United Nations Development Programme

Report of the Independent Assessment Mission

Covering the period July 2005 to May 2006

of the

Human Development Initiative Myanmar

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Abbreviations

ASR	FAO's Agricultural Sector Review and Investment Strategy of March 2004 (*Report No: 03/059 UNDP-MYA*)
APM	Agency Project Manager (HDI Position)
BSC	Balanced Scorecard
CBO	Community-Based Organisation
CDRT	Community Development in Remote Townships
EB	Executive Board (of UNDP)
FAO	Food and Agriculture Organisation of the United Nations
GC	Governing Council (of UNDP)
GOUM	Government of the Union of Myanmar
GRET	Groupe de Récherches et d'Echanges Téchnologiques
HDI	Human Development Initiative
HDI-E	Human Development Initiative – Extension (Phase 2)
HDI - III	Human Development Initiative – Phase 3 (1999-2001)
HDI - IV	Human Development Initiative – Phase4 (2003-2007)
HIV/AIDS	Enhancing Capacity For HIV/AIDS Prevention And Care
ICDP	Integrated Community Development Project
IAM	Independent Assessment Mission
INGO	International Non-Governmental Organisation
IGA	Income Generating Activities
IOM	International Organization for Migration
M&E	Monitoring and Evaluation
NAP	National AIDS Programme
MF	Sustainable Microfinance To Improve The Livelihoods Of The Poor
NGO	Non-governmental organisation
NRS	Northern Rakhine State
ODA	Overseas Development Assistance
O&M	operations and maintenance
PACT	Private Agencies Collaborating Together
PHC	Primary Health Care
PNA	Participatory Needs Assessment (also sometimes referred to as a Participatory Rural Appraisal (PRA)
RBAP	Regional Bureau for Asia and the Pacific (of UNDP)
SRG	Self Reliance Group
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNFPA	United Nations Population Fund
VDC	Village Development Committee
WFP	World Food Programme
WHO	World Health Organisation

Executive Summary

Introduction

In response to Executive Board decisions, UNDP has been implementing a set of projects collectively known as the Human Development Initiative (HDI) in Myanmar since 1994. Originally targeted to cover 24 townships (3,900 villages), the projects under HDI's four phases have been designed and implemented to address the basic humanitarian needs of the rural poor communities by supporting their sustainable livelihoods, including income generating activities and improving access to the basic social services such primary health care, basic education, small village infrastructure, water and sanitation and HIV/AIDS preventative information.

HDI's fourth phase (HDI-IV) began in early 2003 in the 24 original areas and was expanded from March 2005 to a further 40 townships bringing the total target to 64 (as per EB Decision 2005/3). Currently HDI operates in 5,444 villages in 57 of the 64 targeted townships[1]. To facilitate the implementation of the Expansion Plan, HDI-IV was extended for an additional two years for the period 2006-2007 (EB Decision 2005/42). A corresponding expansion in funding was approved, bringing the total core resource envelope to $43 million and the ceiling for non-core resource mobilization to $65 million. HDI-IV is scheduled to end in December 2007.

In order to ensure compliance with the GC and EB mandate, independent assessments of the HDI are carried out annually and reported to the Executive Board. The 2006 Independent Assessment Mission visited Myanmar between May 15 and June 2. It thoroughly reviewed the provisions of Governing Council decision 93/21 and Executive Board decisions 96/1, 98/14, 2001/15, 2003/02 and 2005/42. It also closely examined the extensive documentation for each of the 4 HDI-IV projects active in the field, visited 29 selected project villages in 15 of the 57 operating Project Townships and had extensive consultations with beneficiaries during field visits. It also met the heads of 4 embassies and had briefings with 15 other diplomatic delegations, 35 INGOs/NGOs and 7 UN agencies.

Conformity with EB Decisions

The Mission concluded that the content and objectives of all HDI projects are in total conformity with the relevant provisions of the Governing Council and Executive Board decisions.

Projects supported have been implemented directly by specialized United Nations Executing Agencies with the exception of one major project under the current HDI Phase IV that is being implemented under the Direct Execution modality by UNDP. All projects operate independently of Government and target the village level groups and needs described in the mandate.

Needs and Constraints

Although Myanmar is well endowed with natural resources, a large proportion of the population is extremely poor and faces extreme constraints on their ability to organize basic survival of the family (see Section 3). However, the government (the military regime known as the State Peace and Development Council or SPDC) provides extremely limited budgets for rural development and a policy environment that provides a focus and consistent funding for poverty reduction is lacking. Whether it be in education, health, transportation or agriculture, those who live in rural areas and especially the poor are significantly disadvantaged and disenfranchised by the system.

The rural poor are the most disadvantaged and face many problems:

- Access to land, credit, waged employment

[1] Annex 1 contains a full list of active areas at this time.

- The dwindling supply of so called "free" natural goods in the face of environmental degradation
- Access to education in the rural areas and the distances to schools
- The incidence of preventable diseases – AIDS, TB, malaria among them, but also importantly including diarrhoea, both from unsafe water and poor hygiene, which is a major killer of children in particular.

Although well wishers of Myanmar all seek the normalization of the political and developmental environment, there are those that would prefer to eliminate all but the most essential contact with Myanmar until this is achieved. In spite of this divergence, it is apparent to all that there are large and fundamental humanitarian needs facing significant numbers of vulnerable people in the country as a consequence of the current situation. It is also undeniable that UNDP is having success in meeting these needs and has unexploited potential to speak to them further.

Many of the constraints and challenges facing HDI-IV, including the domestic policy environment and the difficulty of the locations where the poor live, are beyond the control and influence of UNDP. However, the Mission notes that UNDP's policy of complete transparency is a well-conceived and implemented strategy adopted with representatives of all stakeholders – government at national and sub-national levels, opposition groups, ethnic and cross-border groups, donors. All are thoroughly briefed and continuously well informed about programme plans and activities. With few exceptions this has proven to be critically important and highly successful in pre-empting any move towards direct involvement by Government. By virtue of its content and objective, HDI is seen as a pro-poor programme which enhances the ability of individuals in government to defend the programme from internal pressures to some extent.

HDI-IV

The HDI-IV projects comprise the following:

- ***The Integrated Community Development Project (ICDP***) integrates seven sectoral projects of HDI-III and is operational in 20 Townships in the Dry zones, Shan State and the Ayeyarwady Delta. The core objective of the project is to strengthen the capacity of poor communities to address the basic needs of the community particularly those of the poor and disadvantaged.

- ***Community Development in Remote Townships (CDRT) Project*** operates in border states: Kachin, Chin, Kayin/Mon, and Rakhine including northern Rakhine State to cover 26 townships. The main objective of CDRT is to strengthen the capacity of poor communities in selected remote border townships to address their basic needs through a participatory community development approach.

- ***Sustainable Microfinance to Improve the Livelihoods of the Poor (MF)*** focuses on disciplined and sustainable micro-finance services to small producers in selective poor villages, while also exploring opportunities for advocacy to institutionalize micro-finance under a legal framework for the sustainability of this rural finance sector. Twenty-two townships are covered.

- ***Enhancing Capacity for HIV/ AIDS Prevention and Care Project (HIV/AIDS)*** refocused its objective in 2005 on strengthening the capacity of the Self Reliance Groups (SRGs) on raising awareness of the villagers including young adults, adolescents and men to the risks of the HIV/AIDS. The project's activities particularly concentrate on those areas of the country where HIV/AIDS is spreading rapidly.

- ***The Integrated Household Living Conditions Assessment (IHLCA)*** was designed to explore the extent, nature and causes of poverty in Myanmar. The preliminary draft report was completed in March 2006 and is now with the government for comments. The report will be finalized in the third quarter of 2006, following further discussions and analysis. This project has no field level activities.

One project has been completed:

- ***The Agricultural Sector Review (ASR)*** assessed the pro-poor agricultural policies and prepared an outline for an agricultural investment Programme for the country. It was completed in 2005 and was reviewed by previous Missions. Hence, it is not reviewed in detail in the 2006 IAM report.

2006 Assessment

The Mission has been thoroughly impressed with the quality of operations and the results being achieved in what is an increasingly narrowed space for humanitarian operations. The key sectors where support is needed remain those that are outlined in the GC/EB's resolutions: primary health care, the environment, HIV/AIDS, training and education and food security.

The primary beneficiaries of HDI-IV are the households in the 5,444 targeted villages in the 57 currently operational townships. As of April 2006, approximately 1.8 million poorer women and men in the poorest villages of targeted townships are the beneficiaries of the HDI. Specific benefits from HDI since 1994 include (i) improved food security and social services for the poor households; (ii) development of strong grassroots CBOs/SRGs to better manage community resources and better equipped to engage in participatory development approaches; (iii) improved economic status of poor women; and (iv) improved village-level basic infrastructure.

HDI-IV currently functions in 5,444 villages, served by the following projects:

CDRT	849 villages
ICDP alone	1,538 villages
Microfinance alone	1,925 villages
ICDP and Microfinance jointly	1,132 villages

Both CDRT and ICDP projects use accepted best practices to assess household poverty in each target village. This includes participatory needs assessment (PNA or "participatory rural appraisal" (PRA) exercises as they are also called).

In villages where ICDP and CDRT operate, almost all villagers receive some benefit from the investments in small-scale infrastructure (school rehabilitation and books, minor roads and paths, minor irrigation, soil conservation, water and sanitation, and jetties) and in training (in community management and organization, and specific skills -- agricultural extension, soil conservation, veterinary, auxiliary midwifery, health education, etc.). In those villages where Microfinance functions alone, the majority of benefits accrue to active clients of the project, though there are some indirect benefits to other villagers from increased economic activity.

The Microfinance Project can be counted among the best examples in the world in terms of providing service to the poor and in its success in creating operational sustainability.

Recommendations

The Mission has reviewed previous recommendations and found that not all remain relevant. The list has been trimmed. The following recommendations by the 2005 Mission are still relevant and will be commented upon.

1. Technical assistance for drafting a legal framework for microfinance

The 2005 Mission recommended that the international community should respond to the Government's request for technical assistance to draft a legal framework for micro-finance. This Mission urges UNDP to take action as a matter of priority. While UNDP cannot provide such assistance itself, there should be possibilities for the task to be taken up by another multi- or bilateral agency.

2. Exit strategy for HDI's original Townships

We support the 2005 Mission recommendation that UNDP should articulate an exit strategy for the 24 original Townships[2]. This has not been done. We recommend HDI's exit strategy for ICDP and CDRT should comprise a two stage process. When a defined end of project state is reached in the village, Stage 1 exit can begin with monitoring and selective capacity building activities designed to monitor sustainability and to support local decision making to protect it. This stage will continue to such time as UNDP judges that a continued presence is not required and all activities end (Stage 2). This will permit a significant transfer of staff time and budget resources to new villages.

By December 2007 HDI should have completed the Stage 1 exit for the 24 original townships. Section 7 contains suggestions for the design of activities for other townships.

3. Impact monitoring

The 2005 Mission recommended UNDP to urgently take steps to provide information on impact of HDI activities. Progress has been made. A Policy Unit with core staffing was established by the end April 2006 and a work plan for two years has been prepared. A methodology for impact monitoring is being developed but plans for a system for monitoring of results still is in its infancy and no structured impact information is currently available. This needs to be corrected urgently. (See further observations in Section 5.11.)

A full listing of the 2005 recommendations and the comments of the Mission are found in Annex 5.

At the same time the 2006 Mission offers a few recommendations as a means of further strengthening and consolidating gains.

<u>For the Community Development in Remote Townships Project (CDRT) and the Integrated Community Development Project (ICDP):</u>

1. Increase the loan capital for the self reliance groups (SRGs) supported by the projects.
2. Conduct a study of the 2002 interruption in funding to determine: a. the relationship between age of SRGs and their ability to survive; b. frequency of drop outs and their reasons.
3. The projects should identify and implement separate livelihoods activities for the lower wealth ranks in the programme and then track their operations using participatory M and E.
4. ICDP/CDRT need to develop and implement an exit strategy for the regular programme activities in the 24 original townships; it should be implemented in the current programme period (before the start of 2007).
5. After exit from Stage 1, there needs to be set of monitoring activities with related training in these same townships.
6. For ICDP - Decentralization can be improved and better coordination with HIV/AIDs education activities can be better organized.
7. ICDP should permit the attendance of Microfinance Project (MF) beneficiaries in livestock and agriculture training in the townships in which they both work.

<u>For the Microfinance (MF) Project:</u>

8. UNDP should review the operating mechanisms for the Project to see if the current level of operating support to field operations is still required.
9. A review is required of the loan types to ensure that borrowers adequately can finance their agriculture-based activities.
10. The UNDP EB might be asked for an exception to mandate to permit the necessary advocacy work related to establishing the legal framework; the recommended three year extension of time will give the project further opportunities to pursue this.

<u>HIV/AIDS</u>

[2] While not stated explicitly in the 2005 Mission report, this recommendation refers to the activities in the Integrated Community Development Project and the Community Development in Remote Townships Project. The recommendation is not relevant for the Microfinance Project.

11. Concentrate education efforts on high risk areas such as Hpaan, Pakokku, Myitkyina.
12. The HDI needs to seek means to reach men as a special target group and especially in high risk areas mentioned.

Other Observations

Overall, a more substantive dialogue with the donor community would be desirable in order to create a more comprehensive view of what needs to be done in country. The Mission noted and applauded the high degree of transparency of UNDP in their dealings with all stakeholders that will aid this.

The team observed that the constraints placed on UNDP are most unfortunate since it is in a unique position to provide activities that speak to humanitarian needs as well as preparing the development environment with competent CBOs that have grounding in participatory processes. A better strategy would be to use the experience that UNDP has gained in post-conflict programming worldwide to provide it with the freedom to engage the Government in programmes to expand its awareness of the crisis facing ordinary people and to lobby for policies for longer term improvements. Although some more conservative elements in the country are resistant to international contact, UNDP's performance stands the best chance of mitigating this and is a strong argument for its expanded presence.

Conclusions

HDI is in full compliance with the mandate required by the UNDP GC/EB in its achievements to reach the poor and vulnerable in rural areas of Myanmar with humanitarian assistance. In the absence of these efforts, the nearly 2 million people that derive direct benefits would otherwise be un-reached and suffer the hunger and disease that HDI village level activities mitigate.

The 2006 IAM was most impressed with the achievements of targets and the dedication of managers and staff operating in a difficult environment. HDI is performing an essential and urgently needed humanitarian service. It is also providing an important showcase of international best practices in participatory development in the country.

In view of the record of achievement, the need on the ground and the potential for HDI to serve that need, a further extension of time for 2008 to 2010 is highly recommended. A Programme Strategy for this further time extension needs to be formulated reflecting a more pro-poor and livelihoods-based approach outlined in Section 7.

Given the continuing humanitarian need and the success of HDI phases to date, the Mission finds there are overwhelming reasons for the continuation of HDI without interruption and that preparation for an extension of the programme for a period 2008-2010 should be accelerated.

1. Introduction

Background

The 2006 Independent Assessment Mission (IAM) visited Myanmar between May 15 and June 2 to conduct the annual assessment of Myanmar's Human Development Initiative (HDI) as required by UNDP's Executive Board.

ODA to Myanmar was suspended after the events of 1988. In 1992, the UNDP Governing Council (now known as the Executive Board) directed that the UNDP country programme be held in abeyance, pending a review of UNDP assistance to Myanmar by the Administrator.

Following the results of that review, the Governing Council adopted Governing Council decision 93/21 in June 1993. In this decision, the Governing Council, recognizing the critical basic human needs of the people of Myanmar, decided that until such time that a new Country Programme could be approved, all future assistance "should be clearly targeted towards programmes having grass-roots-level impact in a sustainable manner, … particularly in the areas of primary health care, the environment, HIV/AIDS, training and education, and food security**."** This decision continues to be in effect, having been reaffirmed by subsequent Executive Board decisions 96/1, 98/14, 2001/15, 2003/02, 2004/2, 2005/3, 2005/42 and 2006/2. In addition, the GC/EB decisions also called upon the Administrator to report annually to the Board on the extent to which UNDP activities meet the provisions of the relevant GC/EB decisions and the progress and challenges faced by the projects in their implementation.

In line with the above mandate, UNDP projects and activities have been formulated and implemented since 1993 in strict compliance with the guidelines set out in the relevant decisions. Individual projects are coordinated within a programmatic framework entitled the Human Development Initiative (HDI). Given the ongoing concern by the international community on the country situation and the needs of the affected population, project activities are largely focused on humanitarian assistance.

At the GC/EB request, annual independent assessments and reviews of HDI Projects have been carried out since 1994, and findings summarized in the Administrator's annual report to the Executive Board. These assessments and reviews focus on ***(a) the extent to which UNDP assistance to Myanmar continues to meet the provisions of the relevant decisions and (b) the progress and challenges in the implementation of project activities of the Human Development Initiative***. The current independent assessment Mission covers the period July 2005 to May 2006.

