PROJECT DOCUMENT

Project Title: **Strengthening Local Governance in Myanmar programme (SLGM)**

Project Number:

Implementing Partner: UNDP

Start Date: 01/07/2021   **End Date:** 30/06/2026   **PAC Meeting date:**

Brief Description
.
Briefly describe the overall development challenge and the expected results of the project.

CPD Outcome: People in Myanmar live in a more peaceful and inclusive society, governed by more democratic and accountable institutions, and benefit from strengthened human rights and rule of law protection Outputs with gender marker. 1. Capacities of local administrations are enhanced to foster inclusive & responsive local governance in a conflict sensitive manner (GEN 2) 2. Capacities of non—state actors are improved to foster active civic engagement in local governance **(**GEN 2**)** 3. In selected townships EAO's have the capacities to engage with the government (GEN 2). 4. Durable solutions enable the safe, sustainable & conflict-sensitive resettlement & reintegration of IDPs & refugees in selected townships (GEN 2) 5. Multi-level policy dialogues on local governance inform political debate on decentralization reforms and strategies (GEN 2)	

Total resources required:		
	UNDP TRAC:	
	Donor: SDC	
	Donor: UK	
	Donor: Sweden	
	Donor: Canada	
	Donor: Germany	
	Donor: Italy	
	Donor: Japan	
	Bago Reg Gov	
	Mon State Gov	
	Rakhine State Gov	
	Kachin State Gov	
	In-Kind:	
Unfunded:		

Contents

List of acronyms

ACC	Anti-corruption Commission
ART	Articulation of Territorial Networks for Sustainable Development project
BPPS	Bureau for Policy and Programme Support
BRG	Bago Regional Government
CPD	Country Programme Document
CPUs	Corruption Prevention Units
CRAs	Corruption Risk Assessments
CSO	Civil Society Organisation
DACU	Development Assistance Coordination Unit
DAO	Development Affairs Organisations
DC	Decentralised cooperation
EAOs	Ethnic Armed Organisations
FY	Fiscal year
GAD	General Administration Department
GIS	Geographic Information System
ICT	Information and Communication Technology
IDP	Internally Displaced Populations
INGO	International NGO
KIO	Kachin Independence Organisation
KNU	Karen National Union
KSG	Kachin State Government
LEAP	Leadership, Effectiveness, Adaptability and Professionalism in Myanmar's civil service
LED	Local Economic Development
LGCDG	Local Governance Donor Coordination Group
LOGIN Asia	Local Governance Initiative and Network - Asia
M&E	Monitoring and evaluation
MDAO	Municipal Development Affairs Organisations
MMK	Myanmar Kyat (national currency)
MoPFI	Ministry of Planning, Finance and Industry
MoUG	Ministry of Union Government
MPs	Members of Parliament
MSDP	Myanmar Sustainable Development Plan
MTTF	Medium Term Fiscal Framework
MTR	Mid-term Review
NCA	National Ceasefire Agreement
NCDDP	National Community Driven Development Project
NGO	Non-Governmental Organisation
NMSP	New Mon State Party
NRPC	National Reconciliation and Peace Centre
NSPAW	National Strategic Plan for the Advancement of Women
OECD	Organisation for Economic Cooperation and Development
OSS	One Stop Shop
PPCP	Peaceful and Prosperous Communities project
PFM	Public Financial Management
PFMA	Public Finance Management Academy
RSG	Rakhine State Government
SARL	Strengthening Accountability and Rule of Law project
SCG	Strategic Coordination Group
SERIP	Strengthening Effective and Responsive Institutions project
SES	Social and Environmental Standards
SLGM	Strengthening Local Governance in Myanmar (programme)
SME	Small and Medium Enterprises
S/R	States and Regions

SRGs	State and Regional Governments
SSC and TrC	South-South Cooperation and Triangular Cooperation
TAF	The Asia Foundation
TDLG	Township Democratic Local Governance (project)
TGO	Township Governance Officer
ToT	Training of Trainers
TMAC	Township Municipal Affairs Committee
TPIC	Township Planning and Implementation Committee
UNDP	United Nations Development Programme
UNDAF	United Nations Development Assistance Framework
W/VTAs	Ward and Village Tract Administrators

I.   Development challenge

It is only a decade since Myanmar started its journey of state and peacebuilding, supported by democratic and economic reforms. Multiple challenges converge for this young democracy and its institutions. The process of state-building and peacebuilding is far from complete and with ongoing conflict in many areas of the country, the process of building strong and representative institutions and systems remains challenged. Myanmar's level of human development overall also remains low.

The 2008 Constitution introduced a significant step towards decentralization, with the creation of 14 state/region governments (SRGs) and legislative bodies (the State and Region's Hluttaws). But while political decentralisation has advanced, fiscal and administrative decentralization is still lagging. The Constitution only accords States/regions modest policy and regulatory powers and a limited role in public service delivery[1], leaving the Union government still with prime authority over key portfolios like education, health, rural development and civil service management. A Constitutional amendment was approved in 2015 which could open the door to greater sub-national responsibilities, and some legislation has been enacted that address some roles and responsibilities of SRGs but by-laws and regulations are still lacking and real devolution of decision-making power remains limited[2].

The Constitution also does not recognise any government entity below the states/regions. Districts and townships are deconcentrated administrative units, they are not given any advance budget ceilings, which encourages bottom-up wish-list proposal-making rather than real local priority-based plans. There is thus, at the moment, no integrated township level planning process which would take a more comprehensive analysis of the whole township as a starting point, and would result in a more strategic mid- or long-term township development plan. This poses a major challenge to a decentralisation agenda and also to the effectiveness, efficiency and equity of local infrastructure and service delivery. These problems are compounded by disparities in budget resources per capita between states and regions, and between townships within, which do not always correlate to relative poverty or deprivation levels.[3]

Myanmar's transition is dependent on achieving extensive policy reforms but government institutions still face limited capacities to deliver public goods and services, to coordinate between agencies (both horizontally and vertically), to effectively enforce rules and regulations and to gather and analyse data and information and use this in the policy-making process. Efforts towards more inclusive policymaking are still hampered by an organizational culture of hierarchical decision-making and a compliance attitude at all levels of the government and the civil service. Decision-making processes still remain far away from ordinary people. CSOs are not fully familiar with how the government operates and there is not yet an institutionalized form of interaction or

---

[1]   Schedule 2 of the Constitution spells out 8 sectors of legislative responsibility for states/regions. However in many cases these responsibilities are predicated on Union legislation, which has not yet been enacted. It is also unclear how far these Schedule 2 'legislative' responsibilities are intended to also include spending responsibilities. In practice, budget decisions about very local investments and services (e.g. village wells & latrines, village roads, schools, irrigation schemes, local solar installations, etc.), of the sort which elsewhere in Asia are usually made by the lowest tier of sub-national government, are made by Union government in Naypyidaw. Even those spending decisions on state/region budgets are made in state/region capitals, already at considerable distance from communities concerned.

[2]   For example, the Industrial Zone Law that was enacted in May 2020 did not give decision-making power to SRGs, only appraisal powers which subsequent need for approval by the Union level. The same goes for the Rural Development Law that was passed in December 2019. The Gemstones Law that was approved in January 2019 requires the Union ministry to coordinate with SRGs and provides limited responsibilities to the SRGs (e.g. establishing digging sites; license issuing etc.). The Forest Law (September 2018) requires the Union ministry to get SRGs comments/inputs before submitting for Union government approval. A positive development is that the draft revised Development Assistance Policy gives SRGs the authority to sign development assistance (under 2 Billion MMK) without the need for approval from the Union Cabinet sub-committee.

[3]   See 'Financing Local Development in Myanmar', The Asia Foundation, 2019.

communication between State and civil society. CSOs are also not represented in any of the committees at township level.

Attention to gender equality and women's rights has improved since 2011, but despite better human development indicators, gender equality in Myanmar remains hampered by deep rooted cultural traditions and stereotype perceptions about the role and position of women and men in society. Strong religious myths, low literacy rates, the customary laws of different ethnic groups, patriarchal institutions, constitutional[4] and legal provisions[5] and discriminatory regulations and practices[6] keep women from their entitled freedoms and potential. As a result, women's representation in the labour market and in political and decision-making positions in government remains low[7], and they remain underrepresented in the peace process[8]. Women currently only occupy 113 out of the 16,829 W/VTA positions (0.67%)[9] and they remain weakly represented in bodies such as the Township Planning and Implementation Committees (TPICs) and the Township Municipal Affairs Committees (TMACs).

55% of the population in Myanmar is under 30 years of age and one third of the population (35.58%) is between 15 and 35 years of age[10]. The national median age in Myanmar is only 27 years and some of the States in Myanmar have an even younger average population age. Today, Myanmar has a nascent presence of youth-led organisations and networks spanning all 14 states and regions of the country and a National Youth Policy was adopted in 2018. But while increasing attention is given to gender equality and women's empowerment, less attention has been paid to the agency of young people and their representative organisations.

The debate around the shape of a future decentralised state continues as part of the peace negotiation process and the 2015 National Ceasefire Agreement (NCA) signed with 10 Ethnic Armed Organisations (EAOs) indicated that some degree of local autonomy could be part of a future peace settlement. But to date, there is still no Union policy and strategy on further decentralisation to states/regions or below, to levels closer to the people.

Nonetheless, incremental changes have been and continue to be made to the national policy framework that have a cumulative impact on the way in which sub-national governance is evolving in Myanmar.

Important progress was made with the move in 2012 to 'elected' Ward/Village Tract Administrators (W/VTAs), the launch of the One Stop Shop (OSS) initiative and the recent move (2018) of the General Administrative Department (GAD) from the Ministry of Home Affairs to the Ministry of the Union Government and the subsequent GAD reform plan which is considered a first step to reform this critical pillar of sub-national administration[11]. The **Medium-Term Fiscal Framework (MTFF)** policy reforms have brought important positive changes to the fiscal transfer mechanism including formula-based budget allocations to the states and regions. Budget resources of the States and Regions have increased three-fold since 2012-2013 due to much larger fiscal

---

[4] Constitution 2008 (Article 352): "The Union shall, upon specified qualifications being fulfilled, in appointing or assigning duties to civil service personnel, not discriminate for or against any citizen of the Republic of the Union of Myanmar, based on race, birth, religion, and sex. However, nothing in this section shall prevent appointment of men to positions that are suitable for men only**".**

[5] Although Myanmar signed the CEDAW in 1997, there are still 35 discriminatory laws against women (Women, Peace and Security Index).

[6] E.g. recruitment practice still allows to announce 'male only' vacancies, and the current 'rotation mechanism' in the civil service reduces women's opportunities for promotion. The electoral system for WVTAs only allows household heads (who are mainly men) to vote.

[7] Currently women only occupy 15% of director general positions and 27% of all deputy director general positions across all union ministries. (data Myanmar Government 2018).

[8] 22% of the participants in the peace conference in July 2018 were women which is still below the 30% suggested in the Framework for Political Dialogue that was agreed after the signing of the NCA.

[9] Latest data from the General Administration Department (December 2019)

[10] 2014 Myanmar Population and Housing Census

[11] GAD is now subject to the oversight of the democratically elected civilian government. This transition was described by the President's Office as important for empowering states and regions and for preparing Myanmar for a future federal union (Source: Renaissance Institute (2019): Strengthening Sub-national government; Energizing sub-national oversight, p. 3)

transfers from the Union government[12]. Similarly, several Union ministries are moving to some form of deconcentrated, more transparent budget allocations to States/Regions.

In August 2019, the Union Hluttaw approved a report containing nearly 4000 proposed amendments to the Constitution which included recommendations for reducing the role of the military in politics, decentralising state power and ensuring equality and rule of law for all citizens. Profound constitutional change seems however unlikely given that it will require the support of 75% of the members of Parliament. As a result, until today, there is insufficient support for most of the amendments.

Meantime, the Myanmar Sustainable Development Plan (MSDP) 2018-2030 represents the nation's vision for the future and a national effort to 'tailor' the Global Agenda 2030 to Myanmar realities. The MSDP acknowledges the need for an action plan for further decentralization consistent with the Constitution, and expresses a desire to decentralise development activities, explore decentralisation in various sectors and build government capacity at all levels. Progress on the MSDP will depend on how the plan can also be successfully implemented at the local level. That process is also hampered in many locations due to the ongoing conflict and historically rooted lack of trust between the government and the EAOs (including EAO signatories to the NCA). Development efforts and improved infrastructure delivery by the township administration continue to be seen by the EAOs as a means to extend government control into EAO areas, thereby undermining EAO legitimacy as 'service-providers' with their communities.

Due to the conflicts, Myanmar also faces the challenge of a large number of internally displaced populations (IDPs)[13] and a large number of refugees also remain in neighbouring Thailand and Bangladesh[14]. There are, for example, currently 138 IDP camps in Kachin State only. Most of the displaced populations – many living in non-government' controlled areas - remain highly dependent on humanitarian aid and there is a growing argument for (temporary) humanitarian action to give way to long-term development solutions for these IDPs. The majority of IDPs want to return to their village of origin in the long run, but most find the situation there not secure enough to return. Any future return of IDPs to their place of origin needs to be a coordinated and collective effort from the various stakeholders involved – government, development partners, EAOs, CSOs, local communities.

International experiences have shown the importance of strong decentralised local governments for equitable development, both in the fight against inequality and poverty, as well as in the search of more peaceful and resilient societies. In the case of Myanmar, long-term sustainable peace can only be achieved if priority is placed on enacting earlier government commitments on more structural reforms and political arrangements regarding the decentralisation of powers within a federal system. Improvements in central-local relationships in Myanmar are thus at the heart of the country's development trajectory and essential for the successful implementation of the MSDP. Major improvements to the political and social accountability system also require the government to take bolder steps towards further decentralisation like the establishment of a level of corporate government (rather than of deconcentrated administration) below the state/region level.

The COVID-19 Pandemic now presents a new challenge for Myanmar – and the difficulties local authorities face in responding promptly also highlights the current centralisation in decision-making and budget management –

---

[12]   Which rose from around 3 percent of the union budget to around 9 percent between 2012/13 and 2017/18. The share of Union Government fiscal transfers in the total budgets of the states/region thus increased from 49% in 2012-23 to 69% in 2017-18.

[13]   The United Nations High Commission for Refugees (UNHCR) reports 128,000 internally displaced in Rakhine State, 107,000 displaced persons in Kachin and northern Shan state, 11,028 displaced persons in camps in the South East and some 120,000 in IDP like situations in Kayah, Kayin, Mon States, and Bago and Tanintharyi Regions (UNHCR, September 2019)

[14]   According to UNHCR, more than **723,000** people have fled to Bangladesh since 25 August 2017. The latest UNHCR figures (December 2019) mention some 850,000 refugees in Cox Bazar, at the border between Bangladesh and Myanmar. https://data2.unhcr.org/en/documents/details/74388

but it may also be an opportunity to "recover better," with a more inclusive and sustainable model of development in which local governance can play a key role.

Development challenge

Myanmar's transition to a peaceful, prosperous and democratic nation is dependent on achieving extensive policy reforms. But the nascent democratic institutions still face limited capacities to deliver pubic goods and services to coordinate between government agencies (both horizontally and vertically), to effectively enforce rules and regulations and to gather and analyse data and information and use this in the policy making process. Efforts towards more inclusive policymaking are still hampered by an organizational culture of hierarchical decision making and a compliance attitude at all levels of the government and the civil service. There is also not yet an institutionalized form of interaction or communication between State and civil society.

While development and poverty reduction are key to increase the level of human development in the country simply bringing peace dividends in the form of services, infrastructure and higher living standards to the vulnerable populations and conflict affected areas is not sufficient to bring lasting peace to Myanmar[15]. A sustainable solution to the state building and peacebuilding process requires inter alia to address the historically rooted demands for some form of local autonomy for the ethnic groups. Given the complexity of the context, root causes of the grievances, multiplication of actors involved and the interplay of ethnicity, religion and exclusion, the challenges of state building and peacebuilding and development issues cannot be addressed in isolation.

A successful transition towards more decentralised governance institutions and corresponding political, fiscal and administrative decentralisation is needed. But such a transition is not only subject to political will and to the reform of policies, strategies and laws and regulations. It is also conditioned by the presence of capacities (leadership, organisational structures, human resources, skills and attitudes, financial and administrative systems and processes and data and information) at multiple levels of government to practice good governance and steer local development in an inclusive and conflict sensitive manner. Rushing to policy change without accompanying efforts to build those capacities is setting local administrations up for failure. Equally important is to ensure active civic engagement and enhance also the capacity of non-state actors, including the EAOs, signatories to the NCA and their affiliated CSOs as well as the empowered agency of women and young people.

II.   Strategy

UNDP previous interventions, lessons learned, challenges and opportunities

After decades of development assistance directly to the local communities, donors' focus has shifted to capacity development of government institutions and sub-national government in particular, given its potential role in promoting better local governance, greater accountability and improved service delivery. The township is especially critical as a key entry point for support to better local governance.

In December 2017, UNDP launched the **Township Democratic Local Governance project (TDLG)**, which focused on improving township planning capacity by providing discretionary grants for inclusive local planning and implementation, thereby demonstrating a possible model for fiscal decentralisation reforms at township level. TDLG piloted the practical application of a local development fund over which the TPICs have discretionary

---

[15]   The Theory of Change outlined in the TDLG project document assumed that one of the key drivers of conflict and weak governance in Myanmar is the lack of services in EAO areas and participation by the EAOs themselves. A national level and area-based conflict analysis has proven this assumption to be wrong (Mid-Term Review, January 2020).

decision-making power. Unlike many other donor-supported local governance models, the TDLG participatory planning procedures have been anchored in government systems and budget cycles, thereby helping implement government's own bottom-up planning policy. It is also premised on local budget allocations which are low enough (1 to 3 US$ per capita) to be affordable within States/Regions' limited budgets. Over the past three years, the TDLG has operated in 5 townships in Bago region, all 10 townships in Mon State and 7 townships in Rakhine State. These efforts have been supported by Switzerland (Mon State), the United Kingdom (Bago Region) and Japan, Germany, Sweden, Canada (Rakhine area-based programme).

The **recent TDLG Mid-Term Review (MTR)** provided independent evidence of TDLG's positive impact on engaging non-state actors, greater interaction between the TPIC and village leaders, improved information flows within township departments and between township administrations and CSOs, more active engagement and empowerment of women and community representatives, and more meaningful engagement of Members of Parliament in the planning discussions. The MTR acknowledged the value of a planning approach with advance information on the available investment budget which encourages open discussion around real local priority-setting. This has been a major change, in contrast to the ongoing practice in government where a list of projects is prepared annually and communicated to the State/Region without any prior knowledge on the available budget.

An important achievement has been the high degree of government buy-in, especially by SRGs. For budget year 2019/20, the Bago Region Government became the first region to introduce a formula-based allocation to all 28 townships, setting aside MMK 56 billion (USD 38 m) - about half of its overall capital budget. This marks a very significant move to replicate the TDLG township financing model, and hence brings two major benefits: *first*, it provides township-level actors with **a reliable budget ceiling that guides the planning process** and decentralises decision-making power for how the money is spent and *second*, by introducing the formula based allocations it can ensure **more equitable spending** among townships. Rakhine state government has now also agreed to finance three out of the six project activities in one of the two new townships for FY 2020/21. All this was possible because of TDLG's work within government procedures and in close partnership with local authorities.

However, the MTR also pointed to the need to develop a **more coherent strategy** in several areas:

a. Introducing more technical tools to assist in project planning;
b. Expanding the scope of capacity building to the broader TPIC planning activities, and not just to TDLG project planning (which only represents less than 5% of the total);
c. Providing broader support to W/VTAs as surveys indicated that the majority of them requested more training to improve their performance.
d. A clearer strategy for civil society and CSOs in planning and oversight;
e. Addressing more squarely the challenge of Ethnic Armed Organisations **(**EAO) 'engagement' by taking more pro-active measures to engage National Ceasefire Agreement (NCA) signatory EAOs (and their affiliated CSOs) in township planning and implementation activities in areas under mixed and full control;
f. More proactively documenting policy lessons and engaging in advocacy around local governance issues with government, MPs and other stakeholders.

