = 3	**Moderate**		Inclusion and facilitations skills are needed by W/VTAs and womens' representatives. Project staff will conduct spot checks and monitor the situation.
Risk 2: Regular township administration staff rotation limits institutional memory and threatens efforts for learning lessons	I = 3 P = 4	**Moderate**		Staff rotation will be monitored and annual trainings and on-the-job support on core aspects of the project will be provided.
Risk 3: People not included/participating in regular W/VTA and women's representative community consultations may not be informed about opportunities for participation in project	I = 3 P = 3	**Moderate**		Multiple outreach channels to inform public about project will be utilized. Local CSOs will be utilized to ensure inclusion.
Risk 4: Communities not selected for grant investment projects may feel excluded from project benefits	I = 2 P = 4	**Moderate**		A comprehensive communications strategy will be developed and W/VTAs, the women's representative, local CSOs and township administrations will be equipped to give clear messages on project purpose.
Risk 5: Project funded construction (e.g. school renovation) might be undertaken by contractors at substandard levels, posing safety risks to using communities	I = 3 P = 3	**Moderate**		A civil engineer will be engaged to support township administrations during procurement, planning and implementation stages, and to conduct spot checks at construction sites.

Risk 6: Contracted labour might be exposed to physical health risks at construction sites	I = 3 P = 3	**Moderate**		A civil engineer will be engaged to train contractors and ensure minimum safety measures at construction sites, and to develop minimum safety conditions as part of contracts.

QUESTION 4: What is the overall Project risk categorization?

Select one (see SESP for guidance)		Comments
Low Risk	☐	
Moderate Risk	X	The project includes limited social risks mainly related to inclusion of vulnerable/minority groups, capacity of stakeholders to uphold human rights and safety related to project-funded construction. These risks may be mitigated by planning and targeting capacity building measures on inclusion and facilitation, designing a comprehensive communication strategy and applying standard best practices (e.g. related to occupational safety).
High Risk	☐	

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?

Check all that apply		Comments
Principle 1: Human Rights	X	
Principle 2: Gender Equality and Women's Empowerment	☐	
1. Biodiversity Conservation and Natural Resource Management	☐	
2. Climate Change Mitigation and Adaptation	☐	
3. Community Health, Safety and Working Conditions	X	
4. Cultural Heritage	☐	
5. Displacement and Resettlement	☐	
6. Indigenous Peoples	☐	
7. Pollution Prevention and Resource Efficiency	☐	

Final Sign Off

Signature	*Date*	*Description*
QA Assessor		
QA Approver		
PAC Chair		

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		
Principles 1: Human Rights		**Answer (Yes/No)**
1.	Could the project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? [29]	No
3.	Could the project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	Yes
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the project?	Yes
6.	Is there a risk that rights holders do not have the capacity to claim their rights?	Yes
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the project during the stakeholder engagement process?	No
8.	Is there a risk that the project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	Yes
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the project potentially reproduce discrimination against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the project during the stakeholder engagement process, and has this been included in the overall project proposal and in the risk assessment?	No
4.	Would the project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No
1.2	Are any project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No

[29] Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status, including as an indigenous person or as a member of a minority. References to 'women and men' or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.3	Does the project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: If restrictions and/or limitations of access to lands would apply, refer to standard five.)	No
1.4	Would project activities pose risks to endangered species?	No
1.5	Would the project pose a risk of introducing invasive alien species?	No
1.6	Does the project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the project involve significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.9	Does the project involve utilization of genetic resources (e.g. collection and/or harvesting, commercial development)?	No
1.10	Would the project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the project result in secondary or consequential development activities that could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? *For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same project) need to be considered.*	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed project result in significant[30] greenhouse gas emissions or potentially exacerbate climate change?	No
2.2	Would the potential outcomes of the project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding.*	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the project pose risks to communities (e.g. collapse of buildings or infrastructure)?	Yes
3.5	Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases, or communicable infections such as HIV/AIDS)?	No
3.7	Does the project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during project construction, operation, or decommissioning?	Yes
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labour standards (i.e. principles and standards of ILO fundamental conventions)?	No

[30] In regards to CO_2, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.