The 2006 IAM has assessed compliance with the mandate in the implementation of the ongoing HDI Phase IV projects during this period. In addition, it has also looked into the progress and challenges in the implementation of HDI Phase IV projects from a macro standpoint to support the Administrator's ability to provide a comprehensive report to the Executive Board to meet the requirements of the mandate for the period covered. At the request of UNDP, the 2006 IAM has examined the following major issues:

- Are the directives of the GC/EB decisions being closely followed?
- Are the projects addressing the basic human needs of the target beneficiaries in the project areas in the areas mandated in GC decision 93/21, namely, primary health care, the environment, HIV/AIDS, training and education and food security? A differentiated analysis for men and women is provided to the extent possible.
- How has gender been addressed in the HDI? What has been the impact of the programme been on gender equality and the advancement of women?
- Are current monitoring and evaluation mechanisms and procedures adequate to measure results in a gender disaggregated manner and ensure transparency and accountability of project activities?

- Has appropriate follow-up action been taken to implement the recommendations made by the HDI 2005 Assessment Mission?
- Have measures been taken to strengthen capacities to evaluate the impact of the programme and share HDI findings with various stakeholders?
- What are the challenges and constraints being faced by HDI in its implementation? How are these being addressed?
- What are the main issues to be kept in mind in planning any next phase of the HDI?

Programming context

Although Myanmar is well endowed with natural resources, a large proportion of the population is extremely poor and faces extreme constraints on their ability to organize basic survival of the family (see Section 3). However, the government (the military regime known as the State Peace and Development Council or SPDC) provides extremely limited budgets for rural development and a policy environment that provides a focus and consistent funding for poverty reduction is lacking.

What is different in Myanmar is the multiplicity of external actors who since the late nineteen eighties have been keenly observing events there. Although well wishers of Myanmar all seek the normalization of the political and developmental environment, there are those that would prefer to eliminate all but the most essential contact with Myanmar until this is achieved. In spite of this divergence, it is apparent to all that there are large and fundamental humanitarian needs facing significant numbers of vulnerable people in the country as a consequence of the current situation. It is also undeniable that UNDP is having success in meeting these needs and has unexploited potential to speak to them further.

Recent events have resulted in an increasingly narrow humanitarian space. In December, 2004 a reshuffling of the cabinet took place and the dialogue on humanitarian issues has been more difficult since then. Although some supportive members of the bureaucracy are still in place, by and large they are under significant pressure in their new operating environments.

In February 2006, the Ministry of National Planning and Economic Development put forward new Guidelines for UN Agencies, International Organizations and NGOs/INGOs on Cooperation Programme in Myanmar. The various provisions relate to: Ministry level approval of programmes, coordination, of Memoranda of Understanding, of project implementation, opening and registration of field offices, appointment of staff, internal travel, management and equipment purchases, and coordination at the State, Division, and Township levels. As such, they appear to illustrate Government's interest in greater central control of the operations of international agencies and represent a possible constraint to HDI and other international actors discussed in Section 4 below.

An area of emerging concern within the donor community is the impact of the above noted shortage of budgets on a subset of public health issues (HIV/AIDS, and the three diseases - measles, TB and diarrhoea) as basic concerns affecting the lives of the poorest families, and how to effectively address them.

Despite a constrained programming environment, the Mission firmly believes that the delivery situation on the ground in Myanmar is not radically different from other countries where UNDP has had relevant experience. This is especially apparent when looking at UNDP conflict and post-conflict programming in other regions of the world. It is in this context that UNDP has been able to formulate successive phases of the Human Development Initiative, to provide humanitarian assistance on plan and on schedule – at least up until now.

Whatever the further developments, there is an undeniable need for large amounts of humanitarian assistance to target especially the poorest portions of the population and to attempt to fill the gaps between their current state of urgent need and the ability of the government to reach them.

Programme description

In response to the Executive Board decisions, UNDP has been implementing a set of projects collectively known as the Human Development Initiative (HDI) in Myanmar since 1994. Originally targeted to cover 24 townships (3,900 villages), the projects under HDI's four phases have been designed and implemented to address the basic humanitarian needs of the rural poor communities by supporting their sustainable livelihoods, including income generating activities and improving access to the basic social services such primary health care, basic education, small village infrastructure, water and sanitation and HIV/AIDS preventative information.

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While a distinct sectoral approach characterized earlier HDI phases, the key difference of HDI-IV is its adoption of a holistic and integrated approach that provides a more highly decentralized, community-driven development. HDI-IV has six component projects, three of which provide broad support for community development and microfinance. The other three projects provide support in HIV/AIDS and research on poverty and the agricultural sector. Currently the latter two research projects have either completed or are about to complete their work and reports are being reviewed with Government. There are thus only four operational projects on the ground.

The HDI-IV projects comprise the following:

- ***The Integrated Community Development Project (ICDP***) integrates seven sectoral projects of HDI – III and is operational in 20 Townships in the Dry zones, Shan State and the Ayeyarwady Delta. The core objective of the project is to strengthen the capacity of poor communities to address the basic needs of the community particularly those of the poor and disadvantaged.

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2. Conformity with GC/EB Decisions

The Mission thoroughly reviewed the provisions of Governing Council decision 93/21 and Executive Board decisions 96/1, 98/14, 2001/15, 2003/02, 2004/2, 2005/3, 2005/42 and 2006/2. It also closely examined the extensive documentation for each of the four currently operational HDI-IV projects[4]; visited 29 selected project villages in 15 of the 57 operating Project Townships and had extensive consultations with beneficiaries during field visits made during the period May 18 through 28, 2006. It also met the heads of 4 embassies and had briefings with 15 other diplomatic delegations, 35 INGOs/NGOs and 7 UN agencies.

The Mission concluded that the content and objectives of all HDI projects are in total conformity with the relevant provisions of the Governing Council and Executive Board decisions. Projects supported have been implemented directly by specialized United Nations Executing Agencies with the exception of one community development project (ICDP) that is being implemented under the Direct Execution modality by UNDP. All projects operate independently of Government and target the village level groups and needs described in the mandate.

3. A Snapshot of Poverty and Human Needs in Myanmar

Reliable and consistent data on poverty and human needs for the country are problematic given the absence of national surveys and the general lack of demand for such data in government. UN agencies have assembled some data relevant to humanitarian programming and in an attempt to encourage greater government investment in the needs of the poor[5].

A *Least Developed Country (LDC),* Myanmar has an estimated population of 54.3 million and an annual population growth rate of 2.02%[6], resulting in an average population density of 80 people per square kilometre. Under-15's account for slightly less than one-third of the total. Per capita income in 2002 was US$1,027[7] (*ppp)*, and it ranked 129 in the Human Development Index of 2003[8]. There are approximately 135 different ethnic groups in Myanmar, with the dominant ethnic group, the *Bamar*, making up approximately 69 percent of the population. The majority of the people are Buddhist, with a small percentage of Muslims, Christians, and Hindus. About 70-75% of the population resides in the rural areas. It is estimated that the rural population may decline to 63% by 2015.

The more urbanized Divisions include Yangon, Mandalay and Ayeyarwady where there is greater potential for employment and access to social services. Some 39% of the population is concentrated there and the trend of movement to these areas is likely to continue among people from disadvantaged areas.

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[4] These are Community Development in Remote Townships (CDRT), Integrated Community Development Project (ICDP), Sustainable Microfinance To Improve The Livelihoods Of The Poor Microfinance (MF) and Enhancing Capacity For HIV/AIDS Prevention And Care (HIV/AIDS).

[5] The last census was in 1992 and there is a dearth of funding for data collection generally. The data contained here is from the FAO's Agricultural Sector Review (ASR) and Investment Strategy of March 2004 (Report No: 03/059 UNDP-MYA) and the UNDP Country Office data.

[6] Handbook on Human Resources Development Indicators, Ministry of Labour and UNFPA, 2005. Table 1. Population figures are disputed. World Bank population growth rate estimates are 1.1% for 2003 and 2004. WHO and UNICEF estimate population at just over 50 million.

[7] 2002 Human Development Index issued in 2004.

[8] 2003 Human Development Index issued in 2005.

Agriculture and Land Issues

Four major river systems feed Myanmar's highly fertile land. The economy is basically agrarian with the largest share of the agricultural production being rice. Other important crops include beans and pulses, cotton, sugarcane, edible oil crops, maize and tobacco. Myanmar still has considerable forest cover and is among the world's largest exporters of teak and other hardwoods. Mineral resources of the country include natural gas, lead, petroleum, silver, tin, zinc, and precious and semi-precious gems, such as jade, rubies and sapphires.

Agriculture provides more than half the country's GDP and employs about two thirds of all labour. Current estimates are that 30% of rural people are landless overall[9] however, some parts of the country experience higher rates. With perhaps 70% of the population living in rural areas, this would mean one in five (21%) of all rural families has no land. A further 37% of households depend on small or marginal farms (less than 5 acres) but there are large variations from place to place[10]. The proportion of households with medium size farms (5 to 10 acres) in 2003 was estimated to be around 15%, only 7.6% of households are operating more than 10 acres of land. The proportion of small/marginal landholding households tends to be higher in relatively difficult and isolated States/Divisions.

The ownership of rural land is vested in the State and the right of cultivation can only be provided by village level land committees as approved by higher level land committees. Under normal circumstances, land cannot be used as collateral to access rural finance. In addition, there is no legal basis for transfer of land ownership from one person to another. However, field surveys show that rural land transactions are common all over Myanmar and particularly so in more densely populated areas like Ayeyarwady Division. It is common to informally mortgage land with moneylenders or even to sell one's land to meet emergency cash needs or repay high interest loans. There is a consistent pattern that indebtedness is increasing the one in five figure for landlessness in many parts of the country.

The inability of most farmers to afford fertilizer and the general lack of access to credit is a huge constraint to productivity. With the extremely limited geographic coverage and bias towards landed farmers of the Myanmar Agricultural Development Bank, credit for the poor is normally only available from money lenders who charge rates of up to 10-15% monthly.

The poor and landless have had to turn to casual labour in order to provide for their daily needs and are typically employed at a rate of less than US$1 per day when work is available. The significant seasonal migration that results is also related to the lack of intensiveness of land use, the small number of value added enterprises and the consequent inability of even better off farmers or entrepreneurs to provide much in the way of wage labour in the immediate area.

There is a growing concern with environmental degradation as Myanmar's natural resource base – land forests and rivers on which food production and livelihoods depend – is being consumed at an unsustainable rate. With an increased need for off-farm jobs, poor and landless families typically rely directly on "free" natural goods, the supply of which dwindles at an accelerating rate.

Access to Education and Health Services

Government figures show the overall adult literacy rate in Myanmar improved from 76% in 1980 to 85% in 2000 while the youth literacy rate (aged 15-24) has increased from 85% in 1980 to 91% in 2000, however, some parts of the country show disparity in achievement. These figures are slightly lower than more advanced ASEAN economies but higher than those for Cambodia, Laos, and Indonesia.

Information on quality of education could be judged partly from class size. The data suggests that compared to 1997/1998, in 2001/2002 the national student to teacher ratio increased by 37%, 4% and 9%

[9] Agricultural Sector Review (2005)
[10] Almost all households in Shan (East) for example have small/marginal farms.

at the high, middle and primary school levels respectively[11]. Information for rural schools is not available. This implies that the system is unable to respond to high demand for high school education in particular, resulting in substantially higher workload for teachers. A larger divergence in access to education, particularly for rural children, will likely result in poorer equipped youth in the rural areas that ultimately will exacerbate problems of equity and national growth.

During its travels, the Assessment Mission was acutely aware of the shortage of primary schools and the even greater difficulty of children to access post grade 4 education – distances often being five or more kilometres to the nearest Grade Five and up facility.

It is reported that the population with access to health services in Myanmar increased from 33% in 1985/87 to 60% in 1990/95[12]. According to Government data reported for UNDP's Human Development Index, the average life expectancy and infant mortality rates for Myanmar's population are now marginally better than for people in Cambodia and Laos. In general rural mortality rates, whether for infants under-5 or for mothers at birth, are higher than for equivalent urban populations. Males also suffer a higher mortality rate than their female siblings in most States/Divisions. Higher mortality rates for rural areas are not surprising as the health services tend to be of relatively inferior quality, there are problems of timely access to health services, and home delivery is more common, with its associated lack of ideal sanitary conditions. In several States/Divisions the rates for maternal mortality in rural areas are more than double their urban counterparts. The urban rural divide is particularly apparent in relatively remote States/Divisions where substantially higher maternal mortality rates are the norm for rural areas (e.g. Chin, Kachin, Shan, Tanintharyi and Rakhine).

Dysentery and other water-borne diseases kill many people in Myanmar each year, and make many others ill[13]. Diarrhoea, caused by unsafe water and poor hygiene, is a major killer of children. Many villages get their water from open wells, springs, rivers or ponds usually collected by women and children. During the dry season, the local water source may dry up, requiring a walk of several miles to the nearest well. Where water is scarce, people are forced to drink contaminated water, as safe water is a luxury they cannot afford.

Latrines are still uncommon in many rural areas, and knowledge of basic hygiene and sanitation practice is scant. Many people do not make the link between poor water quality and diseases such as diarrhoea, intestinal worms and skin diseases. Dirty hands and unsanitary waste disposal perpetuate the cycle of disease and poverty.

The national targets for safe drinking water supply and sanitation was set at 50% of the population by 1990 and 100% of the population by the 2000. However, the actual performance of this sector is far below the planned targets. Surveys by the Government and UNICEF revealed wide disparities in access to safe drinking water between rural states and regions.

Government five-year plans exist for combating the many public health challenges and reflect a high level of technical expertise. Government achievements include progress toward iodine deficiency disorders. However, the scope and depth of implementation of plans is often lacking due to chronic shortage of funds resulting in insufficient quantity and quality of public health services.

The impact in the rural areas is especially significant where outreach is consequently limited. Malaria is one of the biggest killers in the rural areas and is a major public heath problem in Myanmar and in the South-East Asia Region. Shockingly, slightly over half of all Asia's reported malaria deaths in 2004 occurred in Myanmar[14] - more even than in India with its far larger population.

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[11] Agricultural Sector Review (2005)
[12] Reducing Poverty Through Provision of Basic Services", Prafulla Pradhan (2001), UNHABITAT *Debate,* Vol. 7, No. 2 (http://www.unhabitat.org/hd/hdv7n2/supp_myanmar.htm)
[13] ibid
[14] WHO data: http://w3.whosea.org/en/Section10/Section21/Section340_4018.htm

Myanmar is among the lowest performers among ASEAN countries for infant mortality (second worst), income (lowest) and primary enrolment (third lowest). Perversely, Myanmar's data shows nearly the highest rate of adult literacy, perhaps indicating a serious decline in primary education funding with the portent of dramatic future changes in adult literacy[15].

Myanmar has one of the most serious HIV/AIDS epidemics in Asia with an estimated national HIV prevalence rate of about 1.3% for adults. The latest reports indicated that HIV prevalence among injecting drug users was 34% and sex workers was 27%. Moreover, the epidemic is now more generalized in the population, with an estimated 1.8% HIV prevalence among pregnant women (HIV sentinel surveillance report, as of 2004). Moreover, since Myanmar is situated between three countries with serious HIV problems (India, China and Thailand), HIV could soon reach catastrophic proportions affecting the entire region unless there are effective advocacy campaigns for high-risk population groups as well as the general population.

Policy Framework

Undoubtedly a key barrier facing the reduction of poverty in Myanmar and the mitigation of extreme vulnerability is the absence of a conducive national development policy framework. Whether it be in education, health, transportation or agriculture, those who live in rural areas and especially the poor are significantly disadvantaged and disenfranchised by the system. The problem is only partly a lack of financial resources.

FAO/UNDP's Agricultural Sector Review put it thusly: "In a dynamic world, if Myanmar aspires to be on equal footing with other ASEAN economies in terms of economic development and standard of living, the country would need to formulate, test, implement and evaluate people-centred institutions and policies, based on regular monitoring and periodic evaluation with an aim to provide assistance to various interest groups. National policies and institutions need to change. As an example in agriculture, the current commodity focus within the national agricultural research system is of limited relevance to majority of the farmers. In reality, small and medium farmers tend to adopt a mixed farming system, combining crops with such activities as livestock, fishery and aquaculture, collection of natural resources, and off-farm income, depending upon geographical location."

The key sectors where support is needed remain those that are outlined in the GC/EB's resolutions: primary health care, the environment, HIV/AIDS, training and education and food security.