In addition to the MTR findings, there are also **broader contextual factors, challenges and opportunities** which need to be factored into a future strategy. These include:

a. **Recognising the emerging challenge of finding durable solutions to the return, resettlement or relocation and integration of Internally Displaced Populations (IDPs)**. In particular in Kachin and Rakhine states there is

opportunity to build on the TDLG planning and financing model to support the nexus from humanitarian, peace and development toward durable solutions in a collaborative effort with other partners.

b. **Recognising Youth and Gender**. The approach to women's participation and leadership needs to be improved (also raising broader awareness of the content of the National Strategic Plan for the Advancement of Women) and more attention is to be paid to broader societal change and altering traditional opinions on gender roles. Also, in a country where 55% of the population is under 30 years of age, there is an urgent need to also engage young people in participatory processes at the village and township level (and to work more closely with the newly established Township Youth Affairs Committees).

c. **Introducing a focus on local economic development (LED**), which has the potential to broaden the scope of local planning, and promote greater multi-stakeholder consultation between government, the private sector, CSOs and EAOs. Despite limited powers of township and even State/Region authorities, there are opportunities to foster local economic development[16].

d. **Leveraging ongoing UNDP support to the One-Stop-Shops (OSS):** UNDP's ongoing support to OSSs allows an entry point to promote local economic development and streamline selected administrative procedures. Other initiatives to be explored in selected townships are the functioning of info kiosks and complaints desks, as well as supporting the GAD initiative for piloting mobile OSS interventions in rural areas.

e. **Addressing corruption and potential integrity risks at the local level**. Despite good progress, corruption continues to undermine people's trust in state institutions and remains a major challenge to further progress on human development. The Anti-corruption Commission (ACC) was established at Union level and Corruption Prevention Units (CPUs) have been created in over 20 Union Ministries. More efforts are needed to also support a culture of integrity at the local level. The ACC with UNDP support has started to organise corruption prevention workshops (so far in Mon and Kayin States). There are opportunities for the new programme to support this work at the local level.

f. **Positioning the role of local governance in the COVID-19 crisis response and recovery process.** It is becoming clear that major opportunities to support the response to the COVID19 pandemic in Myanmar are with the local administrations (not only local health departments, but also the GAD officers as coordinators at each level), and with local CSOs and EAOs and their offices. It will therefore be critical to provide support under the new programme, especially to township administrators, Ward/Village Tract Administrators and EAOs to enable them to both direct and coordinate the response in line with the national Covid 19 Economic Relief Plan (April 2020) and to monitor the evolution of the pandemic, while also supporting a collaborative role for CSOs in this effort.

It should be stressed that the TDLG project has been operating for less than three years, in a challenging sub-national policy and institutional context. While many of the changes expected will take years to achieve, the project has shown that even in the absence of a strong enabling policy framework, opportunities are available for incremental changes to be trialled, in specific locations, and lessons drawn, to inform policy thinking. The TDLG project experience has also shown that sub-national and Union authorities have shown receptiveness to support which is pragmatic, and where lessons are drawn from operational experience – such as small-scale pilot projects.

---

[16] Schedule 2 of the Constitution, includes rather general provisions for state/region legislative responsibility in the economic sector. However, it is specified that these powers are contingent upon there also being Union legislation ("Economic matters in the States/Region in accord with law enacted by the Union").

Programme rationale

Moving ahead with decentralisation reforms that aim to improve local governance systems and processes will ultimately require a nation-wide policy debate on the kind of state structure needed for Myanmar. "*Achieving lasting peace and the emergence of a union based on the principles of democracy and federalism will require an ongoing process of political dialogue, leading to future constitutional reform. This will require a long-term trust-building effort to resolve fundamental differences between the parties on centre-periphery relationships[17]…*". That debate has to be enriched with the evidence resulting from the monitoring and evaluation of local governance pilots and innovations. Progress on such a decentralisation policy and strategy requires simultaneous progress in the peacebuilding process and vice versa, the peacebuilding negotiations would gain from progress made on a future decentralisation strategy.

Policies, laws and regulations and systems and processes to regulate the functioning of more autonomous, decentralized

Policy dialogue inspired by evidence and lessons learned

Capacity development efforts (leadership, organizational structure, financial and administrative systems and processes, human capabilities, skills and attitudes, data and information) targeting state and non-state actors in support of decentralized planning, budgeting, service delivery and monitoring

to inform and advance the policy debate on central-local relationships in Myanmar

sub-national institutions that contribute to the building of a prosperous, peaceful and democratic Myanmar where women and men, and boys and girls, have equal opportunities

In the meantime, efforts are needed to develop the capacities of local development actors (state and non-state). Indeed, policy changes in support of decentralisation and more responsive local service delivery will not be successful if there are no preliminary efforts towards capacity development (in terms of leadership, organisational structure, human capabilities, skills and behaviour, financial and administrative systems and processes and data and information). For decentralisation policies to be successful, there is a need for these capacity elements to be in place to ensure improved functioning of the local governance institutions to support participatory planning, budgeting, service delivery and monitoring. The challenge is also to make sure that such a capacity building process is inclusive and pays attention not only to the public administration and state institutions but also to non-state actors, including the Ethnic Armed Organisations and their affiliated CSOs.

Capacity development efforts remain thus at the core of the programme strategy, but with a stronger focus now also on advancing the policy debate towards more effective, decentralised and responsive local governance institutions that have improved capacities to support local implementation of the MSDP. The programme will build on the model and the progress made by the TDLG project while at the same time deepening and broadening the initial TDLG approach, and also addressing the more recent, broader contextual factors and opportunities that need to be factored into the programme strategy.

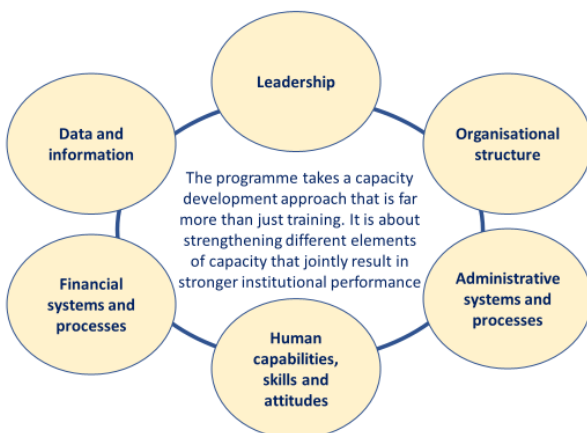[17]   UNDP, *Country Programme for Myanmar, 2018-2022*, page 2.

Programme objectives

The "Strengthening Local Governance in Myanmar" (SLGM) programme is **a 5-year initiative**, to be implemented over the period 2021-25. It will therefore be congruent with the mandate of the new Union and State/Region governments that will be formed after the elections in late 2020.

SLGM aims to achieve the following general objectives:

➢ **Develop the capacities (leadership, organisational structure, human capabilities, skills and attitudes, financial and administrative systems and processes, data and information) of sub-national institutions and development actors (both state and non-state actors) through the piloting and consolidation of innovative arrangements for improved and conflict sensitive local governance.** These capacity development efforts will results in more effective, efficient and equitable local public infrastructure and service delivery, promote greater engagement between local authorities, communities and other non-state actors (including EAOs in specific areas) – and to do so in a manner which addresses problems and constraints on local governance – including the need for community resilience and social cohesion - and expressly allows scope for wider adoption.

Core elements of an integrated capacity development approach

Leadership

Data and information

Organisational structure

The programme takes a capacity development approach that is far more than just training. It is about strengthening different elements of capacity that jointly result in stronger institutional performance

Financial systems and processes

Administrative systems and processes

Human capabilities, skills and attitudes

➢ **Codify and share the evidence and lessons learned from the capacity development efforts and related piloting and innovations (including from international experiences) to strategically inform and advance the policy debate on central-local relationships** with key stakeholders – Union and State/Region authorities, and donors/CSOs. The aim is to support improvement of the policy framework for local governance and addressing the various problems and constraints through an adaptive thinking approach, learning from trial and error, when linking the challenges of development and state building and the challenges of building peaceful societies.

SLGM is designed to be implemented as a **comprehensive programme** to strengthen local governance capacities in Myanmar, and the framework of policy and practice around these. The programme is designed in a 'modular' fashion, allowing scope for gradual expansion to new townships and new States/Region as additional resources are made available. While the prime government partnership will remain at State/Region, township and village tract level, the programme will increasingly engage also with Union authorities.

To promote the strategic coherence of geographic expansion and of programme activities undertaken in different states/regions, and the overall manageability of programme activities, UNDP will advocate for unearmarked funding to the programme, rather than earmarked funding for specific geographical areas (specific States or Region) or for specific programme components (e.g. EAO engagement in some States or Regions).

The new programme will **"Deepen"** and develop the scope of innovations and technical capacity development that had started under TDLG, in several areas:

- The model of providing discretionary grants to the townships for inclusive local planning and implementation (main township grant window) remains at the core of the capacity development focus of the programme. But there is opportunity to both improve **use of evidence** in the planning process (e.g. via simple adapted Geographic Information Systems (GIS)), and to **further develop project planning and safeguard tools** (e.g. cost & benefit analysis, social and environmental screening)**.**
- Focus so far has been on relatively large-scale investments. The new programme will expand the TDLG grant model by creating a 2nd township funding window to allow financing of priority proposals for **small-scale "intra-Village Tract" investments**.

The new programme also aims to **"Broaden"** the scope of interventions – in several directions:

- So far township planning for the UNDP funded grants was done rather in isolation from wider TPIC "planning". The new programme will "broaden" the focus to **wider TPIC planning activity** where possible, and also to support more strategic medium-term planning.
- The programme will promote discussions to address the role **of Members of Parliament (MPs)** in making township project priorities, and overcome the blurring of their oversight roles that this may entail at times.
- The programme will also explore ways to **institutionalise** fora, such as the multi-stakeholder TDLG planning workshops, to ensure they are endorsed as legitimate platforms by TPICs and the township administration for broader engagement on planning.
- The programme will **build the capacity of W/VTAs** to more effectively play their leadership role in engaging communities and village leaders in the participatory planning process.
- The programme will also pay more attention to **capacity building within the SRGs** (Departments of Planning and Budget and GAD offices in particular) – capacities to better monitor, guide and support TPICs, to track policy implications of spending patterns, and also for evidence-based State/Region strategic planning. This will also require regular and more strategic engagement with respective ministries and departments at Union level.
- There is a need to engage the members and committees of **SR Hluttaws** (e.g. Public Accounts Committees) – both to raise awareness and to co-opt their support for the innovations introduced, and also to raise capacities to engage in discussion on the merits of different project proposals with TPIC members and VTAs[18] (as well as with the MPs).
- There have also been several requests from development partners and SRGs for the programme to support **SRG capacity to raise revenues** from their Schedule 5 powers.
- A trend towards more decision-making and greater financial resources at the sub-national level also calls for new efforts to conduct **integrity risk assessments** and take preventive measures to avoid the leakage or misappropriation of development funds at the local level.
- Progress on achieving the MSDP also requires more attention to capital investments that can boost **local economic development (LED)**.

The programme will develop a **more coherent strategy for civic engagement** in planning and oversight. The new approach will go beyond capacity development of CSOs to create platforms for information sharing and for the engagement of all groups in the localisation of the MSDP, and in particular women, youth, people with disabilities and other vulnerable people as well as with the many grassroots organisations at the community level, including

---

[18]   UNDP is working with all 14 region and state Hluttaws already under both SERIP and SARL projects.

ethnic CSOs associated with EAOs signatories to the NCA. In terms of parliamentary oversight at Union, State and Region level, the programme will work closely with the UNDP SERIP project.

The programme will continue the task of **addressing more squarely the challenge of EAO 'engagement'** by taking more pro-active measures to engage NCA signatory EAOs (and their affiliated CSOs) in township planning and implementation activities in mixed and full control areas This will be achieved by more generally providing capacity building and sharing information and by facilitating a dialogue seeking agreements to introduce alternative models (possibly including "off budget" grants) that would allow EAOs signatories to the NCA to be more closely engaged in the planning, management and monitoring of capital investment projects in areas under their control[19] and thus deliver peace dividends to their populations (e.g. ethnic health providers managing a clinic instead of Ministry of Health providing these services directly). Progress in this area will depend on the outcome of current negotiations ongoing between the government and representatives of the 10 NCA signatory EAOs regarding the possibility of EAOs being able to work directly with development partners and implement development projects. Meantime, the programme will bank on good examples of cooperation such as between the Ministry of Health and Sports and the Ethnic Health Organisations.

Finally, the programme will boost efforts to **advance the policy debate on central-local relationships**, by more strategically codify and make available the evidence from monitoring and evaluation studies and from the lessons learned – positive and negative – from the pilots and innovations on local governance, undertaken by the government, by UNDP and other development actors. To date, efforts to support policy dialogue mainly consisted of some knowledge products and workshops. The programme will proactively engage in advocacy around these policy issues with the Union, State and Region governments, MPs (at Union and State/Region level) and other stakeholders and facilitate dialogues based on lessons learned at Union, S/R and local levels. A more structured decentralization policy engagement strategy is needed and be part of a broader "whole of government" dialogue with national actors and development partners, while also banking on regional and global experiences. SLGM will work closely with the SERIP project that is also engaged in the reform of the policy processes and the reform of the Planning Department that will have a direct impact on the decentralization efforts.

Thematic and geographical scope

The programme will reflect a two-part **thematic strategy,** essentially comprising a "core focus" applicable to all selected townships, as well as areas of possible diversification depending on local context and opportunity (see chart):

➢ Supporting further development of the **'core financing/planning model' in all townships**, building on the TDLG approach, but with the sort of 'deepening' noted earlier, to ensure it is better rooted into – to better improve - local planning and delivery arrangements, and to do so in a more participatory, accountable and conflict sensitive manner, with greater engagement between state and non-state actors, and particular attention to gender equality and women's and youth empowerment and inclusion of people with disabilities and other vulnerable groups.

➢ Supporting more opportunistic areas for **thematic diversification in specific townships,** from the range of such areas highlighted above that allow to "broaden" the initial TDLG approach: sub-national revenue

---

[19]   EAO were initially positive to TDLG and were keen to engage in township planning processes. However, as the project needs smooth relations with government to be able to operate, over time EAOs became disillusioned for various reasons including the focus on government processes and its impact on the legitimacy of EAO's parallel governance structures. In addition, EAO's have been less interested in infrastructure projects and more keen to prioritise education and ethnic languages, which lacked grant support.

generation, durable solutions, EAO engagement, promoting local economic development[20], addressing corruption and integrity risks and introducing a second grant window for small scale intra-village investments.

In terms of the **geographical strategy**, the programme will build on relationships of trust already established with authorities through TDLG, and on innovations introduced already but needing further support to consolidate. In line with the UNDP Country Programme Document (CPD) the target areas will be determined by criteria such as poverty levels, inequality, climate vulnerability and other peacebuilding/State building factors. While the programme takes a modular approach, the intention is to reach a geographical coverage that would include the following five states and regions:

- In **Bago region**, currently 5 townships are being supported out of 28. BRG has requested broader support to all townships, with particular mention of 4 conflict-affected townships with EAOs presence.   How far any expansion of support is feasible will depend primarily on whether BRG is able to continue to make township budget allocations from its own budget. If so, this offers major opportunity to expand to more townships and build a model with much greater credibility, if not then the number of townships which can be supported remains limited.

- In **Mon state**, all 10 townships have been covered to date. The rationale for continuing here is not only that the basic approach has been well accepted locally, but that Mon also provides opportunity to explore badly-needed solutions to the challenge of encouraging EAO (KNU and NMSP) engagement with the local administration in the 6 townships where they are present. However, if the World Bank's Peaceful and Prosperous Communities project (PPCP) starts operations in Mon, it will be injecting vastly greater (10-15 x) funding levels in those townships – this is then an argument to switch modest SLGM township grants to other townships in Mon, for greater impact. Support for planning, etc., might be provided to the 2-3 PPCP townships – but this would require very clear upfront agreement, since otherwise it is all too likely that PPCP's probably inconsistent procedures will render any such support fruitless.

- In **Rakhine state**, currently 7 townships are being supported, out of 17. Expansion to other selected townships is possible, where the security situation allows, but would require significant donor co-funding, unless RSG is able to make its own grant allocations. It should also be noted that the likely TDLG funding shortfall in Rakhine in 2020/21 may be (or be seen to be by RSG authorities) a cause for caution against any immediate expansion in the short-term. In addition, addressing the IDP issues would require an alternative financing model.

- In **Kachin state**, the UNDP local governance mapping exercise suggests an opportunity to provide support initially to 1 or 2 of the 18 townships (with possibility to expand) which are presently facing the biggest IDP resettlement challenges, which would also provide an opportunity to devise 'durable solutions' of wider potential application, and possible KSG willingness to buy-into township budget allocations itself.

- Lastly, in **South Shan**, there is also possible opportunity to provide support to a selected number of the 21 townships there. This is appealing both for the value of introducing the general planning / financing approach within such a large State, but also since there is also a pressing need for viable solutions to the EAO-engagement challenge. However, this option will require prior appraisal and multi-year financing to be in place.

---

[20]   The programme will also work selectively on improvements to the One Stop Shop pilots, in particular the streamlining/simplification of business registration processes and related procedures.

- Figure 1 SLGM: Overview of Proposed Geographic & Thematic Strategies

Bago	Mon	Rakhine	Kachin	S. Shan (later)
Township coverage				
5 but may => 28 (dep. BRG budget replicn.)	10 (of 10) PPCP may => change	7 (of 17)	1-2 (of 18)	2-3 (of 21)
A. Core approach in all Programme Townships Township grants / advocacy for SRG budget replication - Participatory Planning / Delivery (VTAs, TPIC, etc.) - Civic engagement / social accountability / monitoring - SRG / Hluttaw support				
+ B. State/Region-Specific components				
▪ EAO engagement (potentially)	▪ EAO engagement ▪ GIS mapping tool (TAF)	▪ Support Durable solutions for IDPs ▪ Within Rakhine Area Based Programme	▪ Support Durable solutions for IDPs ▪ EAO engagement (if KIO signs NCA)	▪ EAO engagement
+ C. Piloting Options in selected Townships 2nd township funding window (small public infrastructure) / Local revenue spt / OSS (GAD reform) / Local Economic Dev't / Integrity Risk Assessment				

The programme will take a flexible and incremental approach as decisions on thematic and geographical focus are conditioned by a variety of factors:

- State/Region readiness, interest or request, and the necessary prior commitments/agreements including on S/R readiness to provide capital budget allocations to the townships (in particular those covered by the project).
- Existence of mechanisms/structures to build on for lasting results (e.g. a functioning TPIC, an operational and economically viable One Stop Shop, commitment at S/R, district and township level to work on corruption risk assessments)
- Existence of capacity-building or technical partners (including CSOs) with the relevant expertise to assist in implementation.
- The security situation in the different townships considered for programme support.
- Overall project funding availability and logistic feasibility.

Theory of change

To respond to the development challenge and problems identified above, the SLGM programme will focus on **five outputs**:

(1) Improved state capacity[21] to respond to people's needs.
(2) Improved capacities for active and inclusive civic engagement.
(3) Improved capacities for EAO engagement.
(4) Durable solutions to support the safe, sustainable & conflict-sensitive resettlement & reintegration of IDPs & refugees.
(5) Informed policy debate and action to improve central-local relationships.

The principles that underpin the programme design and implementation (see after) will be systematically mainstreamed in each of these results areas, contributing to tangible progress in reducing gender inequalities, engaging young people, reducing the probability of conflict, advancing human rights and enhancing environmental sustainability, improve better targeting of marginalised and vulnerable groups.

The main **rationale** of the programme is that **IF** the capacities (leadership, organisational structures, human capabilities, skills and attitudes, administrative and financial systems and data and information) of sub-national (state and non-state) institutions and actors are improved and **IF** there is a regular and well informed national policy dialogue aiming at genuinely improving central-local relations, **THEN** sub-national institutions, supported by robust policies, laws and regulations will have gained the capacity and autonomy to plan, budget, implement and monitor localisation of the MSDP and contribute to the building of more prosperous, peaceful, democratic and resilient communities, where women and men, boys and girls have equal opportunities.

The Project will deliver under each area of intervention technical advisory services, process facilitation, capacity development and financial support that will result in improvements to the local governance architecture.

---

[21] Capacity development is more than just training. It refers to the development of human capabilities, skills and attitudes as well as organisational structures, financial and administrative systems and processes and the timely availability of data and information.

The **chain of results** from activities to outputs, together with the **causality assumptions** underpinning it, is summarized below.