3.9	Does the project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve cultural heritage may also have inadvertent adverse impacts.)	No
4.2	Does the project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions, even in the absence of physical relocation)?	No
5.3	Is there a risk that the project would lead to forced evictions?[31]	No
5.4	Would the proposed project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the project area (including project area of influence)?	No
6.2	Is it likely that the project or portions of the project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to the screening question 6.3 is 'yes,' the potential risk impacts are considered potentially severe and/or critical and the project would be categorized as either moderate or high risk.*	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the project potentially affect the cultural heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No

[31] Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

7.2	Would the proposed project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the project propose use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions, such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol*	No
7.4	Will the proposed project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the project include activities that require significant consumption of raw materials, energy, and/or water?	No

Annex 3: Risk log

OFFLINE RISK LOG

Project Title: Township Democratic Local Governance Project	Award ID:	Date:

[32]

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Little or no progress/interest by Government in developing the local governance agenda	1 July 2017	Political	National policy dialogue will receive less interest from government counterparts and willingness to adopt tested model for national replication will be low P= 2 I= 5	1. Board meetings to discuss/confirm support for local governance agenda 2. Mid-term review (2019) to assess situation	CTA			
2	Continued future minimal government funds/revenue for discretionary fund investment limits project model relevance	1 July 2017	Political	National policy dialogue will receive less interest from government counterparts and willingness to adopt tested model for national replication will be low P=2 I=4	*1.* Board meetings to discuss/confirm support for local governance agenda *2.* UNDP CO to advocate for policy change on budget allocation and revenue collection *3.* Mid-term review (2019) to assess situation	CTA			
3	EAOs, in contested township territories, are not willing to	1 July 2017	Political	EAOs deny access to controlled areas and potentially raise criticism of project as partisan	4. Utilize staged approach to promote project to EAO leadership	CTA			

[32] P= Probability (1-5); I= Impact (1-5)

	actively participate in the project			P = 2 I = 4	5. Maintain regular contact with EAO leadership on project progress 6. Contract external expertise to facilitate engagement with EAOs				
4	Stalled or interrupted peace process	1 July 2017	Political	Implementation in contested areas is stalled Potential EAO withdrawal from collaboration P = 3 I = 4	1. Board meetings to review peace process project implications 2. Mid-term review (2019) to assess situation	CTA			
5	Governance structures are reformed and township level governance and service delivery becomes less important for local governance agenda/decentralization reforms	1 July 2017	Regulatory	Model becomes obsolete and irrelevant to national policy agenda P = 1 I = 5	1. Board meetings to discuss/confirm support for project model 2. Mid-term review (2019) to assess situation	CTA			
6	State/regional governments fail to promote project model to Union Government	1 July 2017	Political	Policy advocacy at Union level may be less effective P= 3 I= 3	1. Facilitate peer exchange nationally/internationally on policy advocacy approaches 2. UNDP CO to advise on advocacy approaches 3. Linkages to UNDP parliamentary support to create Hluttaw awareness of project model	CTA			
7	Misuse of funds	1 July 2017	Operational	Reduced quality of grant investments and loss of	1. Use of external audit as guidance for financial	PM			

				public trust and government interest P= 3 I= 4	management capacity building 2. Support to and close monitoring of procurement process by field staff				
8	Low grant utilization by township administrations	1 July 2017	Operational	Reduced project impact Potential project extension P= 4 I= 4	1. Field staff to monitor fund utilization and report monthly 2. Delayed sub-project implementation elevated to S/R government's attention	PM			
9	Grant investments delivered at substandard quality	1 July 2017	Operational	Reduced project impact and loss of public trust P= 4 I= 3	1. Advocate for vendor payment against quantitative and qualitative deliverables 2. Joint progress monitoring with township administration, S/R administration and communities 3. Raise awareness of complaint mechanism	PM			
10	Township administration failing to prioritize actual needs	1 July 2017	Operational	Reduced project impact and loss of public trust P= 4 I= 3	1. Engagement of external expertise on data collection and analysis 2. Annual update of grant manual 3. Consultations and public hearings to include justification for prioritization	PM			
11	EAOs unwilling to participate in planning sessions and joint capacity building	1 July 2017	Operational	Conflict between township administration and EAOs P= 3 I= 2	1. EAO consultations to address participation 2. Provide regular update to EAO leadership on project progress	PM			

