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Terms of Reference

Supporting Partnerships for Accountability and Civic Engagement (SPACE) in Burma: Civic Engagement Support Facility

Introduction

Supporting Partnerships for Accountability and Civic Engagement (SPACE) is a new programme supported by DFID to improve engagement between government and civil society in Myanmar. The funding will support civil society and local authorities to make public institutions more responsive to people's service delivery and economic needs.

SPACE is comprised of four components;

1. **Pyoe Pin:** DFID will continue supporting Pyoe Pin to strengthen partnerships around reforms that bring about tangible improvements in people's lives, for two years.
2. **Civic Engagement Support Facility:** To test new ways of working that foster constructive engagement between citizens and local authorities. Working alongside local development funding investments, the facility aims to help people become better at articulating what they want from local government, better at monitoring what it does, and better at holding it to account.
3. **Local Development Grants** Providing flexible funding to local authorities (township and village level) to respond to local priorities, in partnership with the National Community Driven Development Programme (World Bank) and UNDP township development programme.
4. **Evidence and Learning:** DFID will appoint a new team to learn as much as possible from SPACE investments, and other related initiatives, in terms of what works and what doesn't in fostering a more productive relationship between local government and communities.

These terms of reference are for **Component Two: Civic Engagement Support Facility**

Overview

The objective of Component Two: Civic Engagement Support Facility is to help people become better at articulating what they want from local government, better at monitoring what it does, and better at holding it to account. The Supplier will be expected to identify and test new ways to bring citizens, local authorities and other actors together, and to support policy dialogue on local governance reform at this important time in Burma. The programme will be focused in Bago Region and Kayah State, working alongside UK investment in local development funds.

DFID will contract one supplier, or lead consortium member, who will be responsible for delivering these Terms of Reference. The Supplier will be expected to deliver a highly flexible and adaptive approach that uses knowledge of the local context to design strategically selected pilots, grants and technical assistance. The Supplier will be required to demonstrate capacity to deliver across four main areas of engagement:

- a. **Context analysis:** provide up-to-date continuous and comprehensive analysis of actors, issues and development programmes in the state/regions
- b. **Technical assistance:** provide high quality local and international expertise across a range of local governance and development issues

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- c. **Sub-grant management:** design and manage small-scale pilot projects on new ways of working and grants to local actors to foster constructive engagement in governance
- d. **Policy dialogue:** build partnerships at the local and national levels around local governance reform and related development priorities

The programme will be focused in Bago and Kayah in order to maximise synergies with local development investments through component 3. Implementation of the CESF will be divided into three phases, to reflect the importance of building the programme and model of implementation, based on knowledge of the context.

- **Inception** (6 months): Undertake initial context analysis and propose activities to be supported and modalities of implementation
- **Phase One** (18 months): Implementation of supported activities and mid-term review, supported by on-going context analysis and technical support
- **Phase Two** (20 months): Extension of activities and possible scale up in successful areas.

The Supplier will be expected to provide a detailed design for the inception phase, together with a framework for delivery for the full project period. Detailed plans for the implementation phase, including budgets, partnerships, and staffing for phases 1 and 2 will be agreed in line with contract break points after 6 months (end of inception) and 24 months (end of phase one). Bids are sought within the range of £3.5- £4 million Inclusive of all relevant taxes.

Budget

The budget limit for the CESF is within the range of £3.5- 4 million Inclusive of all relevant taxes. Suppliers must ensure that at least 50% of the proposed budget is allocated to projects managed by local partners.

Financing mechanism: A proportion of payments should be linked to achievement of milestones set out in delivery plans, on the understanding that these milestones will be redefined over time. The Supplier will be responsible for relevant taxes (e.g. VAT, customs duties) being included in budget and all other financial forecasts throughout the project, in accordance with DFID guidance.

Timeframe

DFID expects the CESF component of SPACE to be operational from July 2017 until January 2021, subject to the potential breakpoints set out above.

Progression to the Phase 1 will be dependent upon satisfactory performance of the Supplier that will be assessed through an end of Inception phase review, the continued need in the regions selected and availability of funding. This will be mirrored for the move into Phase 2.

DFID may extend the contract for up to an additional 24 months, should an ongoing need for the services exist.

DFID reserves the ability to scale the programme up or down, subject to the outcomes of annual reviews. DFID will also have the right to terminate the contract at any point where it

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has strong justification that the programme is not delivering the intended results and/or does not offer value for money to DFID.

The Supplier should be prepared to amend its strategy, delivery plans and budgets should any circumstances arise in which DFID decides to scale the programme up or down. The Supplier should be aware of the need for a contract amendment this being the case.

Recipient

The recipients of this programme are the people of Myanmar.

Background

Burma's democratic opening presents an opportunity to shift the terms of engagement between citizens and the state. A successful transition requires reform of institutions and laws that were designed for centralised control rather than responding to people's needs. Equally important is the need to support changes in behaviours of both officials and citizens and the development of a new sense of trust – between the public and authorities, and across communities for a more inclusive society. Lack of trust is a significant constraint to reform in Burma, one that undermines the ability of state and society to work together and affects the relations between the centre and the conflict-affected periphery of the country.