❖ **Developing capacities of state and non-state actors:**

➢ **IF** the capacities of sub-national governments and administrations, non-state actors and EAOs are collectively strengthened, **THEN** local governance institutions and local development actors will be better equipped to support local implementation of the MSDP, implement policies, laws and regulations aimed at improving central-local relationship, and contribute to the building of peaceful and resilient local communities, where women and men, boys and girls have equal opportunities.

Improved state capacity to respond to people's needs:

➢ **IF** capacities of local administrations (S/R government, township administrations) are enhanced to support local participatory planning, budgeting, service delivery and monitoring **THEN** state/region governments, township administrations and village tract administrators will be better equipped to equitably implement the MSDP at the sub-national level, boost local economic development, and respond to the needs and aspirations of all their populations and communities, in a conflict sensitive manner.

Improved capacities for active and inclusive civic engagement:

➢ IF capacities of local non-state institutions and development actors, in particular women and young people as well as vulnerable population groups, are improved to foster active civic engagement in local development, **THEN** communities, people and their representative organisations will be better equipped to actively participate and engage in local governance processes, express their needs and monitor the performance and integrity of the local administrations and decision-makers.

Improved capacities of EAOs to better engage in local planning and project implementation and monitoring:

➢ **IF** the capacities of EAO signatories to the NCA are strengthened and systems are in place allowing EAOs, as legitimate local governance actors, to engage more actively in the planning, delivery and monitoring of projects in the areas under their control, **THEN** constructive collaboration between the EAOs and the government will improve, trust will be restored and peace dividends can be delivered to these populations.

Durable solutions enable the sustainable, conflict-sensitive resettlement &reintegration of IDPs & refugees

➢ **IF** IDPs are allowed to return to their villages or relocate to other areas and can do so with due attention to security for men and women, human rights, livelihoods and social cohesion (in line with the Pinheiro Principles on Housing and Property Restitution for Refugees and Displaced Persons which also reaffirm the right to voluntary return in safety and dignity) and **IF** there is a platform for development actors to assist that process through a package of so-called "durable solutions[22]", **THEN** the orderly, consultative and rights-based relocation of displaced populations can contribute to peace and social cohesion and reduce the pressure on humanitarian actors dealing with the protracted displacement of populations.

---

[22]   A durable solutions approach aims to replace protracted humanitarian assistance to IDPs who have become highly dependent on humanitarian aid with long-term development solutions.

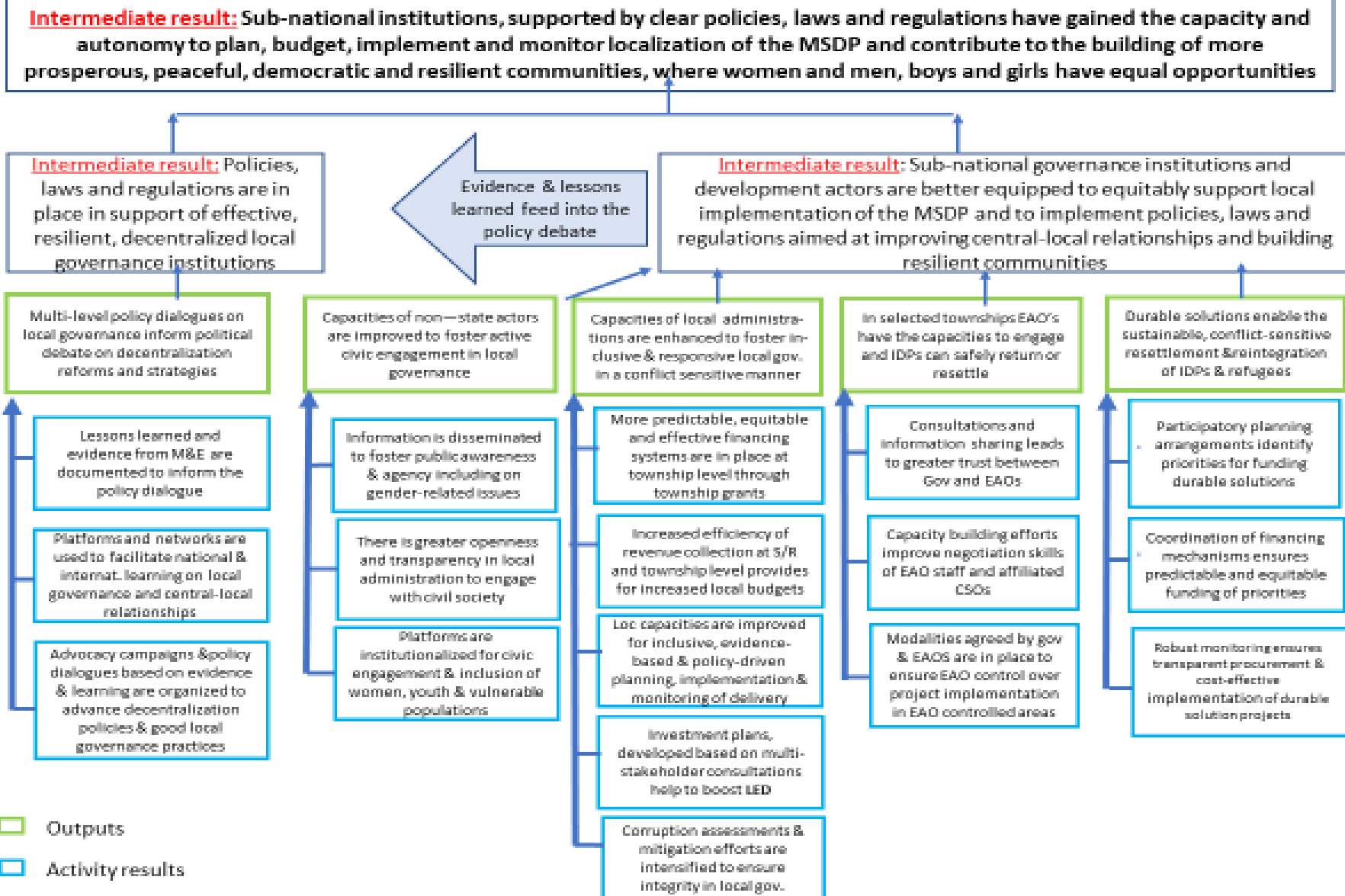❖ **Improved policy debate and action to improve central-local relationships**

➢ **IF** the evidence and lessons learned from local governance projects and innovative pilots are codified, disseminated and strategically discussed and used to inform the national policy debate on central-local relationships, **THEN** the process of a national policy debate on central-local relationships can result in the approval of new decentralization policies, laws and regulations in support of effective, decentralised and resilient local governance institutions that can promote social cohesion, peace and stability.

The graphic below represents the visual explanation of the Theory of Change adding details regarding the activity results that will be undertaken to achieve the desirable outputs and intermediate results. Annex 1 provides additional information on the rationale behind the theory of change, presenting in a simplified table: the development challenges, presumed theory of change, summary of expected activity results and the key actors with whom the programme will need to work at different levels to progress towards the desired results. In line with the pogramme's adaptive thinking approach, the Theory of Change will be reviewed at regular times, to ensure that all elements of the ToC remain tuned to the evolving context.

To activate the proposed chain of results, UNDP will focus its capacity development efforts on both state and non-state actors, essentially at the sub-national level (State/Region, Township and Village tract level) but also engaging the Union government as indispensable for the policy discussions (and banking on SERIP´s ongoing collaboration with the Planning Department and engagement in the Machinery of Government reform). State capacity is important but in a nascent democracy it is equally essential to engage non-state actors – community groups, CSOs, private economic actors, EAOs and women and youth associations - in the process of developing more responsive, transparent and accountable local governance systems, capable of supporting the implementation of the MSDP. That explains why the programme places equal importance on developing the capacities for civic engagement and for EAO's to better engage in the planning, delivery and monitoring processes.

At the Village tract level, the programme will work with Village Tract administrators, village household chiefs, traditional leaders as well as community-based organisations and CSOs. At the township level, the programme will work with the township GAD administration and the Townships Planning and Implementation Committees (TPICs) as well as key sectoral departments involved in programme implementation.   (e.g. the Planning Department, Development Affairs Organization, Department of Rural Development, etc.). At the State and Regional level, the programme will work with the Chief Minister's Office and GAD Secretariats, the Ministers of Planning and Finance and Departments of Planning and Budget, the State/Regional Hluttaws, in particular the Public Accounts Committees. And at the Union level, the programme will work with the Ministry of Union Government Office, the State Counsellor's Office, the National Reconciliation and Peace Centre[23] (NRPC), the Ministry of Planning, Finance and Industry, the General Administration Department (GAD) in the Ministry of the Union Government Office, the Union Anti-Corruption Commission, the Attorney General's Office and the Union Hluttaw.

---

[23]   The NRPC was established in July 2016 by the NLD Government; it replaced the former Myanmar Peace Center. Chaired by State Councillor Daw Aung San Suu Kyi, the Centre has a mission to define policies and guidelines for peace and reconciliation and to seek ways and means for turning the Republic of the Union of Myanmar into a Democratic Federal Union (https://www.mmpeacemonitor.org/1710).

Intermediate result: Sub-national institutions, supported by clear policies, laws and regulations have gained the capacity and autonomy to plan, budget, implement and monitor localization of the MSDP and contribute to the building of more prosperous, peaceful, democratic and resilient communities, where women and men, boys and girls have equal opportunities

Intermediate result: Policies, laws and regulations are in place in support of effective, resilient, decentralized local governance institutions

Evidence & lessons learned feed into the policy debate

Intermediate result: Sub-national governance institutions and development actors are better equipped to equitably support local implementation of the MSDP and to implement policies, laws and regulations aimed at improving central-local relationships and building resilient communities

Multi-level policy dialogues on local governance inform political debate on decentralization reforms and strategies

Capacities of non—state actors are improved to foster active civic engagement in local governance

Capacities of local administrations are enhanced to foster inclusive & responsive local gov. in a conflict sensitive manner

In selected townships EAO's have the capacities to engage and IDPs can safely return or resettle

Durable solutions enable the sustainable, conflict-sensitive resettlement & reintegration of IDPs & refugees

Lessons learned and evidence from M&E are documented to inform the policy dialogue

Platforms and networks are used to facilitate national & internat. learning on local governance and central-local relationships

Advocacy campaigns & policy dialogues based on evidence & learning are organized to advance decentralization policies & good local governance practices

Information is disseminated to foster public awareness & agency including on gender-related issues

There is greater openness and transparency in local administration to engage with civil society

Platforms are institutionalized for civic engagement & inclusion of women, youth & vulnerable populations

More predictable, equitable and effective financing systems are in place at township level through township grants

Increased efficiency of revenue collection at S/R and township level provides for increased local budgets

Loc capacities are improved for inclusive, evidence-based & policy-driven planning, implementation & monitoring of delivery

Investment plans, developed based on multi-stakeholder consultations help to boost LED

Corruption assessments & mitigation efforts are intensified to ensure integrity in local gov.

Consultations and information sharing leads to greater trust between Gov and EAOs

Capacity building efforts improve negotiation skills of EAO staff and affiliated CSOs

Modalities agreed by gov & EAOS are in place to ensure EAO control over project implementation in EAO controlled areas

Participatory planning arrangements identify priorities for funding durable solutions

Coordination of financing mechanisms ensures predictable and equitable funding of priorities

Robust monitoring ensures transparent procurement & cost-effective implementation of durable solution projects

☐ Outputs

☐ Activity results

Links to national development priorities

SLGM will directly assist the implementation of the **MSDP** in particular its Pillar One on "Peace and Stability" and more particularly its Goal on "Peace, national reconciliation, security and good governance". Particular attention will be on Strategy 1.1. (Secure and further foster Union-wide peace); Strategy 1.2. (Promote equitable and conflict-sensitive socio-economic development throughout all states and regions); Strategy 1.4. (Enhance good governance, institutional performance and improve the efficiency of administrative decision-making at all levels); Strategy 1.5. (Improve the ability of all people to engage with government). Specific links will also be made to Strategy 2.4. (Strengthen public financial management to support stability and the efficient allocation of financial resources) under Pillar One, Goal 2 on "Economic stability and strengthened macro-economic management". The programme will work closely with SERIP to ensure a coherent UNDP contribution to the efforts of the Union Planning Department to strengthen the planning process in support of MSDP implementation. It will also support the Myanmar government's efforts to transition from sectoral to strategic planning by strengthening the links and synchronization of planning processes between Union, State/Region and local level governments.

Links to UNDP Strategic plan, UNDAF and Country programme

At corporate level, the SLGM programme will support two development strategies in UNDP's Strategic Plan (2018-2022):
   o *Accelerate structural transformations for sustainable development*
   o *Build resilience to shocks and crises*

The programme is also linked specifically to Signature Solution 2 (***Strengthen effective, accountable and inclusive governance***), which underlines that accountable and inclusive governance systems and processes are crucial to sustainable development and therefore focuses on supporting diverse pathways towards building peaceful, just and inclusive societies.

At national level, SLGM is linked to the **UNDAF/CPD OUTCOME** "*People in Myanmar live in a more peaceful and inclusive society, governed by more democratic and accountable institutions, and benefit from strengthened human rights and rule of law protection*".

The theory of change in the Country Programme Document suggests that "*securing a durable peace will require efforts to build effective national and subnational institutions to address the immediate needs of all of Myanmar's communities, build the trust necessary to underpin an eventual political settlement that helps resolve decades of conflict, and prepare institutions for increased decentralization in line with an eventual political settlement. In so doing, governance mechanisms must mitigate conflict risks posed by inequality, exclusion and vulnerability linked to climate change, disaster risk and natural resources management*[24]".
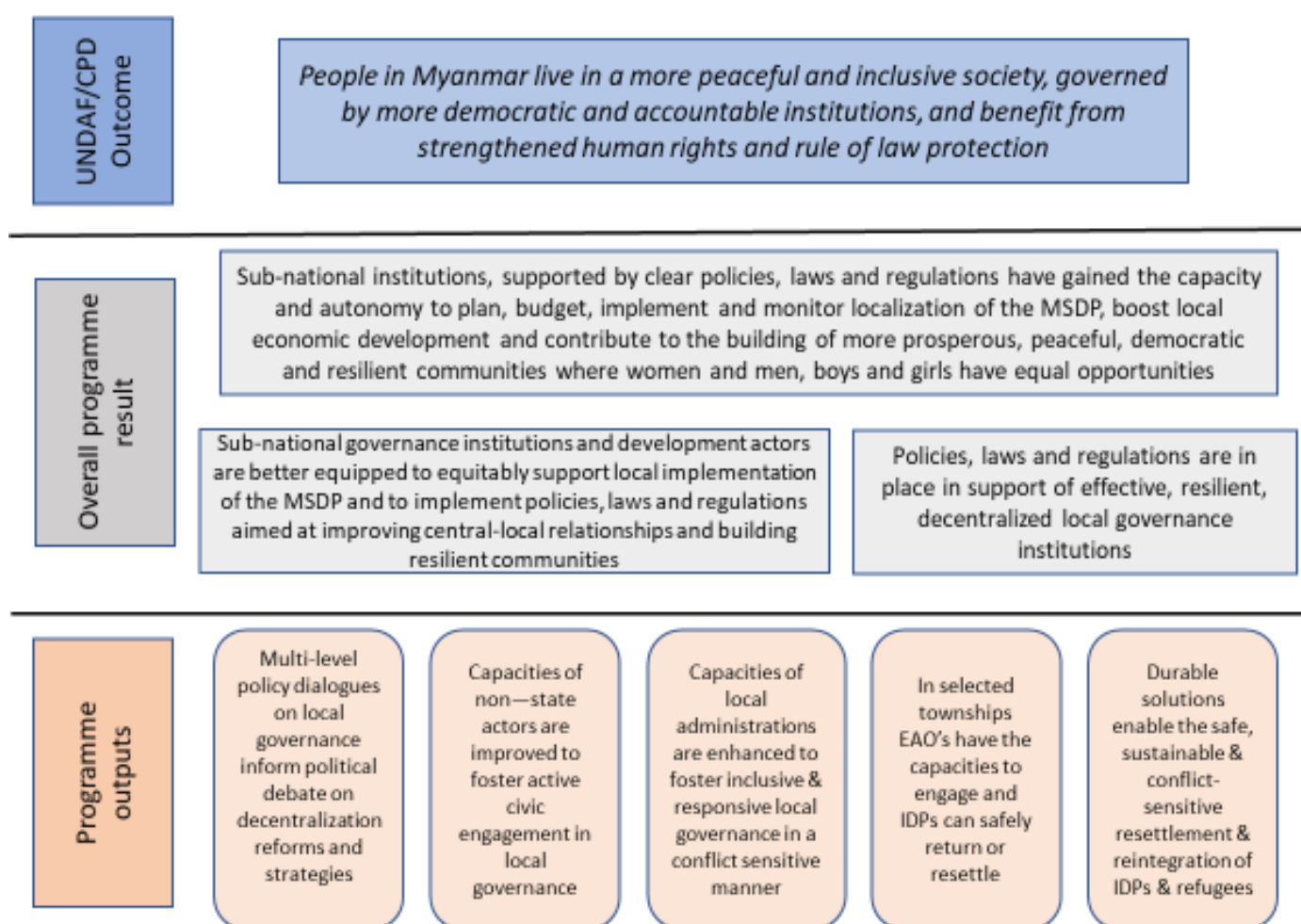
The CPD also stresses that UNDP will expand its capacity-building support initiated under the previous programme, shifting towards more integrated programming and support to United Nations-wide initiatives to better address the interlinkages between peacebuilding and social cohesion, governance, environment and natural resources management, resilience, urbanization and balanced and inclusive growth. The CPD also stipulates that UNDP will integrate peacebuilding and conflict-sensitive approaches across the country programme by strengthening the capacities of ministries, state/region parliaments, judicial institutions and communities to adopt conflict-sensitive

---

[24]   UNDP. *Country Programme for Myanmar, 2018-2022*, p. 3

approaches, based on social cohesion principles, rule of law/access to justice, township and state/region planning, service delivery and natural resources management. UNDP will also promote greater involvement of women and youth groups in the peace process.

In addition, the CPD mentions that horizontal linkages will be strengthened between executive and legislative bodies and with civil society to improve targeting of policies and services; vertical linkages will be strengthened through developing a formula-based model for participatory and inclusive planning and budgeting with improved alignment amongst township, state/region and union levels.

The below graph provides an overview of the links between outcomes, intermediate results and outputs.

UNDAF/CPD Outcome

People in Myanmar live in a more peaceful and inclusive society, governed by more democratic and accountable institutions, and benefit from strengthened human rights and rule of law protection

Overall programme result

Sub-national institutions, supported by clear policies, laws and regulations have gained the capacity and autonomy to plan, budget, implement and monitor localization of the MSDP, boost local economic development and contribute to the building of more prosperous, peaceful, democratic and resilient communities where women and men, boys and girls have equal opportunities

Sub-national governance institutions and development actors are better equipped to equitably support local implementation of the MSDP and to implement policies, laws and regulations aimed at improving central-local relationships and building resilient communities

Policies, laws and regulations are in place in support of effective, resilient, decentralized local governance institutions

Programme outputs

Multi-level policy dialogues on local governance inform political debate on decentralization reforms and strategies

Capacities of non—state actors are improved to foster active civic engagement in local governance

Capacities of local administrations are enhanced to foster inclusive & responsive local governance in a conflict sensitive manner

In selected townships EAO's have the capacities to engage and IDPs can safely return or resettle

Durable solutions enable the safe, sustainable & conflict-sensitive resettlement & reintegration of IDPs & refugees

Principles underpinning programme design and implementation

Learning from the TDLG project implementation, outcomes of the Mid-Term Review, consultations with the development partners and beneficiaries and taking into account the experiences from other development partners, SLGM programme design and implementation will be guided by the following **10 programme design and implementation principles**:

➢ **Building on previous models and achievements**: programme design and implementation will benefit from the ground work done by the TDLG project as well as from the work already undertaken in relation to the COVID-19 response, the thinking on durable solutions and UNDP's initial groundwork on localising the SDGs (in Mon State and Bago Region). The programme has the opportunity to build on relationships of trust already established with S/R authorities through TDLG, and on innovations introduced already but needing further support to consolidate.

