

NATIONAL COMMUNITY DRIVEN DEVELOPMENT PROJECT

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PROJECT ANNUAL REPORT
(July 2018 – June 2019)

~ Executive Summary ~

Presented by

Community Driven Development Secretariat
Department of Rural Development
Ministry of Agriculture, Livestock and Irrigation

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List of Abbreviations and Acronyms

BG	-	Block Grant
CF	-	Community Facilitator
CDD	-	Community Driven Development
CMT	-	Community Management Training
DRD	-	Department of Rural Development
ECOP	-	Environmental Codes of Practice
EMP	-	Environmental Management Plan
FSC	-	Finance Sub-Committee
HH	-	Household
IDA	-	International Development Association
iTOT	-	Training of Infrastructure Trainers
MSR	-	Multi-Stakeholder Review
M&E	-	Monitoring & Evaluation
MIS	-	Management Information System
MSC	-	Monitoring Sub-Committee
NCDDP	-	National Community Driven Development Project
OM	-	Project Operations Manual
O&M	-	Operation and Maintenance
PSC	-	Procurement Sub-Committee
SA	-	Social Audit
SP	-	Sub Project
TA	-	Technical Assistance
TF	-	Technical Facilitator
TOF	-	Training of Facilitators
TOR	-	Terms of Reference
TOT	-	Training of Trainers
TPIC	-	Township Planning and Implementation Committee
TTA	-	Township Technical Assistance
TTF	-	Training of Technical Facilitators
UMSR	-	Union Multi-Stakeholder Review
VDP	-	Village Development Plan
VPSC	-	Village Project Support Committee
VT	-	Village Tract
VTDSC	-	Village Tract Development Support Committee
VTDP	-	Village Tract Development Plan
VTPSC	-	Village Tract Project Support Committee
VV	-	Village Volunteer
WB	-	World Bank

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Executive Summary

1. **The National Community Driven Development Project (NCDDP) seeks to enable poor rural communities to benefit from improved access to and use of basic infrastructure and services through a people-centered approach.** Implemented by the Department of Rural Development (DRD), the project began implementation in three townships in November 2013. Since then, the project has expanded annually to include a total of 63 townships by the end of the 2018-19 community cycle, home to more than seven million people across 12,000 villages in all of Myanmar's 14 States and Regions and the Nay Pyi Taw Union territory.
2. **This annual report covers the 12 month period from 1 July 2018 through 30 June 2019.** During this period, the project saw the conclusion of the fifth community cycle in 61 townships and the start of the sixth community cycle in 54 townships. With the first nine townships having completed four cycles, 54 townships are currently active in year 6 (see Map 1).
3. To end June 2019, total project expenditure was \$ 390.7 million, against a total financing envelope of \$554 million, including financing from the Myanmar national budget, IDA credit and grant resources, and concessional loans and grants from the Governments of Italy and the United Kingdom. During the NCDDP Mid Term Review in May 2018, it was decided to increase the size of block grants across all bands for Year 6 onwards, and to add 13 townships to the original target of 63. Although Government of Myanmar gave approval in principle for the additional townships in early 2019, the identification of the townships was still under process of review and approval by the end of this period. Therefore implementation is most likely to start in Year 8 (2020/21), with procurement and mobilisation during Year 7.

Component 1: Community Block Grants

4. **This 12 month reporting period saw the end of the fifth and start of the sixth community cycle in 54 townships. By the end of June 2019, NCDDP had distributed a cumulative MMK 281.3 billion (US\$ 185.7 million¹) in block grants to communities in 63 townships across the country, representing 72 percent of overall project spending (Table 8).** This amount has funded construction of 27,569 sub-projects, with 8,650 completed in 61 townships in Year 5, and a further 4,568 completed in 54 townships in Year 6 (Table 1).
5. Amongst the 27,569 sub-projects completed under NCDDP, **transport (roads, jetties, bridges, etc.), water supply/sanitation, and education have been the highest priority sectors, accounting for 55%, 13% and 15% of subprojects respectively (Table 2, Figure 1).** Remaining sectors of electrification (7.5%), community facilities (6.5%), health (0.4%), and other categories (2.4%) trail far behind at less than 10% cumulatively. Each year has seen a progressive increase in the transport sector, showing the economic importance of roads and bridges to rural communities. Within this sector, the project has constructed/renovated over 11,000 km of roads, and 2,000 bridges.
6. **The total cost of 4,568 sub-projects completed in Year 6 is estimated at MMK 68.8 billion, with an additional MMK 3.9 billion (5.39%) in the form of community contributions (Table 7). A cumulative 89% of all sub-projects have been constructed using paid community labour.** This has not only empowered the communities by demonstrating what can be achieved with their own human resources, but has injected a significant amount of cash into local economies: **since the beginning of the project, communities have received a total of MMK 37.9 billion (US\$ 25) in wages for 5.17 million labour days of employment in construction of their own community sub-projects .**