In this context, there are new opportunities to support governance transitions at the sub-national and local levels in Burma; to explore how differing interests are negotiated, how rights are established and how communities and civil society engage with the state and each other in diverse contexts. Success in these areas will not only bring about more effective and equitable development, it will also lay the foundations for lasting peace; whereby enabling political contests to be played out peacefully at the local level support the deepening of democracy and enhanced capacity to negotiate diverse interests.

There is no certainty that Burma can shift from a personalised system based on “deals” to a more inclusive and equitable rules-based system quickly, or at all. The army retains control of three key ministries – Defence, Home Affairs and Border Affairs – and has 25% of seats in the national and State/Regional Parliaments. There are significant economic interests, particularly in the ethnic border regions, overlaid with historical grievances, to entrench prolonged conflict. These obstacles to the emergence of a peaceful democracy will be hard to dismantle. In this context, steps toward reform need to be carefully managed to avoid a return to authoritarianism.

Given the political risk and uncertainties, and Burma's uniquely diverse ethnic and religious mix, this is not the moment to introduce models of governance reform that are borrowed from other countries or to scale up too rapidly. The risks of failure, and contributing to greater political instability, are significant.

Support for governance transformation, of the kind taking place in Burma, is more likely to be successful when built on a sound knowledge of national dynamics and local contexts, as well as an understanding of actors and incentives. Progress needs to be built on trusted relationships with key players from across civil society, the military, political parties, and the private sector. Knowledge of context, backed with the ability to test approaches and learn from experience by taking ‘small bets’ can help nurture appropriate solutions that can be scaled up successfully.

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Taking time to understand the local context and supporting locally-led problem solving can also help mitigate the risks of failure from externally driven 'solutions'. There are numerous examples from around the world which have highlighted the potential for development aid to generate instability, further strengthen elite control of resources, or undermine long term institutional change. Managing these risks can require a different way of working, one that sees development assistance becoming more flexible and able to respond to challenges and opportunities that arise.

Role of the CESF in SPACE

This component of SPACE aims to ensure that we maximise learning and innovation based around initiatives taking place at the local level, including but not limited to those being supported through SPACE. The CESF will identify and test new ways of working, and develop a shared understanding of how these initiatives fit within the broader framework of local governance reform.

The programme will focus on Bago Region and Kayah State, working alongside SPACE's investment in local development (component 3). In addition to supporting civil society to engage in local governance processes, the programme will be seeking to promote improved coordination and coherence of local governance initiatives in order to build a foundation for appropriate policy and institutional reform. To achieve this objective, the CESF will work closely with the evidence and learning component (component 4) to assess impact of initiatives supported, and with Pyoe Pin (component 1) to harmonise partnerships and approaches.

Inclusive and accountable local governance institutions are critical for both effective service delivery and the deepening of democracy and stability. There is no blueprint to achieve this, and as such the CESF aims to develop solutions through adherence to the following key principles (which we expect to evolve over the course of the programme):

- **Grounded in reality:** develop an in-depth understanding of the local context(s) (actors incentives and institutions), how development initiatives play out on the ground, and the ways that this affects outcomes
- **Locally-led:** Understand the 'problems' that are identified by local actors, and support their initiatives to overcome them by building on positive innovation
- **Coherent:** encourage an improved alignment between different development initiatives operating in the local space; to overcome potential fragmentation of approaches through project and sector-led initiatives
- **Constructive:** develop a better understanding of the mutually-enforcing roles of local authorities and civil society in achieving accountability
- **Efficient:** find ways of achieving inclusive and responsive local development that minimise the demands on local communities and authorities while delivering the best results feasible
- **Facilitating dialogue and learning:** Foster improved dialogue for appropriate approaches to reform, by bringing actors together around common issues and learning from what has been done.

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Expected outcomes

The results framework for the CESF will be developed and agreed during the inception phase, but is likely to include (but not limited to) the following:

Outcomes:

- 1) Increased civic engagement and coherence around local development programmes in selected State/Region

Outputs:

- a) Improved analysis of the local context and development approaches which inform the design of CESF interventions
- b) Pilots of local governance innovations test new ways of working at the local, township and State/Regional levels
- c) Civil society actors engage in planning, implementation and monitoring processes
- d) Effective forums for constructive engagement established at the local, township and State/Region levels
- e) Policy dialogue and partnerships at the local, township and State/Region levels are supported through responsive analysis and facilitation

Scope of Work

Achieving the objectives of the CESF is expected to depend on coordinated delivery across four main workstreams: analysis, technical assistance, piloting and grant making, and development of policy partnerships. This section sets out the initial scope of these components, with the expectation that this will be refined through the life of the programme.

- **Context analysis:** provide up-to-date and comprehensive analysis of actors, issues and programmes in the State/Region

Activities under the CESF will be founded on a continuous monitoring and analysis of the local context: the State/Region, district, township, village tract and the village levels, taking into account contested administrative boundaries in areas where Ethnic Armed Groups have influence. This work will include assessing key local actors and institutions; and understanding the issues and incentives that affect local governance and service delivery. Context analysis will also analyse the range of relevant development programmes that are operational in the focal State/Region areas to assess/avoid similarity/duplication in their implementation. Context analysis will build on existing resources and develop innovative ways to present information that informs discussion and decision making, as well as enabling assessment of changes over time. Coordination with other research processes (e.g. under the Joint Peace Fund) and other learning processes (e.g. under SPACE component 4) will be required. Context analysis will drive the CESF programme and the creation of opportunities for implementation.