					3. Offer alternative platforms for EAO engagement				
12	EAO township officers not empowered to make decision on township plans	1 July 2017	Political	Delayed implementation of contested areas P= 4 I=2	1. EAO consultations to address terms of reference for township-level officers 2. Facilitate updates on planning process to EAO leadership for buy-in	CTA			
13	Timing of publication of research not responding to national local governance agenda	1 July 2017	Operational	Reduced Union-level ownership of project and effectiveness of policy advocacy P=2 I= 4	1. Maintain regular consultation with Union Government on research work plan 2. Consult with other development partners on research work plan	CTA			
14	Project fails to maintain equal standards and approaches for implementation between UNDP and Oxfam	1 July 2017	Operational	Reduced effectiveness and efficiency Stakeholder confusion on model concept Reduced ability to document learnings P=2 I=3	1. Joint monthly coordination, learning sharing and work planning 2. Peer exchange on implementation standards 3. Project to develop partnership guidelines outlining roles and responsibilities and stakeholder engagement strategy for the project	CTA			
15	Power dynamics between planning process participants negatively influence planning sessions and	8 September 2017	Political	Reduced trust of participants in planning process and investment decisions P=3 I=2	1. Monitor stakeholder dynamics during planning sessions 2. Promote evidence-based decision-making and build capacities	CTA			

	investment decisions								

Annex 4: Capacity assessment (HACT)
(only for UNDP internal use)

Annex 5: Project board terms of reference and TOR for key management positions

Township Democratic Local Governance Project
Project Board Terms of Reference

1 PURPOSE AND FUNCTIONS

The project board is the highest authority within the project's governance structure. The board is responsible for providing overall strategic direction to ensure that the project's objectives are being met, that progress is achieved against set targets, and that risks and issues are adequately addressed through management actions.

Specific functions of the project board include:

a) Providing strategic guidance for the successful implementation of the project, ensuring it remains within the framework set by the project document and approved AWPs, applicable decisions of the project board or UNDP Country Office, and applicable UNDP and national rules and regulations

b) Ensuring that the project is implemented in line with the project documents, and reviewing and approving any substantive modifications or deviations, if required

c) Ensuring that the required resources are committed to achieve results

d) Reviewing improvements to the project, to better deliver results, to better respond to changes in the context, and to better address challenges

e) Reviewing progress reports (including narrative and financial components), including biannual and annual progress reports, and other evaluations and external audits

f) Periodically reviewing the results, activities, indicators and progress towards targets updated in the project's results framework progress table

g) Reviewing and endorsing the AWP for the project

h) Ensuring that a robust monitoring, evaluation and learning framework is being implemented, monitoring risks associated with implementation and agreeing on possible countermeasures and management actions to address specific risks

i) Monitoring that lessons learned from project implementation are fed back into programming

j) Addressing project issues as raised by the UNDP project manager and providing ad-hoc guidance and direction on exceptional situations

k) In relation to the end of the project, ensuring that appropriate sustainability and transition measures are in place, participating in final review meetings in which the final project report is submitted and notifying that the project is operationally complete

2 COMPOSITION

The project board members will be comprised of a balance of representatives:

Co-chairs

a) The assigned national counterpart, represented by the Director General (or delegated representative)

b) UNDP, represented by the Country Director (or delegated representative)

Other members

a) Bago Region Government, Mon State Government

b) Contributing donors

c) Oxfam as UNDP responsible party

The project board has the option of inviting additional stakeholders to the board as observers with members making any recommendations to the co-chairs beforehand.

