



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
30 November 2000

Original: English

First regular session 2001

29 January-6 February 2001, New York

Item 3 of the provisional agenda

Country cooperation framework and related matters

Assistance to Myanmar

Note by the Administrator

Summary

The present report contains the major findings, conclusions and recommendations of a six-member international independent assessment and evaluation mission of the Human Development Initiative (HDI) in Myanmar, carried out in accordance with the guidelines set out in Executive Board decision 98/14 of June 1998. The Administrator notes that: (a) the 10 projects of the HDI Extension (1996-1998) were concluded in late 1999; (b) 11 projects of HDI Phase III (mid-1999 to end-2001), which were approved in accordance with the guidelines set out in decisions 93/21 and 98/14, were initiated in late 1999; and (c) an independent assessment and evaluation of the HDI was carried out during the period 27 May to 15 July 2000. Overall, the mission found that all project activities of the HDI Phase III were formulated and are being implemented in compliance with Governing Council and Executive Board decisions 93/21 and 98/14. The mission also concluded that HDI projects objectives were being pursued very successfully and were making a clear difference in the well-being of an estimated 3.6 per cent of rural poor. To enhance the impact of the HDI further, the mission made several recommendations for the consideration of the Executive Board to consider.*

* The full text of the report of the independent assessment mission is available on request from the Secretariat (tel. (212) 906-5749).



Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Background and purpose	1-3	3
II. HDI-E and HDI-III	4-13	3
A. Introduction	4	3
B. Assessment by independent mission	5-13	4
III. Strategic issues and challenges	14-20	7
IV. Recommendation of the independent mission	21	8
V. Executive Board action	22	9

I. Background and purpose

1. Since 1993, UNDP assistance to Myanmar has been carried out within the framework of the Human Development Initiative (HDI), in compliance with the guidelines established in Governing Council decision 93/21, and in Executive Board decisions 96/1 and 98/14. In accordance with these decisions, resources are allocated to meet critical humanitarian and basic human needs in Myanmar and are clearly targeted towards programmes having sustainable impact at the grass-roots level in the areas of primary health care, the environment, HIV/AIDS, training and education and food security. The first phase of the HDI (15 projects) was carried out during the period 1994 to the end of 1996. The second, extension phase (HDI-E) comprised 10 projects, which were concluded in late 1999. The current 11 projects of the HDI Phase III for the period mid-1999 to end 2001 were initiated in late 1999, pursuant to Executive Board decision 98/14.

2. In its decision 98/14 of June 1998, the Executive Board approved continued funding of activities in the sectors previously outlined in Governing Council decision 93/21, and subsequently reaffirmed by the Board in its decision 96/1. It authorized the Administrator to approve project extensions on a project-by-project basis up to a total amount not exceeding \$50.0 million for the period mid-1999 to the end of 2001 from target for resource assignments from the core (TRAC) funding. In its decision 98/14, the Board also requested the Administrator to continue to provide the Executive Board, on an annual basis, with a report on the progress and challenges in the implementation of project activities of the HDI. Accordingly, the results of the last HDI independent assessment mission conducted in February-March 1999 were presented to the Board in June 1999.

3. In response to decision 98/14, the present report contains the major findings, conclusions and recommendations of a six-member independent international mission fielded in Myanmar during the period 27 May to 15 July 2000 to assess and evaluate the HDI and its constituent projects. The mission carried out a review of the progress and challenges in the implementation of HDI project activities from March 1999, when the last assessment report was undertaken, to the end of May 2000. The period of the assessment covered the last six months of HDI-E in 1999, and the current HDI Phase III, which

commenced in September 1999. The mission's terms of reference included (a) an in-depth analysis and evaluation of the 10 projects of the second phase of HDI and the 11 projects of HDI Phase III and (b) an examination of progress made in implementing each project since the last assessment of March 1999 and of the challenges faced by the projects in meeting their overall goals and objectives. The mission also reviewed and assessed the HDI programme more broadly in terms of its effectiveness in pursuing the common goal of addressing the critical humanitarian and basic human needs in Myanmar at the grass-roots level.