- **Technical assistance:** leading international expertise across a range of local governance and development issues

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The Supplier will be required to demonstrate capacity to draw down high quality expertise in a range of technical areas to respond to the needs of programme. Some of the areas where expertise is likely to be required include: local governance, institutional reform, public finance tracking and analysis, social accountability, civil society strengthening; use of media, social inclusion and cohesion. Strategic technical assistance might also be required to respond to requests from State/Regional governments and Parliaments.

- **Sub-grant management** for small-scale pilots on new ways of working and grants to local actors to foster constructive engagement in governance

DFID expects that at least 50% of the total CESF budget will be allocated to a flexible fund to support locally led initiatives. It is envisaged that this will have two main work streams:

- a) **Pilot projects:** The CESF will provide the flexibility to test new ways of working at the local (and potentially State/Region) level that build on other components of SPACE and similar projects. This could involve supporting township and village administrations to establish new systems for comprehensive planning or resource allocation, comprehensive and accessible budgeting, vulnerability analysis and common systems of targeting.
 - b) **Grant to civil society:** The CESF will provide modest funding to local actors (community-based organisations, civil society networks, and informal groups) and technical support to enable them to play a more active and effective role in articulating citizen needs, and drive accountability, more inclusive policy dialogue and promote inclusion generally.
- **Policy partnerships:** the CESF is expected to; develop a broad partnership between donors, community based organisations (CBOs) and civil society organisations (CSOs), government and other actors around themes relating to local governance and administrative and political reform. We would expect the CESF to build this policy platform that draws together diverse groups of stakeholders to engage in issues related to local governance and, in conjunction with the other components of SPACE, to engage with policy makers as opportunities arise.

Inception Phase – Scope of Work

Given the adaptive nature of the CESF, the Supplier will be required to submit a detailed plan for the inception phase, along with a clear statement of capability to deliver within the broad framework of the implementation phase. They will be required to demonstrate knowledge of what has already been researched, what other analysis is relevant and what the implications of such initiatives might be. Particular attention will be given by DFID to cost effectiveness in the inception phase.

The main focus of the inception will be on context analysis, both in terms of broader political economy analysis and development programme analysis (government and non-government) related to civic engagement in the selected state and region. The CESF team will be required to consolidate existing resources and data, and build on this with strategic field work and networking activities to develop a deeper picture of the local contexts, and the opportunities and challenges presented. Based on this, a proposal for implementation

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(activities and implementation modalities) will be developed and presented (together with options) as part of the inception report. The inception phase will also generate innovative thinking in terms of the ways that CESF can enhance effectiveness of both other DFID programming and that of the broader policy and development community.

Inception Phase Outputs:

- Institutional and Political Economy Assessment for Kayah and Bago
- Myanmar Strategic Local Governance Assessment
- Implementation Phase One Design and Workplan

The inception phase design should also include capacity to respond to 'quick start' opportunities on areas of policy support and exploratory activities that are within the scope of SPACE-CESF. Use of this flexible response would require prior agreement from DFID (SPACE SRO).

Management and Implementation

The CESF will be managed as a flexible facility to enable incremental adaptation of implementation strategies and resourcing. Implementation will be anchored by a small and efficient core team that will manage activities across the four workstreams. It is expected that the core (long-term) team and management costs will be limited to less than 25% of the total fund. At least 50% of the overall funds will be disbursed as grants or pilots project funding directly to local partners (civil society, local non-government organisations or community-based organisations). DFID does not expect these grants to be specified at the proposal stage.

In their proposal, the Supplier will be expected to provide a detailed implementation plan for the inception phase. Proposals for an 18-month implementation will be reviewed and agreed at the end of inception (after 6 months from contract signature) by the programme Steering Committee (see below). The Supplier will be expected to demonstrate capability to deliver the implementation phase (grant management, drawdown expertise and a strategy for local implementation) that will be finalised and agreed at the end of inception. A further proposal review will take place prior to the implementation of the subsequent scale up phase. These two contract break points (at 6 months and 24 months after signing) will enable contract amendments, if required.

Requirements

Core team: Management of the CESF will require a small and efficient team to be established that will act as the core team for the programme. The core team should include the following key positions on a long-term basis:

- **Team leader (international or national)** with high degree of capacity in terms of adaptive programme management and technical skills on local governance and civic engagement
- **2 State/Regional leads (national)** with experience of leading teams, working with diverse actors, political economy analysis and project implementation related to local governance, civil society and civic engagement
- **Grant/project support officer(s) (national):** with skills in grant management, financial systems and working with local partners
- **Office and logistics team (national)**

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The core team will require support from technical advisers across a range of issues, to provide responsive short-term inputs. Given that the type of technical advice will need to be determined during inception and implementation, these inputs will need to be managed flexibly. The Supplier will be required to demonstrate capability to access high quality advisory inputs in a range of areas including: local governance, decentralisation, community development, communications, poverty and social protection, gender, and conflict assessment. Some of these advisers may be required to provide inputs during the inception phase.