4. Constraints and Challenges facing the HDI Programme

The humanitarian space

Whereas humanitarian assistance programmes anywhere in the world face constraints and challenges, the political history of Myanmar over several decades, the characteristics of the present political environment and the wide range of actors within and outside the country with strong interests in its future have resulted in unusually complex and multifaceted constraints and challenges to a programme such as HDI.

Presently, as mentioned, these constraints and challenges seem to be on the increase, narrowing the space for humanitarian assistance. With some differences in terms of degree, this is a shared opinion in the donor community in the country[16]. HDI staff at different levels corroborated this view. At the central level the Government has expressed ambitions to more closely monitor and co-ordinate donor and NGO activities.

[15] UNICEF data.
[16] The Mission met the heads of 4 embassies and had briefings with 15 other diplomatic delegations, 35 INGOs/NGOs and 7 UN agencies.

The implementation of the Guidelines for UN Agencies, International Organizations and NGOs/INGOs on Cooperation Programme in Myanmar presented by the government in February 2006 has not yet begun and UNDP has not yet experienced much impact on its operations on the ground. However, the proposed levels of oversight imply a very much increased level of engagement and control of international humanitarian activities and the international community has expressed its concern on the content and application of the guidelines as well as the overall operating environment for the provision of assistance. At stake in particular is whether the guidelines might compromise the humanitarian community's ability to respect the fundamental humanitarian principles of humanity, impartiality and non-political action as stipulated in the Geneva conventions and enshrined in various UN agreements to which the government of Myanmar has committed itself. There are signs as this report is being written, however, that the Government may be willing to discuss them further or amend them.

At the township level the Mission noticed an increased interest by Township Authorities in the Programme. In many instances this interest is limited to being well informed or to be approached for routine approval for certain investments such as building a school. In other and fewer instances Township Authorities have shown a more active role vis-à-vis the Programme. There are instances where the Township Peace and Development Council have insisted on accompanying programme staff and Missions. Instances are also reported when Township Authorities, including local commanders, have questioned the location and design of activities such as school construction.

However, there is presently no indication that such a more active role is the consequence of a policy directive that is being consistently implemented. Much depends upon the personalities involved at sub-national level, where *de facto* significant power is vested.

The Mission was also informed that the government has recently begun a policy of sponsoring mass organizations at the village level. So far these developments have not interfered with the operations of the Programme to any degree that is of concern. It has meant that programme staff has had to devote more time to provide extensive and detailed information to different authorities as further discussed below, but it has not - other than exceptionally - influenced programme work plans and their implementation.

What these developments mean in a long-term perspective is indeed an open question. All depends upon the future direction, content and pace of such trends. Clearly there is a potential for frictions between the Programme and the Government.

The EB mandate

Given the political and economic challenges in Myanmar and the need to operate within the EB mandate and other requirements that preclude policy dialogue, capacity-building and transfer of resources to government, HDI has in effect become a gigantic NGO operation with a completely parallel-to-government approach.

The development community has accepted for decades that such processes are anathema for externally funded activities and should be avoided, particularly so in programmes delivering public goods and services. The compelling reason is the lack of sustainability that is threatened by such arrangements. Therefore, whereas some of the benefits at village and household level are indeed likely to be sustainable (and more can be done to ensure this), the services provided by HDI cannot anticipate official support systems as a factor in their sustainability with present implementation arrangements.

It is obvious to the Mission that decisive and lasting improvements of the conditions of the poor in Myanmar can only materialise if key national policy issues are resolved. A second area of improvement very manageable by HDI would be in choosing activities based on the likelihood of their local level sustainability. This is discussed more in Section 7 – Design Issues for the Next Phase.

A range of stakeholders with different expectations

The various UN agencies operating in Myanmar do so with different mandates, reflecting a range of perspectives about the best approach with regard to international assistance to Myanmar. UNDP's mandate, as described earlier, is among the most restrictive.

In this context the Mission wishes to compliment UNDP for its unambiguous humanitarian commitment to the many poor in rural areas as the stakeholder of prime importance and the efforts made to make it possible to live up to this commitment. UNDP is well placed to channel further humanitarian assistance which the Mission finds very much required.

Sustainability

HDI's four separate projects have the combined objective of helping poor communities to meet their basic social and food security needs. Through its activities and processes, HDI focuses on the following four UNDP Practice Areas[17]:

- Poverty reduction
- Governance at the local level
- The environment
- HIV/AIDS.

UNDP's Myanmar programme is a most unconventional one compared with other country programmes - although very appropriate to the circumstances. What is unusual clearly is the independence of programme delivery from government that is *de jure* required by the GC/EB mandate. This has resulted in a stand-alone approach of programming which isolates the programmes from the capacity development that normally goes hand in hand in more development oriented programming scenarios. Other UN organizations are not subject to this.

Although complying with the mandate and clearly delivering much needed benefits, there is a cost in the inability of programmes to directly influence government services. Combined with the poor outreach, the paucity of government resources for rural development and poor policy environment mentioned above must create a different definition of sustainability.

The Mission believes in HDI "sustainability" must mean ***local*** sustainability defined and conditioned by the community's interest and ability to pay (in cash and in kind) to a far greater extent than would otherwise be the case. This has many implications for the type and costs of interventions that the Mission has observed and that should be further developed. These are discussed further in the Sections below.

Managing constraints and challenges

Many of the constraints and challenges presented above are beyond the control and influence of UNDP. However, with respect to the challenges on the domestic scene, the Mission notes that a well-conceived strategy has been adopted and effectively implemented to mitigate problems that can follow from these constraints.

That strategy is simply one of ensuring complete transparency. As a matter of policy and operational practise, HDI ensures that relevant representatives of all stakeholders – government at national and sub-national levels, opposition groups, ethnic and cross-border groups, donors, -- are thoroughly briefed and continuously well informed about programme plans and activities. A significant portion of the time of senior staff is precisely devoted to such information sharing activities. With few exceptions this has proven to be critically important and highly successful in pre-empting any move towards direct involvement by Government. By virtue of its content and objective, HDI is seen as a pro-poor programme which enhances the ability of individuals in government to defend the programme from internal pressures to some extent.

[17] UNDP focuses globally on 6 Practice Areas, the other two being Crisis Prevention and Recovery, and Information and Communications Technology.

The rationale for a continuation of HDI in such an environment

The question can be raised how meaningful it is to continue the operations of a programme such as HDI in an environment, that provides such severe constraints and a shrinking humanitarian space, and that bypasses Government involvement thus limiting or at least redefining sustainability. Under normal circumstances the Mission would probably have raised questions regarding the justification for continued support. However, the following three observations lead to a rather different conclusion.

Firstly, the poverty of large sections of the population who get little or no support from the government to satisfy basic needs in terms of livelihoods, health and education is glaringly apparent.

Secondly, the success of the HDI to effectively provide such support on a large scale is a fact.

Thirdly, the significance of the presence of HDI at village level providing evidence that their plight is known and recognised and that there is solidarity and compassion beyond their village and beyond the borders of Myanmar is indisputable.

Based on these observations the opinion of the Mission is that there are overwhelming reasons for the HDI and that preparation for an extension of the Phase IV programme for a period 2008-2010 should be accelerated.

5. HDI Methodologies and Current Status

Household Poverty and Project Targeting

Both CDRT and ICDP projects use accepted best practices to assess household poverty in each target village. This includes participatory needs assessment (PNA or "participatory rural appraisal" (PRA) exercises as they are also called). This results in a useful wealth ranking done by villagers that defines "poverty categories" and defines the real poor as perceived by the communities. Household poverty is normally classified into five categories of households: destitute, very poor, poor, medium and non-poor. The first two are known collectively as "the poorest". Factors such as land and livestock ownership, housing conditions, household size, income generating abilities, asset structure, food availability, and sustainable income sources are some of the key criteria used by the villagers in the assessment.

The overall poverty rate for the HDI project areas varies from 38% in a very few villages in Shan State to 96% in a few Chin State villages. However, most of the HDI villages have more than 80% of the households classified as poor and 10% households as poorest of the poor. The results from the Agricultural Survey Review findings are quite consistent with HDI's assessment according to our Mission observations[18]. The field observations lead us to conclude that poverty is deep rooted in all the project areas.

In most of the target villages, a significant proportion of households (three in ten) are landless[19] and thus have no other option but to seek wage employment, most usually through casual labour on farms and plantations and often requiring seasonal migration far from their village. These "poorest households" have very little access to any productive assets and are not credit worthy even by private money lenders due to their chronic poverty. They are food insecure, with food deficit periods ranging from 3-5 months. Their coping strategies include: borrowing cash or food from neighbours, advance sale of their labour, working outside the village for food or wages when the opportunity exists; migrating to other states, collecting forest products for consumption or sale; diversifying their food intake, and ultimately reducing food quantity and quality.

[18] In fact the sampling methods of the ASR were designed to be statistically significant to the Division level only.
[19] Data from CDRT/ICDP hand outs

Among the slightly better off "poor households", all (irrespective of land holding size and gender of household head) borrow funds from private moneylenders and relatives. The households with less than three acres of land borrowed money against advance sale of their meagre crop production or casual labour. The Mission's field observations indicate the poorer households borrow money to meet even their basic minimum needs such as the purchase of food, schooling of children and health care for household members. In a number of instances households that had borrowed from private money lenders, were forced to sell or give land to moneylenders when their loans were in default due to the exorbitant interest rates. Anecdotal evidence from the field indicates that landlessness is strongly correlated with levels of indebtedness, and the likelihood of small/marginal farmers becoming landless is far greater than those with larger landholding size.

Targeting Strategy

The project has an intelligent and structured targeting strategy using objective criteria for area-cluster-based targeting in association with a number of specific mechanisms to ensure that poor villages are targeted for both Grant Funds operated by the projects[20]. Self-Reliance Groups (SRGs) made up of poor women are specifically targeted for the Sustainable Livelihood Development Fund. The targeting strategy involves: selecting townships where poverty rates are highest; apportionment of project resources among the villages within a township using transparent criteria and open selection process that are weighted in favour of poorer cluster of villages; using community generated data through PNA/ PRA and Wealth Ranking to obtain a more complete picture of the rural poor; targeting poor households through SRGs for project resource allocation, training on savings and credit, vocational and skills based training, extension training on production and health education and matching grant for the group savings and adopting highly decentralised, participatory targeting processes that emphasise basic principles of transparency and accountability. The overall geographical targeting strategy is appropriate and transparent. However, the poorest sections and marginal groups do not seem to sufficiently benefit from the project due their inability to join SRGs for reasons mentioned above.

We believe HDI could usefully sharpen the targeting to include the poorest of the poor through identifying and prioritising the needs of the poorest and including an investigation of "food poverty" in PNAs/ PRAs. Providing poor households with preferential access to wage labour opportunities under any community infrastructure investments would assist them enormously.

Project activities and support could be better tailored to this group so that activities are of a type and scale that are more likely to be attractive to poorest households through self-targeting. For example: homestead gardening, back yard poultry or indigenous piglet operations; reservation of small funds for poorest household-identified activities. The projects might also investigate setting pre-conditions for pro-poor community contributions before approval of expensive "public goods" micro projects. Since land is the biggest constraint to improved income, communities might be encouraged to provide access for the poorest to common property or land, allocation of undeveloped or barren land, assistance to homestead improvement and terrace farming.

A further suggestion to reach the poorest is to replicate the "rice-bank" concept through a "food-bank" to support the hungry households during the two month acute starvation period between May-June.

5.1 Overall Programme Scale and Beneficiaries

The primary beneficiaries of HDI-IV are the households in the 5,444 targeted villages in the 57 currently operational townships. As of April 2006, approximately 1.8 million poorer women and men in the poorest villages of targeted townships are the beneficiaries of the HDI. Specific benefits from HDI since 1994 include (i) improved food security and social services for the poor households; (ii) development of strong

[20] Projects normally offer two types of funding – for community infrastructure and for livelihoods.

grassroots CBOs/SRGs to better manage community resources and better equipped to engage in participatory development approaches; (iii) improved economic status of poor women; and (iv) improved village-level basic infrastructure.

HDI-IV currently functions in 5,444 villages, served by the following projects:

CDRT	849 villages
ICDP alone	1,538 villages
Microfinance alone	1,925 villages
ICDP and Microfinance jointly	1,132 villages

In villages where ICDP and CDRT operate, almost all villagers receive some benefit from the investments in small-scale infrastructure (school rehabilitation and books, minor roads and paths, minor irrigation, soil conservation, water and sanitation, and jetties) and in training (in community management and organization, and specific skills -- agricultural extension, soil conservation, veterinary, auxiliary midwifery, health education, etc.). In those villages where Microfinance functions alone, the majority of benefits accrue to active clients of the project, though there are some indirect benefits to other villagers from increased economic activity.

Further details are included in the specific project sections below.

5.2 Self-Reliance Groups

HDI has achieved impressive results through the use of self reliance groups (SRGs). SRGs are the grassroots organizations fostered by the CDRT and ICDP and that employ a participatory approach to social learning, action and capacity building for members' sustainable livelihood. These SRGs have proven to be the central mechanism and a most successful instrument to promote self-esteem, participatory development, savings, credit, capital formation, sustainable livelihoods, extension and skills trainings and reproductive and primary health care trainings. The sustainable livelihood development funds of both the ICDP and CDRT projects are channelled through the SRGs. As of April 2006 a total of 3,474 SRGs have been formed and functioning, 1,765 and 1,709 SRGs under CDRT and ICDP respectively.

SRGs are generally small homogenous affinity groups, with between 15-20 members with the majority of members from the poor and poorer category. Average household size for the members is 5 persons per household. The poorest are not members of the SRGs (see below).

SRGs are very well functioning groups in the present HDI areas. Members hold regular meetings, develop their own rules and regulations, make weekly savings and provide credit services to their members. Most of the SRGs provide a social safety net for their members. The project role is limited to providing technical support through trainings, facilitating the identification of livelihood opportunities to some extent and offering matching grant funds for their savings to support their activities. Almost all of the poor women from the project area are members of the SRGs and their main group activities are focused on savings and credit activities for income generation.

Most of the SRGs have excellent performance records in maintaining the discipline required by their own savings and credit rules and regulations. Group leadership rotates. The member participation is high (80-90%) for group discussions and decision making on mobilizing savings, interest rates, utilization of available loans, common fund management. Problems of the groups are also solved through consensus decision making by members. As members are poor, their savings are not from surplus money and represent a significant personal and family achievement. The saving is voluntary and results from the thrift of each member. SRGs act like village based micro-banks and members save in and borrow from them.

The achievements of SRGs are many: **economic impacts** through regular income and savings for income generation activities, increased income to better cope during the lean labour season; purchase of assets and home improvements; improved livelihood through access to production (livestock and agriculture) loans; **easy access** to credit for emergency loans that saves the lives of their children and elderly; **social impacts** including improved knowledge and skills levels, increasing confidence (especially from increased savings habits that were unheard of earlier), social networking and decision making within family and community, increased school enrolment rates, donations to village development and for religious purposes, providing a forum for discussions with united and affinity bonded members.

Some problems do exist. SRGs take more than a year to accumulate adequate common funds to be eligible for receiving the matching grant from the project. When the SRGs evolve to become more mature groups and reach saturation of numbers, the funds available for borrowing are inadequate for further expansion of their successful income generation activities, thus exacerbating the saturation effects. The full potential of the SRGs remain unexploited due to limited existing income generation opportunities, absence of forward linkages to new technology, production services, marketing and rural financial institutions for expanding their successful micro-enterprises[21]. Further there are no formal financing mechanisms that can inject additional capital required for a longer term sustainability of these SRGs.

Though the SRGs have extensive impact on poor households the Mission observed that the very poor are excluded from membership. Reasons include: their seasonal migration in search of labour prevents regular meeting attendance; they have fewer income opportunities and a smaller absolute income that in combination result in irregular savings; loan repayment is perceived to be a problem; savings opportunities are also restricted as labour is mostly sold in advance; social vices of partners; the trap of extreme poverty resulting in the entire household income spent on consumption to cope with hunger.

Currently SRGs have achieved a very high level of sustainability through their performance and involvement in the variety of activities receiving the technical and financial support of HDI. There is no strategy under consideration as to how SRGs will adapt operations to continue offering acceptable services beyond the project life.

To more fully integrate HIV into the community development initiatives, the HIV project has trained the already established SRGs as disseminators of HIV prevention education messages in the villages. This has somehow increased the reach of HIV education, especially among rural women.