II. HDI-E and HDI-III

A. Introduction

4. All HDI project activities have been formulated and are being implemented in strict compliance with Governing Council and Executive Board decisions 93/21 and 98/14. Projects are being implemented in strategically targeted areas in the Dry Zone, Southern Shan State, the Ayeyarwady Delta and in remote border areas of Rakhine, Chin and Kachin States. A total of 24 townships (23 under HDI-E and an additional one under HDI-III) are being targeted in the selected geographical regions for project interventions under the current HDI Phase III. Within the target townships, HDI has conducted participatory rural appraisals to identify the areas of greatest poverty and to indicate where the need for humanitarian assistance and human development are most critical. Poverty mapping of the villages in each HDI township has enabled human development and humanitarian assistance to be focused on village tracts with the poorest households — which, on average, account for about 20 per cent of the total population of a typical township. One cluster of HDI projects addresses critical basic humanitarian needs in primary health care, potable water supply and sanitation, HIV/AIDS prevention and care, and primary education; a second cluster of projects is aimed at the other priority areas — food security, arresting the deterioration of the natural environment, income-generation and micro-finance activities. Third, on account of the remoteness of the Border Area, all these components are delivered in the projects concerned under a common area-management approach. All projects, with the exception of the Border Area

projects, are provided with common administrative and coordination support for selected field activities through an umbrella-type HDI Support (HDIS) project.

B. Assessment by independent mission

5. The mission found that overall, all HDI projects were meeting their individual project objectives very effectively and successfully. Project inputs respond fully to the needs and priorities expressed by grass-roots communities during the participatory planning exercises and are being delivered directly at the village or village-tract level in partnership with community-based organizations and rural communities. Village-level planning and the determining of priorities for project activities are now well instituted in villages that were included in the earlier phases of HDI and HDI-E programme. For those villages that have been added under HDI-III projects, villagers have been trained to carry out participatory rural appraisals to enable the development and mobilization of planning and decision-making capabilities among themselves. In some villages under the previous HDI phases, such as in the Ayeyarwady Delta area, where the Environment and Food Security project started in 1994, the project manager is conducting sample experimentation exercises to determine the sustainability of HDI activities. The exercises consist of withdrawing assistance offered through this project from a sampling of these villages and then monitoring and comparing their activities and progress with other HDI villages that had been receiving assistance for the same period and still continue to receive such assistance. Results after the first six months indicate that the villages where all external project assistance had been withdrawn were keeping pace with similar villages that continue to receive the close attention of the project staff. One determinant of success among the villages included in this experiment is strong village leadership. Interventions in villages with weak leadership are not as independently sustainable without the continued advice and assistance of project staff. This has been taken into account in developing the exit strategy for the project; zones are being set up within the townships, including "well-led" villages and "not-so-well-led" ones, where the village leaders are encouraged to meet together regularly to share information on their current activities and plans and to seek each other's help in problem-solving. In this way,

villages can draw on the strengths of the better-led villages to help to resolve problems when they arise.

6. The success and challenges which the individual HDI projects faced and their impact on the poorest communities in the various sectors were also carefully assessed and evaluated. In primary health care, services are provided in the 11 HDI focus townships through a community-based approach. Project staff work in close partnership with the basic health staff, who are assigned directly at the village and community level. This provides an institutional linkage for the project and contributes towards the longer-term sustainability of these activities when the HDI project is concluded. Recent accomplishments under this project include: (a) the introduction of a "self-care" programme which is a series of training programmes for household members to enable them to improve the ways in which they look after their own health at the basic health-care level and to sensitize them to the situations when they need to seek outside medical advice or care; and (b) the preparation of a comprehensive illustrated manual and an intensive training programme for approximately 380,000 women representing each household in the HDI villages. This resulted in the capacity-building and training of each household in the 11 HDI project townships in the fundamentals of self-care and in a reduction of the incidence of diseases such as goitre in iodine-deficient areas by strategic influence at the policy level that led to the iodization of domestic salt. This objective was achieved at the end of the HDI-Extension phase.