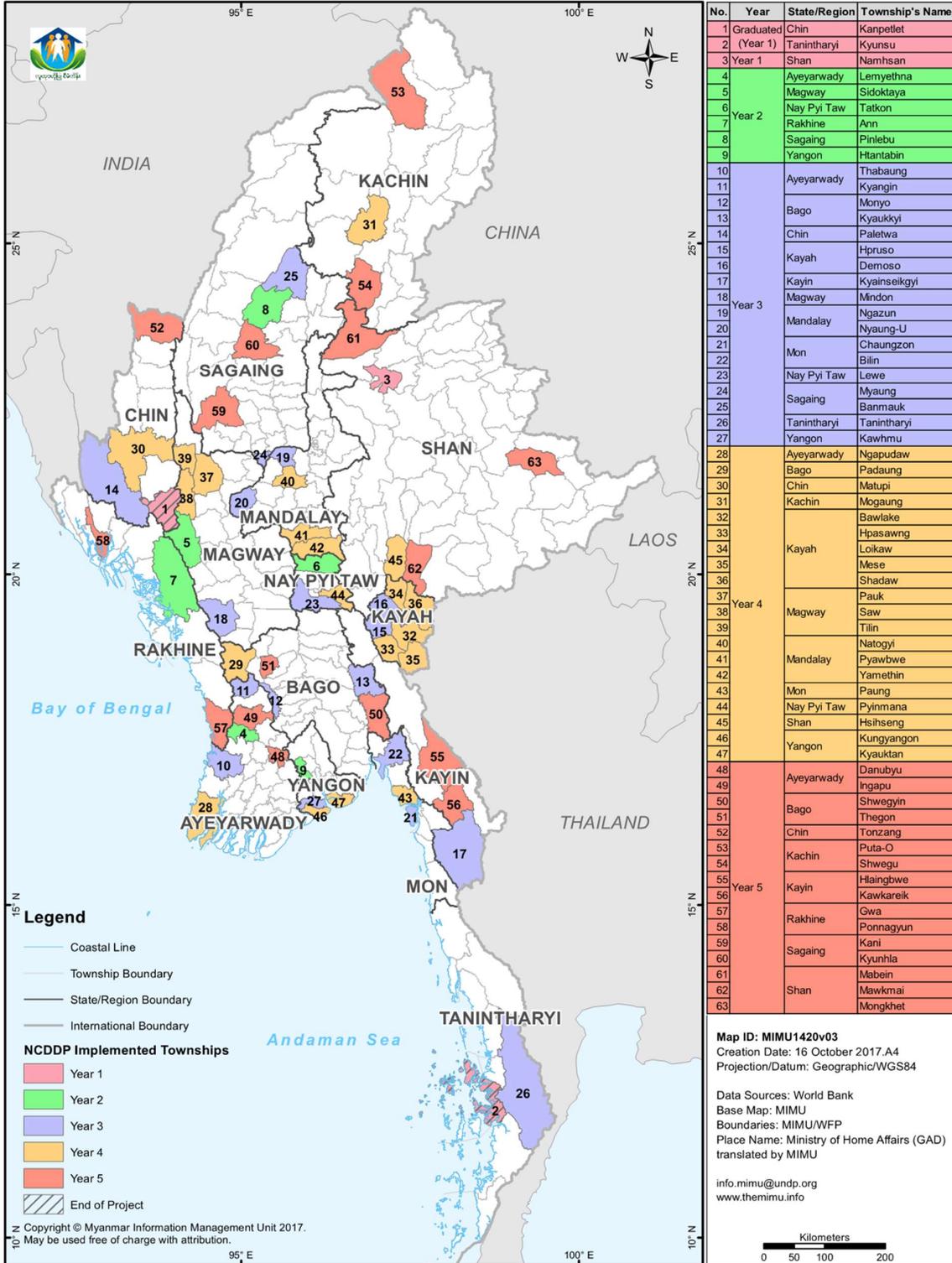
¹ Exchange rate \$ 1 = MMK 1515

Map 1: NCDDP Project Areas



Myanmar Information Management Unit

Myanmar National Community Driven Development Project



Disclaimer: The names shown and the boundaries used on this map do not imply official endorsement or acceptance by the United Nations.