➢ **Flexibility, adaptability and phasing**: the programme will adopt an "adaptive thinking approach" to constantly adjust to the changing peace and development contexts, while also cross-fertilising these experiences to support the thinking on a medium to longer term decentralisation strategy. It means that initially, planning priorities will need to focus on projects that can help communities to recover from the economic and social impact of Covid 19 pandemic – e.g. by promoting projects that can improve health access or promote local employment. This also means that the focus in the initial phase will probably be relatively more on consolidating, broadening and documenting the innovations at local level, as the basis for a gradually increased focus on advocacy at State/Region and Union level in the latter phase. However, much of the policy advocacy will also be opportunistic, in response to openings as they emerge. A phased approach is also likely with regards to EAO new engagement modalities (e.g. on-budget funding versus direct project funding) some of which are unlikely to be feasible in the short-term.

➢ **Focus on inclusion, poverty-reduction and development**: In line with the principles of the MSDP, financing, planning, budget-prioritisation and monitoring procedures will be developed to allow greatest feasible opportunities of all segments of society to express their needs, to ensure that spending priorities are aligned with relative poverty-related needs and development opportunities, and that the impact of this spending on poverty and development is monitored and fed back into future decision-making by local authorities. A focus on inclusion will aim for enhanced participation and improved access to investments and services for the most vulnerable populations in the geographical areas covered by the programme. Addressing poverty reduction from a conflict-sensitive perspective also means particular attention to exclusionary and discriminatory practices encountered during programme implementation that can be documented for remedial policy or executive/administrative action. The programme will continue to conduct local governance mapping exercises, similar to the ones done in Kachin State to provide poor and vulnerable groups, including IDPs an opportunity to express their perceptions.

➢ **Special attention to engaging and empowering women**: In line with the National Strategic Plan for the Advancement of Women (NSPAW 2013-2022) and most recently the Myanmar Sustainable Development Plan (MSDP) 2018-2030, SLGM will take a much stronger gender perspective across all results areas and will also take internal actions to promote women's empowerment and leadership. A dedicated background paper on gender equality and women's empowerment has been prepared to accompany the programme document.

➢ **Special attention to youth**: Understanding the views and perceptions of this group of young people is crucial to attaining sustainable peace and social cohesion in Myanmar. SLGP will pay particular attention to the perceptions of young people and ensure their direct involvement in SLGM activities and supported processes. A dedicated background paper on Youth in Myanmar has been prepared to accompany the programme document.

- ➤ **"Do no harm" through risk informed and conflict sensitive planning and implementation:** The programme – in its planning, implementation and monitoring processes - will apply UNDP's approach to risk-informed development[25], acknowledging that development trajectories are not linear but complex, risk-affected processes, with shocks that can be interconnected and transcend borders, whether they are of an economic, social, security, technological, natural hazard or climatological nature. Such risk-informed development requires robust monitoring and evaluation and communication systems and will contribute to building the resilience of affected communities and groups. The programme will also apply the UNDP Conflict Sensitivity Strategy. It will conduct proper conflict sensitivity analysis that needs to engage all relevant parties, government, EAOs, ethnic community groups, disadvantaged population groups etc. A conflict sensitivity approach is particularly needed when addressing engagement between government and EAO signatories to the NCA, given the continuing lack of trust between the two parties. Regular M&E of the project's level of conflict-sensitivity will be needed and UNDP will need to carefully calibrate its engagement with government with engagement with EAO and ethnic minority communities to ensure that it is not perceived as an instrument to extend State authority and not associated with just one political party or that UNDP support is not manipulated to enhance the legitimacy of some armed groups. While particular attention is paid to conflict sensitivity when dealing with EAO's, the programme will mainstream conflict sensitivity in all its components and analyse conflict trends and potential solutions as they relate to power structures and situations of exclusion and discrimination.
- ➤ **Promoting transparency and addressing corruption risks**: Considering the corruption risks in Myanmar on all levels and the need for strengthened integrity approaches in particular during a crisis and its recovery period, the programme will integrate corruption risk assessments and corruption prevention efforts in all project components and explore collaboration with other projects and partners focused on anti-corruption work in Myanmar.
- ➤ **Promoting digital innovations and e-governance**: SLGM will explore opportunities, learning from other experiences, for achieving gains in productivity and transparency through E-government pilots in selected townships.
- ➤ **Socio-environmental standards and principles**: in line with UNDP corporate requirements, SLGP is subject to socio-environmental screening (SES) that is based on the principles of Human Rights, Gender Equality and Empowerment and Environmental Sustainability.
- ➤ **Partnerships and collective development efforts**: SLGM will promote collective efforts between UNDP projects and with UN agencies and foster partnerships with other development, policy and research agencies, as well as governmental and non-governmental training institutions.

III.   Results and partnerships

1. Expected Results

The SLGM programme is linked to the UNDAF-CPD Output: **"*People in Myanmar live in a more peaceful and inclusive society, governed by more democratic and accountable institutions, and benefit from strengthened human rights and rule of law protection*".**

As shown in the graph above, there are three interconnected intermediate results that link the programme outputs to the CPD outcome (intermediate results 2 and 3 contribute to immediate result 1):

---

25   https://www.undp.org/content/undp/en/home/librarypage/climate-and-disaster-resilience-/risk-informed-development.html

1. **Sub-national institutions, supported by clear policies, laws and regulations have gained the capacity and autonomy to plan, budget, implement and monitor localization of the MSDP and contribute to the building of more prosperous, peaceful, democratic and resilient communities, where women and men, boys and girls have equal opportunities.**

2. **Sub-national governance institutions and development actors are better equipped to equitably support local implementation of the MSDP and to implement policies, laws and regulations aimed at improving central-local relationships and building resilient communities**

3. **Policies, laws and regulations are in place in support of effective, resilient, decentralized local governance institutions**

The programme is designed around five Outputs. Achieving these outputs and the intermediate results will be done while respecting the 10 programme design and implementation principles as outlined under Section "Principles underpinning programme design and implementation" above.

This section contains a detailed presentation of the 5 Project Outputs, with key deliverables and proposed Activity Results.

Project Output 1: Capacities of local administrations are enhanced to foster inclusive & responsive local governance in a conflict sensitive manner

Implementation of the MSDP and improving the effectiveness, efficiency, equity and accountability of public service delivery requires significant improvements in the capacities of subnational government institutions. This goes beyond simple human resource capacity development, but also critically requires reforms to the framework of policies, systems and procedures within which these institutions operate, and which act as severe constraint on the planning and delivery of basic services. The strategy under Output 1 will be to pilot selected innovations around the township level and its relations with both states/regions and village tracts and wards in the financing, planning and delivery of basic public services, as far as possible within government systems and procedures. The aim will be to document the effectiveness of these innovations and thereby inform debate around wider legal and regulatory reform of those systems and procedures, under Output 5.

Success of activities under Outputs 2, 3 and 4 below also critically depend on Output 1. Only when the local township administration has the resources and capacity to respond directly to demands from local civil society, from EAOs, or from IDPs and their host communities, will these various groups see much incentive to engage (without 'supply' there is little 'demand').

Activity result 1.1: More predictable, equitable and effective financing systems are in place at township level through township grants

A critical condition both for improving the quality of planning at township level, and for overall governance and accountability, is that townships be informed in advance of their capital budget envelope for the next fiscal year, to allow them to determine – and be accountable for – their own budget priorities. This can be achieved through a township grant mechanism, where allocation is made by a formula to reflect relative township spending needs – hence also promoting greater equity than can be achieved under present arrangements. To that end, there are several sub-activity results:

Grant Financing. Financing will be provided annually to maintain SR 'township grant' accounts on SR budgets, from which annual formula-based allocations will be provided to individual townships:

> **Township Grants – key features:**
>
> – Capital budget allocations which are announced <u>in advance</u>[26] to township authorities/TPIC at the start of the annual planning cycle (i.e. by January of FY N-1), for investments (consistent with an eligibility menu) prioritised by the TPIC.
> – Allocations made between townships from the state/region fund account, using a formula to reflect relative spending need and ensure equity (formula may be as under TDLG, but with scope for later modification).
> – At per capita funding intensities in the USD 1-3 per capita range. These levels may vary – e.g. : they may be higher in townships where a 2nd funding window is being piloted and/or in EAO or IDP areas (see below).
> – The eligible 'spending menu' will be detailed in a revised version of the operating manual, in a manner consistent with the legal framework and with subsidiarity principles.

Seed-funding will be provided by SLGM to finance a Township Grant account within State/Region budget (as already under TDLG), from which to allocate grants to target townships. This seed-funding will be phased-out as States/Regions themselves move to allocate such grants from their own revenues (allowing SLGM to switch more funding to capacity-building measures).[27]

Seed-funding of township grants will not be provided to townships where Peaceful and Prosperous Communities Project (PPCP) begins operations (as in Mon State) – given the relatively much greater levels of funding for PPCP windows 2.1 and 2.2, which will risk distracting from the SLGM local institution-building agenda.

However, capacity support activities (as detailed under 1.3. b), c), and d), and under Project Output 2. below), will still be provided to townships, even where township grants are wholly funded from state/region budgets or from PPCP.

Piloting a 2nd township funding window for small-scale infrastructure. In a few selected townships an expanded grant allocation will be provided (up to twice the current per capita level, depending on funding availability), to open a 2nd township financing window for smaller 'intra-VT' infrastructure. A portion of the increased grant will be set aside for smaller projects (to be defined by a specific menu, based on size and investment type). Within the TPIC-managed planning process, VT-specific proposals consistent with the menu will be reviewed, ranked and selected for funding based on procedures and criteria to be developed. These projects, like the larger projects, will all be on-budget and subject to government procedures and oversight. This facility will thereby allow scope:

- To develop a funding model whereby such 'community level' investments can be decided in a more integrated manner at township level (rather than at SRG or even Union level, as presently).
- For local implementation of projects through VT / village / community force account arrangements, and hence also scope for employment of local labour as "workfare", building on NCDDP "community force account" lessons, subject to review of legal procurement options allowed by the 2017 Procurement directive.

Activity result 1.2.: Increased efficiency of revenue collection at S/R and township level provides for increased local budget

Schedule 5 local revenue powers are quite modest, but collection efficiencies are low even within the limits of these powers. Activities would therefore aim to both improve efficiencies of collection from present Schedule 5 revenue powers, but also to support Union-level advocacy for some expansion of these powers. They would comprise:

---

[26] By 'advance' meaning township budget allocations communicated to township authorities in January, after MoPFI has signaled the level of fiscal transfers to be made for the next budget year.

[27] It is worth noting that Bago Region in 2019/20 has made such allocations of US$ 8/capita to its 28 townships.

1. Support to improved revenue collection by Municipal Development Affairs Organisations (DAOs), the main State/Region revenue agency (for 'property' and various license fees), by GAD (land & other taxes and permit fees), and other township departments. This would comprise support for: better management of tax data bases; improvements to estimation methods, billing and collection cycle and procedures, etc.; and greater transparency around revenue collection and use (e.g. via the Citizen Budgets, Facebook pages, One Stop Shops, etc.).
2. Introducing awareness of similar revenue improvement innovations undertaken elsewhere in Myanmar (e.g. in Taunggyi) or in the region.
3. Support to SRG authorities' ability to make periodic adjustments to tax rates (e.g. for land tax or property 'fees' – both of which have remained at extremely low levels for many years) even within present Schedule 5 powers.[28]

These activities open scope for partnership with institutions already active in this area, such as the Renaissance Institute and The Asia Foundation, and for banking on international experiences through the UNDP-OECD "Tax Inspectors without Borders" project, through the LOGINAsia network, and within ASEAN.

Activity result 1.3.: Local capacities are improved for inclusive, evidence-based & policy-driven planning, implementation & monitoring of delivery

This sub-component will build on the planning process already tested under TDLG, but will develop this in several ways, by: greater use of evidence to inform local planning priorities; clarifying procedures and protocols for inclusive and transparent participatory processes; and introducing simple guidelines and tools for more transparent and efficient 'cost/benefit-based' selection of project priorities, and also to improve monitoring and feedback in implementation. This will include tools to guide COVID-response priorities in the planning proves in line with the national Covid 19 economic Recovery Plan. This could include prioritising projects that would promote better accessibility to health facilities or that can regenerate economic activities and boost local employment.

This will mean revision and development of the present TDLG Grant and Procurement Manuals. The aim will also be to broaden this capacity support in these areas to the wider township planning activities undertaken by the TPICs and key member departments, and to improve overall government-funded investment planning, delivery and oversight arrangements. This broadening will, however, probably only be feasible when SRGs have themselves begun to make budget allocations to townships. Support provided would be as follows:

a. *Evidence & guidance to the annual planning exercise*

Initial data analysis, **'**mapping' and other diagnostic work at the start of each cycle to identify key infrastructure and service delivery problem areas and service 'gaps' within the township which, together with information on Union or SRG policy priorities, can provide guidance each year to inform consultations, participatory planning workshop discussions and priority-setting. This will entail:

1. Development of a simple diagnostic / mapping / GIS methodology, which may need to be piloted initially in selected townships. There is an opportunity here to partner with The Asia Foundation in developing and rolling out their GIS township service access mapping tool, which will help identify service access hotspots (with initial focus on health and water access in regard to the COVID-response).

---

[28] Despite the formal powers granted under Schedule 5 of the Constitution, SRGs have faced difficulties in raising tax rates from their historic low values. There appear to be several reasons for this: partly a local capacity constraint in assessing what would constitute reasonable rate increases; partly an uncertainty felt by SRG authorities as to what degree of autonomy they have in this regard, and whether prior approvals are needed at Union level.

2. Development of appropriate 'guidance' materials which interpret mapping and other data, for planning workshops and the TPIC, and related training materials.

b. *Consultative procedures for greater inclusion*

SLGM will build on the procedures for soliciting community needs and priorities that have already been tested. This will entail:

1. Preparation / testing of clearer prior consultation and workshop procedures and protocols, further developing TDLG guidelines, to promote inclusive discussion, transparency and overall guidance for holding discussions.
2. Further development of the TDLG project profile tool, to encourage further debate and collection of information by communities / workshops around the costs and benefits of options, of COVID-response relevance, and of any potential 'safeguard issues' which may arise, and how to rank proposals more transparently.
3. Development of training materials based on these revised procedures and guidelines for VTAs, Village leaders and local CSOs – and MPs.

c. *Project appraisal & prioritisation*

SLGM will aim to build capacity for more informed deliberation by TPICs of the merits of different project options, prior to final selection:

1. Development of simple tools and guidelines for appraising the cost, benefits and risks, incl. safeguard screening (SES), conflict-sensitivity, and COVID-related relevance, of the final short-list of proposals generated by the bottom-up planning process.
2. Development of training materials based on these procedures and guidelines for TPIC members, VTAs, Village leaders and local CSOs – and MPs.

d. *Project implementation, oversight and monitoring*

SLGM will build on present procurement arrangements but will revise/update procedures in order to:

1. Include guidelines to allow informed monitoring and oversight of project implementation by VTAs as well as other local stakeholders and reporting back to the township administration on progress and on any complaints or issues arising.
2. Include guidelines for local community implementation of small-scale projects, consistent with the national procurement law and regulations NCDDP, to be used in the townships where the proposed second window is piloted.

e. *Ongoing development of procedures, and extension and training capacities*

SLGM will need to build up an ongoing training, support and monitoring capacity for introduction and use of these various revised procedures and guidelines, detailed above under a.-d.

1. Periodic review and revision of the effectiveness of the various procedures and protocols introduced.
2. Direct information and support for CSOs and communities is addressed further below under Activity result 2.1. and 2.3.
3. Support for W/VTAs and village leaders will be provided through arrangements to be established with GAD – and so will be linked to the GAD Reform programme. These may also include W/VTA peer learning groups, and also embedding within the GAD Institute of Development Administration (IDL) training and outreach programs.
4. Support for TPICs will be provided initially by Township Governance Officers (TGOs), but with more institutionalised ToT arrangements to be created within the SRG and/or District administrations, and also in partnership with local universities and training institutions for specific topics. Here too there

may also be scope for TPIC peer learning groups, with selected department heads taking a lead resource-person role.

5. Support for MPs could be provided in partnership with the UNDP hluttaw support teams, and/or one of the other agencies working with SRG hluttaws.

6. There will also be support to build capacity development into the curricula and materials of Union-level training institutions, such as the Public and Financial Management Academy (PFMA),[29] and the Institute of Development Administration (IDA) of the GAD, in order to promote national ownership and replication of the capacity development efforts.

Activity result 1.4.: Local capacities are improved to promote and coordinate Local Economic Development (LED)

LED has the potential to broaden the scope of local planning and promote greater multi-stakeholder consultation between state/region governments, the private sector, CSOs and EAOs. LED is a locally driven multi-actors partnership process that requires capacity development of sub-national government departments, consultation, planning and facilitation mechanisms and processes, as well as a conducive business environment, through improved business services, procedures and local infrastructure.

a. *Local capacities to formulate strategies and manage multi-stakeholder processes for local economic development*

SLGM will support sub-national capacities to create an enabling climate for local economic development and private sector activity. This will be achieved through different programme tools - e.g. multi-stakeholder consultation and planning mechanisms, coordination across multiple layers of governance for the effective and equitable allocation of financing, the alignment of investment funds and support services to local strategies and plans - enabling synergies and complementarities between public, private actors and CSOs in the pursuit of common economic interests and objectives. This multi-stakeholder approach, with a strong and consistent engagement of the private sector, CSOs and EAOs, and a commitment to put local assets and capacities to use, can help to restore/improve local livelihoods and will also contribute to restoring trust between state and society.

This would include capacity support for:

1. The elaboration of sub-national economic development strategies through multi-actors' consultative platforms and processes on LED and related thematic/functional areas (sectors and value chains development, investment funding and services, business environment, partnerships etc..). Support to State/Region Ministers, key departments and hluttaws (esp. economic development or investment committees) and other relevant actors (private sector and civil society organizations) to build capacities to: assess regional/local economic development potential and constraints (including via value chain and similar analytic methodologies), to formulate and weigh resulting strategy options, and to assess implications for annual and medium term public spending and procurement priorities.

2. Day to day implementation and regulation, including through the piloting of ad-hoc support structures (e.g. regional/township LED Agencies) for the promotion, formulation and implementation of strategic LED initiatives and projects in coordination with relevant public and private actors. Support to State/Region government departments (especially GAD, the Dept. of Development Affairs, Dept. of Industry, and Depts of Agriculture, Forests & Fisheries) to support their ability to routinely engage constructively with the private sector and related CSOs; to apply national and state/region economic,

---

[29] The PFM Academy was officially established in February 2020. SLGM's capacity building efforts for relevant government officers can be scaled up through the collaboration with the PFMA. The collaboration can enable and mobilize wider participation of other S/Rs and can also serve as a platform for "peer learning" and experience sharing.

social and environmental policy and regulations; and to review and streamline (where appropriate) local regulatory issues and blockages to local economic development.

3. Mobilising and manage domestic and foreign private investment. Support to capacities of State/Region Ministers, key departments and hluttaws (especially economic development or investment committees) to attract domestic and foreign business partners through constructive engagement, and joint identification of economic opportunities, and for effective regulation and oversight of investments in the area, with due regard to social and environmental externalities.

4. Promote and support local producers' organizations, and networking and marketing capacity in key selected sectors and value chains, including through alternative economic models and practices such as social enterprises, cooperatives etc.

5. Piloting of territorial support facilities (incubators, integrated services and innovation centres, dedicated funding schemes….) to promote entrepreneurial initiatives of the program's target groups and communities in prioritised sectors and value chains.

6. Inform the national policy debate and advocate for relevant LED-conducive measures as part of a multi-level dialogue processes based on the results of piloted activities at the local level.

b. *Streamlined operations in selected One Stop Shops to improve business registration procedures and related permits and licences*

Building on past UNDP support to One Stop Shops (OSS), SLGM will help to improve the efficiency and responsiveness of selected OSS in the issuance of business related administrative services which have been delegated to township departments, and access to which is key for local economic development. This would include licenses and permits for businesses and farms: general and trade-specific business licenses; changed land use permits; property extension permits; business water and electricity connection permits; health and safety approvals; etc. These are services which are now also issued through the OSS – mainly by DAOs, but GAD, Land and other departments are also sometimes involved. Evidence suggests there is great variance between township OSS in the degree to which mandated reforms in procedures have been introduced – hence also great scope for cross-learning. The project will work closely with the GAD and the Township Development Affairs Organisations (responsible for municipal services). Activities will aim to support selected individual OSS, and also the OSS committees at State/Region and Union levels, starting with these focused improvements that can support LED. Activities will include:

1. Generally, improve the transparency of OSSs around the processes for obtaining business registration procedures and related permits and licences.
2. Devise a viable 'mobile OSS' strategy whereby these registration services can be carried to rural areas.
3. Simplify and streamline documentary requirements, fee payment arrangements and issuance protocols to ensure greater efficiency of service access by the public and businesses. This is an area where there is great scope for cross-learning between SRs and even between townships in the same SR (as well as from experiences in other countries).
4. Establish clear procedures/channels for submitting complaints or suggestions on the working of the business registration processes and issuance of permits.
5. Promote advocacy with both SRGs and Union governments for any desired changes in policy or procedure, and also to promote wider national roll-out of innovations and improvements.
6. Promote better understanding by W/VTAs of the OSS initiative and of service-access requirements, so they in turn can relay this to their communities.