3 PROCEDURES

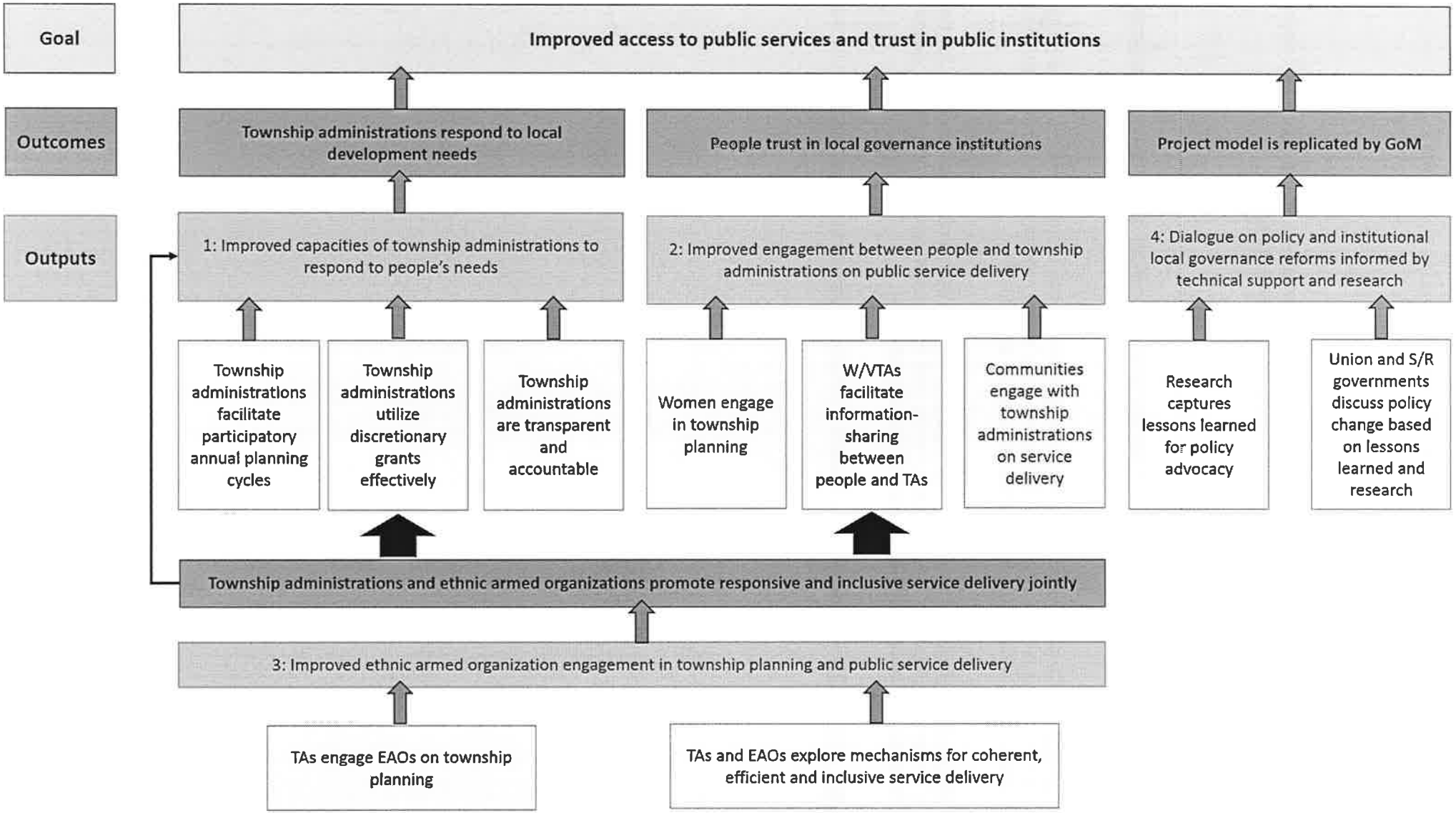
Frequency: The project board will meet twice per year, but can be convened on an ad-hoc basis at the request of any of the members or of the project manager.