Table 1: Cumulative implementation from January 2013 to 30 June 2019

Milestone / Parameter	Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)	Year 4 (2016/17)	Year 5 (2017/18)	Year 6 (2018/19)	Project (Yrs 1 – 6)
	#	#	#	#	#		
# of Townships	3	9	27	47	61	54	63
# of Village tracts	72	343	1,210	2,022	2,631	2,342	2,681
# of Villages	410	1,727	5,400	8,563	11,755	10,284	11,995
Block grant transfer							
# VTs requesting	72	343	1,196	2,005	2,591	1,864	2,318
MMK billion	1.57	10.23	35.7	67.37	86.63	79.83	281.334
VDP completed	392	1,701	5,261	8,240	11,513	8,177	35,284
TPIC approval	364	1,602	4,762	7,682	9,056	6,813	30,279
Detailed planning completed	357	1,580	4,735	7,682	9,023	6,451	29,828
SP construction	357	1,578	4,734	7,682	8,650	4,568	27,569
Social Audits completed	150	1,578	4,734	7,682	8,628	4,286	27,058
Township MSRs completed	3	9	26	47	57	10	152
Union MSRs completed	1	1	1	1	1		5

1) Although all VDPs are updated annually, the cumulative number counts these as a single VDP. This number is therefore a little lower than the cumulative number of villages in the project (11,995), as many smaller villages combine with larger for committee and VDP.