The SLGM programme will bank on the lessons learned from UNDP projects working on Sustainable and Inclusive Growth, in particular the Rakhine Area Based Programme, and its experience working on women's economic empowerment.

Activity result 1.5.: Corruption assessments & mitigation efforts are intensified to ensure integrity in local governance

This sub-component could be implemented by the SARL and LEAP projects (to be confirmed) using the platform of the SLGM programme at townships at ward/village tract levels[30]. It aims to provide local officials with a better understanding of the union level anti-corruption policies and strategies, identify corruption trends and areas vulnerable to corruption, and promote a culture of integrity at the local level. There are obviously strong links with Activity Results 1.3. (especially regarding procurement and monitoring procedures), 1.4 (LED) and 2.2. (Civic engagement). These activities would include:

1. Corruption risk assessments (CRAs) allowing to identify corruption risks, excessive discretion and potential conflicts of interest in draft or existing laws, regulations, rules and procedures applied at the local level.
2. Mitigation measures (e.g. simplification of procedures) to remove or lessen the corruption risks identified thereby reducing corruption in the local administrations. This will need to be done under the aegis of the Auditor General's Office and the Myanmar Anti-corruption Commission and with support also from the Corruption Prevention Units that exists in a number of ministries.
3. Ethics and anti-corruption training of government officials (in particular GAD and DAO staff), Ward/Village Tract administrators and MPs
4. Ethics and anti-corruption training of CSOs, EAOs and local businesses.
5. Awareness raising campaigns, monitoring and advocacy based on results of surveys and CRAs
6. Publication of information on rules and regulations, fees etc.

Project Output 2: Capacities of non—state actors are improved to foster active civic engagement in local governance

This component aims to promote local accountability and civic engagement with the local administration through: promotion of information and awareness to the public in general, and to CSOs, on general matters of local governance; developing tools for greater social accountability and transparency of the local administration; and piloting mechanisms for institutionalised engagement of civil society and the local administration in planning and monitoring of infrastructure and service delivery. A special effort will be made to target women and young people in this exercise.

Activity result 2.1.: Information is disseminated to foster public awareness & agency including on gender-related issues

SLGM will periodically prepare and disseminate general information to raise awareness on issues related to: general development, infrastructure and service access in the township (incl. data from the "mapping" exercises undertaken under 1.2 above); general government plans, budgets and projects in the township; SLGM and key departmental planning and delivery procedures. There will be special focus also on information dissemination around COVID-19. Information 'packages' will be prepared by the SLGM team and by local CSOs, and disseminated through various possible channels:

1. Through W/VTAs in the course of their normal duties and meetings with Village leaders and communities (training for this undertaken under 1.2 above). W/VTAs are critical information providers for a variety of problems, especially those that are justice- and land-related. Women VTAs and 10/100 household leaders will be especially involved to ensure that gender issues are incorporated.

---

[30] If these activities are mainly implemented by other project then a discussion will be needed on whether or not to include this sub-component in the SLGM programme's results framework.

2. Through information and briefings at the SLGM planning workshops – by VTAs, TPIC members and/or TGOs.
3. Through male and female MPs in the course of their normal township visits and consultations.
4. Through training of selected "ToT" resources, e.g.: local CSOs/NGOs who have expertise and capacity for community outreach – and able to travel to more distant rural Village Tracts. This may also entail sub-contracting these CSOs/NGOs; and/or key TPIC members (e.g. DRD) who have opportunity for outreach. Where possible, CSOs focusing on womens' and youth issues will be specifically involved.
5. Through IT platforms and social media (e.g. Viber apps) – possibly developed in partnership with local universities or technical institutes.
6. Through notices at the OSS.

Activity result 2.2.: _There is greater openness and transparency in local administration to engage with civil society_

SLGM will aim to introduce measures to promote greater openness to engage with the public and CSOs, and greater transparency and responsiveness by the township administration (several of which reinforce Activity Result 1.4). This will also be an opportunity to support GAD's Reform programme. This will comprise:

1. Engagement of a specialized CSO/NGO to raise awareness and provide training to selected township departments in regard to their disclosure duties to the public under current policy and law.
2. Baseline surveys at the township level by a specialised CSO/NGO to get an overview of people's perceptions of responsiveness and transparency of the administration in general, or particular departments.
3. Trialling of some simple social accountability tools in selected service areas (report cards, etc), and for transparency around local revenues collected and how they have translated into better and more equitable service provision, where local departments show interest. This may also be linked to support to OSS on business registrations, permits and licenses (Activity Result 1.4).
4. Support to SRGs for expansion of the scope of their ongoing SRG Citizen Budget initiatives, and to inclusion of other information therein – e.g. details of township-level project spending from grants and also (if possible) to overall township spending from SRG and Union budgets; or details of local revenue collection and improvements, hence linked to activities under Component 1.1. above.
5. Awareness raising campaigns, and anti-corruption monitoring and advocacy.

Activity result 2.3.: _Platforms are institutionalized for civic engagement & inclusion of women, youth & vulnerable populations (to be seen in connection also with Activity Results 1.1, 1.3 and 1.4)._

SLGM will explore ways to institutionalise arrangements whereby civil society and CSOs can legitimately engage with the local administration in planning and oversight of local infrastructure and service delivery (and not only of projects funded from SLGM itself), and feed lessons into Output 5 activities. These include fora such as the multi-stakeholder planning workshops, and perhaps other arrangements (such as town halls, or peoples' panels) where they prove effective in piloting. Effort will also be made to ensure that these platforms provide due weight to the voice of women, youth and marginalised groups in specific townships (such as ethnic minorities or IDPs) in line with the 10 principles above building also on UNDPs Gender Equality, Youth Empowerment, Conflict Prevention and other Strategies outlining in detail UNDP's approach to engaging women, youth and minorities. The aim will be to seek official regulatory approval of such arrangements, such that local officials are encouraged to adopt them – in the case of planning workshops, this may require policy advocacy with MoPFI in regard to the current guidelines around the TPIC, to more formally open the possibility for such engagement – this will be undertaken under Output 5 below.

Project Output 3: In selected townships EAO's have the capacities to engage with the government

EAOs continue to contest government authority in their respective areas. 10 of these EAOs have now signed the National Ceasefire Agreement which creates opportunities for both parties to explore new ways of collaboration. Subnational institutions have an important role to play as potential drivers of peace and conflict resolution. The programme will maximise the use of local infrastructures for peace[31] and reconciliation to help build constructive relationships that can advance the peace process at the S/R and local level, through local governance processes. It will involve targeted dialogue, consultations and social interaction, based on mutual respect, as indispensable tools to enable peaceful mediation between the government and the EAOs in the planning, financing and implementation of projects and service delivery processes. The programme will build on recent progress made in Mon State where UNDP – in agreement with the NRPC – was given the space to engage more closely with the New Mon State Party (NMSP) and the Karen National Union (KNU) to deliver a capacity development programme to their different organisations. These efforts can be expanded to other States/Regions where the programme will operate, in case other EAOs operating there also join the NCA. The programme will make additional efforts to explore with the government and the EAOs the best possible modalities for planning, funding and delivering projects in the areas under (signatory) EAO control. The programme will conduct in-depth conflict sensitivity assessment /context and risk analysis as part of the engagement policy in selected townships.

Activity result 3.1.: *Consultations and information sharing leads to greater trust between Gov and EAOs*

The SLGM will adopt the UNDP guidelines on EAO engagement, which have their legal basis in Chapter 6 of the NCA, related to the engagement of signatory EAOs with international and national organizations for development work. SLGM will confine its operations and engagement with EAO signatories to the NCA and apply a case by case approach while upholding the principles of understanding the context, minimising the negative impact of programming while maximising positive peacebuilding and social cohesion impacts. In line with current agreements, SLGM will ensure that the relevant Union, Regional and State government institutions have prior knowledge on the programme's engagement with EAOs and that there is prior clearance from the NRPC at Union level[32]. In line with UNDP's guidelines on EAO engagement, EAO's in selected states/regions have been consulted during the programme design and agreements documented. During programme implementation, SLGM will apply a four-pronged approach with selected EAO signatories to the NCA of: (1) Informing; (2) Consulting; (3) Involving and (4) empowering. That process of consultation and information sharing involving both parties (government and EAOs) will be critical to ensure progress on improved engagement of EAOs in local development. This will include regular reflection meetings with EAO leadership as well as joint EAO-government reflection meetings to discuss township planning processes and explore areas for enhanced engagement. Initially, there will also be special focus on information sharing around COVID-19.

Activity result 3.2.: *Capacity building efforts improve negotiation skills of EAO staff and affiliated CSOs*

The programme will build on the initial agreements made under TDLG to conduct training activities for EAO HQ, district and township officials around an agenda (consistent with the provisions of the NCA) to be discussed and agreed on a routine basis, including for example: general public administration, leadership, financial management, procurement, local economic development, project appraisal and cost-benefit analysis, MSDP, COVID (pandemic) response and mitigation measures etc. This will enable EAOs to participate in SLGM as more equal partners. A mapping will be undertaken of local governance EAOs affiliated CSOs and

---

[31] Infrastructures for peace are understood as dynamic networking of skills, capacities, resources, tools and institutions that can help build constructive relationships and enhance sustainable resilience of societies against the risks of relapse into violence. They are cooperative, problem-solving approaches to conflict" *within* societies, based on dialogue and consultation.

[32] http://www.nrpc.gov.mm/en/

service providers operating in mixed administered areas with a focus on improving their capacity through trainings to better engage, as legitimate local governance actors, in township planning processes and oversight of project implementation/delivery. The programme will also conduct training of EAOs in local governance principles which will not only enable them to engage better with government counterparts in mixed administrated areas but also to effectively deliver decentralization internally in the EAOs organisations, most of whom remain highly centralised.

Activity result 3.3.: Modalities agreed by gov & EAOS are in place to ensure EAO control over project implementation in EAO controlled areas

As part of the initial consultation process, UNDP will explore with relevant EAOs various options on how best to implement projects selected through the participatory planning process, in the areas under EAO control or under mixed control. The aim is to ensure that investment for both social and economic infrastructure benefits areas under EAO mixed or full control, to improve access to social services and livelihood opportunities there and hence to provide peace dividends to the ethnic people. At the same time this has to be done in ways that are acceptable for both Government and EAOs. In the current environment and under current government instructions, UNDP is not allowed to provide funding directly to the EAOs. In exploring options for collaboration, SLGM will ideally aim at maintaining one planning process, bringing Government and EAOs together in the township where SLGM works to jointly come up with and agree on priorities for grant financing. To promote sustainability of such development grants (following the model of Local Development Funds that aims at Government gradually taking over the financing of grants), SLGM will promote solutions whereby all financing will ideally go through the Government's budget. There remains however an element of uncertainty in achieving this output, as much will also depend on whether or not an agreement can be reached between the government and EAO signatories to the NCA on their ability to engage directly with development partners and negotiate development projects in the areas under their control.

Project Output 4: Durable solutions enable the safe, sustainable & conflict-sensitive resettlement & reintegration of IDPs & refugees in selected townships

There are still a large number of Internally Displaced Persons (IDPs) and refugees. Planning the return or resettlement and reintegration of these populations is an essential element of the peace and development process, but in most states and regions that host IDPs, a well-coordinated approach is not yet in place. The programme will work in selected states - Kachin initially, but later possibly also Rakhine - with other stakeholders, government, CSOs, UN agencies, armed groups and humanitarian and development actors - building on the UNDP/TDLG participatory planning methodology, to create the conditions for the sustainable return, resettlement and reintegration of IDPs in selected States, making available its local governance approaches and expertise to supports conflict-sensitive recovery and resilience-based development for the benefit of both the displaced and the recipient communities. Integrated solutions to the IDP challenges will be sought through partnerships with the respective UN Agencies and other development actors and need to be sustainably mainstreamed within government systems and procedures. The programme will conduct a thorough conflict sensitivity analysis looking at the need for and impact on community resilience and coherence within an area-based approach. The work on durable solutions for IDPs will start in one or two selected townships in Kachin but could be expanded to other IDP hotspots elsewhere in Kachin and also Rakhine as the needs emerge and resources are made available.

The support to these selected townships will also be accompanied by activity results 1.1. (a), 1.3., 1.4., 2.1., 2.2, 2.3, and 2.4.

Activity result 4.1.: Integrated participatory planning arrangements identify priorities for funding durable solutions to the relocation and reintegration of IDPs.

The potential influx of IDPs and refugees poses challenges of planning and coordination for the State/region and township authorities. SLGM will build on the established TDLG planning and financing model to ensure there is a single, integrated planning process to identify priorities for funding (rather than having separate planning processes for different development partners and UN entities). That process will allow channelling the collaborative effort with other partners (including UN sister agencies) towards the design and implementation of durable solutions to the return, resettlement or relocation of IDPs. Critical in this process is to address Housing, Land and Property (HLP) and identity rights of displaced people (to enhance security of tenure) and to focus on the restoration and staffing of basic collective social services (water, basic education, public health, basic roads, solar energy) to create essential conditions for IDPs to return or relocate. The 3-step bottom-up *participatory planning process* already successfully tested under the TDLG project will be *adapted* to address the broader range of needs faced by IDPs and their host communities by using (a) *pro-active measures to ensure engagement* of IDPs and host community representatives, and CSOs working on IDP issues, alongside the usual broader community representation, village leaders and VTAs; (b) a*djustment of planning procedures* to allow focus on a wider range of needs than just public infrastructure (e.g. shelter or livelihood priorities, basic collective social services as well as smaller scale community infrastructure needs; (c) training and engagement of *local facilitators / CSOs* to actively facilitate the process; (d) the provision of legal information and impartial guidance, especially regarding HLP rights and documentation, and (d) creation of a *Township Durable Solutions Committee (or sub-working group)* to review the range of priorities emerging from the planning process; (e) *technical support to the TPIC* to ensure transparent appraisal of those proposals referred to it. Particular attention will be paid to the voices of women and youth and to ensure that tailored solutions and support are provided that could vary from location to location.

Activity result 4.2.: Coordination of financing mechanisms (government and development actors) to ensure predictable and equitable funding of durable solutions planning priorities

SLGM will assist the Kachin State Government (and potentially also the Rakhine State Government) and concerned townships in ensuring coordination of the various funding sources (government funding and funds from various development partners) with a view to efficiency and equity and as far as possible to allow planning priorities to be made knowing in advance the budgets available. SLGM will provide a *township grant mechanism, ideally funded or co-funded from* advanced allocations from the state capital budget.[33] The township grants will be structured into two project funding windows: (a) a township-level project window to finance larger projects (e.g. US$ 25-100,000) of benefit to more than one Village Tract or to the wider township; (b) a Village tract/Village project window to finance smaller projects (e.g. US$ 5-25,000) benefitting one or more villages within a Village Tract.

SLGM will also assist the township administration in coordinating project funding provided by development partners for durable solutions projects in order to ensure more efficient and equitable use of funds and avoid duplication. Information and predictability of funding levels and budgets provided by development partners (including UN entities) will facilitate coherence in the government's planning and budgeting process.

Activity result 4.3.: Robust monitoring mechanisms are put in place to ensure transparency of procurement processes and cost-effective implementation of durable solution projects

---

[33] By 'advance' meaning township budget allocations communicated to township authorities in January, after MoPFI has signaled the level of fiscal transfers to be made for the next budget year. KSG would seem to have ample 'fiscal space' to make such allocations from its own budget: e.g. based on 2018/19 budget data, a US$ 1/capita allocation to all townships would equate to only 2% of KSG capital budget; a US$ 5/capita to all townships would equate to only 9% of KSG capital budget. It is worth noting that Bago Region (with much lower levels of budget resources per capita than Kachin) has made such allocations of US$ 8/capita to its 28 townships.

While UN agencies and (I)NGOs will generally follow their own procedures to implement projects that they fund, it is proposed that: (i) a *common set of procurement, community monitoring and reporting arrangements* be developed and agreed upon, to ensure general procurement transparency; (ii) a *common reporting mechanism* be established to allow UN agencies and (I)NGOs funding local priorities off-budget to report budget commitments and expenditures to township authorities, KSG and the Union government, via the Kachin State Working Group for IDP Resettlement, in order to allow for joint tracking by all concerned, and avoid duplication.

Project Output 5: Multi-level policy dialogues on local governance inform political debate on decentralization reforms and strategies

While progress has been made to provide more autonomy to the states and regions, there does not appear yet to be a clear political commitment or policy intent by Union authorities to move the decentralisation agenda further. There is still limited history of evidence-based policy making that allows learning from good practices or weighing policy options. SLGM will build on what has been achieved under the TDLG programme while taking into account the recommendations of the TDLG Mid-term Review Report, calling for more investments in policy development[34] and a more strategic approach to the planning and development of knowledge products and events. While policy dialogue is not the main priority during the initial years of a local governance project, there are now opportunities for more concerted efforts to steer the debate on central-local relationships in Myanmar, that are so critical also to finding a solution to the security and conflict situation.

Two major government initiatives provide entry points for such engagement:

o   The MSDP, under Goals 1 and 2, includes a number of strategies (notably, 1.1., 1.2, 1.3, 1.4, 1.5 and 2.4.) which require improved local governance, local conflict mitigation, greater local inclusion and transparency, and improved financing, planning, budgeting and delivery of public infrastructure and services, all of which are areas where SLGM will be able to generate evidence of wider national interest. The restructuring of DACU Sector Coordination Groups into Strategic Coordination Groups could also provide an entry point for engagement on these issues with key national players and relevant stakeholders.

o   The GAD Reform Framework proposes reforms to the overall regulatory framework for local administration, to township management, to Ward/Village Tract administration, to the role of the Institute for Development Administration, to arrangements for local transparency, accountability and participation, and to the role of GAD at state/region level. It also proposes a number of "one state/region one township" pilot initiatives, including innovations around the role of the OSS. In principle these are all areas for which SLGM can support, through generation of policy-relevant evidence, if GAD proves open to such engagement.

This component aims to leverage experience gained from the four operational outputs detailed above, with a view to feeding the policy debate on both the lessons learned and their implications, and the scope for wider adoption of those innovations which seem to work. The programme will therefore develop a focused and detailed "*evidence to policy strategy*" to consolidate progress made as a result of the programme's activities. This would be undertaken through three activity-result areas:

---

[34]   Under the TDLG project, investments in policy development were only 1.6 % of the project budget in 2018 and 4,7% in 2019, far below the 10.7% planned for in the project design.

Activity result 5.1.: Lessons learned and evidence from M&E are documented to inform the policy dialogue

To facilitate a regular evidence-based advocacy campaign and policy debate, the programme will develop an annual knowledge codification plan to identify specific priority topics based both on the operational experiences registered, and on evolving opportunities in the wider debates in Myanmar. Knowledge products will include case studies, policy briefs, discussion papers and periodic reports focusing on local governance experience and how they relate to the implementation of the MSDP and progress on the state building and peacebuilding process in Myanmar. The programme will take a more structured knowledge development strategy to support the broader dialogue that is needed, engaging national actors and development partners.[35] In each of the areas the programme will be working, there will be **lessons to be learned for wider adoption** – whether through desirable changes to local practice, to more formal government instructions, or even to the regulatory or legal framework for local governance and local service delivery and public financial management. To achieve this result SLGM will bank on its **partnerships** with other organisations active in the field of policy-relevant research such as: Myanmar Development Institute, The Asia Foundation, The Renaissance Institute, Enlightened Myanmar Research Foundation, and Centre for Good Governance. The Local Governance Donor Coordination Group (LGCDG) will also be a key vehicle to promote a coherent debate with development partners. SLGM will also integrate and potentially co-resource its knowledge development work with other projects and programmes in UNDP.