Decision-making: Decision-making is done through consensus of the members of the project board present at a duly convened meeting of the board. Only board members have decision-making rights. In the absence of consensus, the final decision rests with UNDP.

Documents and minutes: The project manager carries out the secretariat functions for the project board, including preparing meeting documents and taking the minutes. All board decisions and matters requiring follow-up shall be recorded in the minutes.

Changes to the TOR: Changes to the present TOR are expected to be agreed upon by the project board.

Annex 6: Theory of change diagram



Annex 7: Grant Manual

(see separate file)

Annex 8: Activity overview during the planning and budget execution cycle

Period			Activities	Remark
2017	FY 2017/18	October	Facilitate township planning process	5 townships in Bago, 4 townships in Mon
		November	Support township administrations in preparing township plans Provide procurement training	
		December	Arrange plan presentation to state/regional governments Arrange open budget meeting for the public	
2018		January February March	Provide W/VTA training Women's leadership training Undertake baselines and citizen report cards	
	FY 2018/19	April	Facilitate presentation of approved plan and budget for next fiscal year	
		May June	Organize annual learning workshop Facilitate ward/village tract development forums	
		July	Deliver induction course for HoDs, W/VTAs and Hluttaw, and CSO representatives Provide PFM and procurement training	5 townships in Bago, 10 townships in Mon
		August	Provide grant manual training Data collection workshop	
		September October November	Facilitate township planning process Support township administrations in preparing township plans	
		December	Arrange plan presentation to state/regional governments Arrange open budget meeting for the public	
2019		January February March	Provide W/VTA training Women's leadership training Undertake citizen report cards	
	FY 2019/20	April	Facilitate presentation of approved plan and budget for next fiscal year	
		May June	Organize annual learning workshop Facilitate ward/village tract development forums	
		July	Deliver induction course for HoDs, W/VTAs and Hluttaw, and CSO representatives Provide PFM and procurement training	
		August	Provide grant manual training Data collection workshop Undertake mid-term review	

		September October November	Facilitate township planning process Support township administrations in preparing township plans	
		December	Arrange plan presentation to state/regional governments Arrange open budget meeting for the public	
2020		January February March	Provide W/VTA training Women's leadership training Undertake citizen report cards	
	FY 2020/21	April	Facilitate presentation of approved plan and budget for next fiscal year	
		May June	Organize annual learning workshop Facilitate ward/village tract development forums	
		July	Deliver induction course for HoDs, W/VTAs and Hluttaw, and CSO representatives Provide PFM and procurement training	
		August	Provide grant manual training Data collection workshop Undertake mid-term review	
		September October November	Facilitate township planning process Support township administrations in preparing township plans	
		December	Arrange plan presentation to state/regional governments Arrange open budget meeting for the public	
Continuous: Activities related to the planning, budget and implementation cycle on a permanent basis			Support the bi-weekly meetings of TA, HoDs and W/VTAs, and promote adequate information flows On-the-job support for implementation of the grant funded activities, and mentor TA, HoDs, W/VTAs as required	

Annex 9: Township Development Grant Allocation per formula

Mon State[33]

TSs Mon State	Population	Area size SQ km	Allocation variables / relative shares			total share	total amount
			Fixed share	Population	Area		
			15%	70%	15%		
Kyaikto	184,532	953	0.015	0.063	0.013	0.091	181,000
Bilin	181,075	1,995	0.015	0.062	0.027	0.103	207,000
Thaton	238,106	1,236	0.015	0.081	0.016	0.113	225,000
Paung	218,459	974	0.015	0.074	0.013	0.102	205,000
Chaungzon	122,126	404	0.015	0.042	0.005	0.062	124,000
Mawlamyine	289,388	139	0.015	0.099	0.002	0.115	231,000
Kyaikmaraw	195,810	1,318	0.015	0.067	0.018	0.099	199,000
Mudon	190,737	730	0.015	0.065	0.010	0.090	179,000
Thanbyuzayat	170,536	771	0.015	0.058	0.010	0.083	167,000
Ye	263,624	2,719	0.015	0.090	0.036	0.141	282,000
Total 10 TSs	**2,054,393**	**11,239**	**0.150**	**0.700**	**0.150**	**1.000**	**2,000,000**

[33] Bilin Township is part of the first round, fiscal year 2017/18. For fiscal year 2018/19, Kyaikto, Thaton and Paung will be added. From fiscal year 2019/20, all townships in Mon State will be covered.