As useful as the SRGs appear to be to the members, the supporting external environment is quite fragile and there are several issues that they will have to deal with relating to their long-term sustainability: absence of a financial institution for future credit and savings support; long-term financial management skills of the SRGs in the absence of an institutional support for facilitation and supervision; lack of legal status; lack of non-village mechanisms to increase SRGs common fund; political environment particularly pressure from government sponsored mass organizations in some areas; very small amounts of savings for many poorer SRG members; periodic repayment problems due to constraints on individual income earning opportunities and possible crop failures due to seasonal disasters; absence of rescheduling loan payment mechanisms for the poorer members; inadequate volume of loan funds for expanding successful micro-enterprises and other income generation activities; larger non-productive loans for higher education of children and unforeseen medical expenses; absence of technical linkages, inputs and market access; lack of a system for support of production and related technology to targeted members to further enhance their income.

The Mission recommends that, prior to another extension and phase of HDI-IV, UNDP conduct a study of the 2002-3 interruption in HDI support to SRGs (prior to the start of HDI Phase IV) to analyse the following: (i) relationship between the age of SRGs and their ability to survive; (ii) drop-outs and their

[21] These are common problems that plague village level MF activities everywhere. The Mission has some experience with developing expanded opportunities for micro-business through developing loan model packages and is making this information available to HDI.

reasons; (iii) the implications of the above issues during the year-long absence of HDI; and (iv) an analysis of factors that may have negative bearing on the future of SRGs and possible mitigating measures.

5.3 Gender Dimensions

Since girls and women in Myanmar do not generally bear the extremes of discrimination and social repression prevailing in some parts of South Asia and the Middle East, the national and even international communities tend to overlook the problems and constraints of women. However, throughout their life cycle women experience different treatment and inequalities that constrain their own health and development as well as their access to productive resources. The majority of women in Myanmar do not have negotiating skills to reduce the vulnerability in their sexual and reproductive lives. Already the paucity of information on women's reproductive health in Myanmar is in itself an indication that many of their needs are unrecognised.[22]

Regarding the family and community environments, Myanmar has a strong tradition of volunteerism, particularly in rural areas, where the entire community takes part, provides funds and labour[23]. Extended families remain the norm in Myanmar, and in many ethnic groups (including the Burman majority) the daughter often resides in her parents' home – a matrilineal custom. However, male dominance prevails in family relationships and management of property.[24]

HDI-IV has properly mainstreamed gender into the projects by giving special attention to identification of women's constraints, needs and priorities and placing greater emphasis on women's participation in all HDI interventions. Gender awareness, sensitivity, equity, and equality have been consciously stressed during planning and decision-making, implementation and monitoring of project activities. The village-wise PRA process examines women's perspectives separately before deciding on the Community Action Plan (CAP) for CDRT or the SRG support (in the case of ICDP). Many of the project activities including water and sanitation, health care training, home stead improvement like composting are self-targeted by women and speak to responsibilities and constraints they face in meeting them. The support to SRGs (see section above) and the Sustainable Livelihood Development Fund are all overwhelmingly focused on women. All the borrowers under the Microfinance Project are also women. Gender-disaggregated information and data is collected and updated in project reports.

Through HDI activities, women have acquired previously unheard of access to savings and loans activities, management training and the support of specialized groups that speak directly to their income generating needs. The effect has been nothing short of revolutionary on them and on their families. The Mission took great delight in story after story of members who had gained access to the services and amazed themselves and their neighbours at their latent abilities to save, to manage a small business and to repay their loans on time. Many spoke to their husband's initial doubts as to whether attending organizing meetings would be time well spent and the transformation in attitudes that resulted when the benefits became evident. The Mission questioned the men as well mostly all of whom readily and with humour admitted their initial scepticism and the growth in respect and admiration for their partner's new skills and access to capital. Women confirm their confidence and ability to negotiate decisions within their marriages has grown enormously.

There was also a trace of jealousy from some men. Though men have shown interest in forming SRGs, virtually all SRGs are for women. The exception is one CDRT area (Northern Rakhine State) where there are a handful of men's groups. Groups are normally single-sex[25]. Out of a total of approximately 1,105

[22] Gender Issues in Myanmar, Dr Leena M Kirjavainen, A Report to the Mekong River Commission, 1999 (http://www.mekonginfo.org/mrc_en/doclib.nsf/0/E7CBA70C87AE6DC2C725682C002C01AC/$FILE/FULLTEXT.html)
[23] This is built in to HDI-IV strategies.
[24] Ibid.
[25] The Mission supports that this aspect should not change.

SRGs operating in ICDP villages, only two groups are mixed and the rest are exclusively women's groups.

UNDP has recently (January –June 2006) conducted a Gender Impact Study within HDI. According to its preliminary findings, one of the thorniest gender issues facing the implementation and management of SRGs is how to balance the value of men's support for their wives/sisters/mothers participation without risking them assuming a dominant role. The study recommends one way to address this issue where required is to provide clear information to men about the methods and goals of SRGs at the outset through "Husband Trainings". The "Husband Trainings" have proven effective at harnessing male opinion in favour of SRGs in Kachin State under the CDRT Project. Another way would be to investigate expanding opportunities for SRGs for men.

5.4 Community Development in Remote Townships (CDRT)

The CDRT main focus is to address the basic minimum needs of the very poor communities in several of the border areas of the country. These are areas that either totally lack development activities or where development efforts lag due to lack of other budgets as well as the outreach capability of government . The project had been assisting poor communities in 13 townships in Rakhine, Chin and Kachin states during the earlier phases. Under the current extended phase of the project the area has been expanded to include an additional 13 townships in Chin and Kachin, and two new border states Kayin and Mon. Accordingly as of April 2006 the CDRT covers 849 villages benefiting approximately 73,690 households. The main goal of the CDRT is to empower the communities in selected remote border townships for addressing their basic needs through a participatory development approach. The immediate objective is to strengthen the capacity of village institutions, CBOs, and households in the target villages to plan and undertake development activities to provide basic minimum needs in a participatory and sustainable manner.

Budget and Inputs

The total budget for the CDRT including the expansion phase is US$16.4 million. The input allocations for project implementation[26] are: personnel (28.5% also including subcontractors), training (6.3%), equipment and supplies (10.3 %), miscellaneous including report etc (2.4%) and micro-capital grants (52.5%) shared between the two grant funds, Community Infrastructure Development Fund – CIDF (52%) and Sustainable Livelihoods Development Funds – SLDF (48%).

Capacity Building for Decentralized Development

The well implemented features of capacity building for the communities include Participatory Learning and Action (PLA) methodologies. The Project Township and Community Facilitators sensitize the community members in the Village Development Forum on the objectives, criteria, conditionality and process for obtaining project assistance. If the community is interested in the project, a baseline information document is compiled with the community. This is followed by a PLA process where the village resources are mapped and wealth rankings of the villagers completed. The final outcome of this process is the Community Action Plan that details the activities in the order of the villagers' priority. Learning-by-doing trainings are provided in all target villages for elected village volunteers who serve as core resource persons for the villages. The village based CBOs and SRGs receive regular trainings on planning, implementation and management activities. The project Community Development Facilitators together with the core trainers and sectoral experts provide the much needed technical support for the villagers. The CAP and additional information on inputs, progress, outputs and impact are prominently displayed in a common place accessible to all villagers and forums to promote transparency and accountability.

[26] Excluding 8.95% for UNDP's and OPS' administrative and operational support

Community Infrastructure Development Fund (CIDF) Grants

An average amount of US$4,000 is disbursed in one or more tranches per typical HDI-IV village (about 100 households) to implement small infrastructure micro projects. The CIDF supports construction, operation, and maintenance of this infrastructure. The activities for the old project villages in the earlier phases are limited to follow up trainings and monitoring. A system for determining Micro project Proposals, criteria for assessment, review committees and Memoranda of Agreement are also very well developed. The CIDF is channelled through this mechanism. As of April 2006 the CIDF has supported construction of 249 primary schools, construction and renovation of 62 and 27 sub-health centres respectively, 10,618 household fly proof latrines, 137 gravity flow water supply systems, and 668 water wells.

Sustainable Livelihoods Development Fund (SLDF) Grants

SRGs are the main recipients of this component. An average sum of US$50 has been disbursed in two or three tranches for the typical households who are the members of the SRGs as seed capital to support sustainable livelihood activities. Support to the old project villages are limited with a smaller amount of budget allocated. As of April 2006 a total of 1,765 SRGs have been formed with 23,389 members (96% females), of which 345 are in the formation stage, 862 in stabilization stage, and 558 at the graduation stage. The total savings of SRGs are estimated at 336,218,581 Kyats equivalent to US $258,600.[27]

In addition livelihood support to the villages include: development of 7,484 acres of paddy land, 1,563 acres of bench terrace, 9,600 acres of irrigated land through improved small scale irrigation, technical skills trainings for 20,176 farmers and 593 SRG trainers.

Project Management

UNOPS is the executing agency of the CDRT project. An international chief technical adviser as the agency project manager provides the technical assistance supported by a national assistant project manager, sectoral specialists and area coordinators. The total of 423 staff is comprised of: 79 for East Rakhine, 103 for Kachin, 67 for Mon/Kayin, 79 for North Chin, 47 for South Chin and 37 for North Rakhine and 11 for the Yangon office.

5.5 Integrated Community Development Project (ICDP)

The ICDP has resulted from integrating seven sectoral projects operational in 11 townships in the Dry Zone, Shan State, and the Ayeyarwady Delta under HDI-III. The project became operational in 2003 and is now being expanded to cover an additional 16 townships[28]. As of April 2006 ICDP is operational in 20 townships leaving seven more townships for future coverage. The main goal of the ICDP is "to strengthen the capacity of poor communities to address the basic needs of the community especially those of the poor and disadvantaged". The immediate objective is to "strengthen the capacity of the village institutions and Community Based Organizations (CBOs) and households in the project villages to plan and undertake development activities to address the basic minimum needs in a participatory, sustainable and transparent manner".

Budget and Inputs

The total budget for the ICDP including the expansion phase is US$15.7 million. The input allocations for project implementations are: personnel (23.9%); sub-contractors (10.6%); training (5.5%); equipment and supplies (8.7%); Miscellaneous including reporting, administrative support etc (4.3%) and micro-capital

[27] At US$1 = 1,300 kyats
[28] Refer to Annex 1 for HDI-IV current and expansion townships

grants (47%) shared between Community Infrastructure Development Fund – CIDF (53%) and Sustainable Livelihoods Development Funds – SLDF (47%).

At the time of the Mission the project has covered a total of 2,210 villages as against target of approximately 2,670 villages to be achieved by December 2007.

Participatory Decision Making

The efforts of ICDP in participatory decision making are very impressive. The ICDP has successfully initiated and implemented the following activities to achieve an enabling environment for participatory development initiatives at the village level:

1. Widespread distribution of information and discussions through village meetings on HDI project objectives, processes and activities, project funding mechanisms;
2. Understanding of rights afforded by HDI activities and corresponding responsibilities of target beneficiaries;
3. Establishment of CBOs and SRGs and comprehensive learning-by-doing training of the resource persons in each village in core areas such as PRAs, resource assessment, effective social mobilization, group formation, participatory development approaches;
4. Comprehensive training of a cadre of village volunteers in sector specific activities to work as village resource persons;
5. Village-led PNAs/ PRAs for simple village-level resource mapping and poverty analysis;
6. Development of community action plans;
7. Appointment of Community Development Facilitators to continuously support village development activities; and
8. Training of village volunteers to plan, implement and sustain the micro-projects and related sectoral interventions.

Community Social Infrastructure

During the period covered by the current Assessment, ICDP initiated and implemented basic infrastructure projects in 201 new villages that were left out in the 11 old townships (total target 220 villages) in addition to the 246 villages (total target 360 villages) in 9 new townships expanded in April 2005. The micro projects under this component are implemented through village based CBOs. ICDP continues to provide support to the 1,181 social infrastructure villages of the 11 old townships. The project interventions in these old villages are limited to capacity building training. All the target villages benefit from capacity building training, basic training on health and education for village volunteers and limited professional training for village based service providers like auxiliary midwives, primary school teachers, training of trainers as cluster trainers, and minimal support to some small infrastructure micro-projects for the old townships.

Support to Sustainable Livelihood

The SLDF is channelled through the village based SRGs for activities aimed at household food security and basic minimum need requirements. ICDP has initiated the formation of SRGs in the same 201 new villages and areas described above. ICDP continues to provide support to the 881 livelihood villages in the 11 old townships. The project interventions in these old villages are limited to production related extension training, monitoring and technical advice on sustainable livelihood activities.

Project Management

ICDP is under UNDP's Direct Execution (DEX) modality supported by an international chief technical adviser as the agency project manager, a national assistant project manager, 5 sectoral specialists and three area coordinators. The field technical team include a total of 218 staff (20 township coordinators, 66 township facilitators, 36 field facilitators and 96 community development facilitators) in addition to administrative and support staff at all township levels.

5.6 Overall Performance of ICDP and CDRT

Both the ICDP and CDRT have aimed to fulfil the basic needs of the rural poor of the targeted communities by providing urgently needed improvements to the most basic of humanitarian needs (primary health care; primary schools, water and sanitation facilities, other small village infrastructure to improve access to markets), integrated with HIV/AIDs prevention and care, improving household food security and promoting income generating activities for the sustainable livelihoods of the poor households through SRGs. The projects have successfully integrated community development principles through a clear focus on the poor within the target villages and placing appropriate and effective emphasis on self-help groups such as the SRGs. They have increased the capacity of risk adverse poor communities to self-organize, plan, implement and manage their own activities. However it is to be noted that these improvements are difficult to measure in the absence of lack of previously existing set of indicators to assess the impact, together with a system for uniform monitoring, analysis and regular reporting.

The Mission noted that since March 2005, the projects have expanded to reach 80% of their township expansion target for the end of 2007. This is an eloquent testimony both to the energy and commitment of HDI staff and also reflects the positive reception that HDI activities are given in new areas as the programme enters. Both were repeatedly observed by the Assessment Mission. Given the narrowing humanitarian space described earlier in this report, the expansion rate is all the more remarkable.

Participation mechanisms and reaching the poorest

Both projects follow best practices and established norms in developing local governance systems and successfully involve villagers in the identification and planning of infrastructure and other livelihood activities, selection of village representatives for all the CBOs and transparent target criteria for selecting SRG members and beneficiaries. They follow a clearly laid-out sequence of steps for micro-project selection, planning and implementation. Village meetings are used as the basis of local decisions.

At the same time, there should be more detailed information on the constraints facing the poorest in the wealth ranking determined during the PNA/PRA and specific methods developed for differently endowed and affected among the poorest: men and women, youth, ethnic minorities and other marginalized groups. The impact of project supported land and environment activities that will affect livelihood of the village should be a special focus of attention[29], as well as information on coping strategies of the poorest and their pattern of migration in search of labour. With this information further improvements could be made at improving opportunities for the very poor. Better use of community satisfaction surveys and score cards would also assist. (See Section 5.11 on M&E.)

Micro-project selection in village meetings is usually based on the number of potential beneficiaries and majority voting method. The poorest households, who represent a minority (8-10%) in the village do not have the capacity to sway the decision making process. For the hungry poor construction of a primary school may not be the top priority. Specific measures are required then to ensure their needs are taken into account in these selection processes. Increasing the benefits for the poorest households also often necessitates complementary actions to basic infrastructure and service provision. For example, construction of a primary school helps to increase the enrolment of children continuing in education, however additional community support is required for books and other costs relevant to enrolling the children from the poorest households. Agricultural demonstration models may enable poor farmers to see and know how to carry out agricultural intensification and how to apply new varieties and technologies, but the poorest farmers will not have land and are less likely to be able to afford or raise credit for agriculture inputs in the absence of external support.

Micro-project selection and targeting

[29] Further expansion of paid employment on construction works is recommended

A range of approaches has been used for the micro-project selection criteria and types of micro-projects and activities that can be included under the HDI. A more open ended one has been a detailed menu of eligible activities based on the project document to guide decision-making by the community to the CAP approach. In such case the general guidance is only that the budget should be used for the purposes of activities addressing the basic minimum needs of the community.

However, field observations in both projects' areas indicate that there has often been a strong bias of community decision-making towards stereo typical 'hard-ware' micro-projects like construction of schools, health stations, footpaths, etc. This is often to the detriment of 'soft-ware' activities, such as social assistance that can more directly address risk and vulnerability amongst the poorest households in the community. More complicated types of activities that may have less tangible outputs, such as natural resource management, community forestry, optimizing use of common property such as forests and river activities for the benefit of the poorest, should have drawn more attention in more closed-ended decision-making approaches.

Operations and maintenance of Infrastructure

In general most of the infrastructure and small scale works are very simple. In villages visited during this assessment, responsibilities of the CBOs for the operations and maintenance (O&M) of small-scale works (for which the villagers are the investment owners) are very clear. For example: in the CDRT village Anauk Phaya Seik, the villagers have set up an O&M committee of seven for education and members frequently check the buildings for required maintenance. The O&M fund is collected from local people (annual user fee of 1,000 Kyats per household) and is used for materials. Labour required for maintenance is voluntary.