The CESF will require a field team to be developed. The Supplier will be required to demonstrate evidence of capability to develop teams in a way that maximises cost effectiveness and enabled access in the local context. Creative solutions will be encouraged, for example establishing partnerships with a local organisation to associate with CESF in order to draw on the experience of actors working in the selected State/Region. Consequently, the staffing and partnership model is expected to develop/change during both the inception and implementation periods to ensure the most effective model is achieved.

The Supplier will be required to demonstrate how they will put in place robust systems to manage small grants and pilot projects with strong financial management and risk assurance mechanisms. Before funding any new civil society partner, the project manager should carry out due diligence assessment checks to ensure that the partner has the governance structures and capacity to undertake the activities they are proposing. The Supplier should also consider whether the organisation has connections with political or other groups, or is articulating views, that could prove a reputational risk to DFID and HMG. It is the responsibility of the Supplier to consult with DFID if there are any doubts in this regard.

The Supplier should run robust due diligence assessments on all sub-contractors to ensure the partner organisation's financial controls are working and that financial administration and procedures are sound. Due Diligence Assessments should be updated during implementation. Where a partner organisation is not working in a sufficiently accountable way, or is failing to achieve progress in forming effective partnerships for change, the Supplier should consider ceasing funding to that organisation in consultation with DFID. DFID policies on anti-corruption and fraud, and assurances that no funds will be used to support terrorism, need to be reflected in all activities.

Funding agreements issued by the CESF must clearly set out the scope of activities to be funded, the expected results, the budget and schedule of payments, and guidance on inventories and unspent funds. The Supplier should keep detailed records on each sub-grant, which will be available for inspection or auditing by DFID on request. Records should show the steps the Supplier has taken to ensure that funds are spent on agreed activities.

The Supplier will be required to ensure that they have local authorisation to implement this programme in Myanmar through registration and Memoranda of Understanding as appropriate.

Performance Requirements

The programme's outcome will be defined in terms of the extent to which the CESF is able to use analysis and relationship-building to design and implement activities that contribute to models of improved civic engagement at the local and/or State/Region levels.

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The Supplier will be required to finalise a monitoring and results framework during inception. Feedback from partners and beneficiaries (where applicable) will be required as part of the monitoring process.

Reporting

The CESF manager will be required to develop effective reporting formats that communicate analysis, options and strategic decisions, as well as the process of implementation activities.

Management meetings will take place at least once a month, and are likely to be more frequent during inception. A DFID Advisory Board will be consulted at least once every 6 months and Steering Committee at least once a year.

The Supplier will be required to present annual delivery plans, including detail on context assessment, partnerships, expected results, and costings for approval in management meetings (with inputs from the Advisory Board and Steering Committee as required).

Monthly meetings with DFID will update on progress, risks and delivery plans. The Supplier is required to keep an updated risk register, asset register, value for money framework and quality assurance framework in line with DFID policies. The supplier would be expected to maintain an up-to-date fund-stream map, which enables DFID Burma to track quickly, transparently and accountably where DFID funds are flowing.

DFID Coordination

The CESF team will report directly to the DFID Senior Responsible Owner for SPACE and the DFID programme team through management meetings. An Advisory Board and Steering Committee for SPACE will review delivery plans, reporting, and performance as well as input into strategy testing.

The Supplier will be required to coordinate closely with other components of SPACE, including new civil society approaches in other States and Regions, parallel investments in local development, and Evidence and Learning activities. This will include sharing strategic plans and partnership arrangements to ensure complementarity. CESF is required to work closely with other DFID-supported programmes and other HMG departments to share analysis and learning and support delivery of UK-funded programmes.

Duty of care

The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

DFID will share available information with the Supplier on security status and related developments in-country where appropriate. DFID will provide the following:

- All Supplier Personnel will be offered a security briefing by the British High Commission/DFID on arrival. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures.

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- A copy of the DFID visitor notes (and a further copy each time these are updated), which the Supplier may use to brief their Personnel on arrival.

The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up-to-date with latest information.

The Supplier must develop their proposal on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by DFID (see Annex A). They must confirm in their bid that they:

- Fully accept responsibility for Security and Duty of Care of all programme Personnel
- Understand the potential security risks and have the knowledge and experience to develop an effective risk mitigation plan
- Have the capability to manage their Duty of Care responsibilities throughout the life of the programme.

Acceptance of Security and Duty of Care responsibility must be supported with evidence of capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence the bidders should consider the following questions:

- i. Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding of the security environment in Myanmar, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID)?
- ii. Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- iii. Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that ongoing training is provided where necessary?
- iv. Have you an appropriate mechanism in place to monitor risk on a live/ongoing basis (or will you put one in place if you are awarded the contract)?
- v. Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an ongoing basis?
- vi. Have you appropriate systems in place to manage an emergency/incident if one arises?

Transparency Requirement

DFID has transformed its approach to transparency, reshaping our own working practices and pressuring others across the world to do the same. DFID requires Suppliers receiving and managing funds, to release data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners.