7. In community water supply and sanitation, there were some gaps in the transition from the phase II to phase III project because of delays in the approval process for the recruitment of key expatriate personnel. Nevertheless, the third phase project is operating and continues to contribute significantly to the improving of the lives of poor communities in the HDI project areas. Under the Phase III project, maintenance and operating manuals are being developed for those facilities that have been completed. Enhanced training programmes are under way for approximately 504 village water and sanitation committees in order to enable the communities to maintain and sustain the large number of physical infrastructure improvements under earlier phases of the project. Such project interventions have to date benefited 2,657 villages and communities.

8. The UNDP HIV/AIDS project is the largest in Myanmar and the principal mechanism through which the multidimensional aspects of the disease and its consequences are addressed. The estimated current infection rate in the country is 1.5 per cent of the population. The project budget is quite modest compared to the enormous needs in the country, which has an estimated population of 46 million. UNDP funds (\$3 million over 30 months) are less than 10 per cent of those being provided annually by international donors to neighbouring countries with similar or comparable infection rates. Nevertheless, the HIV/AIDS project continues to use its resources strategically and effectively and has established a solid base for the rapid expansion of the programme when additional external resources become available. There is excellent collaboration among the various agencies and other partners. The scope of activities under the project has been expanded to address broader issues relating to policy, advocacy and collaboration; social marketing of condoms; capacity-building of non-governmental organizations, community-based organizations and the private sector; reproductive health and treatment of sexually transmitted diseases; behavioural change; and care, counselling and support for AIDS patients. Effective, participatory, low-cost community-based responses to HIV/AIDS prevention, care and support have also been developed and education and awareness programmes are conducted for children of affected families. Income-generating activities and social support programmes have been organized, particularly for marginalized groups in partnership with the communities. The mission supported the urgent need for additional resources to supplement limited UNDP core resources in order to continue to address this problem more effectively on a much broader scale.

9. HDI activities in the primary education sector have resulted in both direct and indirect assistance to more than 3,700 villages. To date, direct assistance has been provided through the project to 2,458 village schools, comprising the reconstruction or renovation of village schools, the provision of teaching/learning aids and micro-projects to assist the poorest children. Assistance has also been provided to villagers for non-formal education activities through the establishment of community-learning centres and training has been provided to community members to manage them. In addition, 7,600 primary school teachers in project townships have been trained through the project. As with other HDI projects, these activities continue to

focus only at the grass-roots level and therefore linkages with the national education system that could broaden the reach of the project's achievements at the township or higher levels, as well as with other non-HDI townships, are lacking. Nevertheless, the project has been instrumental in bringing about acceptance at the national level of a number of innovative activities: an environmental education component has been designed and introduced into the curriculum, as have teacher-training courses in environmental education and non-formal teaching methods. Collaboration with other HDI projects is also being stepped up to address one of the main causes of the high drop-out rates in primary education after the first year, i.e., the costs associated with sending children to school, which many parents cannot afford. The HDI will continue to give priority attention to this issue.

10. The micro-finance project has been operating in only 3 per cent of the country's township for a limited period. The project has demonstrated several important lessons for future development planning, including (a) the poor are responsible borrowers, willing and capable of reimbursing loans and interest and (b) in the context of a credit vacuum, collateral is not indispensable: there are strong incentives for the poor to repay their loans from a stable source from which they can borrow repeatedly and the repayment history can function in a way similar to collateral. The three NGO implementing partners (Grameen of Bangladesh, the Groupe de recherche et d'échanges technologiques (GRET) of France and Private Agencies Collaborating Together (PACT) of the USA) have been quite successful in meeting and exceeding the project objectives, namely, delivery of credit to 75 per cent of the planned target group (60,000 households). The mission highlighted the need for activities to be linked to a market-oriented, deposit-based strong, working banking system. Although the establishment of such a system lies beyond the scope of the HDI, it was nevertheless recommended that, given the success of the project to date, the current micro-finance project could pave the way for the development of an overall rural credit system to support rural banks to which current HDI credit activities could be linked at the appropriate time.