However, in a very few cases O&M has not yet become systematic as in the case of a rural electrification project in ICDP Zee Pin Kone village that requires a higher degree of technical skills, and/or more costly operations and maintenance.

Since support from the public recurrent budget and technical support from the sectoral ministries is lacking, HDI should likely be even more conservative in its consideration of the sources of future O&M budgets. From a financing perspective, at present it should be expected that all the costs for O&M will normally be covered from community contributions for all types of infrastructure (both software and hardware).

Training in technical, management and supervision skills

It is very clear from the Mission's field meetings that the trainings provided by the projects are considered to be of high quality, and made significant and substantial contributions towards improving both technical and management capacities of village based CBOs and SRGs. People speak about the practicality of the training and seek for more such trainings at the village level. They unanimously feel that in addition to the financial benefits they have also learnt new knowledge and skills that had empowered them.

An exception to this was some of the job-specific training (masonry, motor mechanics) where sufficient opportunities for applying the skills did not materialize. HDI needs to consider this and to research other "technical trades" that might be more beneficially used.

In their development work, Community Development Facilitators and cluster trainers play an essential role by providing 'learning-by-doing' training and coaching as well as required administrative back-up, and serving as a bridge between the villages and the decentralized project townships offices. It is to be noted that Community Development Facilitators are hard-working, young, enthusiastic staff covering large project areas, and are invaluable assets for the projects and the communities.

Project Resource Allocation[30]

Project expenditures during the extension phase (particularly for CDRT) are more focused on social infrastructure than on livelihoods. The Mission agrees with the UNDP/UNDESA evaluation report on community participation on priority-setting for allocation of HDI resources for social infrastructure. "A number of incentives can be devised such that communities stand to benefit at large if and when they effectively cater for the special needs of 'their' poorest and disadvantaged members thus further promoting the long standing solidarity and mutual help practices that underlie traditional community life."

Support to Sustainable Livelihood for the poor

The majority of the SRG members are marginal farmers and landless casual labourers from the target villages. The returns obtained from cultivation are irregular and cash is often not available at the times when household food security needs and repayment of loans are pressing. In many cases such households have to sell crop and labour in advance to purchase food and survive during the lean season. The income from common property (forest and river) has substantially decreased in recent years due to the overuse of these valuable resources as well as imposed and restricted use of common property. In addition they face limited opportunities for wage employment both off and on farm, lower returns from livestock due to reduced productivity and advance sale and in some cases death of animals due to lack of veterinary services improved animal husbandry practices. Many of the poorer and poorest households focus exclusively on coping strategies during prolonged food insecure periods. The projects to some extent have addressed the poverty reduction issues through the SRGs. However, given the intensity of poverty in the HDI areas, priority should be focused more on sustainable livelihood support over the social infrastructure during the remaining HDI time frame. The projects must make an increased effort to address household food security through household and village level interventions that support livelihood activities of the poorer and poorest. Appropriate mechanisms may include increased capacity building, awareness generation, essential input and technology transfer and regular user-friendly extension and asset creation for these very poor.

5.7 Sustainable Microfinance to Improve the Livelihoods of the Poor (MF)

The MF project started in 1997 as a means to provide a common and needed service for beneficiaries of the sector-based projects that made up HDI at that time. Up to 2006 the project was implemented by three partner organisations under UNOPS execution, namely EDA Rural Systems Pvt Ltd from India (initially Grameen Trust from Bangladesh until 2002), PACT from USA and GRET from France. These were organisations with solid experience in MF activities in different parts of the world with similar approaches. Of key importance was the shared perception of an MF institution as a business venture that has to operate on market terms in order to become sustainable.

Over time it became increasingly obvious that considerable management cost reductions could be made if there were only one implementing partner. Through an international bidding procedure in 2005, PACT was awarded a management contract and has been in charge of all operations since March 2006. At this point important changes were made in the management and staffing of the operation. A major change was the transfer of the management of the three units (Delta Zone, Shan State and Dry Zone) from expatriates to locally employed staff.

Project budget and inputs

The project budget for the period 2003-2007 is US$6.8 million. Out of the total amount 38% or $2.5 million is loan fund capital. The budget for UNOPS operations in the same period is $2.2 million and the budget for implementing partners (presently PACT) is $2.1 million.

[30] Evaluation of Community Development, UNDP/UNDESA internal document on HDI page 40.

Operational approach and financial services

The programme operates on the well-known concept of individual loans secured by group liability. The groups consist of five persons formed with affinity as the organising principle. More than 96% of the clients are women as a result of a deliberate policy to approach women. Clients are requested to make upfront savings before any loan is offered. The groups are given some seven hours training on the use of financial services and the concepts used by the project.

A number of groups from more than one village are loosely federated into a centre with an elected management committee. However, loan administration is the responsibility of project staff.

As an example of loan products, in the Delta clients have access to some seven loan types. Each new client has to accept a general-purpose loan and follow a three-step ladder with increasing loan size before she can apply for some other type of loan. The loan products and the different maximum loan amounts reflect the conventional perception of micro-business activities as being off-farm activities. There is a loan labelled agriculture loan. However, this loan has the lowest maximum ceiling of all loan products. The average loan (all types combined) amounts to around US$30.

The repayment period (one year) is fixed and the same for all types of loans (except the agriculture loan). The effective annual interest rate is 38.5% in the Delta, 43% in the dry zone and 45% in the Shan State. It should be noted that to create the required incomes to pay for local service delivery and sustainability, the project has structured a market interest rate that is considerably higher that the administered rates (12-15%) charged by regulated banks.

The project also offers saving deposit services over and above the compulsory savings. The depositors receive an interest of 25% in the Dry Zone and 15% in the Delta and Shan States. The accumulated savings in March 2006 was around US$1.5 million.

Performance

In many respects this Mission can echo the praise that previous missions and the assessment contracted by the Special Unit for Microfinance of UNCDF in 2004 have had for the Microfinance Project. There are an estimated 10,000 microfinance ventures in developing countries around the globe but only a few (one hundred plus) that have succeeded in reaching a scale of any significance *and* with the levels of profitability and sustainability that should be expected of a business venture. The Microfinance Project under HDI is one of them.

The outreach of the project is impressive and has surpassed targets by a broad margin. At the end of March 2006 no fewer than 3,089 villages and some 245,400 clients had been reached. A major expansion was made in 2005 when 11 new Townships were added to the 11 Townships already covered. The geographical expansion is reflected in the number of clients that increased from 162,000 in 2004 to 234,000 at the end of 2005. There is room for a considerable further increase in the number of clients.

Accumulated loan disbursement reached US$29 million at the end of March 2006. This is an impressive figure bearing in mind that the average loan is around US$30. Some 950,000 loans have been given by the project. The loan capital is nearly US$8 million.

Loan repayment is excellent and exceeds 97%. *The portfolio at risk* (PAR) – the balance of loans with payments greater than 1 day in arrears - is less than 2% according to the UNCDF assessment.[31]

The project has succeeded in improving *the profitability* of the operations over the years. The main reason is the expansion of the number of clients thereby improving the cost structure. The project reports

[31] This is an extremely demanding definition of PAR. Normally arrears that are more than 30 days overdue are used for calculating PAR. Hence a PAR of less than 2% calculated on 1 day is extremely good.

very high figures for *operational self-sufficiency*[32]. For the three areas combined (Delta, Dry Zone and Shan State) the operational self-sufficiency in 2005 was 275% using the calculation method of the project.

Another important performance measure of a microfinance operation is its level of *financial self-sufficiency*. This indicator measures the ability of the operation to maintain the value of its capital assets and its ability to afford raising capital at market interest rates after having covered its operational expenses. The Project reports from 71 to 80% financial self-sufficiency in the three operating areas.

Assessment

While the Microfinance Project is very successful on a number of criteria, it faces one major problem - namely the institutional sustainability of the operations. Since the last Assessment there has been no progress on finding a solution to the question of institutionalisation of the project. No progress is reported on the enactment of a legal and regulatory framework for microfinance in Myanmar that is a precondition for institutionalisation. In the absence of such a framework the options for institutionalisation will remain unknown and prevent constructive steps being taken. Therefore the Mission noticed with some concern that UNDP has not yet facilitated a response to the request from the Government for technical assistance for developing such a framework. Whereas it is interpreted that UNDP itself is prevented from providing assistance, it should be possible to find another multilateral or bilateral donor that could expedite the request. UNDP is recommended to take early action on this matter.[33]

The *operational self-sufficiency* in 2005 of 275% calculated by the Project is somewhat misleading as the figure does not include operational expenses born by UNOPS and (in 2005) the three implementing partners. When adjustments are made for these expenses, the level of operational self-sufficiency drops to 146%[34]. This is still a very respectable figure, one that among other things means there was no need for a subsidy to cover the total operational expenses during 2005[35].

For the same reasons that the level of operational self-sufficiency is overestimated so is the level of *financial self-sustainability*. Adjusted for the omission of significant operating costs the level of financial self-sufficiency drops to negative 52%. This is a low level of financial self-sufficiency but should not be a matter of serious concern. There is ample scope for a rapid increase in the number of clients and hence in income in the 11 new Townships. Therefore, one can expect a significant improvement in the level of financial self-sufficiency in the next few years[36].

The project has been subject to serious criticism for having very high overhead costs and the project and UNDP seem not to have been able to respond. If the costs of UNOPS and the costs of the implementing partner have been regarded as overheads, it is true the overhead costs are indeed very high. However, it is not entirely correct to classify these costs as overhead costs and most of these costs should more appropriately be classified as operational costs. Hence, the question is rather whether the project has unreasonably high *operating costs*.

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[32] Operational self-sufficiency is the ratio of operating income over operating expenses. In financial self-sufficiency, the expenses include the costs of capital as well.

[33] Although the Mission is recommending a time extension for HDI, the issue of institutionalisation must be addressed since the size of the assets created and the dimension of the current problem will continue to expand.

[34] The Mission added in certain other items to the total operational expense used by the Project to calculate this ratio These included items 1.2, 1.4, 2.1-2.5 and 2.8 for year 2005 in the MYA/01/004: Project budget analysis. At 146%, this level of operational self-sufficiency is very good indeed, bearing in mind that the operation expanded into 11 new Townships in that year. Whereas many operational costs (notably staff costs) consistent with a fully established new branch had to be in place, the level of new business and hence income in the new townships was still relatively limited. Consequently the project incurred operational expenses that were disproportionately high.

[35] It is true that retained earnings that contribute to the loan capital would have become less. If a subsidy is considered for the build up of the capital fund for lending, this subsidy should be given to the loan capital and not to cover operational expenses.

[36] The high inflation rate is a key factor for bringing down the level of self-sufficiency. At an inflation rate of 5%, the level of financial self-sufficiency would have been 1% in 2005 when one includes the cost of UNOPS and the full cost of the implementing partners in the calculation of operational self-sufficiency and financial self-sufficiency.

Before answering this question it should be recalled that provision of financial services to a large number of clients saving and borrowing small amounts invariably involves sizeable transaction costs that always tend to by high relative to the loan amounts involved. MF institutions that have become sustainable do charge, and have to charge, interest rates that are erroneously considered very high or even exploitative by those not familiar with the industry[37].

Importantly, the cost for making a loan has decreased from 26 US cents per dollar loaned in 2003 to 12 cents in 2005[38]. The cost per client has likewise decreased from US$11 to US$6 in 2005. In other words the project has significantly increased operational efficiency in that period. The main explanation is an increased level of lending. *A cost of 12 cents per dollar loaned is not a very high figure and is reasonably good by international comparison*.

Yet, there seems to be scope for reducing the operating costs. It is not clear to the Mission that the current project administrative structure of UNOPS is justified any longer. Furthermore, subsidies should not be given to cover operating expenses as this will take off pressure to keep them down.

During the field trips the Mission observed that many clients seemed to have a saving capacity that the project does not tap. In fact it was mentioned that the Project does not encourage savings beyond the compulsory upfront saving linked to borrowing. The Mission questions this policy since it is essential that the project develops the capacity to mobilise domestic capital and not depend upon donor funding.

The Mission also observed that many SRGs in ICDP and CDRT are undercapitalised. It seems highly desirable then that the MF Project changes its policy not to work in villages where there are SRGs. Undercapitalised SRGs should be seen as potentially interesting clients[39].

Finally, the Mission suggests a review is required of the loan types to ensure that borrowers adequately can finance their agriculture-based activities. After all, most of the clients are farmers.

As for other HDI projects, there is little information on the impact of the MF Project with the exception of Vulnerability Assessment of Microfinance Delta" prepared by EDA Rural Systems in July-August 2004. The Project has conducted a more recent survey of client satisfaction, which offers high praise for the Project by clients. Furthermore, given that most clients remain active borrowers of the Project and take repeat loans strongly suggests that the services are valued. These observations do not adequately respond to the need for more impact-related information as discussed in the section on M&E.

5.8 The HIV/AIDS Project

In line with the UNDP Executive Board mandate on Myanmar, and consistent with the spirit of the UNGASS declaration, the Myanmar National Health Plan and the United Nations Joint Plan of Action in Myanmar, the HIV/AIDS project aims to focus on increasing the scale and effectiveness of community-based responses for HIV/AID prevention and care. Following the recommendations of the mid-term evaluation in 2005, the project strategy was redirected to addressing the links between poverty/development and HIV.

Budget and Inputs

[37] It should be remembered that the rates are always lower by far than informal lending rates and are endorsed by members. It has been found repeatedly that in villages around the world, the opportunity to borrow is more important than the interest rate itself.

[38] It should be noted that the budget cost includes the costs for UNOPS and for the implementing partners. In other words the calculation is not based on non-adjusted (too low) operational costs.

[39] However, it is strongly recommended that the MF project extends loans to an SRG as a group client in order to increase the loan fund of that group (for on-lending) and *not* attempt to break up SRGs to form new groups (of five members) as in MF project villages. In other words, the MF Project should act as a wholesaler vis-à-vis the SRGs.

The total budget for this project including the expansion phase is US$2,382,903 million. The inputs allocations for project implementations are: 29% technical support services, including subcontracts with organizations, 28% purchase of condoms and production of communication materials, 9% training and education programmes,10% monitoring activities, 24% overhead costs including personnel. It is executed by UNOPS.

Project Performance

In May 2005 following the recommendations of the previous Assessment report, the project explored ways to integrate HIV into the activities of CDRT and to a lesser extent into ICDP. Major interventions are: involvement of community groups already established in the project sites (SRGs and CBOs) to disseminate information and educate the communities about HIV and how to prevent infection and mainstream HIV into the community development initiatives undertaken by the communities and facilitated by the community development workers.

From June to September 2005, pilot activities were undertaken in CDRT project areas in Kachin State through the existing SRGs and cluster trainers employed by CDRT to provide primary health care education. These efforts were further replicated in Chin and Kayin/Mon states in October 2005. The project has so far trained a total of 281 SRG members in all the CDRT project areas who in turn could reach approximately 15,000 villagers. Attempts were also made to teach 22 men and 40 youth who could disseminate information to the villagers. A total of six ICDP health educators have been trained so far who in turn are expected to train the rest of the ICDP field health workers. In addition to these trainings a total of 325 community development workers have been trained to enable mainstreaming of HIV into community development work. Training manuals have been fully developed and field tested.

The HIV project, realizing that most of the HIV education was done among the women through the SRGs, has initiated a training programme for men in three project areas of CDRT. The training programme aimed to involve the rural men in discussing HIV and AIDS among their peers.

Other complementary activities including those outside HDI:

- the 100% targeted condom promotion programme in three townships;
- the HIV project continues to encourage the greater involvement of people with HIV by building their capacities so that they can effectively network and advocate for appropriate HIV programmes. This activity is in partnership with the UNDP Regional HIV and Development Programme and the International HIV/AIDS Alliance;
- conclusion of the project assisted by the Japanese Human Resources Development Fund (JHRDF) implemented by World Vision, to provide income-generation skills and basic HIV prevention, care and support training for destitute women and girls, including HIV affected families, combined with the WFP's feeding programme;
- initiated collaboration with other UN agencies and INGOs to implement three project proposals:
    a. the Japan Human Resource Development Fund Phase II project proposal funded by the Government of Japan and to be implemented in collaboration with World Vision Japan/Myanmar;
    b. the project proposal complementing WFP's feeding programme with income generation skills and basic HIV prevention, care and support training for destitute women and girls, including HIV affected families;
    c. project proposal supporting a project with the International Organization for Migration to reduce HIV risks and vulnerabilities of migrants and mobility affected communities. The project aims to build HIV resilience in mobility affected communities in 2 townships in the Mon state.