Bago Region[34]

Region Bago	District	TSs Bago	Population	Area size SQ km	Allocation variables / relative shares			total share	total amount (rounded)	Total Grant FY 17/18
					Fixed share 15%	Population 70%	Area 15%			
Bago East	Bago	Bago	491,434	2,913	0.005	0.071	0.011	0.087	427,641	
Bago East	Bago	Thanatpin	145,287	946	0.005	0.021	0.004	0.030	146,522	145,522
Bago East	Bago	Kawa	197,363	1,167	0.005	0.028	0.005	0.038	187,403	187,403
Bago East	Bago	Waw	176,014	952	0.005	0.025	0.004	0.034	168,297	
Bago East	Bago	Nyaunglebin	199,483	732	0.005	0.029	0.003	0.037	180,662	
Bago East	Bago	Kyauktaga	251,212	2,846	0.005	0.036	0.011	0.052	257,099	
Bago East	Bago	Daik-U	202,530	1,284	0.005	0.029	0.005	0.039	193,262	
Bago East	Bago	Shwegyin	107,462	2,441	0.005	0.015	0.009	0.030	148,135	
Bago East	Taungoo	Taungoo	262,056	1,727	0.005	0.038	0.007	0.050	243,581	
Bago East	Taungoo	Yedashe	213,593	2,619	0.005	0.031	0.010	0.046	226,288	226,288
Bago East	Taungoo	Kyaukkyi	113,329	2,023	0.005	0.016	0.008	0.029	144,367	
Bago East	Taungoo	Phyu	257,273	2,317	0.005	0.037	0.009	0.051	251,362	
Bago East	Taungoo	Oktwin	159,828	1,436	0.005	0.023	0.006	0.034	166,038	
Bago East	Taungoo	Htantabin	117,276	544	0.005	0.017	0.002	0.024	119,176	
Bago West	Pyay	Pyay	251,643	786	0.005	0.036	0.003	0.045	218,452	
Bago West	Pyay	Paukkhaung	124,856	1,919	0.005	0.018	0.007	0.031	150,518	150,518
Bago West	Pyay	Padaung	144,214	2,515	0.005	0.021	0.010	0.036	175,445	
Bago West	Pyay	Paungde	137,561	936	0.005	0.020	0.004	0.029	140,888	
Bago West	Pyay	Thegon	130,957	779	0.005	0.019	0.003	0.027	133,272	
Bago West	Pyay	Shwedaung	121,671	699	0.005	0.017	0.003	0.026	125,210	
Bago West	Thayarwady	Thayarwady	151,104	1,042	0.005	0.022	0.004	0.031	152,441	
Bago West	Thayarwady	Letpadan	177,407	1,473	0.005	0.026	0.006	0.037	179,118	
Bago West	Thayarwady	Minhla	122,491	679	0.005	0.018	0.003	0.026	125,400	
Bago West	Thayarwady	Okpho	126,662	1,051	0.005	0.018	0.004	0.028	135,390	
Bago West	Thayarwady	Zigon	67,523	256	0.005	0.010	0.001	0.016	78,682	
Bago West	Thayarwady	Nattalin	172,141	1,356	0.005	0.025	0.005	0.035	173,209	
Bago West	Thayarwady	Monyo	127,570	658	0.005	0.018	0.003	0.026	128,583	128,583
Bago West	Thayarwady	Gyobingauk	117,433	770	0.005	0.017	0.003	0.025	123,560	
		Total 28 TSs	4,867,373	38,867	0.150	0.700	0.150	1.000	4,900,000	838,314

[34] Kawa township is part of the first round in fiscal year 2017/18. For fiscal year 2018/19, Thanatpin, Yedashe, Monyo and Paukkhaung will be added.