It is a contractual requirement for all Suppliers to comply with this approach, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate

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data and providing evidence of this DFID – further International Aid Transparency Initiative (IATI) information is available from:

[Redacted]

UK Aid Branding

Suppliers that receive funding from DFID must use the UK aid logo on their development and humanitarian programmes to be transparent and acknowledge that they are funded by UK taxpayers. Suppliers should also acknowledge funding from the UK government in broader communications but no publicity is to be given to this Contract without the prior written consent of DFID.

End of Contract Activities

Three months before the expiry date of the contract the Supplier will prepare for DFID approval a draft Exit Plan which shall include:

- A disposal plan for all assets procured throughout the lifetime of the programme in accordance with DFID procedures on asset management and disposal;
- Addresses any material items that are necessary or desirable for the continued co-operation of the UK Government after the contract ends;
- The supplier's plans on co-operating to ensure the smooth transfer of responsibilities from the supplier to any persons or organisation taking over such responsibilities after the contract ends;
- The supplier's plan to deliver to DFID (if requested or as otherwise directed by DFID) prior to the contract end date (or termination of the contract), any finished work or unfinished materials or work-in-progress which relate to the contract;
- The supplier's plans to provide DFID before the contract ends a summary of the status and next steps in relation to any on-going projects or other material and unfinished activities being conducted or monitored by the supplier;
- The return by the Supplier of all Confidential Information to DFID before the contract end date.

Allow for a period of up to sixty days after the contract end date (or termination date) for the exit process to be properly implemented.

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Additional Documents

Annex A Supporting Partnerships for Accountability and Civic Engagement (SPACE) in Burma - Programme Context

Annex B – Risk Assessment

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Annex A

Supporting Partnerships for Accountability and Civic Engagement (SPACE) in Burma

Programme Context

Political context: a fragile democratic transition

1. In November 2015, Aung San Suu Kyi's National League for Democracy (NLD) won control of the Union Parliament and all but one of Burma's 14 state and regional parliaments.¹ NLD's landslide victory marked a significant shift in the country's political context, as part of a broader – and ongoing – political transition. For the first time in six decades, Burma has the opportunity to consolidate peace, shift from a closed to an open economy, and move away from dictatorship to democracy.
2. Yet this so-called 'triple transition' is fragile, and will be tested in the next four years. Whilst the election results signify a high level of government legitimacy, the results mask multiple underlying political tensions that remain in Burma. The army retains control of 25% of seats in Parliament, and three key ministries: defence, home affairs and border affairs. The decades of military control leave a legacy of mistrust between citizens² and most government activity. There are ongoing violent conflicts in four of Burma's seven Border States. In order for Burma to consolidate the opportunity to transition away from dictatorship to democracy, government institutions will need to demonstrate they can and will respond to public expectations. This is by no means guaranteed.
3. Government capacity to deliver services to citizens is very weak. Under dictatorship, engagement between policy makers and citizens was limited to non-existent. As such, public officials are untrained in the role of government, in what a civil service can achieve, and in how to consult and agree on policy. This lack of effective governance has undermined poverty reduction. Although poverty levels have fallen in the last decade, Burma remains the poorest country in South East Asia; nearly 3 in 10 people lack access to water, and 1 in 4 lack access to sanitation.³
4. Similarly, ordinary citizens have had very little engagement with government for six decades. For most people, their only experience of government has been negative, frequently violent, and extractive. As such, there are only very low levels of trust; in government and more generally. A recent civic values survey found that 77% of respondents believed that most people cannot be trusted.⁴ Roughly two-thirds of people feel that their government is doing nothing to respond to their needs, and do not feel free to express their views on government in public.⁵ Only about a third of people have any knowledge of how government funds are spent in their location.⁶ Most people rely on village level leaders to solve their problems and provide information about government

¹ Burma is constitutionally divided into 7 ethnic 'states' and 7 Bamar 'regions'. Administrative arrangement in states and regions are the same.

² Many of the poorest and most vulnerable in the country are not technically recognised as "citizens". SPACE will ensure that it reaches all people, especially the poor and vulnerable.

³ *Analysis of Poverty in Myanmar*, 2016, World Bank and Government of Myanmar Ministry of Planning and Finance

⁴ *Myanmar Civic Values Survey*, 2014, The Asia Foundation

⁵ *State of Local Governance in Myanmar – Synthesis Report*, 2015, UNDP

⁶ *State of Local Governance in Myanmar – Synthesis Report*, 2015, UNDP

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programmes. On both citizen and government sides, there is a strong legacy of mutual suspicion that will need to be broken down if Burma's political transition is to succeed.

5. The ongoing political transition presents many key opportunities to tackle these challenges, to address these underlying causes of poverty, and to support Burma to build an effective and more inclusive state. Major policy issues that affect the poor are currently being debated at the national level, including land policy, the rule of law, how services should be delivered, and natural resource management. Given NLD's strong links at the sub-national levels of government; state and regional parliaments are also emerging as new arenas for policy reform. The new government needs to balance the brokering of the national level peace agreement with responsiveness and tangible service delivery improvements at the local level.