Activity result 5.2.: Platforms and networks are used to facilitate national and international learning on local governance and central-local relationships

SLGM will promote broader learning on issues of local governance, to raise awareness of Union or State/Region officials of broader experiences and lessons, nationally, in the region and elsewhere.

At the national level, the programme will work with the Technical Working Group already established under TDLG, but with expanded membership. It will also seek to engage with the MSDP/DACU Strategic Coordination Group framework, and notably with the Governance group. It will also seek opportunities to engage directly with key Union stakeholders (MoPFI, MoUG and GAD, Joint Public Accounts Committee of the Union Hluttaw, and keys sector ministries) as need and opportunity arises. SLGM will work with the PFM Academy (Ministry of Finance, Planning and Industry) and GAD's Institute of Development Administration for relevant training. These training sessions will also serve as a platform for "peer learning" and experience sharing, which can further inform the policy discussions and debates at S/R and Union level. Synergies with SERIP project will allow SLGM to complement ongoing reform processes and partners at the Union level, in particular the reforms of the planning processes and of the Machinery of Government.

It will also (a) support the establishment of an alumni/community of practice network composed of township and SRG officials, possible in concert with Union GAD or other key departments, who have been engaged in local governance projects and programmes; (b) explore with national counterparts the possibility of establishing an "Association of township administrations" that could function as a lobby to promote local governance reforms.

At the Asian regional level, the programme will establish a partnership with regional networks such as LOGINAsia through which the programme can bring in wider Asia regional experience across a range of local governance-related areas.

---

[35] The likely growth in the diversity of state and region representation nationally and locally may open further avenues of interest in effective decentralization policy. Depending on the outcome of the elections, a discussion on constitutional reforms remains a possibility. At the Union level, opportunities to connect a conscious evidence to policy strategy are becoming more apparent with the implementation of the MTFF and related PFM reforms, the reform of the GAD and the establishment of a Public Finance Management Academy in the Ministry of Planning, Finance and Industry (MOPFI).

<u>At the international level</u> SLGM will collaborate closely with UNDP's Hub for Territorial Partnerships in Brussels, using decentralised cooperation arrangements to learn from international experiences in the areas of central-local relations and 'local economic development'. These arrangements will include study tours, exposure to relevant international policy processes, tailored capacity building complemented by peer to peer methodologies, as well as long term strategic partnerships between local and regional governments and other local governance actors. Others global networks will also be resourced, such as the OECD-UNDP 'Tax Inspectors Without Borders' project for local revenue policy issues. Venues for relevant experience sharing, funded by development partners, such as the Forum of Federations in Canada, will also be considered (see also Annex 4 on potential partnerships).

Activity result 5.3.: *Advocacy campaigns and policy dialogues based on evidence and learning are organized at multiple levels of government to advance decentralization policies*

The codification of knowledge and lessons learned through the platforms used for sharing national and international experiences will feed a Union-wide policy debate on the future of central-local relationships in Myanmar. This national debate will be activated and nurtured through the distribution of the knowledge products, public information means both social and digital media and more traditional publication means. Regular policy debates will be organized at State/Region and Union level involving as many stakeholders as possible, while also targeting certain debates to particular audiences. For example, the programme may organise specific presentations and policy discussions with MPs at S/R level and at Union level to discuss lessons learned. SLGM will collaborate with the SERIP project to engage with MPs and assist in organizing these parliamentary debates. The result the programme aims to achieve is not only to influence the national policy debate but also to **promote awareness and discussion** by a much larger group of stakeholders in society on the challenges and opportunities for advancing local governance and central-local relationships in Myanmar.

2. Resources Required to Achieve the Expected Results

Grant funding: Core of the programme remains the township grant mechanism that allows piloting a form of fiscal decentralisation, allowing TPICs to plan and budget for capital projects within a clear resource constraint. The amount of funding needed to finance the grant system is dependent on a number of variables such as the amount of funding provided by development partners and the commitment of selected states and regions to allocate a portion of their capital budgets to the townships (following the Bago model). These two variables will define the number of townships that the programme can cover and the intensity of funding. In Mon State, the selection of townships will be impacted by the choice of townships (2-3 in principle) to be covered by the World Bank PPCP. While on the one hand the amount of funding needed for the main grant window will decrease as SRGs are willing to provide funding from their own budget, the opening of a second window for small-scale intra-village tract projects will require modest additional resources. Some scenarios for township grant funding are provided in Annex 4.

Human Resources: the programme will continue to rely on teams of national staff as well as a limited number of international staff. Programme support will be delivered through international and national consultants, translators, as well as expert resources from UNDP regional centres, global projects and UNDP headquarters. Operational support, management and oversight will be supported by the UNDP country office in Myanmar. An important part of the programme delivery will also be outsourced/subcontracted to national CSOs/NGOs, and international NGOs with the needed expertise to deliver on specific programme results areas or activities.

- National Programme staff: the programme will employ at least 33 national staff[36], divided into a Project Management component and a Technical Advisory (TA) component. To support programme management the programme will employ 3 national administrative staff (Project Management Analyst, Project Associate and Project Assistant) based at the programme office in Yangon; 3 administrative staff (Grants Coordinator, Project Assistant and Driver) will be deployed as well in each of the selected States and Regions. Programme technical support teams will be posted in each of the states and regions that will be covered by the programme. EAO Officers will be based in Mon and Kachin States initially. As the programme evolves and more EAO become signatories to the NCA, then likely SLGM will also create EAO officer positions based in Rakhine and Shan States. A national Local Governance Policy Specialist will also be part of the programme team and will be based at the UNDP/UN office in Naypyidaw. Township technical support (with planning, budgeting, grant management and oversight, OSS, capacity development and other programming activities) will be provided by project teams based in the State/region capital.

- International programme staff: delivery of programme results will require at least 3 international staff: the programme manager, the local governance advisor and the M&E, Reporting and Communication Analyst. The programme will also use international advisors working for other UNDP projects, as needed, such as the governance advisor under the SERIP project, the senior human rights advisor under the SARL project as well as the UNDP gender specialist and conflict prevention and social cohesion specialist, and expertise working on the anti-corruption and integrity risk assessments. Long-term consultants will also be recruited for continued technical support on local governance and conflict prevention areas as needed.

- National and international consultants: short-term consultants and possibly also consultants on retainer contracts will be recruited to support programme activities, as and when required, to perform specialised tasks requiring expertise not available in the project team, or requiring additional capacities.

- UNDP Country Office: the UNDP country office will provide day-to-day operational (administrative, human resources and financial management) support, programme monitoring, oversight and quality assurance, as well as support to resource mobilization and interaction with government officials at Union and S/R and township level.

- Contracted service Providers: CSOs, NGOs as well as INGOs will be hired on a competitive basis to provide specialized services which could include activities such as training and workshops, research studies, GIS planning support, evaluations, opinion surveys, etc.

- UNDP Regional Centre, global projects and Headquarters support: the **UNDP Regional Hub in Bangkok** will provide, as needed, policy advisory and networking support, bringing best practices from the region in areas of interest to the Project to Myanmar. The Regional Hub will also be instrumental in organizing South-South exchanges within the Asia/Pacific Region and will provide opportunities for Project beneficiaries to participate in regional learning events. Other UNDP Regional Centres may also be called upon to share experiences from their specific regions. The **UNDP Bureau for Policy & Programming Support (BPPS)** in UNDP headquarters in New York will provide policy advisory and technical back-up support and engage **UNDP's Global Policy Network** to mobilise knowledge and support from the broader UNDP community of practice on governance and peacebuilding. Support both in terms of seed funding and technical assistance will also be provided from the **UNDP Global ART Initiative** based in Brussels[37]. With its network of over 600 decentralized cooperation partners (such as regions and cities and their associations, universities)

---

36   The actual number of national staff will increase with the new/additional townships to be covered by SLGM.
37   UNDP, through its Global ART programme (Articulation of Territorial Networks for Sustainable Development) based in Brussels promotes sustainable human development at the local level by strengthening the capacities of local stakeholders and by facilitating the sharing of knowledge and expertise. The UNDP ART Initiative, hosted by UNDP Brussels, has continued to promote and support the localization of the SDGs, ensuring that the richness of partnerships and experiences effectively contributed to UNDP's overall corporate commitment on supporting the implementation of the 2030 Agenda.

the ART Initiative will contribute to the sharing of experiences on local governance and local economic development. These partnerships and the formulation and implementation of joint projects aim to support the localising of the SDG and related learning and capacity building at local level. The programme will also call, as needed, on the expertise available in the UNDP-OECD "Tax Inspectors without Borders" project.

- <u>Government counterpart agencies:</u> Several of the Project activities will be under shared responsibility with partner government agencies. That will be in particular the case with the township planning process that involves a variety of government counterparts. But the broadening of the programme activities will also necessitate the involvement of other government agencies that the former TDLG project so far had not been working with. That includes for example:

  - <u>Union level:</u> the Budget Department and its Intergovernmental Fiscal Relations Division in MoPFI, the Anti-Corruption Commission & the Corruption Prevention Units in Union Ministries, the Ministry of Health and Sports (for the COVID response at local level, as well as the National Central Committee to Prevent, Control and Treat COVID, and its special Committee to Coordinate with EAOs), the Union OSS Working Committee, and the newly restructured Governance Strategic Coordination Group (SCG); the Union Hluttaw Joint Public Accounts Committee will also be a key interlocutor.
  - <u>State/Region level:</u> Planning and Budget Departments, Departments of Development Affairs, the State/Region OSS Working Committees, etc. State/Region Hluttaws and their Public Accounts Committees will also be key counterparts.
  - Township level: Development Affairs Organisations

- <u>Responsible Parties:</u> Some programme activities will need to be executed by contracted parties, in particular where these activities require specific expertise over a longer period of time and can be executed more cost-effectively. This is particularly the case for certain activities to be undertaken with the EAOs, GIS mapping, working with youth organisations etc.

3. Partnerships

SLGM will promote collaborative efforts between UNDP projects and with UN agencies and foster partnerships with other development, policy and research agencies that are mutually beneficial, and offer synergies, and promote cost-effective delivery of development assistance through the optimal use of expertise and other resources.

SLGM activities will complement and coordinate with other **UNDP programmes and projects.** For example, SLGM will engage with the SERIP team to connect the decentralisation agenda with the ongoing reforms to the Machinery of Government and the planning process and also on how best to promote use of evidence in real-time local planning and budgeting, and how best to enhance the role of State/Region Hluttaws in policy development and oversight of local governance. The programme will collaborate with other programmes and projects within UNDP such as the Governance for Resilience and Sustainability project to ensure social and environmental screening of projects for risk informed planning and management. SLGM will also coordinate closely with Rakhine Area Development Project, to ensure consistent engagement with Rakhine State and township authorities and coordination and collaboration in operations. There are also opportunities to collaborate with UNDP's SARL project (Strengthening Accountability and Rule of Law) as well as with the LEAP project (Leadership, Effectiveness, Adaptability and Professionalism in Myanmar's civil service) on integrity risks at the local level and with the LEAP project on township human capital allocation, development and administration.

Within UNDP, the SLGM programme will also contribute, where required, to an ***Area-Based Development Approach*** whereby UNDP projects contribute relevant resources and expertise to ensure that the complex development challenges and needs of a specific geographical areas are better addressed through an integrated, inclusive, participatory and collective approach in that specific location, ensuring complementarity of UNDP's development interventions. Area-based approaches in Myanmar will pay particular attention to ensure that these collective efforts promote social cohesion and community resilience, and inclusive growth and development and strengthening capacities for more responsive sub-national governance institutions.

The SLGM programme will also work closely with other UN agencies to support ***durable solutions*** to create the conditions conducive to the sustainable return, resettlement and reintegration of IDPs in selected States, making available its local governance approaches and expertise to supports conflict-sensitive recovery and resilience-based development for the benefit of both the displaced and the recipient communities.

UNDP will continue to maintain close collaboration with the key development partners that will support the programme in particular SDC, UK, Sweden, Japan, Canada and Germany (XXX tentative and more details will be provided when we know more about possible funding from the different partners). One of the main venues for maintaining the partnerships with the development community is the **Local Governance Development Coordination Group.**

Beyond the development partners there are many other national development actors (CSOs and NGOs) that the programme will work with as well as regional and global partners which are already active both operationally, and in policy research and advocacy, in several of the proposed areas of local governance. There is need to work more closely with some of these including through decentralised cooperation, learning from international experience around the role of sub-national government in such areas as 'local economic development' or 'strategic economic planning'; undertaking local revenue support activities; or bringing in wide regional experience across a range of local governance-related areas.

Annex 3 contains an overview of potential (non-UN) partnerships for each of the Programme outputs.

IV.   Risks and Assumptions

Below is a review of the key risks, and corresponding mitigation measures. While there are always a variety of risks that need to be taken into account, 8 key risks have been selected; they are cross-cutting and have a potential impact on the whole programme, in each of the outputs and activity results, and may compromise overall implementation of the programme (more detail is provided in the Risk Log in Annex 2).

Risk1: Lack of commitment of SRGs to allocate budgetary resources – in a predictable manner – to their townships

SLGM will continue to develop local governance capacities using the township grants mechanism. Extension of this capacity development model rests on the assumption that SRGs will be committed to allocate a portion of their budgets to the townships, using a formula-based allocation system. The need to ensure sustainability of these systems indeed implies that ultimately the funding should come from the government budget and not from funding provided by the donor community. An important step forward was made by the Bago Regional Government when they started allocating a large portion of their capital budget to the townships. The programme design assumes that this model will not only continue in Bago region but will also be adopted/replicated in the other states and regions where the programme will be operating. The lack of such commitments risks not only to limit the reach of the programme (as less funding would be available to the townships), but it also undermines the feasibility of broadening capacity support to the TPICs, and the long run sustainability of the decentralised grant mechanism piloted under the TDLG since 2017. Ultimately, lack

of such commitment to replicate the township grant funding model will defeat a critical underlying policy change goal of the programme

❖ *Mitigation approach*: *The Bago model has been discussed at the TDLG project board meeting and there is interest in other SRGs to follow the same model. Commitments from SRGs will be part of the programme negotiations. UNDP will use the Technical Working Group, the MSDP SCGs, bilateral engagement with key stakeholders, and also the programme board meetings as the platforms for advancing the policy debate to make sure that SRGs as well as key Union Ministries (MoPFI, GAD) and the Union and SR Hluttaws and bodies such as the Renaissance Institute are involved in ongoing discussions on the conditions under which the township grants can be continued. At the SR level there is already a close relationship with the SR governments and in particular the Ministers of Planning, Finance and Industry and the GAD but stronger links will be developed at the Union level. As there may be a need for a gradual shift towards SRG budget allocations to their townships SLGM will apply an incremental approach, whereby the modalities of financial and technical support will shift as more funding become available from the government budget, allowing the programme to reduce programme grant funds while maintaining a focus on capacity development and related technical assistance and backstopping.*

Risk 2: Continuing gap / lack of a longer-term decentralization policy and strategy

The challenges explained in the programme document include the current absence of a clear decentralisation framework with no local governments below the state and region level. The programme implementation assumes that there is a political will to move forward on this agenda, even if this would be by means of incremental changes. But the ultimate goal is to see some form of local government emerging at the township level as the key administrative locus for the delivery of public services and local infrastructure investments. The lack of any progress on this front and limited chance that a decentralisation policy and strategy will be agreed upon in the short-term will condemn many of the local governance initiatives to become longer-term, donor funded pilots and experiments without assurance that these will become institutionalised in a reformed central-local relationships framework. It will also render the capacity development efforts gradually less effective when people and government officials and agencies (TPIC, GAD, MoPFI) will realise that they will not be allowed to take more ownership over the local development process and related decisions on planning and budgeting. Finally, the lack of such a policy and strategy will also have a negative impact on the peace process, since the NCA does include provisions on a possible form of federalism, which is a long-standing demand by the EAOs.

❖ *Mitigation approach*: *To ensure that the capacity development efforts which are at the core of the programme are also supported by policies, laws and regulations, the programme includes a double-loop learning approach whereby the evidence and lessons learned from practice is constantly fed into the policy debate and that the outcome of that debate in turn informs the practice. While policy dialogue under TDLG was rather ad hoc and mainly focused on a limited number of knowledge products, SLGM will steer the policy debate through four main vehicles: (a) by using a variety of platforms at national level – the programme board meetings, policy workshop, the local governance forum – and regional and global knowledge networks (including LOGIN Asia and UNDP's decentralized cooperation networks); (b) by investing more resources to analysing and documenting the lessons learned from ongoing practice; (c) by engaging closely with other reform processes in particular the ongoing reforms of the Machinery of Government and the reform of the planning processes (both supported by SERIP) and (d) by working more closely with key Union policy agencies (MoPFI and GAD) to reduce the risks that results achieved at the S/R and township level fail to be upgraded and inspire larger-scale reforms.*

Risk 3: lack of progress in the peace process or escalation of the conflict

While the programme is not a conflict-prevention programme per se, it does aim to improve relationships between the government and EAOs in selected states and regions. The programme also aims to expand further into new townships in Bago region and later in South Shan, where there is EAO presence, as well as addressing durable solutions to the IDP problems in Kachin State and possibly later in Rakhine State. Successful implementation of the programme thus assumes that there will be positive developments in the negotiations between the government and EAOs signatories to the NCA, and more particularly regarding the possibility for EAOs to work directly with development partners. In Rakhine, expansion of the programme into new townships and working on durable solutions will be dependent on the security situation. In Kachin, work on durable solutions in at least two townships will also be subject to the security situation and the possibility that the KIO could eventually sign the NCA. as more inclusive governance systems responsive to the needs of *all* population groups is key to stabilization and durable peace in the State. Any stalling or breakdown of national peace process will jeopardise all of these activities.

- ❖ *Mitigation approach*: *UNDP will take a do-no-harm and conflict-sensitivity approach to all programme activities. While conflict sensitivity does not only apply to programme activities that involve the EAOs, special attention will be paid to the sensitive issue of fostering EAO engagement in local planning, service delivery and monitoring. In line with UNDP's conflict sensitivity strategy and engagement strategy with EAOs, the programme will maintain the government informed of potential interactions with the EAOs. Where needed, the programme will also seek advice (and agreement as needed) from the NRPC. The programme will also use the project board to discuss and solve issue of a political nature. The programme will also adopt the principle of flexibility and adaptive thinking which means that the selection of townships may need to be adjusted in light of the evolving political and security situation, which could imply that townships could be added as the security situation improves, while activities may need to be interrupted or reduced in case the security situation would deteriorate in certain states/regions or specific townships.*

Risk 4: insufficient commitment and resource allocations from developing partners

This 5-year programme offering a substantive menu of capacity development, problem solutions and policy dialogue activities assumes that there will be substantive funding from multiple donors who will collectively support the SLGM and ideally also provide non-earmarked funding. Insufficient funding will lead to a piecemeal implementation of the programme, either in terms of geographical coverage or in terms of thematic coverage, or worse-case scenario, limitations in both geographical and thematic coverage. Earmarked funding for certain geographical areas only may result in some townships benefitting from the grant-based capacity development model while others will be deprived of such local development fund piloting. Earmarked funding for some thematic areas only (e.g. durable solutions) will result in other key components of the local governance agenda remaining unaddressed. There is also a risk that donor funding will be done through different UNDP projects and programmes, which could lead to a fragmentation of the local governance support, potential overlap in reporting, duplication of resource mobilisation, multiplication of board meetings and could undermine a much needed coherent approach to local governance and the related policy dialogue. Finally, in case donor funding would be insufficient by early 2021, it would impact on the prospect of providing timely grants for the 2021-2022 planning cycle, which could undermine the credibility of the programme and thus entail a reputational risk for UNDP and the development partners.

- ❖ *Mitigation approach*: *UNDP has agreed from the outset that programme design will be done in close collaboration with the key development partners. The extension of the TDLG project due to the protracted COVID-19 pandemic and its impact on development work in Myanmar, will allow all*

partners – government and donors – more time to debate on the pros and cons of a fragmented approach. Ideally, UNDP will advocate with the key development partners for a coherent approach and collective support to the SLGM. But addressing local governance challenges through different projects may be inevitable (given the wide scope of initiatives that fall under the banner of "local governance"). UNDP will however take measures to mitigate the risk associated with limited, earmarked or fragmented funding. These measures include (a) a flexible, adaptive approach that allows to expand programme scope and activities as more donor funding becomes available; (b) coherence in policy dialogue through joint knowledge codification and policy debates; (c) joint project board meetings where it concerns the debate on local governance issues covered by different projects and programmes; and (d) regular consultations and coordination with development partners, both bilaterally and through the LGDCG.