11. The three Environment and Food Security projects continue to address environmental degradation in the Dry Zone, Shan State and the Delta areas and to improve technologies and capacities for increasing

production and rural incomes. To date, assistance has been provided to 223 villages in the Dry Zone, 605 villages in the Shan State and 340 villages in the Delta. The project also provides employment to 7,696 villagers in the Dry Zone and Shan State in a variety of agricultural techniques and planting, as well as training in simple soil-erosion control practices. The heavy demand on firewood for domestic purposes places enormous pressures on the natural environment, especially on depleted forests in the three project areas. In the Dry Zone in particular, the consumption is greater than the growth rate of the existing trees and of those planted annually in that region. In Shan State, the critical watersheds continue to suffer serious soil erosion. The HDI has achieved significant results in conservation practices in the 11 HDI townships where it is operating. The HDI has brought about a high degree of concern for preservation and conservation of the natural environment among villagers in this region. However, the HDI project is, as noted, able to have an impact on only 3 per cent of the total affected watershed areas that continue to suffer from serious soil erosion. The environmental degradation situation in the Ayeyarwady Delta is particularly serious, with river bank erosion destroying arable land and salinity encroaching into former fresh water areas.

12. The Community Development in Remote Townships project is operating very successfully in 10 remote townships in Eastern Rakhine, Chin and in Kachin States on the eastern border. The project has been effectively reoriented to more integrated rural development with the participation of the communities that are fully involved in the decision-making process. The project provides assistance to over 150 villages in the region. Project activities are sustained by self-help groups and community organizations with the assistance of an international NGO that is engaged in capacity-building and the training of villagers and communities in the targeted areas. To date, approximately 600 Self-Help Groups have been formed. The project has recorded significant achievements in developing and implementing micro-projects in agriculture and natural resources, health, education, water/sanitation, and vocational training. These multisectoral project activities are being delivered under a unified management in the three project locations in this region. There is an urgent need for an expansion of the project activities to include additional townships and villages in this remote region of the country. Assistance is also provided through a

preparatory assistance project in three Northern Rakhine State townships (Buthidaung, Maungdaw and Rathedaung), where over 230,000 returnees have been resettled from Bangladesh by UNHCR. This preparatory assistance is laying the groundwork to help to consolidate the smooth integration of the returnees once UNHCR scales back its operations. It has (a) ensured on-the-ground social mobilization and area-based community development activities in three townships of the Northern Rakhine State, and (b) produced a programme proposal (Basic Needs Assistance Programme) for scaling up these activities in conjunction with the withdrawal of UNHCR.

13. In following the relevant guidelines of the Governing Council and Executive Board decisions, UNDP has taken steps to ensure that grass-roots communities are fully involved in the planning and implementation of all HDI project activities. Under HDI Phase III, renewed efforts have been made to strengthen local capacities to ensure meaningful participation in project activities and for self-sustained human development at the grass-roots level. To achieve this, the operational strategy for HDI Phase III strongly emphasizes (a) social mobilization as a means of enhancing the community participatory process and (b) the development of human and technical capacities to facilitate integrated decentralized planning and implementation. These operational strategies respond to the overriding needs that must be fulfilled by all HDI projects and have thus been placed under the umbrella of an HDI Support project (HDI-S) that has established mechanisms and structures to deliver a variety of common services to other HDI projects. The HDI-S mechanism ensures that project interventions are implemented in a manner that stimulates a process of capacity-building for sustainable grass-roots development through (a) developing the inner strengths of the communities to harness their potential and (b) empowering them to identify their problems and needs and assume collective responsibility to plan, manage, control and make best use of external and internal resources. Mechanisms have also been built into the HDI-S project to monitor this process carefully and track its progress. This is carried out through extensive visits to approximately 1,500 villages in the 11 HDI townships to discuss village needs and development planning and to facilitate linkages between communities and project activities; the introduction of decentralized community planning and budgeting to ensure the local ownership and good