The role of civil society in Burma's transition

6. Understanding people's needs and formulating inclusive policies and practices are critical to building stability in fragile states.⁷ Greater civic engagement in policy and decision-making can make the state more responsive and build the foundations for a stable democratic transition. The role of civil society in Burma changed fundamentally in the wake of Cyclone Nargis in 2008: for the first time in decades, the military government accepted assistance from outside. This opened the door for local civil society to engage on service delivery and to start engaging on policy advocacy. Whilst to date, this has largely meant civic engagement with government in the form of opposition, Burma's current context offers the chance for civil society to shift towards a more collaborative approach. The success of both civil society and government in adapting their approach to working together will be critical to ensure the continued positive political transition in Burma, more accountable government, and more inclusive service delivery.
7. Evidence suggests that these shifts in approach take time.⁸ Success usually depends on building partnerships between key stakeholders (civil society, the private sector, and – in the case of Burma – the military and ethnic groups). Bringing these stakeholders together around common issues can build trust and collaboratively lead to inclusive policy development. DFID has a track record of successfully supporting this type of civic engagement in Burma. The **Pyoe Pin** (Green Shoots) programme was established in 2007, under military rule. The programme was established to identify 'issues' of common concern to multiple stakeholders and then bring them together to try and improve government policy. The programme was specifically designed to establish inclusive partnerships as an approach to civic engagement that could potentially be built on at such a time when Burma's political context began to open up. At the time, no one knew when any political shift might occur: the programme was therefore small and adaptive in its approach. Pyoe Pin was allowed to analyse issues for potential support and to try to establish partnerships in focused areas. The programme anticipated that not every partnership would necessarily succeed: it was designed to try multiple approaches and try new strategies along the way. This flexibility enabled Pyoe Pin to build the potential for strengthened civic engagement with government.

⁷ *Building Stability Framework*, 2016, DFID

⁸ *Conflict, Security and Development: The World Development Report*, 2011, World Bank

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8. Over time, the programme was able to demonstrate many successful outcomes from this 'issue-based approach' that gave rise to new laws and ways of working. For example, its work on **fisheries policy in Rakhine state** is now recognised as one of the strongest such laws in South East Asia. By forming a small partnership amongst fishing communities, civic groups, government and the private sector, the Rakhine State government changed its policy. The law is now being replicated in other areas of Burma. As such, Pyoe Pin has demonstrated the potential to expand work on issue areas that are succeeding. Pyoe Pin has also curtailed a number of initiatives where opportunities to engage with government proved closed.
9. The policy 'issue' – in this case on fisheries – however, is less relevant in terms of programme success than the approach of the programme itself. The 'issue-based approach' – be that of fisheries, community forest management, land rights or other – proved to be a means for civil society and other groups in Burma to engage with their (military) government; something that few had succeeded in doing in two generations. It is the approach itself, rather than specific successes within particular issues – positive as they have been – that forms a strong basis on which to continue supporting and strengthening civic engagement in Burma. For examples of Pyoe Pin supporting shifts in government policy in order to make them more inclusive, see Box 1.

Box 1: Pyoe Pin – examples of successful support

Since May 2011 Pyoe Pin has supported 6,127,726 people to have choice and control over their own development (3,047,489 male, 3,080,237 female). The main vehicle to achieve this has been support to 26 formal civil society networks plus other informal networks. Today this represents a reach to 766 organisations across Burma.

Notably, Pyoe Pin support has contributed to the following policy reforms:

The most progressive **Fresh Water Fisheries** legal framework in South East Asia, which was the product of over two years of consultation by a partnership that includes parliamentarians, local NGOs, the Department of Fisheries, lawyers, private sector and fisher communities of different ethnicities.

The HIV network leaders have been successful in working with MPs for the 2014 revision of the **Association Law**, and are now helping shape a new Right to Information Law. HIV networks are also working directly with MPs to improve the legal environment to enable vulnerable populations to access services. This approach is now being replicated to broker support from the village up to the highest government levels around the issue of **Universal Health Coverage**.

Establishment of the Myanmar Alliance for Transparency and Accountability (MATA) as a regional network to support the government's monitoring of public revenues derived from extractives sectors in line with the Extractive Industries Transparency Initiative (EITI). Building on this foundation, civil society engagement in EITI is now financed through DFID's partnership with the World Bank on public financial management.

Pyoe Pin supported the formation of the Yaung Zin Teacher Development Group to improve **non-state sector education for the poorest children** by training 2,500 teachers in 730 monastic, ethnic and community schools to a standard that supports integration between ethnic and government education systems.

Myanmar's first ever **Legal Aid Law**, which was passed in January 2016, was a result of evidence-led advocacy by the Myanmar Legal Aid Network (MLAW). Leveraging Pyoe Pin's multi-sector connections, MLAW consulted with over 500 representatives from civil society organisations (CSOs), bar associations, legal firms, unions and political parties alongside the Bill Committee.

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engagement in Burma. As yet, there is limited policy coherence or coordination between them.

Space to act: the need for policy coherence

11. DFID undertook a brief review of civic engagement activities in Burma during 2016.⁹ There are three principal types of activity currently being supported, in various parts of the country, by various international and national organisations: Participatory Governance, Sub-National Governance, and Civil Society Strengthening.