Significant progress has been made since the 2005 Assessment Mission in field testing and replicating dissemination of information and education of the communities (using existing SRGs who are all women) about HIV and how to prevent infection. During the Mission's field visit it was interesting to note the

women were quite outspoken. Most of the men and the youth were very quiet by comparison. Though attempts have been made to reach out to men and youth through trainings, it is important to emphasise given the HIV prevalence, the urgent need for the project to considerably increase the focus on educational activities for men and youth.

Mainstreaming HIV/AIDS into community development is a good idea. However, given the limited staff placement in the field, this approach may not be appropriate especially as the end of the project period draws near. The HIV/AIDS project is a stand alone project with very limited staff of its own in the field. The project thus heavily depends on CDRT and ICDP for implementation of its field activity. In 2005 the project attempts to mainstream HIV into the community development initiatives in CDRT villages using the community development workers. The efforts met with mixed results mainly due to the insufficient human and financial resources at the village level. The CDRT field staff are already overloaded, covering large project areas and any additional work load will only further overburden them further.

UNDP/HDI should consider whether the HIV/AIDS risks are sufficiently significant in all project areas to go through the time-consuming process of educating all the project staff on HIV and development at this juncture. Alternatively, the existing Health Cluster of ICDP could be used to jump start the HIV assistance badly needed in ICDP areas.

According to the recent national surveillance report, HIV prevalence among pregnant women, which is an indication of the presence of HIV in the general population, is highest in two HDI townships: Hpaan in Kayin State at 7.5% and Pakokku in Magway Division at 3.5%. Two other townships are near HDI project sites: Bamaw, near Mansi and Momauk in the Kachin State at 2% and Hinthada near Zalun in the Delta at 2%. There is an urgent need for coordinated efforts by the HIV project, CDRT and ICDP to develop a strategy and plan of action for these areas. This strategy and the resulting pilot models can be replicated in other areas beyond 2007.

5.9 The Agricultural Sector Review and the Integrated Household Living Conditions Assessment

Agriculture Sector Review

The Agricultural Sector Review was executed by FAO over a period of 18 months. It was completed in early 2004 and previous Missions have provided a review.

Two main publications have been prepared. Volume I consists of a review of Crop Production, Livestock, Fisheries, Agro-Industry, Water and Irrigation, Research/Extension and Education, and Rural Finance and Marketing, highlighting major policy constraints to the development of these sub-sectors. Volume II consists of 30 Investment Profiles that were produced by the project. Briefings on the findings of the Agriculture Sector Review were held in June 2005, with a wide range of stakeholders in attendance, including relevant Ministers and senior government officials, representatives from UN agencies, World Bank, IFAD, JICA, KOICA, and embassies. In addition, 1000 copies of an Agricultural Atlas of the Union of Myanmar (118 pages with maps on land use, climate, irrigation and water resources, crops, livestock and aquaculture, mechanization and inputs) were produced by the project to be distributed to interested researchers and relevant institutions and organizations inside and outside the country.

The key issues covered in the report are:

- the comparative advantages of Myanmar's agriculture and sub sectors that might arise through the possible use of more market-oriented principles and policies,
- up scaling community development initiatives and identifying schemes that can deliver best practices for impact and sustainability of beneficiaries,
- transforming agricultural services and institutions to enable a more multi-disciplinary approach and scaling up of rural financial services, and

- conserving and developing land and water resources through an assessment of the further needs and feasibility of irrigation development consistent with economic and environmental requirements.

The 2006 Assessment Mission discussed the documents with the FAO Country Office and noted that the proposed options are very relevant and can be used by the government as a basic framework for further identifying specific issues and problems, defining feasible options, strategies and finalizing an action plan for the broad based agricultural growth and assistance to poor farm households.

Although there has been no formal adoption of the report by the government, there has been some improvement in the situation due to steps taken by the government that are in line with the recommendations of the ASR. These include: termination of quotas for paddy procurement (at lower than prevailing market prices) by the government's Myanmar Agricultural Products Trade (MAPT) buying depots; reduction in off-shore marine fishing rights/license to decrease stock-depletion; permitting fish-raising in reservoirs; and announcement of intentions to privatize some government rice-mills.

The FAO Representative told the Assessment Mission that there have been very limited changes in national agricultural policy following the 2004 Workshop on the review findings. FAO do not expect a significant change to agricultural policy in the current political environment.

Integrated Household Living Conditions Assessment

The IHLCA was conducted by UNDP, UNOPS and IDEA International (Canada) in collaboration with the Ministry of National Planning and Economic Development. The main activities have been a preparatory pilot quantitative survey of 200 households using 1,200 enumerators and a further qualitative survey using 224 focus group discussions in 14 States and Division. The quantitative survey incorporated 18,800 households and data collection was done in November and December 2004, with a second round during April and May of 2005. With the limitations on sample size required for cost and efficiency reasons the survey results are statistically valid to the district level. The project team shared the draft executive summary of the recently produced work on the household survey. The IDEA team is currently working on the basic tabulations and preliminary analysis and is planning to present a first draft to the Ministry and UNDP by July 2006.

UNDP's work with government to accomplish the household survey was quite unique – a recognition by all parties and the Executive Board of the urgent requirement for good quality household level information. The current study represents the first addition to national information since the 1997 work by the Central Statistics Organization and the work by the World Bank in 1999 to project poverty figures based on that survey. The current draft of the household survey is dated March and has been with government since that time.

It has been the history of UNDP and other donor programmes in Myanmar that government is very cautious in collecting field level data that challenges existing central government statistics and the government controlled media. There have been several examples of this over the years including the alarming denial of an AIDS problem, or even the existence of poverty and hunger in the country.

The Mission observes that the UNDP mandate provides many difficult and non-typical challenges to finding effective mechanisms at the grassroots level given the dearth of interest in international best practices that might influence the wider development of sustainable support systems at the national level and without inclusion in such national systems.

It is expected that the report will be finalized by the third quarter of 2006. At that time UNDP could offer (perhaps through UNICEF) to hold a series of workshops on the results. If the current study can help enhance government's commitment to and awareness of poverty reduction, it will have contributed a great deal.

5.10 Programme Management and Coordination

The design and implementation of the HDI within the Executive Board mandate have direct consequences for project/ programme management primarily because the sufficiency of the activities in building a sustainable result rests entirely on one external agent. There is a greater onus on UNDP staff as well as project staff to be able to harness best international practices and to share lessons on what is working. This demand for resourcefulness, imagination and inventiveness (a "light on ones feet" sort of management) is more commonly attributed to INGOs (not always deserved perhaps). Indeed it was remarked several times to the Mission that UNDP Myanmar operates like a large INGO for the HDI programme.

The Mission agrees that this is happening and observes that UNDP should even embrace this model and take steps to make it work better and further. As a contribution we suggest and encourage at a minimum:

- Staff at all levels whose experience includes appropriate hands on experience in delivery and delivery management.
- Frequent mechanisms to share experience must be integrated into regular work
- Frequent travel and local workshops to foster good bottom up communication and ideas generation
- Practical tools for impact monitoring (addressed in more detail below).

With the HIV/AIDS programme now well integrated into the delivery mechanism, the remaining three big projects reviewed above (ICDP, CDRT, and microfinance) should form a most straightforward management challenge for the country office.

Previous assessment Missions have commented favourably on the moves to integrate various sectoral programmes in the HDI to provide a clear and more coordinated face for the program. The current Mission endorses the need to make further economies through the further integration of the ICDP and CDRT without combining them into one programme.

The Mission agrees with the 2004 Assessment Mission that the lack of coordination and cooperation is very visible between directly executed UNDP/ICDP and UNOPS executed CDRT, Micro-finance and HIV/AIDS projects. There is an urgent need for greater collaboration between ICDP-CDRT and Microfinance in all the three zones to support mature SRGs and to undertake some appropriate research to improve the availability of additional value added micro-businesses for the micro-credit borrowers[40]. Further ICDP-HIV/AIDS project linkages are required in high risk areas like Pakokku. During the year both programmes have expanded the opportunities for staff to visit other areas although a more structured travel and exchange of experience would be a good idea, though combined quarterly meetings for example.

It is also necessary for UNDP complete an assessment on the value -added DEX execution vis-à-vis outsourcing before the extension of HDI-IV beyond 2007.

5.11 Programme Monitoring and Evaluation

Although HDI has taken some steps to implement the 2005 recommendations on M and E, the current Mission believes the programme needs to be more oriented towards providing feedback on impact within UNDP and to interested donors. UNDP, UNOPS and project management have not yet established a system of impact monitoring for management purposes. Important steps have however been taken in this direction with the arrangements for the recently established Policy Unit to work closely with the Vulnerability Unit in the Resident Coordinator's Office to develop an impact monitoring system.

[40] Page 17 contains a more specific suggestion.

The Mission reviewed the separate and related duties of the Policy and Vulnerability Units and discussed their 2006 Workplans. The Policy Unit is to function as a "think tank". It will identify the pro-poor policies being pursued by each HDI initiative as well as the best practices and local pro-poor initiatives that the projects are facilitating. It will investigate the development effectiveness of HDI through data collection and assessment of the impact.

While the Policy Unit focuses on HDI, the Vulnerability Unit has a focus on the wider data sets required to comment on overall UN programmes in the country. The Vulnerability Unit coordinates design of questionnaires, sample design and data collection and management. It also provides technical support where needed and identifies key indicators for regular monitoring and provides analysis.

The approach towards data management is to use the UN DevInfo system endorsed by United Nations Development Group (UNDG) in UN Headquarters and recommended for use by UN Country Teams worldwide, appropriately tailored to the needs of individual programmes. Close association with UN agencies is foreseen. It is being mooted that the system could be made available to a wider audience and in that regard input from INGOs could also be introduced in the future.

The workplan for 2006 was reviewed. The Mission noted the first priority is to prepare a Preliminary Assessment of Impact of the HDI Programme based on available information and data. Second priority is to assemble lessons learned into an overall matrix of experience that can be reported on a continuing basis. A third priority is to undertake sample data and information collection at household and village levels to have more quantifiable data as well as qualitative information for reporting on programme impact with greater confidence.

The initial approach began with a very extensive set of indicators based on past and current assessment studies. These indicators are being used by the Policy Unit to analyse effects and impact of the HDI programme based on available reports and studies (such as project terminal reports, selective assessment and evaluation studies, project progress reports and other information/reports generated from the field). The Policy Unit intends to use these indicators as reference frame for preparing the study "Preliminary Assessment of Impact of the HDI Programme" due for completion in July 2006.

Additionally, the Policy Unit had developed an initial set of 58 indicators that were to be considered for use for Impact Monitoring. The Mission endorses the Policy Unit's plan to discuss these indicators with the HDI project management staff to arrive at a reduced number of monitoring indicators to ensure that they respond to the impact monitoring reporting requirement and that the data/information can be feasibility collected by the project field staff without impacting on their already heavy workloads.

The Mission would like to caution UNDP that the M&E plan that is finally arrived at should be very modest regarding the scope of information to be collected and carefully avoid optimistic expectations regarding the outcomes for M&E and impact measurement. In general the Mission would be sceptical of any plan that ran risks of the practical ability of projects to collect information reliably and that might affect work loads of field level staff.

The Team believes using any more than a handful of indicators could too easily prove to be an impossible task and result in a large expense with little to show for it[41]. The system should therefore carefully avoid any approaches that may be rather too academic and rather than focusing on "what would be nice to have", the system should focus on "what is needed" by priorising information needs. We believe these are: the donor and the programme needs.

Donor needs for information

[41] For example, the demands of the UN Dev Info system, normally used in a more traditional programming environment, could easily push the intended M&E system very far in a very complex and overly academic direction.

The Mission suggests the first priority need in terms of time frame at least, is the donors. Information is urgently needed before October 1 to protect and enhance availability of funds from key donors. It is the experience of the Mission members that no project or set of projects in our experience in the last 35 years has been able to provide extensive impact information of the type that is currently being planned. Donors would be content with far less and the expectations of the system can be considerably reduced.

Therefore, the Mission recommends that the first need would be for some case studies to show the nature of impact of the SRG/CBO groups (suggested 10) on the communities in which they function and additional case studies on some of the members (suggested 2 per group) and especially the reported benefits to the family. The Mission is confident that this material is easily available and we believe that a variety of case studies based on the groups and individuals met during the current assessment would be adequate to the task expected by the donors at this point. The type of information to be collected (regardless of the mix of qualitative and quantitative), should lend itself to easy aggregation to allow summary statements to be drawn.

Information for sustainability and programming

There is a strong tendency in development agencies and large programmes to want to collect huge volumes of information simply because it is possible to do so. Very often the question of the cost of collection, reliability and relevance, as well as who will be the beneficiary of the information is not sufficiently considered. In this regard an easy principle needs to be formulated and kept in mind by senior decision-makers and middle management alike whose desire will be to properly manage and protect the benefits to the beneficiary community.

We suggest the following principle:

> ***If the information is not useful and relevant to the SRG/CBO in its desire to maintain the utility of its services to members, programme management should seriously reconsider whether a plan is currently needed to collect such data.***

If indicators[42] are rooted in the CBOs need to know, a number of benefits will instantly accrue:

- A stronger common interest in outcomes that are relevant to success of the CBO is introduced throughout the system at each level of management;
- a common language is introduced[43];
- The relationship between M&E as a staff function and the work of line management is improved;
- At the field level, the collection of data is made directly relevant to the regular work of the project staff that are responsible for service delivery. This means that Workplans for staff and for the village organization will be geared towards improvements that all parties are seeking.

One should be careful not to underestimate the importance of this approach. Too often indicators are formulated in a very highly aggregated way and in a language that is suitable for the international community but which may be close to unintelligible to village level staff and their client group. The relevance of monthly or six-monthly activity work plans required to produce progress thus very often seem exceedingly difficult to grasp.

It is an essential part of the current methodology that impact can only be assessed every two years. There is great doubt as to whether or not this should be the working assumption, particularly if the primary justification for data collection is to be related to CBO planning and in a situation where villagers might like to be reassured of impact and to show its visibility in the system in a much shorter period of time. It is argued that if impacts can only be seen in a two-year period, one might question whether or not a shorter time period should be used to frame expectations and to maintain the attention of stakeholders.

[42] And baseline information as well.
[43] We would also suggest that before indicators are finalized, the language equivalencies are very carefully reviewed and discussed.

The M&E data that results from the SRGs/CBOs will lend itself easily to a variety of aggregated forms that can provide overview information on impact for a particular project office, a region, or the project as a whole. If there is a need to introduce collection of longer term impact information, this can be considered in workplans and discussions with the client group *at that time*.

This more conservative approach to M&E was of great interest to the staff concerned and is highly recommended.

Satisfaction Surveys should form an essential part of data collection

An important tool that is lacking is a simple satisfaction survey of clients; this can replace many otherwise hard to measure indicators. It is particularly relevant at the same time to the issue of facilitating SRG/CBO management committees and membership interest in the relevance and sustainability of their organization. In its most elemental sense, a community based organization faces the same challenges to its longevity and relevance as any company of any size. Whether in the area of " market research", " client surveys", "cost of service delivery", "profitability ", all such terms can be understood to have relevance in either forum.

The particular tool from the private sector that is gaining increasing notice in international development is called Balanced Scorecard (BSC). The BSC requires the user to look at the organization from four perspectives: learning and growth, service-delivery processes, the client perspective and the financial perspective. The Mission has promised to provide additional technical information on the possible use of BSC as a qualitative tool to assist in work planning and impact measurement. A starting point for the adaptation of the BSC to HDI might be the work done by the CDRT. Ten impact indicators have currently been developed and are featured in some of the case studies available.[44]

6. Follow-up of the 2005 Recommendations

As with preceding Missions, the 2005 Mission made a considerable number of recommendations. The present Mission feels some sympathy with UNDP and the HDI management for the burden that the accumulated recommendations from a series of Missions have created. In fact it does not seem entirely meaningful to make extensive recommendations, which are given only one year to be acted upon before a set of partly new recommendations are given by a new Mission.

In following up on the 2005 recommendations the Mission has selectively focused on some which remain of particular importance. Some recommendations are no longer relevant due to changes in the context. This Mission recommends that these latter ones and a number other recommendations from the past be overlooked. However, the following recommendations by the 2005 Mission are still relevant and will be commented upon.

1. The future of the Programme

It may be appropriate to put on record that the crucial recommendations to extend the programme beyond 2005 and expand it to cover 40 additional townships have indeed been implemented.

2. Technical assistance for drafting a legal framework for micro finance

The 2005 Mission recommended that the international community should respond to the Government's request for technical assistance to draft a legal framework for micro-finance. This Mission regrets to note that no such response has been given and urges UNDP to take action as a matter of priority. While

[44] See CDRT Newsletter Volume 3 No 7 15 October 2005.

UNDP cannot provide such assistance itself, there should be possibilities for the task to be taken up by another multi- or bilateral agency.