Risk 5: UNDP's involvement in advancing signatory EAOs engagement with the government in local planning may expose UNDP and the programme to the risk of being accused of lacking impartiality

This risk has also been highlighted in the UNDP Country Programme. To be able to advance the dialogue between EAO signatories to the NCA and the government, there is an assumption that UNDP will be able to play the role of an impartial capacity development actor. But there is a thin line the programme needs to walk between on the one hand, working with the government and trying to improve government systems and engaging EAOs, as legitimate local governance actors, in that process, while on the other hand, trying to understand EAOs frustrations with government processes that risk to undermine EAOs legitimacy in delivering services to their populations. Also, while the programme needs to work within the framework of the NCA and comply with the guidelines issued by the NRPC, the NCA is itself subject to power struggles and pull and push dynamics between hardliners and reformists. A too strong focus on financing from State/ Region Governments grants in EAO-controlled areas - combined with Government departments providing services in EAO-controlled areas – will likely face objections from EAOs as were witnessed in the past. And a too strong focus on UNDP's engagement with EAOs (financing going to EAOs directly) risk facing obstruction from the government. Finding a balance between these two objectives/approaches has been and remains a challenge that the new programme will need to address and clarifying this equivocation amongst stakeholders is key to a common understanding of what can reasonably be expected from SLGM. Much will also depend on whether or not an agreement can be reached between the government and EAO signatories to the NCA on their ability to engage directly with development partners and negotiate development projects in the areas under their control.

❖ *Mitigation approach*: *Regular M&E of the project's level of conflict-sensitivity will be needed and UNDP will carefully calibrate its engagement with government with engagement with EAOs and ethnic minority communities to ensure that it is not perceived as an instrument to extend State authority and not associated with just one political party or that UNDP support is not manipulated to enhance the legitimacy of some armed groups. To this end, UNDP will ensure that there is information sharing and consultation throughout the process with all parties concerned, and in particular also with the NRPC.*

Risk 6: Protracted impact of the COVID-19 Pandemic on the socio-economic situation

If the Corona virus pandemic is not brought under control in the near future this will have several negative impacts. Firstly, it will severely limit the scope for the various types of community and township meetings and consultations required for all outputs. Secondly, it will impose ever more serious public health and livelihood challenges for communities in the target townships which may heighten pressure for increased allocation of budget resources to address these issues, and distract from the wider institutional and local governance objectives of the programme. COVID also exposes existing communication challenges between EAOs and the

government as neither EAOs (at least NMSP nor KNU in Mon State) have representatives or affiliated CSOs members participating in the state or township level COVID response coordination committees. However, there seems to be ongoing interaction between some EAOs (e.g. NMSP and KNU in Mon State) with the respective township committees and with the 4-member COVID-19 Committee set up by Government.

❖ *Mitigation approach*: *(a) the programme will continue to follow the same COVID safeguards and mitigation measures around public meetings which are currently in place for TDLG; (b) an effort will be made to seek more expeditious consultative arrangements for the planning process which do not require large gatherings (and may include endorsement of community priorities under previous planning cycles); (c) support for COVID information dissemination and monitoring through VTAs and CSOs will continue to be provided; (d) support to local planning and budgeting processes will include tools to use data to guide spending priorities toward emergency public health and livelihood related priorities; and (e) Output 5 will also focus on documenting and scale-up of local COVID response measures that have proven successful, to inform related policy debate and development. The programme will also contribute to the national COVID-19 Economic Relief Plan that seeks to mitigate the economic impact posed by COVID-19 while establishing foundations that will facilitate Myanmar's rapid economic recovery, using all available policy instruments to the fullest possible extent, as part of a coordinated whole-of-nation response. The programme will also work closely with the national 4-member committee, as well as with the district, township and village level COVID-19 response committees in the EAO controlled areas to coordinate with EAOs to effectively prevent, contain and treat COVID-19 in EAO controlled and mixed areas.*

Risk 7: Resettlement taking place by the government without due attention to established principles

Resettlement involves a host of complex and risky processes that may be time-consuming and resource intensive. It involves sensitive questions regarding housing, land and property rights of returning IDPs as well as host communities. While UNDP will not be the organisation that takes the final decisions, there is a reputational risk involved, in case resettlement would take place (or is even perceived to take place) without following established principles (as outlined in the Pinheiro Principles on Housing and Property Restitution for Refugees and Displaced Persons). While voluntary, safe and dignified return of IDPs should be the target, impatience with a lengthy process may lead to forced returns that may lead to some vulnerable populations ending up in a worse situation, and losing their claims to HLP rights they have lost.

❖ *Mitigation approach*: *UNDP recognizes that this is an output that relies on processes and decisions that are largely outside of the project's control. UNDP also realizes that there are many lessons to be learned from other countries. However, the risks will be mitigated by (a) applying the TDLG participatory planning process that has now been well tested and consolidated and allows to bring to the table a larger group of key stakeholders beyond the government's main decision-makers; (b) operating within a collective UNCT approach[38] that allows to bring in the expertise of other UN agencies, programmes and projects and thus to share the reputational risks involved with these processes; (c) banking on the UN's lessons learned and expertise in finding durable solutions to IDP issues; (d) ensuring at all times a risk informed approach to the durable solutions process that allows to raise red flags and intervene at appropriate levels, with full support of the UN team and leadership in Myanmar.*

---

[38]   For more info see also: https://interagencystandingcommittee.org/other/iasc-framework-durable-solutions-internally-displaced-persons

Risk 8: Uncertainty regarding the outcome of the 2020 Elections in November

The likelihood of a change of Union government as a result of the elections is considered low, but local developments may have an impact on the SLGM. Following previous practice, the new Government will enter office in April 2021 while SLGM is expected to commence in July 2021. This leaves limited time for UNDP to secure a buy in from the Government side, especially at the Union level. At the sub-national level, the change of S/R leadership, especially those directly engaged in TDLG throughout Phase I may slow down the implementation of SLGM since the role of local champions is critical in this regard. Furthermore, outcome of elections at the sub-national level will also depend on the ability of MPs, under Covid restrictions, to reach out to their constituents in an effective and non-discriminatory manner. The mid-term review of TDLG also pointed out that elections may present "heightened implementation and conflict sensitivity risks".

❖ *Mitigation approach*: *in pre-elections period, UNDP will ensure that consultations with the Union and State/Region Governments are held with larger groups [vs individuals] and that the outcomes of the consultations are well documented. Engagement of larger groups of officials and documentation of this engagement will ensure institutional memory within SLGM and the Government. During the elections, UNDP will closely monitor the situation and the institutional changes as well as any changes in the current S/R level champions supporting and positively influencing TDLG since 2017. This will enable due assessment of impact and tailored relationship/partnership management at the S/R level. In the post-election period, UNDP will continue building relations with the new Government/S/R officials to ensure a smooth transition and project presentations and workshops at the formal and informal levels will be organized to secure buy-in. Furthermore, the large turnover of MPs (regardless of who wins the elections) will require efforts to socialize new MPs to the decentralization processes and related reforms, which also presents opportunities that can be explored through linkages with the MP induction efforts supported by SERIP and SARL projects.*

V.   Stakeholder Engagement

The main target groups of the SLGM are:
- Government institutions at the Union, State/Region and township levels
- Members of Union Parliament and S/R Hluttaws in particular the Public Accounts Committees
- local communities and ward/village tract administrators,
- non-state actors (including EAO signatories to the NCA) mainly located at the sub-national levels.

The key institutions involved in Output 1 include the Township GAD administrations, the TPICs, the Township Planning Departments and other sectoral departments involved in the participatory planning process. As the programme intends to institutionalise the TDLG planning and grant model to the entire township planning process, many other township deconcentrated offices of the Union ministries will become involved in programme implementation. Promoting local economic development and piloting related OSS initiatives in selected townships will also involve DAOs and other sectoral departments at township level. A large number of government officials in these agencies will benefit from the capacity development efforts undertaken by the programme.

Other key stakeholders involved in output 1 (and output 4) include the SRGs in particular the Office of the S/R Minister of Planning and Finance as well as the GAD office and other sector departments at S/R level. Other stakeholders at S/R level include the Members of Parliament and some of the key Hluttaw Committees, in particular the Public Accounts Committee.

At Union level, key stakeholders include the Ministry of the Union Government (including the GAD), the Ministry of Planning, Finance and Industry (both Planning and Budget Departments), the Union Anti-

corruption Commission and the Union Auditor General, as well as the Corruption Prevention Units that are now established in over 20 Ministries, and the newly restructured Governance Strategic Coordination Group. The Joint Public Accounts Committee of the Union Hluttaw will also be an important interlocutor.

The key stakeholders for output 2 are the different CSO's and NGO's and community-based organisations that represent different population groups whether village communities, religious groups, women's organisations, youth organisations, people with disabilities and other disadvantaged groups.

Key stakeholders for output 3 are the EAOs as well as the government, as this output is about improving engagement between EAOs (and their affiliated CSOs) and the government.

Key stakeholders for output 4 are the IDPs and their representative organisations, the S/R governments, the Ministry of Social Welfare, Relief and Resettlement, the VTAs and local host communities, the various humanitarian agencies and UN entities involved in finding durable solutions to the IDP challenges.

Key stakeholders for output 5 are not only the state institutions and non-state actors mentioned above but also the larger development community.

The main target groups of the programme are the populations living at the local level, who are able to express their needs through the participatory planning processes and who will benefit from the capital investments projects approved by the TPIC. An effort is now made to extend these benefits further to the local communities through the funding of small-scale intra-village tract projects. These populations will also benefit from more access to information and streamlined administrative procedures and grievance/complaints management. Special attention will be paid to women, youth and vulnerable populations such as IDPs and returning refugees. The programme will also seek to better engage signatory EAOs and provide peace dividends to populations in the EAO (NCA signatories) controlled areas. Beneficiaries also include the local business community who will benefit from streamlined and simplified business registration processes and who will have opportunity to be actively involved in promoting local economic development efforts.

But ultimately, through improved decentralisation policies and strategies, populations and communities throughout the country will benefit from the impact of the programme in terms of improved local governance systems and more decentralised decision making on development priorities, closer to the local communities. All of these efforts and policy changes should result in more effective and responsive service delivery, stronger social cohesion and resilience of local communities and more equitable investments in socio-economic development.

VI.   South-South and Triangular Cooperation (SSC/TrC)

The programme will intensify SSC and TrC by making more extensive use of UNDP's global and regional knowledge providers and knowledge networks. These include essentially the UNDP's Regional Hub in Bangkok, the Global Policy Centre in Singapore (in particular for its work on anti-corruption), UNDP BPPS in New York and the UNDP Art Programme in Brussels. The UNDP ART Initiative (Articulation of Territorial Networks for Sustainable Development), hosted by UNDP Brussels, has continued to promote and support the localization of the SDGs, ensuring that the richness of partnerships and experiences effectively contributed to UNDP's overall corporate commitment on supporting the implementation of the 2030 Agenda. The ART Initiative has a network of over 600 decentralized cooperation partners (such as regions and cities and their

associations, universities) that can contribute to the sharing of experiences on local governance and local economic development including in conflict affected settings[39].

With regard to the support for improved revenue collection, the programme will benefit from TrC provided through the UNDP-OECD "Tax Inspectors without Borders" project that provides support to UNDP programme countries in building tax audit capacity, strengthen co-operation on tax matters and contribute to the domestic resource mobilisation efforts of developing countries. An important feature of that project is the provision of peer-to-peer sharing of expertise whereby tax professionals from OECD countries provide direct support to their peers in the tax administrations in developing countries.

Within the region, the programme will also seek closer collaboration with LOGIN Asia (Local Governance Initiative and Network for Asia) a knowledge-sharing network to promote learning around local governance policy and practice between central and local governments, training institutes and CSOs active in this arena across Asia. Within the region, there are interesting lessons to be learned from countries that have introduced SDG monitoring frameworks such as the Philippines, Indonesia and Nepal, with the establishment of One-Stop-Shops (such as Mongolia and Vietnam), with the promotion of civic engagement (India - Kerala and the Philippines), the introduction of ICT innovations to facilitate training or to report corrupt practices (Papua New Guinea) or finding alternative local governance solutions in conflict affected areas (Indonesia, Philippines, Nepal).

SSC and TrC will be particularly useful for making substantive progress on output 5 as many countries in north and south have gone through the process of local governance and decentralisation reforms – including transitioning to a federal system of government. Canada for example has funded initiatives on decentralisation and federalism through the Forum of Federations[40]. Myanmar can learn from these experiences and related political and institutional transition processes.

VII.   Knowledge

The programme will deliver three types of knowledge products. A first set are directly related to the implementation of project activities and are needed to accompany the capacity development activities undertaken by the programme. A second set of knowledge products will target specifically the policy dialogue towards improved local governance and decentralised public sector management. A third type of knowledge products, much related to the second group, are those that capture experience from other countries and that will be used as reference documents, training materials and inputs into the policy dialogue.

The first set of knowledge products includes documents such as guidelines and manuals for participatory planning, training materials, draft operational guidelines for improved revenue collections, as well as draft regulations that S/R governments are allowed to issue within the boundaries of their responsibilities provided by the Constitution. These knowledge products will be included in the project workplan.

The second set of knowledge products aims particularly to inform the policy dialogue towards improved central-local relationships. These knowledge products would include case studies, lessons learned, policy briefs, survey results, diagnostics as well as visual documentaries on the programmes result areas (e.g. on durable solutions for the IDPs). Also included in this group of knowledge products are the background materials and supporting documents for the various policy forums and discussion groups that will be organized

---

[39]   In 2019, under the aegis of the UNDP driven World Forum on Local Economic Development, a Regional LED Forum in Baranquilla (Colombia) gathered more than 1,500 participants from 35 countries discussing inclusive and sustainable local economic development initiatives as a catalyst for peace building efforts initiated through a territorial development approach.

[40]   The Forum of Federations is an international organization based in Ottawa, Canada and comprises a global network on federalism, bringing together elected officials, civil servants and experts in federalism from about 20 countries to learn from each other. The Forum also provided learning and technical assistance programs to Nepal, India, Malaysia, Pakistan, Philippines, Sri Lanka and Myanmar.

by or with support from the programme (e.g. the Local Governance Forum). This second group of knowledge products will include documents that are produced or co-produced with other development partners, related to lessons learned from SLGM activities.

A third group of knowledge products will be the outcome of the SSC/TrC and decentralized cooperation efforts undertaken as part of the learning process and policy dialogue on central-local relationships. This could include a back to office report from a study tour outlining key lessons learned that are of relevance to Myanmar, case studies prepared on other countries experiences with regards to local governance, local economic development or conflict sensitive programming, or more general research materials on topics that are of interest to the programme in Myanmar.

While the knowledge products that will be produced by the programme will cover all result areas, it is not possible at this stage to establish an exhaustive list of which products will be produced during this five-year programme. Each year, as part of the annual workplan, a list of knowledge products will be proposed to the project board. That list will be prepared in consultation with the national counterparts and with the development partners. Project funds have been set aside in each output and in the overall project management budget to cover production and publication costs.

All products destined to domestic use will be developed in Myanmar and in English. Those destined to an international audience mainly, may be available only in English. All knowledge products will include the UNDP logo and/or the logo of the development partner engaged in its production. All products will be made available on-line on the UNDP website. At their request, these products will also be made available for publication on the website of other development partners.

Once every year, UNDP will organize a Local Governance Forum, which will be the main venue to discuss policy lessons from UNDP's and other partners' activities in the area of local governance and central-local relationships. These forums present an opportunity to bring together key government agencies and development partners (international organisations, donors, CSOs and NGOs) to discuss results achieved, lessons learnt and recommendations for future reforms and capacity development support.

VIII. Sustainability and Scaling Up

The following elements in the programme's approach will contribute to the sustainability and scalability of results achieved during the programme's lifetime:

i) **National ownership over programme design**: the Programme builds on the achievements and lessons from TDLG as captured by the MTR and was designed on the basis of a round of consultations starting with a draft concept paper that was shared for comments with the government at Union and State/Region level (Bago, Mon, Kachin and Rakhine) as well as with the development partners. The next phase – preparation of the programme document – also benefitted from extensive consultations at Union and State/Region level, as well as with some EAOs, signatories to the NCA.

ii) **Capacity development at the core of the programme**: the programme applies a comprehensive approach to institutional capacity development focusing on leadership, organizational structure, human resource capabilities, skills and attitudes, administrative and financial systems and data and information. The main purpose of this capacity development approach is to ensure that all needed capacities are in place in the national institutions – both state and non-state – to ensure the sustainability of programme results. The programme will work with national training institutions such as the PFM Academy (Ministry of Planning, Finance and Industry) and GAD's Institute of Development Administration for relevant training. These trainings will also serve as a platform for "peer learning" and

experience sharing and can further inform the policy discussions and debates. Closer engagement with such training institutions will motivate stronger buy-in from the Union level (especially for the decentralisation of planning and budget processes) and foster stronger links between efforts to be undertaken at the Union level and those undertaken at the S/R level with regards to those processes and the development of capacities to implement new policies.

iii) **Use of national institutions (and coordination mechanism), planning and budgeting systems**: Government authorities find more appealing those approaches which aim to work with and through government systems, with a view to making incremental improvements from 'inside', rather than 'normative' approaches which advocate wholesale change to these procedures, or which indeed bypass government altogether. The underlying strategy will be to build on the successful TDLG approach, and develop approaches to better planning and financing which are rooted in existing sub-national government systems and procedures, and institutional arrangements, and consistent with the current legal and regulatory framework. thereby to better ensure potential for reforms.

iv) **Township grant mechanism and per capita funding levels**: the aim is to create a mechanism within State/Region budgets which makes advance formula-based capital budget allocations to townships. These may be allocated as straight grants, allowing townships greater discretionary control over priorities, or they may be "drawing rights" (i.e. ceilings within which townships may simply propose projects), allowing States/Regions greater control. UNDP will provide seed funding for this mechanism but these project funds will be phased out as States/Regions begin themselves to make allocations from their own budgets. The exact arrangements may vary initially between States/Regions until a clear Union policy by MoPFI is agreed.

It is important to note that State/Region allocation of grants to townships does not entail additional budget spending. The investments funded by township grants are the same types of investments which are normally funded from the State/Region budget. The difference is simply that under a grant mechanism, townships are informed in advance (January) of their expected (formula-based) allocation so that the TPIC is able to make budget priorities for these investments within the given budget ceiling, rather than send up a much longer 'wishlist'.

To ensure sustainability of the amount of local development funds used, the township grant funding component will also continue the TDLG strategy of limiting grant size allocations to modest levels (US$ 1-3 per capita depending on the challenges in the concerned townships) which should be comfortably sustainable within State/Region budgets. The table below indicates the percentage of State/Region capital budgets which would be required to sustain township grant funding at different per capita funding levels (based on 2018/19 budget data).

	2018/19 BUDGETS				
	BAGO	**MON**	**RAKHINE**	**KACHIN**	**SHAN**
State/Region Capital Budget spending per capita (USD)	14	25	39	57	20
Township Grants: Percentage of SRG Capital Budget needed					
at US$ 1 per capita	7%	4%	3%	2%	5%
at US$ 5 per capita	37%	20%	13%	9%	25%
at US$ 10 per capita	74%	40%	26%	17%	51%

v) **The aim is Incremental approach to shift from grant support to technical backstopping:** The programme will take an incremental approach whereby SLGM will advocate with the SRGs to have an increasing part of the SRG capital budget allocated to townships as a grant or drawing right, based on an equitable formula. As this occurs, it allows the donor funded development grants to be phased out over time. SLGM resources can then be increasingly devoted to technical support and capacity building

around planning, budgeting, delivery and monitoring arrangements. This phasing will likely vary between States/Regions.

vi) **A focus on "durable" solutions to the protracted problem of IDPs and refugees**: The concept of "durable solutions" in itself implies that the main purpose is to find solutions that are sustainable, and therefore have to involve not only the government and donor community, but most importantly the IDPs and the affected communities, and where feasible also the EAOs, to ensure that the return or resettlement process is done in a safe, conflict-sensitive and resilient manner, with due attention to the need for social cohesion in the communities.

vii) **Double-loop learning in support of policy development on central-local relationships**: Sub-national and Union authorities in Myanmar have shown receptiveness to support which is pragmatic, and where lessons are drawn from operational experience – such as small-scale pilot projects. The programme applies a double-loop learning approach, whereby lessons learned from practice and from M&E reports are used to inform the policy dialogue on central-local relationships, while the outcome of these dialogues in turn influences further practice and piloting. The national policy dialogue and regular exchange between the States and Regions will not only feed a national dialogue on the future of central-local relationships, it will also allow to advocate for the scaling up of successful experiences as has been the case with the Bago government's decision to allocate over half of its capital budget timely to the township administrations.

viii) **Increased use of partnerships to promote national ownership**: UNDP will work closely with, and contract as needed, national intermediary support organizations, including CSO's, and community based organisations, as well as national training and policy institutes, and local think tanks to execute specific research, training, and facilitation activities. Longer-term agreements will be preferred to event-driven short term contracting, in order to also help build capacities of these organisations through a partnership approach. While capacity development is a core activity of the programme, there is an assumption that the programme will be able to outsource, where applicable, activities to third parties (CSOs, INGOs) that have access to and can deploy and demonstrate the needed expertise.