A. **Participatory Governance:** the Government of Myanmar is supporting locally-led community development programming through the World Bank in approximately 20% of the country's townships. The US\$ 550 million National Community-Driven Development Programme (NCDDP) is supporting citizens at village level in Burma to design and implement small-scale infrastructure programmes in their communities. In addition, various non-government organisations (NGOs) are implementing livelihood and basic service programmes across the country at village and township levels. This includes projects supported through DFID-backed multi-donor Livelihoods and Food Security Trust Fund (LIFT) and the multi-sector health fund, 3MDG. Finally, a number of international non-governmental organisations are also supporting village-level planning programmes in various parts of the country, often in conjunction with local NGOs.

B. **Sub-National Governance:** UNDP is piloting a new approach to planning at township level,¹⁰ focused on supporting government officials better to engage with citizens. The programme builds on UNDP's previous support to the government's General Administration Department (GAD) to establish 'one stop shops' (OSS) in all townships across the country. These are meant to enable citizens to go to one place to ask about and comment on any township level administrative service, for example applications for identity cards, recommendation letters for job or education applications, or tax payment certification. The World Bank is considering whether further to expand this programme as part of a broader programme of public sector reform across Burma. UNDP have also initiated a new programme to support village tract administrators to engage with citizens, and report priority concerns up to the township, districts and state/region levels of government. Activity began in June 2016 in two townships, one in Bago region and one in Mon state. The Swiss Development Cooperation (SDC) is planning to fund the expansion of this activity to ten townships in Mon state from 2017. In addition, DFID has supported The Asia Foundation (TAF) to undertake analysis of local government systems as part of its Public Financial Management and Planning support. In time, this programme will pilot new approaches to revenue raising at municipal level and support planning and budgeting reforms in up to four selected states or regions. The EU has a local government support programme in the Tanintharyi region which includes a focus on improving dialogue between civil society organisations and local authorities. Oxfam has recently launched a social accountability programme

⁹ *Local Governance and Civil Society Stocktake*: QUEST number 5610786

¹⁰ Governance in Burma has currently structured around 3 main levels of government: (i) Union (or National), (ii) State/Region, and (iii) Townships (of which there are 330). Townships are divided into Village Tracts, Villages and Wards. The Village Tract Administrator is indirectly elected by leads of groups of 100 households, and is the main point of contact between communities and Township and higher authorities. Municipal authorities are under the management of state and regional governments, and are established in all Townships to oversee services (including some tax collection activities, all urban wards).

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in conflict affected areas (Rakhine, Kachin) which builds on experience of supporting citizen forums in the Delta region.

C. Civil Society Strengthening: USAID and the EU have both established civil society grant-making mechanisms around specific issues, including human rights, democracy, and vulnerability. A number of national non-governmental organisations, many of which have previously been supported by DFID through Pyoe Pin are now directly accessing funding through sector-specific programmes, for example extractives industry monitoring as part of the World Bank managed programme on Public Financial Management, gender policy advocacy through LIFT, or peace and communal harmony through the Peace Support Fund.

12. All the above examples demonstrate the current enthusiasm both on the part of civil society to engage with their new government structures, and on the part of the international community to provide support. Nonetheless, there remain various gaps in the support being provided and major opportunities to improve the coordination of implementation and policy support. The principal gaps in current civic engagement support in Burma relate to:

- Lack of evidence on what works. Given the fast-changing political context in Burma today, and the very recent shifts in how government operates, no one yet knows how best to support improved accountability in government processes in Burma's diverse social and geographical contexts. In addition, not all those involved in programming on the areas set out above are monitoring their impact. There are significant knowledge gaps amongst both the international community and Burma civil society that need to be addressed.
- Coordination and Policy Support: The strengths of testing new approaches, and seizing opportunities for learning, need to be balanced against the potential for fragmentation. There is an important opportunity in coming years to support the development of government policy making, including on the role of civic engagement, as well as the structures for departmental coordination and allocation of responsibilities to local levels of government. No one is currently providing this support to government and DFID can play an important role in supporting more coherence amongst international efforts to support local government reform and policy development.

13. As a result of this evolving picture, in 2015, DFID established and now co-leads (with UNDP) a donor working group on civic engagement and local governance. The group aims to improve coordination amongst stakeholders, and increase communication and knowledge sharing.

Why should the UK provide support?

14. The analysis above sets out that, with the political context having changed in Burma, there is both need and opportunity to support improved government accountability in Burma. Providing such support is important for the continued positive political transition currently unfolding. There are opportunities to support approaches with both

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government and non-government stakeholders. Yet, much of the current support from the international community is uncoordinated and impact is not being monitored consistently.

15. The Pyoe Pin programme has demonstrated that an issue-based approach to civic engagement can achieve successful results in even the most constrained political environment. Now that Burma's political context has changed, it is time to consider that approach, and test out other opportunities currently being presented.