3. Exit strategy for HDI's original Townships

We support the 2005 Mission recommendation that UNDP should articulate an exit strategy for the 24 original Townships[45]. This has not been done. Discussions with UNDP and programme management staff revealed some concerns regarding the risks of exit of the Integrated Community Development Project (ICDP) and the Community Development in Remote Township Project (CRDT). Firstly, UNDP staff argued that poor villages and poor households require continuing support to move out of poverty and stepwise to higher levels of well-being. Secondly, it was argued that there are strong reasons to maintain activities in the villages in the original 24 townships in order to ensure continued access.

The present Mission finds some difficulty with the first argument and sees the relevance of the second.

With regard to continuing support, it is true that continued presence in a village beyond the 8-10 years that HDI and the sector projects preceding it have been active can provide additional benefits. A wide range of activities over many years would support villages and households to advance to higher and higher levels of development[46]. Seen in this perspective there is never an obvious point or justification for exit.

However, HDI is a humanitarian programme with limited funds. As such it must assist very poor and vulnerable people in conditions of serious deprivation due to situations beyond their control. This suggests that HDI should put increasing emphasis on its poverty focus and articulate a strategy of shifting activities to (new) very poor villages and households as and when incremental benefits in meeting humanitarian needs become much higher for available project investments. This requires as well that the strategy for HDI projects must define and monitor the achievement of an acceptable "end of intervention" state where villagers' most pressing humanitarian needs have been alleviated with HDI's participation and the conditions for local sustainability have (within reason) been established[47].

Once this state has been effectively achieved, HDI can and should transfer significant budget and staff resources to new villages and maintain activities exclusively oriented towards monitoring sustainability and providing selective capacity building to villagers to protect and enhance it.

The present programme period extends to December 2007. If no further funding is forthcoming, the programme will come to an end and exit from all villages and townships will be the consequence. HDI programme management argue that the remaining 18 months of the current programme period will be required to complete on-going activities and to withdraw from the 24 old townships in an orderly fashion. The Mission accepts this argument and points out that this amounts to an acceleration to achieve the conditions for Stage 1 exit.

We recommend:

> ***HDI's exit strategy for ICDP and CDRT should comprise a two stage process. When a defined end of project state is reached in the village, Stage 1 exit can begin with monitoring and selective capacity building activities designed to monitor sustainability and to support local decision making to protect it. This stage will continue to such time as UNDP judges that a continued presence is not required and all activities end (Stage 2).***

[45] While not stated explicitly in the 2005 Mission report, this recommendation refers to the activities in the Integrated Community Development Project and the Community Development in Remote Townships Project. The recommendation is not relevant for the Microfinance Project.

[46] This could be seen as all the more relevant in the absence of a comprehensive government programme of rural development and a more conducive policy environment mentioned elsewhere in this report.

[47] This will also require more precise emphasis on the poorest of the poor. See further discussion on this issue in Section 7 (Programme Future).

This will permit a significant transfer of staff time and budget resources to new villages as discussed above.

By December 2007 HDI should have completed the Stage 1 exit for the 24 original townships and Stage 2 by 2010. Section 7 contains suggestions for the design of activities for other townships.

4. Impact monitoring

The 2005 Mission recommended UNDP to urgently take steps to provide information on impact of HDI activities. Progress has been made. A Policy Unit with core staffing was established by the end April 2006 and a work plan for two years has been prepared. A methodology for impact monitoring is being developed but plans for a system for monitoring of results still is in its infancy and no structured impact information is currently available. See further observations in Section 5.11.

A full listing of the 2005 recommendations and the comments of the Mission are found in Annex 5.

7. Design Issues for the Next Phase

Given the impressive performance of HDI and the continuing need for it, both of which were very apparent to the Assessment Mission, we highly recommend that HDI be further extended in time. We believe an extension is apt since the scope of activities and basic needs they address have not changed.

The impressive performance of HDI could not have been achieved without a well-conceived and well-managed programme concept. Hence the observations, which follow, are not made to reflect a faulty design. Rather they are made in order to suggest points where the concept can be made even stronger and to draw attention to issues, which may not have surfaced yet.

Poverty focus

The Mission has noted that the Programme unintentionally provides only limited benefits to the poorest households in the villages. There are strong reasons to address this issue.

Selection of needs to satisfy

The rural poor have a complex and interrelated array of needs and a programme such as HDI responding to Myanmar's situation can only address some of them. Priorities have to be set. Observations at village level tentatively lead the Mission to conclude that villagers give higher, or even considerably higher, priority to livelihood related activities than to social infrastructure activities. This observation should be verified. If found to be valid, there is a strong reason for HDI as a demand-driven programme to give a relatively low priority to infrastructure investments and to place livelihoods issues very much at the forefront. To achieve this it will be necessary to modify the village level planning process as well as the Township level planning and budgeting process to enable villagers, through the PNA and subsequent and required follow up impact monitoring, to set relative priorities between infrastructure and livelihoods.

An additional reason for facilitating the village led re-balancing of programme activities much more in favour of livelihood related issues is that infrastructure investments generally do not have a particular poverty focus (at village level). While giving priority to the poorest strata of a community, the programme should anticipate and allow for an array of activities that are meaningful to the different relative levels of wealth that characterize the local environment and about which the Projects already collect information.

Given the nature of HDI as a humanitarian effort, considerably more efforts should be directed to health related problems, including preventive primary health care, mother and childcare as well as water and sanitation.

Maximising impact

The Mission is of the opinion that as long as the Programme can enter new villages, shortening the duration of activities in a particular village to achieve a designed set of improvements that are accepted as a reasonable end state, can then increase programme impact in new villages. The arguments leading to that conclusion are given in the section on follow up of the 2005 recommendations.

In programming for the period 2008-2010 a thorough analysis should be made of the nexus of objectives – selection of activities - impact – sustainability - time span of programme activities in a village with the ambition to seek maximum impact for as many beneficiaries as possible. Within the time frame set by the programme for implementation (see discussion on follow up of 2005 recommendations), a specific end state formulated in terms that arise from the initial PNA, but limited by programme policy on the length of the intervention, should guide the determination of the content leading to Stage 1 exit mentioned above[48].

Livelihood related activities

Microfinance and SRGs should be the backbone of livelihood related activities. However, since these activities tend to exclude the poorest of the poor, specific activities addressing the livelihood problems of these households should be identified.

Creating a human resource pool at village level

In search of activities that provide sustainable impact, additional attention should be paid to the possibility of developing skills and capabilities in selected villagers in fields such as preventive health care, mother and child care, child delivery, water and sanitation, home gardening, animal husbandry and animal health for small livestock and poultry. The investment in such human resources can yield substantial results.

Monitoring and evaluation

UNDP and the Programme management are fully aware that an M&E system much different form what is currently in operation is required in the future.

8. Overall Conclusions and Recommendations

HDI is in full compliance with the mandate required by the UNDP GC/EB. The 2006 IAM was most impressed with the achievements of targets and the dedication of managers and staff operating in a difficult environment. HDI is performing an essential and urgently needed humanitarian service for a significant number of people. It is also providing an important showcase of international best practices in participatory development in the country.

In view of the record of achievement, the need on the ground and the potential for HDI to serve that need, a further extension of time for 2008 to 2010 is highly recommended. A Programme Strategy for this further time extension needs to be formulated reflecting a more pro-poor and livelihoods based approach outlined in Section 7.

For existing projects, the Mission offers the following recommendations as a means of further strengthening and consolidating gains:

<u>For CDRT and ICDP:</u>

[48] Example: In response to the demand for better and more predictable income, land reclamation activities might be pursued to target 90% of villagers (or other acceptable figure) and 90% of the poorest (or other acceptable figure) to enable access to productive assets within 2 cropping seasons to support a yearly income of an agreed targeted figure.

1. Increase the loan capital for SRGs
2. Conduct a study of the 2002 interruption in funding to determine: a. the relationship between age of SRGs and their ability to survive; b. frequency of drop outs and their reasons
3. The projects should identify and implement separate livelihoods activities for the lower wealth ranks in the programme and then track their operations using participatory M and E
4. ICDP/CDRT need to develop and implement an exit strategy for the regular programme activities in the 24 original townships; it should be implemented in the current programme period (before the start of 2007)
5. After exit there needs to be set of monitoring activities with related training in these same townships
6. For ICDP - Decentralization can be improved and better coordination with HIV/AIDs education activities can be better organized
7. ICDP should permit the attendance of MF project beneficiaries in livestock and agriculture training in the townships in which they both work

For MF:

8. UNDP should review the operating mechanisms for the Project to see if the current level of operating support to field operations is still required.
9. A review is required of the loan types to ensure that borrowers adequately can finance their agriculture-based activities.
10. The UNDP EB might be asked for an exception to mandate to permit the necessary advocacy work related to establishing the legal framework; the recommended three year extension of time will give the project further opportunities to pursue this.

HIV/AIDS

11. Concentrate education efforts on high risk areas such as Hpaan, Pakokku, Myitkyina
12. The HDI needs to seek means to reach men as a special target group and especially in high risk areas mentioned.

Annexes

Annex 1 - HDI Projects by Township and Number of Villages Covered
Annex 2 - HDI-IV Programme Budget
Annex 3 - Assessment Mission Members
Annex 4 - Mission Programme and Itinerary
Annex 5 - Status of 2005 Recommendations
Annex 6 - Field Visits
Annex 7 - Map

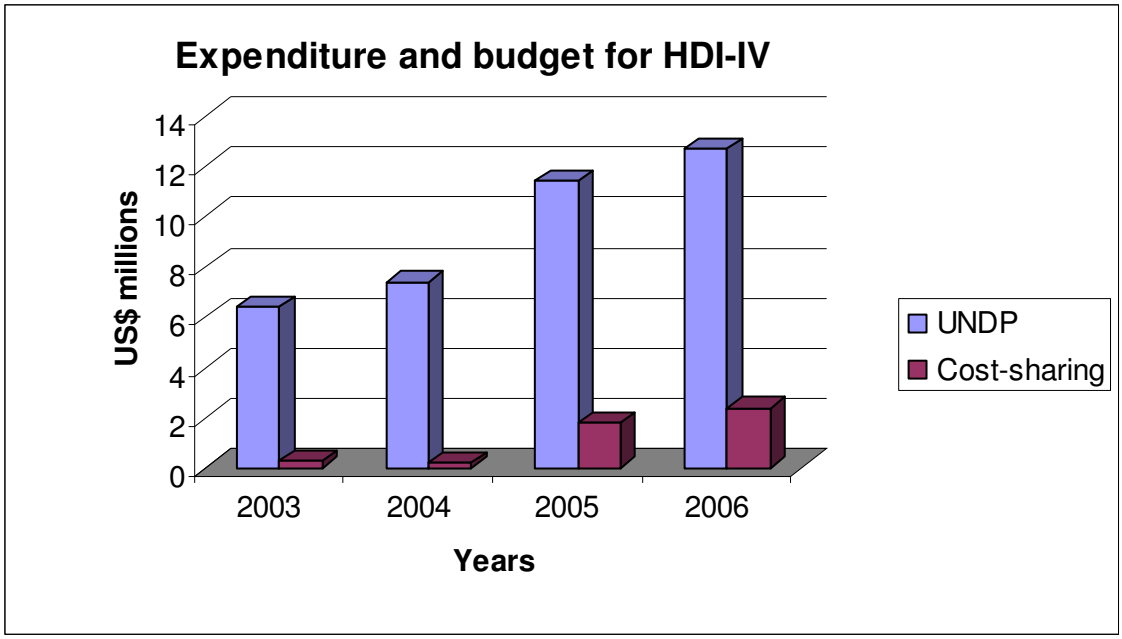
Annex 1 - HDI-IV Projects by Townships (including expansion)
And Number of Villages Covered

	Townships	ICDP	CDRT	Micro-Finance	HIV/AIDS	Integrated Household Assessment	Total No. of villages with HDI interventions
	SHAN						
1	Ywangan	x		x	Nationwide coverage	Nationwide coverage	125
2	Pindaya	x		x			154
3	Kalaw	x		x			288
4	Nyaungshwe	x		x			373
5	Pinlaung	x		x			350
6	Pekone	x					40
7	Hsipaw	x					40
8	Kyaukme	x					40
	DRY ZONE						
9	Chaung-U	x		x			74
10	Kyaukpadaung	x		x			318
11	Magway	x		x			215
12	Chauk			x			74
13	Yenanchaung			x			40
14	Taungdwingyi			x			72
15	Nyaung U			x			66
16	Thaungtha			x			75
17	Ayardaw			x			54
18	Myaung			x			55
19	Pakokku	x					40
20	Sinbaungwe	x					40
21	Thayet	x					40
	DELTA						
22	Bogalay	x		x			453
23	Mawlamyainggyun	x		x			531
24	Laputta	x		x			431
25	Nyaungdone			x			113
26	Pantanaw			x			136
27	Zalun			x			111
28	Danuphu			x			127
29	Ngapudaw	x					40
30	Kyaiklat	x					40
	Kayah						
31	Loikaw	x					40
	Sub-total	20		22			4,595

	Townships	ICDP	CDRT	Micro-Finance	HIV/AIDS	Integrated Household Assessment	Total No. of villages with HDI interventions
	RAKHINE						
32	Maungdaw		x		Nationwide coverage	Nationwide coverage	31
32	Buthidaung		x				20
34	Mrauk-U		x				36
35	Kyauktaw		x				43
36	Minbya		x				38
37	Rethetaung		x				12
	CHIN						
38	Falam		x				36
39	Tiddim		x				36
40	Thantlang		x				36
41	Haka		x				36
42	Paletwa		x				45
43	Tongzan		x				30
44	Mindat		x				30
45	Madupi		x				30
46	Kanpetlet		x				24
	KACHIN						
47	Myitkyina		x				40
48	Waingmaw		x				37
49	Ta Naing		x				14
50	Man-si		x				34
51	Mo Mauk		x				38
52	Putao		x				48
53	Ma Chan Baw		x				18
	MON						
54	Kyaikhto		x				32
55	Bilin		x				31
56	Kyaikmaraw		x				33
	KAYIIN						
57	Hpa-an		x				41
	Sub-total		26				849
	Grand Total 57 of which by project:	20	26	22			5,444

Annex 2 – HDI Programme Budget
(US$)

	HDI- IV (2003 - 2006)		Total	2003	2004	2005	2006
			2003-2006	Expenditure	Expenditure	Expenditure	Budget
1	Integrated Community Dev. Project		15,663,739	2,688,966	2,529,455	4,445,318	6,000,000
		c/s - Italy	5,432		5,432		
		Gross	15,669,171	2,688,966	2,534,887	4,445,318	6,000,000
2	Community Development for Remote Townships		11,582,666	1,941,995	1,676,730	4,823,242	3,140,699
		c/s - Australia	1,338,156	108,681	109,329	561,481	558,665
		c/s - UK	1,364,131			450,294	913,837
		c/s - NZ	112,672			100,977	11,695
		c/s - SIDA	1,546,132			625,380	920,752
		Gross	15,943,757	2,050,676	1,786,059	6,561,374	5,545,648
3	Enhancing Capacity of HIV/AIDS		2,580,825	569,705	429,911	482,425	1,098,784
		c/s - Japan	321,750	157,046	97,239	(24,913)	92,378
		Gross	2,902,575	726,751	527,150	457,512	1,191,162
4	Micro-Finance		4,633,133	500,581	1,161,111	1,311,816	1,659,625
5	Integrated Household Assessment		2,920,435	440,048	1,201,134	429,103	850,150
6	Agricultural Sector Review		736,307	290,812	425,692	19,803	
		Total Gross	**42,805,378**	**6,697,834**	**7,636,033**	**13,224,926**	**15,246,585**
		Total Cost Sharing	**4,688,273**	**265,727**	**212,000**	**1,713,219**	**2,497,327**
		% Cost Sharing	**12.3%**	**4.1%**	**2.9%**	**14.9%**	**19.6%**
		Total UNDP resources	**38,117,105**	**6,432,107**	**7,424,033**	**11,511,707**	**12,749,258**



Annex 3 – Assessment Mission Members

Michael Adair – Team Leader (adair@ksc.th.com)

Raised in Canada, Mr Adair has worked as a development professional for almost 35 years. He began his career as a volunteer teacher in Tanzania and after 10 years as a headquarters staff member of CIDA on Ghana and Sri Lanka programmes and operational policy development, he started working independently as a programme manager and evaluator. He has lived and worked in 16 countries in Asia and Africa: Bangladesh, Burma/Myanmar, Cambodia, Ghana, Guinea, Indonesia, Kenya, Lao PDR, Malaysia, Pakistan, Philippines, Rwanda, Somalia, Sri Lanka, Tanzania, Thailand, and Vietnam.