coordination of multiple HDI activities within the same village; regular community-level meetings to monitor inter-project and intersectoral coordination, linkages and convergence; the sharing and exchange of information and experience of projects on the identification and targeting of the poor; and data collection for the SRF/ROAR process. New competencies in participatory planning and implementation training courses are being conducted to this end. To date, about 500 persons have been trained in the concepts, principles, practices and tools of social mobilization. As recommended by the mission, UNDP will carry out an in-depth review of the HDIS project in the near future to identify how its important functions can better enhance and facilitate the overall impact of the HDI.

III. Strategic issues and challenges

14. While many useful lessons have been learned from the performance of project activities, including their contribution to the improvements of many aspects of village life and the empowerment and establishment of community-based organizations, the HDI faces a variety of strategic issues and challenges, both at the operational and policy levels. Some of these are briefly highlighted below. More details are provided in section 6 of the mission report.

15. There is a need to strengthen programme coherence and coordination among the United Nations entities, given the different operational modalities that they use. In certain key sectors, some United Nations specialized agencies are not in a position to provide the critically needed technical cooperation support or have discontinued their implementation arrangements for HDI projects because of the specific modus operandi of the HDI. UNDP activities are carried out strictly in accordance with the guidelines established in the relevant Executive Board mandate whereas the operational modalities of other United Nations entities in the country are more in line with those of a standard country programme. This poses difficulties for UNDP since all HDI projects must be executed by United Nations organizations. It also has implications for UNDP participation and its leadership role in carrying out joint United Nations exercises, such as the Common Country Assessment, and in other United Nations programmes of assistance for which an integrated approach is desirable.

16. At the operational level, there are also limitations to the extent to which certain community-based activities can be self-sustaining. Local community-based organizations must have institutional linkages with broader social and economic structures in order to achieve sustainable socio-economic development. In this regard, the mission highlighted the limitations of the ongoing HDI interventions and cited several examples, such as those in (a) education, where the project interventions need to be in synchronization with the national system; (b) micro-finance, which requires institutional and infrastructural support at the rural level to make the activities more stable; (c) agriculture, where there is a need to demonstrate the benefits of different marketing arrangements for small-farm agricultural production that could increase the yields and earnings of small farmers; and (d) the growing HIV/AIDS problem, which also needs to be addressed at the national level.

17. Through HDI activities, UNDP has gained extensive knowledge and understanding of the scope of the poverty problems facing the country. Over the past six years, a valuable knowledge base grounded in evidence from the field has been developed. This has proven very valuable for other partners in understanding the needs of the poor and in targeting assistance to them. However, the rich UNDP information base is mostly limited to the geographic scope of HDI.

18. It is estimated that approximately 70 per cent of the population lives in rural areas and over half of all rural households depend on agricultural production as their primary source of livelihood. There are major challenges facing the agricultural sector, which continues to be one of the most critical areas in the UNDP poverty-reduction projects. A significant decline in rice production and agricultural outputs has been observed. This is especially worrisome since the agricultural productivity of small farmers is an important dimension for reducing poverty in the country. The lack of accurate nationwide data on agriculture makes it difficult to address the challenges at hand effectively.