IX. Project Management

Cost Efficiency and Effectiveness

Cost efficiency and effectiveness in the management of this project are maximized through the following elements:

- **Implementation through national (government) systems and government bodies and staff** with UNDP's contribution focusing essentially on capacity development, technical backstopping (see above). By working through government systems, the programme not only promotes national ownership but also aims to increase cost-efficiency. Cost efficiency is also achieved through the sharing of knowledge and experiences, allowing to upscale and replicate positive experiences to other states/regions/townships.

- **Government co-funding of township development funds:** (reference is made to the text above under sustainability).

- **Sustainable amount of township grants allocations per capita**: (reference is made to the text above under sustainability).

- **Cost-efficient use of per diems, stipends and recurrent costs:** UNDP staff in the field are based in GAD offices and the office sharing arrangements considerably reduces the office running costs. In addition,

majority of SLGM staff will be based in the target townships and the TGOs are equipped with motor-bikes for travel within townships. The travel costs will thus remain minimal as will be the per-diem costs since most of the SLGM events take place within the State/Region. For these events, UNDP applies Government rates for covering per-diem and transportation costs of the project events at the sub-national level. When recruiting long-term consultants, the use of all-inclusive fees is encouraged to reduce travel related costs.

- **Cost-effective use of decentralized cooperation (DC) to benefit of international experiences at limited cost**: The strength of decentralized cooperation lies in the well-established peer to peer learning mechanisms and networks, the focus on promoting longer term territorial partnerships, as well as the capacity to mobilize relevant local institutions for the provision of targeted technical support. DC actors often count on their own financial resources to support their activities, which makes the overall package attractive for development cooperation. International organizations like the EU or states like France, Italy and Spain increasingly finance DC actors, thereby making DC even more effective and attractive.

- **Sub-contracting and outsourcing where cost-effective**: where third parties (CSOs or INGOs or consulting firms) are able to provide the right expertise for specific programme activities, contracting out may be more cost-effective. Contracting out may also be the best solution where the programme needs to work in areas where security could be problematic. This will be particularly the case for activities the programme will undertake with regards to durable solutions or working with EAO signatories to the NCA, where there is a need to operate in remote or still conflict-prone areas. Win-win solutions and partnerships based on collaborative advantage will enable SLGM to build on the existing systems, structures/mechanisms put in place by the partners. This will prevent any duplications and redundancy of operational costs that SLGM would otherwise require to invest in creating such systems.

- **Integration with other UNDP Projects**: under the UNDP Country Programme Document (CPD), UNDP seeks to achieve greater integration across UNDP's portfolio, seeking opportunities for projects to conduct joint activities, share resources, and seek cost-effective use of operational support capacities. Area-based programmes are one of the main vehicles to bring together different UNDP project and programmes at the local level, opening opportunities for increased cost-efficiency. When situations allow and when required, SLGM will use the existing technical (office equipment, vehicles) and human (driver, administrative support) resources available in UNDP Area Offices in Mon, Rakhine and Kachin States. Bulk procurement options with other projects will be sought for reducing transactions costs, when possible. Project level events will also be coordinated with the Area Offices to ensure no overlap with other projects, especially when the event have the same target audience.

Project Management

Project Locations and Offices

The Project will work essentially at the sub-national level (State and Region, Township and Ward/Village Tract levels) while also working at the Union level to promote the needed policy and legislative changes and ensure upscaling of successful pilots to other states and regions. The main presence of the programme will be at the State/Region level (Bago Region and Kachin, Mon, Rakhine and Shan states) from where the programme will support selected townships. Teams may also be located at selected townships whenever that would allow more cost-effective delivery of capacity development and backstopping activities to a group of neighbouring townships.

At the **Union level**, the Programme management team will be located at the UNDP country office in Yangon, while the National Local Governance Specialist will be housed at the UN/UNDP office in Naypyidaw.

Technical teams working essentially on output 1 (and also partly on output 2 and 3 will be housed in the GAD offices in the State/Region capital townships from where they will be in regular contact with the S/RG and S/R Hluttaws. Technical teams working on output 4 will be posted at the state level (Kachin and possibly Rakhine). Where teams will also be deployed to the township level, they will be hosted in the Township Administrative Building to be able to work directly with the township administration and (in some townships) with the One Stop Shop unit.

Following the successful practice during Phase I, all Township Governance Officers will be based in GAD offices in their respective duty stations[41]. The Senior Technical Specialist, Grants Coordinator and Project Assistants will be based at the State/Region GAD offices in Sittwe (Rakhine), Bago (Bago), and Myitkina (Kachin) as well as in Mawlamyine (Mon, space permitting). The technical teams such as EAO Officer and others will be based in Area Offices in Mawlamyine, Sittwe and Myitkina.

Technical support to implementation of Output 3 will be provided by the Conflict Prevention/Social Cohesion Specialist to be based in Yangon with the support of the project teams in the states/regions where the programme will work on EAO engagement.

Output 5 will receive support from the programme team and the UNDP country office in Yangon as well as from the National Local Governance Specialist posted in Naypyidaw.

The Project Management team will be mainly based in Yangon and will have frequent travels to Nay Pyi Taw for engagement at Union level in policy dialogue and policy development/change processes.

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. The UNDP will be accountable to the funding partners for the disbursement of funds and the achievement of the project objective and outcomes, according to the approved work plan. 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) approval of Terms of Reference for consultants and tender documents for sub-contracted inputs; and (vi) reporting to the Project Board on project delivery and impact. UNDP Governance & Peace Team Leader will take overall responsibility for achieving results of the project and report to the Project Board. Under her/his supervision, the day-to-day management of the Project will be delegated to a Project Management Team (PMT) and Output Technical Teams (see above "resources required").

To deliver certain activities or achieve specific results, UNDP may provide **Low Value Grants** (LVG) to certain organisations including CSOs for a maximum amount of 150,000 US$ (to one organisation during the project cycle). LVG can be used to support capacity development of organisations like CSOs or Community based organisations that represent populations excluded from the development processes, or because they have particular legitimacy to work on a particular development challenge (such as project implementation in EAO controlled areas).

UNDP can also enter into agreement with other entities, or **Responsible Parties** (RP) to deliver project outputs.

---

[41]   During Phase I, all Township Governance Officers in Bago Region and Rakhine State were based in GAD offices in their respective duty stations, which allowed very close interactions and coordination between TDLG and GAD staff. In Mon State this was not possible, due to limited space in the GAD office in Mawlamyine. GAD is now in the process of building a new office and UNDP has requested a space for accommodating the STS and Project Assistant.

UNDP will sign a standard Letter of Agreement (LoA) with respective government agencies to delineate the areas of collaboration, expected support from UNDP, commitments from the recipient organizations (in particular with regards to availability of staff for capacity development programmes and co-selection of service providers) and for the transfer of funds (such as for the ''Township Development Grant'). The LoA regulates the implementation modality, usage of the funds provided by the UNDP, and reporting and audit requirements. UNDP will ensure technical and financial monitoring of all activities undertaken by RP and state institutions are in line with the signed agreements. Bi-Monthly Project Management Meetings between UNDP and the RPs will provide further guidance on implementation.

Auditing

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. Townships receiving a ''Township Development Grant'' shall also be subject to an annual audit conduct by a private firm, to be recruited by UNDP in consultation with the respective S/RG. The outcome of the annual audit will determine the eligibility of the Township for a subsequent grant in the following year. Recipients of Low Value Grants are also subject to UNDP Audit requirements.

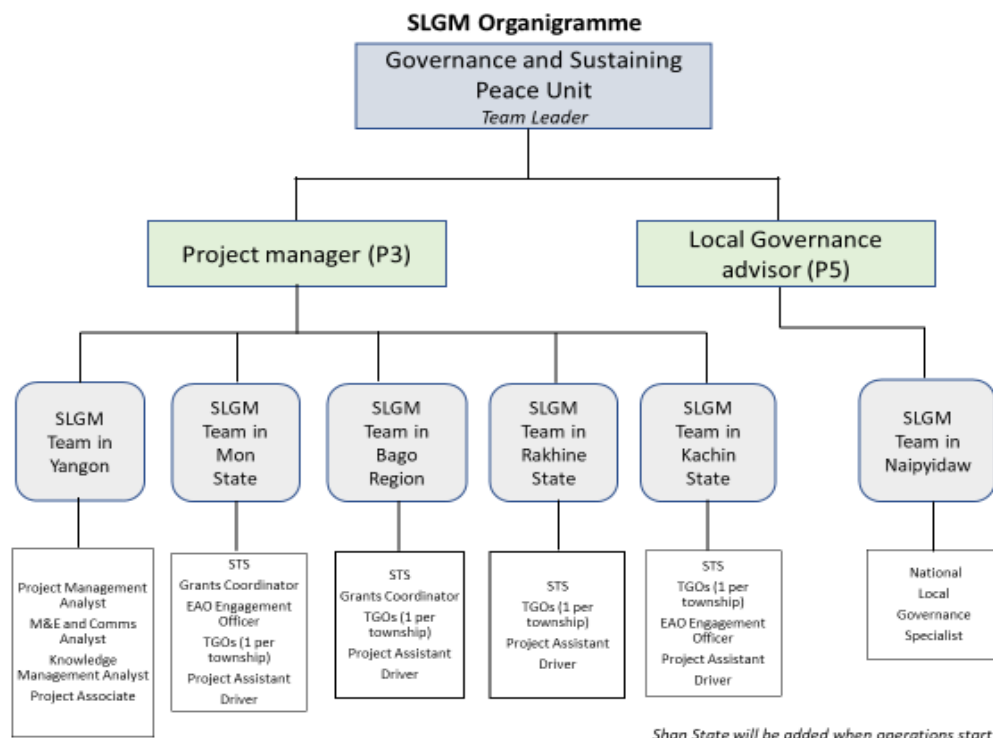## Equipment, supplies and other property

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

Collaborative arrangements and Direct Project Costing

SLGM will cost-share certain implementation costs with other projects under the CPD, both under the Governance & Sustainable Peace Pillar and Sustainable and Inclusive Growth Pillar. For certain activities, such as the work on anti-corruption and …, some of the international advisors and project staff in UNDP will share their time between different projects and be costed accordingly to each project's budget. It is foreseen as well that the projects will co-organize a large number of training and knowledge exchange activities, and the activities related to the durable solutions and the policy dialogues in particular will require close collaboration also with other projects and programmes. The programme will also, as appropriate, contribute to UNDP's Area Based Programmes in Rakhine and in Kachin and possibly also other ABP in the future. All of the above will greatly reinforce the integrate approach taken by the new CPD. The Projects' operational means, in particular at the S/R level where different projects will coincide, will also be pooled where possible.

In line with the UNDP Executive Board approved Policy on Cost Recovery (EB document DP-FPA/2012/1, and 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 essential to deliver development results of the project will be included in the project budget and directly charged. This includes the Direct Project Services (DPS) provided by UNDP Country Office, according to UNDP Direct Project Cost (DPC) policy. DPS costs are those incurred by UNDP for the provision of services that are execution driven costs, directly related to the delivery of project.

Management structure

SLGM Organigramme

```
                    ┌─────────────────────────────┐
                    │ Governance and Sustaining   │
                    │        Peace Unit           │
                    │        Team Leader          │
                    └─────────────────────────────┘
                       │                      │
        ┌──────────────────────┐    ┌──────────────────────┐
        │ Project manager (P3) │    │  Local Governance    │
        │                      │    │    advisor (P5)      │
        └──────────────────────┘    └──────────────────────┘
```

SLGM Team in Yangon	SLGM Team in Mon State	SLGM Team in Bago Region	SLGM Team in Rakhine State	SLGM Team in Kachin State	SLGM Team in Naipyidaw
Project Management Analyst	STS	STS	STS	STS	National Local Governance Specialist
M&E and Comms Analyst	Grants Coordinator	Grants Coordinator	TGOs (1 per township)	TGOs (1 per township)	
Knowledge Management Analyst	EAO Engagement Officer	TGOs (1 per township)	Project Assistant	EAO Engagement Officer	
Project Associate	TGOs (1 per township)	Project Assistant	Driver	Project Assistant	
	Project Assistant	Driver		Driver	
	Driver				

Shan State will be added when operations start

53

X.   Results Framework[42]

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:

Applicable Output(s) from the UNDP Strategic Plan:

Project title and Atlas Project Number:

EXPECTED OUTPUTS	OUTPUT INDICATORS[43]	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year …	FINAL	
Output 1 *Specify each output that is planned to help achieve the outcome.*	*1.1 State each output indicator.*										
	1.2										
	1.3										
	1.4										
Output 2	*2.1*										
	2.2										
	2.3										

---

[42]   UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[43]   It is recmmended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

XI. Monitoring and Evaluation

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
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.		
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.		
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 to 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 pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular 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.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

Evaluation Plan[44]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Mid-Term Evaluation						

---

[44]   Optional, if needed

XII. Multi-Year Work Plan [45] [46]

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 1: *Gender marker:*	1.1 Activity								
	1.2 Activity								
	1.3 Activity								
	MONITORING								
	Sub-Total for Output 1								
Output 2: *Gender marker:*	2.1 Activity								
	2.2 Activity								
	2.3 Activity								
	MONITORING								

---

[45] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[46] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	Sub-Total for Output 2								
	2.1. Activity								
	2.2. Activity								
Evaluation *(as relevant)*	EVALUATION								
General Management Support									
TOTAL									

XIII. Governance and Management Arrangements

Explain the roles and responsibilities of the parties involved in governing and managing the project. While an example diagram is below, it is not required to follow this diagram exactly. A project can be jointly governed with other projects, for example, through a national steering sub-committee linked to Results Groups under the UNDG Standard Operating Procedures for countries adopting the Delivering as One approach.

Minimum requirements for a project's governance arrangements include stakeholder representation (i.e., UNDP, national partners, beneficiary representatives, donors, etc.) with authority to make decisions regarding the project. Describe how target groups will be engaged in decision making for the project, to ensure their voice and participation. The project's management arrangements must include, at minimum, a project manager and project assurance that advises the project governance mechanism. This section should specify the minimum frequency the governance mechanism will convene (i.e., at least annually.)

SLGM Project management arrangements
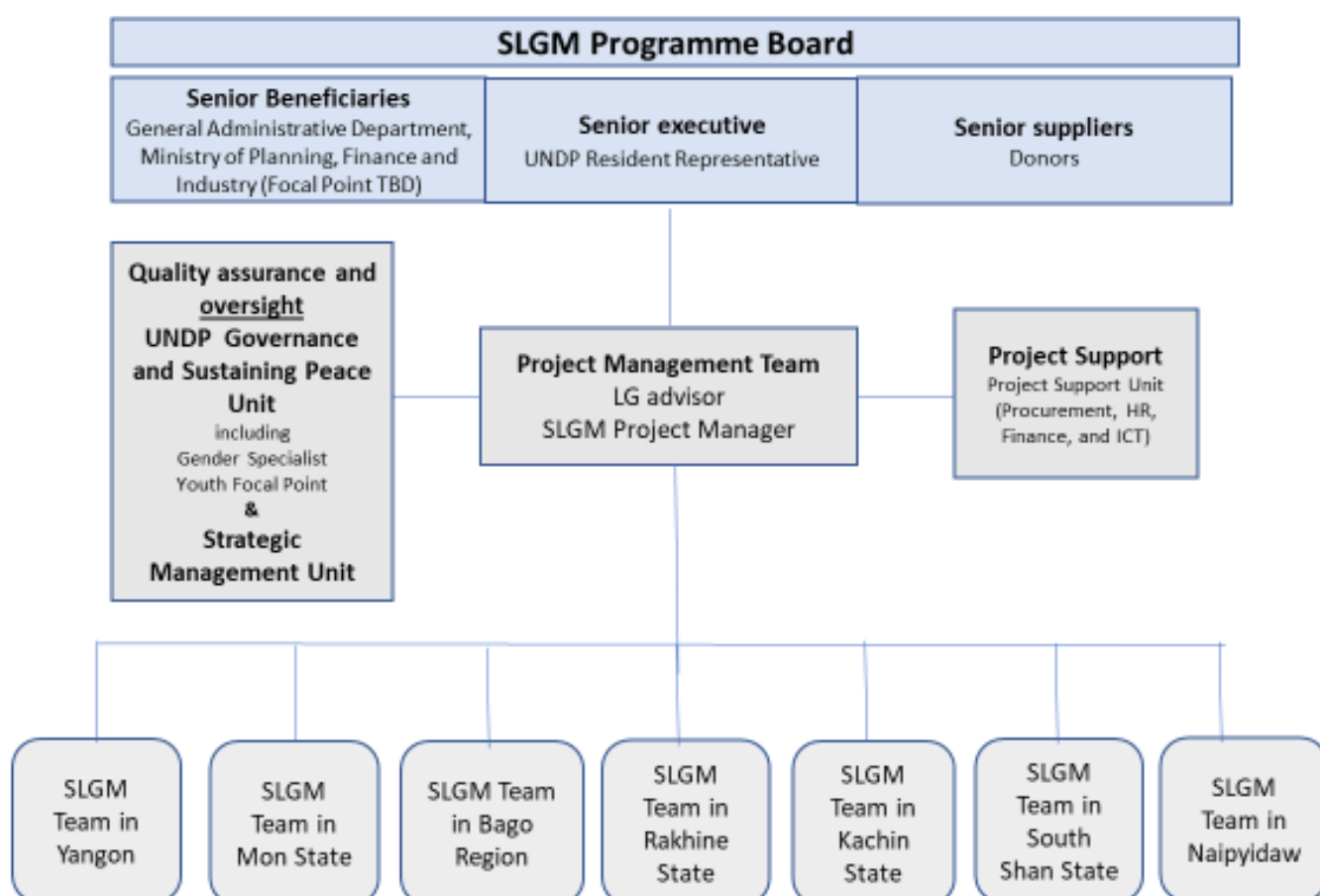
XIV. Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement 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 [name of entity] ("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 Implementing Partner 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.

XV. Risk Management

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds][47] [UNDP funds received pursuant to the Project Document][48] 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 sub-contracts or sub-agreements entered into under this Project Document.

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 the Implementing Partner 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. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.

6. 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.

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

    a. Consistent with the Article III 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

---

[47] To be used where UNDP is the Implementing Partner
[48] To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

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. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.

d. 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.

e. 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.

f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. 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.

g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner 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.

h. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under

this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this 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.

i. 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.

j. Should UNDP refer to the relevant national authorities for appropriate legal action 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, recover and return any recovered funds to UNDP.

k. 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 sub-contracts or sub-agreements entered into further to this Project Document.

XVI. ANNEXES (separate document)

1. **Theory of Change (Table)**
2. **Risk Analysis**
3. **Partnerships (table with potential partnerships and links to outputs)**
4. **Township Grant Funding Scenarios**
5. **Mainstreaming conflict sensitivity in SLGM programme design, implementation and monitoring**
6. **Project Quality Assurance Report** *(to be completed when the consultation process is finalised, expected during Q4 2020).*
7. **Social and Environmental Screening Template** [English] *(to be completed when the consultation process is finalised, expected during Q4 of 2020).*
8. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment) *(to be completed when the consultation process is finalised and funding options are clear, expected during Q4 of 2020).*
9. **Project Board Terms of Reference and TORs of key management positions** *(to be completed when the consultation process is finalised, expected during Q4 of 2020).*