He has a broad range of experience and expertise. Areas of competence include: agriculture and rural development, appropriate technology, capacity development, community participation, conflict and development, gender and development, governance and management systems, HRD, institution building, management and team building, MDGs, micro-finance, monitoring and evaluation, NGO/peoples' organizations, policy development, poverty reduction, process oriented management, programme and project design, PRSPs, small scale industry.

Lalitha Jayaraman (lalithajayaraman@hotmail.com)

Lalitha Jayaraman retired in 2000 after seven years as the Chief Technical Adviser of UNDP/UNOPS projects in Somalia and Vietnam. Her career has been devoted to working for hunger eradication and poverty reduction efforts in Asia and Africa. Prior to joining UNDP/UNOPS projects, Lalitha Jayaraman worked as programme manager/coordinator in sub-Saharan African countries for World Food Programme, USAID, and CARE International for 15 years. Her area of focus was on disaster management, sustainable livelihood, gender in development, rural development, participation & capacity building, agriculture and micro-finance, rural infrastructure, conflict and post –conflict situation, micro-enterprise development and HIV/AIDS. She has provided consultant services to the World Bank, CIDA, UNHCR, IFAD, OCHA, and UNCDF.

She has lived/worked in India, Tanzania, Kenya, Somalia & Somaliland, Yemen, Djibouti, Eritrea, Ethiopia, Yemen, Uganda, Ghana, Zambia, Myanmar, Vietnam, Laos, Cambodia, Bosnia-Herzegovina, Croatia, Serbia, Ghana, Canada, and United States of America. Since retirement she provides consultancy services in program design and assessments, project appraisal and formulations, results- based program management, project evaluations, strategic planning, gender main-streaming, participatory development and HIV/AIDS.

Dr. Lars-Eric Birgegård (leb@facilitator.se)

Lars Birgegård, who is Swedish by nationality, has spent more than thirty years of his professional career on development issues with a particular focus on rural areas. He is an economist by training with a wide range of experience from field positions, the position as Research Director at the Swedish Agriculture for Agriculture Sciences and more recently as a consultant. His specific areas of interest include rural policy analysis, micro finance, land tenure, producer/market linkages and participatory approaches to development intervention.

He has assisted the Swedish Aid Agency (SIDA) in developing a policy on micro finance and a policy on improving income among rural poor. He has served as team leader in numerous different assignments related to project formulation, project monitoring and project evaluation for a number different agencies including World Bank, FAO, UNDP, UNICEF, NORAD, SIDA, Save the Children, International Red Cross and Swedish Co-operative Centre. He has worked/lived in Nepal, Laos, Cambodia, Vietnam, Sri Lanka, India, Ethiopia, Kenya, Uganda, Tanzania, Zambia, Mozambique, Albania, Macedonia, Bosnia-Herzegovina and Georgia. He has extensive experience as a trainer and facilitator in different donor organisations.

Annex 4 – Mission Programme and Itinerary

15 to 16 May 2006
- Follow - up to Recommendations of the previous Assessment Mission Report
- Briefings on HDI Programme and HDI Projects
- Meetings with UNDP Programme Staff and Agency Project Managers
- Meeting with Policy and Planning Unit

17 May 2006
- Meetings with individual UN Agencies (UNICEF, ILO, UNAIDS, FAO)
- Meetings with major donor Embassies (Japan, Australia, UK, USA)

18 to 20 May 2006
- Field Trip to Delta

21 to 22 May 2006
- Field Trip to Mon/Kayin States

23 to 25 May 2006
- Field Trip to Shan State

24 to 26 May 2006
- Field Trip to Eastern Rakhine

26 to 28 May 2006
- Field Trip to Kachin State

27 to 28 May 2006
- Field Trip to Dry Zone

29 to 30 May 2006
- Drafting and writing of Report
- Presentation of Preliminary Findings to UNDP

31 May 2006
- Presentation of Preliminary Findings to UN Agencies including UNOPS
- Presentation of Preliminary Findings to INGOs and NGOs

1 June 2006
- Presentation of Preliminary Findings to embassies

2 June 2006
- Final debriefing with UNDP

Annex 5 - Review of 2005 Recommendations

Recommendation in 2005	Status/Comment by 2006 Mission
Programme Future. The 2005 Mission recommended:	
• The Government of the Union of Myanmar and the UNDP Executive Board should approve a two-year extension of HDI-IV, i.e. through December 2007.	Completed
• Adequate funding (preliminary estimates suggest $25-30 million) should be made available for this two-year extension.	Completed
• During 2006, UNDP should begin to plan a further phase for HDI and should articulate a systematic exit strategy from the 24 original Townships.	For the period beyond 2007, this is not started and is becoming urgently needed. Exit strategy repeated below
The Future of SRGs. The 2005 Mission recommended that this plan should embrace:	
• Local support systems to provide technical assistance and training to SRGs after HDI withdraws. Possible sources for these services include local NGOs, groupings of people trained in HDI projects, and local companies.	This is not a meaningful recommendation in the current environment. UNDP should disregard it.
• The provision of additional credit to SRGs, perhaps through a fully institutionalised microfinance organization.	An institutionalised microfinance organization is not feasible in the current environment. UNDP should disregard it. Additional injections of capital can be provided either by grant or loan and should be provided according to a formula based on group performance.
• The further encouragement of SRG involvement in village-wide issues.	This cannot and should not be managed by the project. If SRGs want to do it they will. UNDP should disregard it.
• A plan to protect the autonomy and independence of the SRGs.	This is irrelevant if not unrealistic. UNDP should disregard it.
• An examination of possible ways to continue the support of village men for the SRGs.	Support of village men for SRGs exists. Husband Trainings consolidate it further where needed. Otherwise UNDP can disregard it.
The Future of Microfinance. The 2005 Mission recommended:	
• The international community should provide, as a matter of urgency, the technical assistance that has been requested by a Government ministry "to establish a microfinance law which is on a par with international standards, will best suit Myanmar microfinance operations, and will buttress their sustainability".	Urgently needed; not yet done.
• UNDP should hire an international consultant to advise on the future of the Microfinance project.	It is unlikely that a consultant can fulfill this task since it is an issue of programme policy. The current Mission does not support this.

Recommendation in 2005	Status/Comment by 2006 Mission
Exit and Entry Strategies. The 2005 Mission recommended that UNDP should articulate in writing:	
• An exit strategy from the 24 original Townships, designed to ensure that HDI withdrawal leaves behind the gains (especially the human skills and group capabilities) that have been achieved in these areas.	Not done. Needed.
• An entry strategy for the 40 expansion Townships, particularly focusing on efficiency to ensure that the benefits from limited resources can be spread as widely as possible.	The projects do have concepts and activities. This recommendation is not understood. UNDP should disregard it.
• Key elements of these strategies should be: a) replicability, particularly to spread some benefits of the programme to neighbouring villages and areas; b) efficiency, to emphasize the most cost-effective elements of the programme; and c) sustainability.	Not relevant for exit strategy in its absence; For entry strategy there are some programme design consideration that the 2006 mission cover in their recommendations.
Impact Assessment, Learning and Dissemination. The 2005 Mission recommended:	
• HDI-IV should urgently take steps to quantify its impact and benefits through a series of village case studies (perhaps done by graduate students) and regular comparison by field staff of the current situation with data originally collected in villages.	Not done. Needs to be done.
• HDI-IV should initiate a series of cost-effectiveness studies of significant programme components.	Not done. Needs to be done.
• UNDP should develop an information strategy for HDI-IV to allow knowledge about, and lessons learned from, the programme to be spread more widely.	Under way with the Policy Unit. Needs to be done.
A Voice for the Poor. The 2005 Mission recommended:	
• UNDP should evolve a strategy and capability to advocate at the national level pro-poor policies derived from its experience and studies. Examples include: policies to promote pro-poor agricultural growth; technical assistance on legislation for the microfinance sector; and policy recommendations likely to emerge from the analysis of the Integrated Household Living Conditions Assessment.	It is not clear in the current environment how this can be done. There will be targets of opportunity that may emerge.
• UNDP should make a final determination on the structure, lines of responsibility, functions, staffing and budget for its Policy and Planning Unit.	Done
Programme Management and Integration. The 2005 Mission recommended:	
• UNDP should actively seek greater collaboration between projects, especially through regular exchange visits by staff, joint action on training of staff and production of training materials, and breathing new life into the pilot project in Dry Zone involving Microfinance and SRGs.	Started but limited progress has been made. MF, CRDT and ICDP are not optimally linked. This will be addressed by the 2006 mission in more detail. HIV and CDRT have good collaboration. This is not as visible in ICDP.

Recommendation in 2005	Status/Comment by 2006 Mission
• UNDP should assess decision-making in the community development (ICDP) project it executes directly and should test greater decentralization of appropriate decisions.	Some decentralization has taken place especially for project approvals. The Mission appreciates the simplification of procedures that has taken place.
Partnerships and Collaboration. The 2005 Mission recommended:	
• UNDP should actively explore closer collaboration with other UN agencies, e.g. with FAO on agricultural policy and development; with the Global Environmental Facility and the World Food Programme on natural resource management; and with UNICEF on health, education and water and sanitation.	Discussions with WFP are on-going, to be concluded soon. UNDP and UNICEF are in contact and an Exchange of Letter between UNDP and UNHCR in Northern Rakhine State collaboration was signed on 16 June. An agreement with IOM for HIV intervention is in the final stage of negotiation.
• UNDP should intensify its efforts to inform the diplomatic and donor community about the impressive results of HDI-IV and about policy constraints affecting poverty.	Not assessed.
• UNDP should take the lead in a more systematic effort to dialogue with local and international NGOs on issues affecting rural development, and arrange exchange field visits between HDI and NGO projects	Periodic meetings are taking place at Yangon level. We have not assessed local level activity.

Annex 6 - Field Visits

Delta (18-20 May 2006)

Township	Village	Date	Mission	Remarks
Kyaiklatt	Phayar Gyi Kwin	18 May 2006	Mr. Michael Adair Ms. Lalitha Jayaraman Dr. Lars-Erik Birgegaard	ICDP
Bogalay	Ngwe Taung			
Mawlamyingyun	1. Tha Htay Gone 2. Tae Saw Ke 3. Shwe Bosu	19 May 2006		ICDP
Bogalay	1. Kapanan 2. Kine Taw	20 May 2006		MF

Mon/Kayin (21-22 May 2006)

Township	Village	Date	Mission	Remarks
Bilin	1. Da Nyin Gone 2. Anauk-pha-yar-seik	21 May 2006	Mr. Michael Adair Ms. Lalitha Jayaraman Dr. Lars-Erik Birgegaard	CDRT & HIV/AIDS
Kyaikhto	1. Saung-naing-gwa 2. Me-yone-galay	22 May 2006		

Shan State (23-25 May 2006)

Township	Village	Date	Mission	Remarks
Pindaya	1. Zaw Gyi 2. Nyaung Kauk	23 May 2006	Ms. Lalitha Jayaraman	ICDP
Kalaw	Aung Chan Tha	24 May 2006		MF
Nyaungshwe	Lwe Nyein			
	Zee Pin Kone	25 May 2006		ICDP

Eastern Rakhine (24 – 26 May 2006)

Township	Village	Date	Mission	Remarks
Minbya	Hnget Ye Gauk	24 May 2006	Mr. Michael Adair Dr. Lars-Erik Birgegaard	CDRT
Mrauk Oo	Zay-di-Gon			
Kyauktaw	Tharr-Pone	25 May 2006		
Paletwa	Sin-oh-Wa			

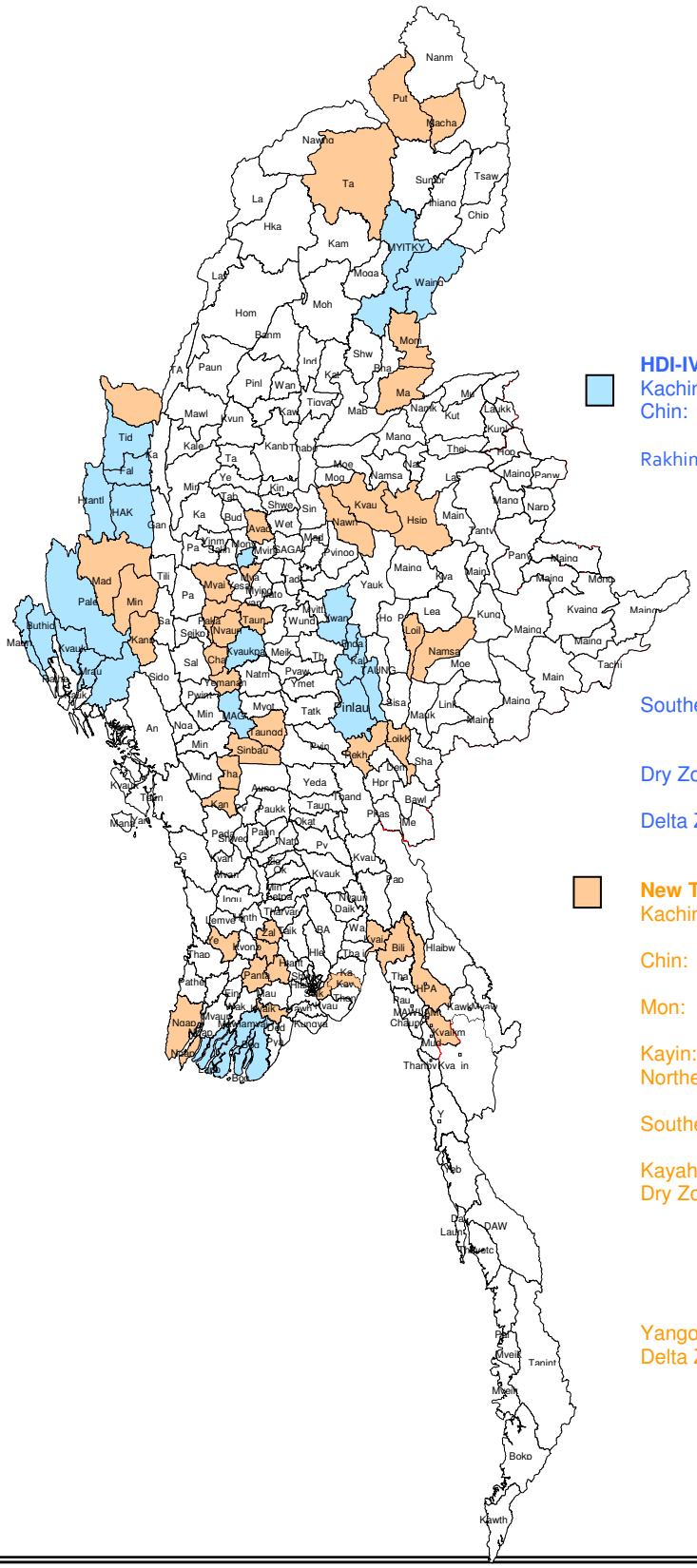
Kachin State (26 – 28 May 2006)

Township	Village	Date	Mission	Remarks
Myitkyina	1. Palana 2. Nant Kyin	26 May 2006	Ms. Lalitha Jayaraman	CDRT & HIV/AIDS
Waingmaw	1. Dabatyang 2. Washaung	27 Nay 2006		

Dry Zone (27-28 May 2006)

Township	Village	Date	Mission	Remarks
Kyaukpadaung	1. Kanywar 2. Dantkyin	27 May 2006	Mr. Michael Adair Dr. Lars-Erik Birgegaard	ICDP
	1. Hti Pu 2. Taung Paw Taung 3. Legyi (North)	28 May 2006		MF

Annex 7 – Map



HDI-IV (Current Townships)

Kachin: Myitkyina, Waingmaw,
Chin: Tiddim, Falam, Htantlang, Hakha, Paletwa
Rakhine: Buthidaung, Maungdaw, Kyauktaw, Mrauk U, Minbya

Southern Shan: Ywangan, Pindaya, Kalaw, Nyaungshwe, Pinlaung
Dry Zone: Chaung U, Kyaukpadaung, Magway
Delta Zone: Laputta, Bogalay, Mawlamyinegyun

New Townships added in 2005

Kachin: Putao, Machanbaw, Tanai, Momauk, Mansi
Chin: Tonzang, Madupi, Mindat, Kanpetlet
Mon: Kyaikto, Bilin, Kyaikmayaw
Kayin: Pha-an
Northern Shan: Kyaukme, Hsipaw, Nawnghkio
Southern Shan: Pekhone, Loilem, Namsang
Kayah: Loikaw
Dry Zone: Pakokku, Sinbaungwe, Thayet, Myaing, Kamma, Ayadaw, Myaung, Taungtha, Nyaung U, Chauk, Yenangyaung, Taungdwingyi
Yangon: Kayan
Delta Zone: Ngapudaw, Kyaiklat, Yegyi, Za-lun, Danubyu, Nyaung Don, Pantanaw