19. Although the links between poverty and agricultural productivity are clear, many other causes of poverty are less clear. Particularly important is the need to address the causes of poverty in different zones so that the HDI can continue to offer the most relevant alternative solutions to communities in the most

poverty-stricken regions of the country. Although HDI-related data-collection exercises have already produced a rich information base on poverty within the geographic parameters of the programme as noted in paragraph 17, there is increasing evidence from observations of adjacent zones that rural poverty may be deepening. If UNDP could undertake an overall poverty assessment for Myanmar and update it regularly over time, the information would not only enhance the HDI, but would also be very useful for other United Nations organizations and partners active in the country. As soon as the way is cleared for greater cooperation of the international development community at large in Myanmar, such an information base would be critical for the rapid identification of priorities and programme development.

20. Another serious issue of concern for the rural poor is the degradation of the environment. The HDI has reported on fragments of evidence pointing to alarming trends in the depletion of natural resources that indicate reduced soil fertility and soil erosion, growing deforestation and the depletion of large areas of mangrove forests. While these problems have been prominently pinpointed, there is insufficient reliable data concerning the environmental conditions to make any serious prognosis of outcomes or to plan workable responses to these problems.

IV. Recommendations of the independent assessment mission

21. In view of these constraints to the collection and analysis of data, the mission made the following recommendations:

(a) UNDP should undertake as quickly as possible a poverty assessment of Myanmar, focusing on indicators of the extent, depth and severity of poverty and highlighting the main causal factors in different agro-ecological zones and ethnic groups. Basic poverty information should be updated regularly over time by UNDP. The output would be (a) a database on poverty in Myanmar that should be updated in order to assess trends, and (b) in-depth poverty analyses on different dimensions of poverty that would guide UNDP work and that could be shared with other partners to fill a serious data vacuum. This would enable new strategies to be adopted to increase the effectiveness of institutions and organizations functioning at all levels

for the benefit of the rural poor — including at the village, township, regional and national levels;

(b) UNDP, in collaboration with the appropriate technical agencies and national institutes, should undertake a comprehensive, nation-wide agriculture sector review as early as possible, with a special focus on cereal crops. The output from this sector review would be up-to-date and reliable information on the state of the sector that would add to the understanding both of poverty conditions and of the macro picture and that would define important agricultural issues;

(c) UNDP should plan and launch a comprehensive review of the condition and stresses on the natural environment and its associated resources (soil, water, forests and other important plants, fish and wildlife) in critical areas of Myanmar, including the three areas in which UNDP HDI activities operate. The output from this comprehensive review should identify the most serious problems and problem areas, thus providing the information necessary to develop strategies to mitigate and alleviate environmental deterioration and to identify the potential for protecting some of the most vulnerable areas;

(d) A longer time-frame for planning is strongly recommended in line with that required of effective participatory community-development activities. The mission observed the short duration of two and a half years for each HDI Phase in relation to the time-intensive nature of participatory community-development activities and the gestation period required for project planning, formulation, review and approval. For example, the HDI Phase III projects were approved in accordance with the guidelines of Executive Board decision 98/14 in early 1999 but implementation could begin only in the last quarter of 1999 because of inevitable delays in the recruitment of expatriate personnel, etc.;

(e) UNDP should play a more proactive role in broadening the scope of HIV/AIDS activities in the country in general and in expanding the excellent work carried out under its own HIV/AIDS programme in Myanmar. While the UNDP HIV/AIDS activities have placed the organization in a good strategic position, further effectiveness depends to a large extent on the availability of additional resources to supplement limited UNDP core resources. The problem is growing and requires at least 10 times more resources than the current annual expenditures of the HDI project;

(f) Linkages should be established at the operational level between community-based initiatives and broader social and economic structures for longer-term sustainability particularly in education and primary health care.

V. Executive Board action

22. The Executive Board may wish to:

(a) Take note of document DP/2000/5 and of the report submitted by the independent assessment mission to Myanmar, in particular the strategic issues and challenges raised therein;

(b) Request the Administrator, taking into account the findings of the independent assessment mission to Myanmar, to submit, at the earliest possible date, for the consideration of the Executive Board, a proposal for continued UNDP assistance to Myanmar.