16. Having supported both Pyoe Pin, and the establishment of a donor working group, the UK has credibility in Burma to continue its support to civic engagement. The evidence suggests the Supporting Partnerships for Accountability and Civic Engagement in Burma programme (SPACE) should therefore potentially include up to four principal areas of activity:

- I. **Pyoe Pin** on 'issue-based' approaches of working to strengthen civil society networks and partnerships with government and private sector actors, around inclusive policy reforms; but only for a limited timeframe (2 years)
- II. **Civic Engagement Support Facility**: Testing new ways for civil society, government and other actors (including ethnic organisations and the private sector) to work together to achieve inclusive, effective and accountable governance in a selected state and region (use first 2 years to test; expand during years 3 and 4)
- III. **Local Governance**: Providing technical advice, assistance and funding to local authorities to engage with citizens and enable them to respond better to the needs of communities in their areas (in the same state and region); the different approaches by the World Bank and UNDP offer initial good opportunities from which to learn and build evidence
- IV. **Evidence and Monitoring**: Generating evidence of what works in the various approaches adopted in each of the other activity areas. An independent evaluator will (i) routinely test programme theories of change, strategies, and outcome achievements; (ii) share findings both with SPACE and other DFID Burma service delivery programming; and (iii) foster the uptake of these findings by service delivery stakeholders across Burma (government, civic groups, donors), notably through the donor working group on civic engagement and local governance.

Impact and outcome

17. We are looking to the programme to contribute to the following **impact**:

- Public institutions more responsive to people's service delivery and economic needs

The programme is intended to have the following outcome:

- Citizens are more able to engage with public institutions, so that (i) policies are more inclusive and (ii) access to services improves.

The specific **results** that we currently expect to produce, which will be further refined during implementation, are as follows:

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- Civil society-led partnerships strengthened around at least five areas of constraint to poverty reduction in Burma (for instance natural resource governance; including land, fisheries, and forests; basic health and education services; and the right to information).
- Improved participation and transparency in public investment and service delivery decisions in one state and one region
- Improved local government capacity to identify and respond to people's needs in at least four townships, potentially reaching one million people
- Evidence of effective approaches to civil engagement generated and used by the full range of service delivery stakeholders in Burma (government, civil society and donors).

18. Specific results, as associated targets, will be defined and reviewed by the Programme Board every six months. This approach is required to enable delivery partners adapt activities that achieve the outcome level changes that SPACE has defined. The outline results framework will be developed into the programme log frame within six months of approval of the programme.

19. DFID will be focusing activities under the SPACE programme in one state and one region. This recognises the need to understand the granular detail of the local social and political context in order to foster accountability and civic engagement. The selection of the state and region will be decided by the Programme Board as soon as possible after the approval of the business case. This selection will take into account the potential to harness linkages with DFID's broader portfolio in Burma and the opportunity to maximise learning on implementation approaches that reflect the diversity of the country.

Gender equality

20. The programme will ensure all areas of activity are focused on equal provision of services and opportunities for men and women. All evidence data generated will be disaggregated by sex to identify disparities and monitor success. This may include specific support to women's organisations and networks to campaign on pressing issues, for example the prevention of violence against women and/or non-governmental organisations to participate in reporting on the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). SPACE will aim to contribute to addressing the significant gap in female leadership in Burma's political structures by promoting women's participation at local levels of government. Currently, women hold less than half a percent (<0.5%) of the country's 16,785 village administrator positions. Finally, we will encourage all donors in the working group to adopt gender equality strategies (if they do not already have them) and support all programme implementing partners also to put them in place. This will include partner staffing and training practices as well as codes of conduct.

Summary assessment on terrorism and financing

The terror threat in Burma is currently assessed as moderate. The risk of DFID funds being diverted from SPACE to terrorism activities or terrorist organisations is assessed as low. DFID will conduct Due Diligence on all partner organisations in SPACE followed up by rigorous monitoring of implementation to ensure no funds are diverted for

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terrorism purposes or the support thereof. DFID Burma staff will enquire with all partner organisations on this programme about their policies and procedures regarding aid diversion for terrorism. DFID Burma staff will remain aware and vigilant of the terror threat levels in Burma throughout the lifetime of this programme.

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Annex B – Risk Assessment

SPACE – Initial Risk Assessment

The overall risk level on this programme is assessed as MODERATE.
The risk assessment will be updated throughout the programme.

Category	Key Risks	Mitigation Strategy	Post-Mitigation Assessment of Risk Level
External	Potential escalation of conflict undermines government focus on institutional reform and inter-ministerial coordination; natural disasters.	On-going context analysis and high level policy engagement (with HMG inputs)	Moderate
Delivery	Closer control of civil society activities by government, politicisation or polarisation of civil society; lack of donor coordination	Robust due diligence for all downstream partners, donor coordination activities, targeted advocacy with FCO on government policy towards civil society and civic engagement	Major
Safeguards	Exclusion (actual or perceived) of marginalised groups from programme benefits; potential negative environmental impacts of sub-projects	Positive targeting of disadvantaged groups, concurrent grievance redressal and beneficiary feedback.	Moderate
Operational	Delayed approval of local governance engagement based on government and partner negotiations, weak implementation capacity undermined delivery of agreed plans.	Realistic work plans, capacity development support, clear approval process agreed prior to implementation and monitored over implementation	Moderate
Fiduciary	Downstream grants to civil society partners and management of local development funds carry risks of fraud.	Communication over zero tolerance of fraud, fraud checking and assurance systems in place (whistle-blower policies and independent monitoring)	Moderate
Reputational	State/region selection, and/or consultations on programme, not seen as transparent or non-partisan, HMG/DFID strategy of balanced engage with Government and non-government actors scrutinised.	Clear transparency standards set and enforced; concurrent consultation with key stakeholders held; communication plan development and implemented.	Moderate