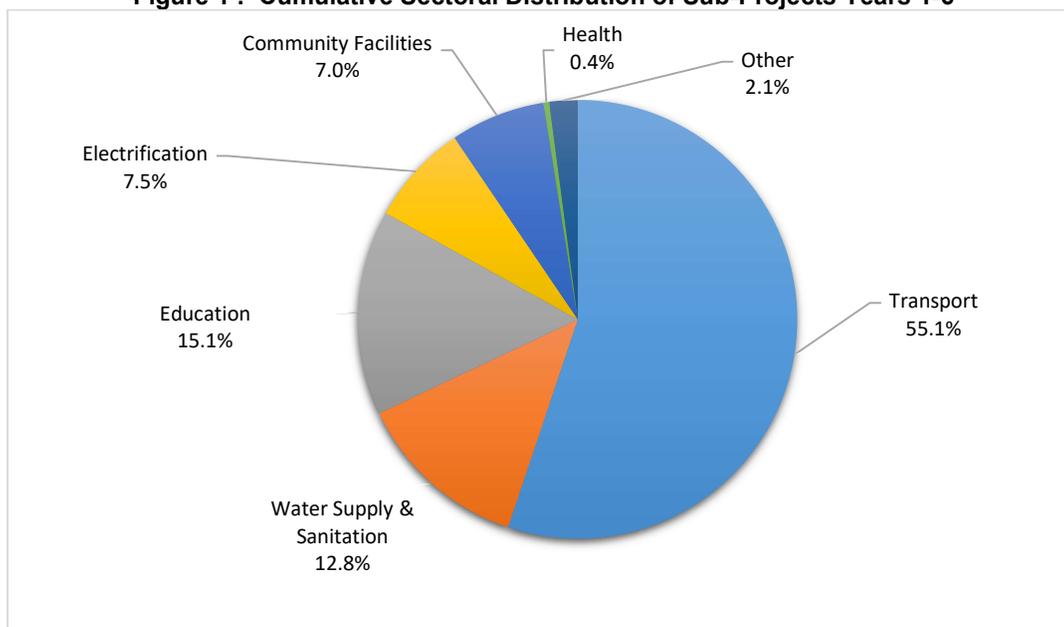
Safeguards

7. **A condition of receiving community block grants under NCDDP is the application of social and environmental safeguards during design and implementation, as specified in the Operations Manual (OM).** On the environmental side, NCDDP projects must conform to environmental codes of practice (ECOP) identified through a screening process. Where the potential risk of negative impact is high (e.g bridges greater than 10 meters, or wells deeper than 200 feet), a full environmental management plan (EMP) is required. By end June 2019, 4% (257) of Year 6 sub-projects have required EMPs, the majority for deep wells.
8. Social safeguards cover land acquisition, communications and consultation with beneficiaries. The construction or renovation of certain sub-project types (roads, buildings, water supply) will sometimes require access to land that is being used or owned by project beneficiaries. In these cases, voluntary donation of land by members of the community is sought through very strict procedures that help to safeguard the rights and livelihoods of the affected households. The voluntary land donation form documents the exact dimensions and location of the land, and certifies that the donation is truly voluntary, without coercion. In 2017 DRD updated its Environmental and Social Management Framework (ESMF) to reflect developments in international practice and Myanmar laws, including the management of physical and cultural resources (PCR), and updates are fully incorporated into the current OM. During this reporting period, voluntary land donations involved 12% (813) of sub-projects for the widening of roads for side drainage or other reasons.

Table 2: Sectoral Distribution of Completed Sub-Projects to 30 June 2019

	Year 1 (2013/14)		Year 2 (2014/15)		Year 3 (2015/16)		Year 4 (2016/17)		Year 5 (2017/8) ⁽¹⁾		Year 6 (2018/9)		Cumulative (Yrs 1 – 5)	
	#	%	#	%	#	#	%	%	#	%	#	%	#	%
Transport	126	35.3%	684	43.3%	2,299	48.6%	4,288	55.8%	5,484	63.4%	2,322	50.8%	15,203	55.2%
Water Supply & Sanitation	69	19.3%	229	14.5%	978	20.7%	1,157	15.1%	724	8.4%	377	8.3%	3,534	12.8%
Education	118	33.1%	448	28.4%	966	20.4%	1,065	13.9%	1,026	11.9%	534	11.7%	4,157	15.1%
Electrification	26	7.3%	123	7.8%	209	4.4%	488	6.4%	635	7.3%	580	12.7%	2,061	7.5%
Community Facilities	15	4.2%	65	4.1%	192	4.1%	478	6.2%	636	7.4%	541	11.8%	1,927	7.0%
Health			8	0.5%	33	0.7%	31	0.4%	30	0.3%	13	0.3%	115	0.4%
Other	3	0.8%	21	1.3%	57	1.2%	175	2.3%	115	1.3%	201	4.4%	572	2.1%
Total	357	100%	1,578	100%	4,734	100%	7,682	100%	8,650	100%	4,568	100%	27,569	100%

Figure 1 : Cumulative Sectoral Distribution of Sub-Projects Years 1-6



9. A key mandate of the DRD is to improve the access of rural communities throughout the country to water which is safe for drinking and other domestic uses, supporting in turn achievement of a national goal under the National Strategy for Rural Water Supply, Sanitation, and Hygiene (WASH) 2016-2030 of “ensuring universal access to potable water supplies and improved water for other domestic uses by 2030”. In support of DRD’s mandate, **NCDDP initiated a water quality testing programme in 2017**. By end June 2019, water quality testing kits had been distributed to 60 townships, with 1,596 water supply sub-projects tested. Testing of every NCDDP water source will continue at intervals of twice a year, and test results are now publicly visible in the central MIS.

Conflict and Security

10. NCDDP’s initial policy was to avoid implementation in conflict areas. However, this approach has changed with time as: i) it became clear that some of the poorest townships it was mandated to support had ongoing conflict, and ii) growing evidence from CCD projects in areas of conflict in other countries that project benefits can make a significant contribution to peace and social cohesion, as well as economic development. A recent WB commissioned “Review of NCDDP in Conflict-Affected Townships in Myanmar”² concluded that NCDDP has been effective in implementing in townships affected by conflict, notwithstanding the downsides of risk, threat to staff safety, and difficulties/ delays in implementation. To date, the NCDDP has worked in 21 conflict-affected townships that include the presence of ethnic armed organizations (EAOs), and seven townships currently are experiencing active conflict that affect operations in the five states/regions of: Kayah (Hpasawng), Kayin (Kyainseikgyi, Hlaingbwe), Bago (Kyaukkyi, Shwegyin), Chin (Paletwa), Rakhine (Ponnagyun).

Component 2: Facilitation and Capacity Development

11. **Active participation by communities is firmly at the heart of the NCDDP** and it is the communities themselves that decide which projects to undertake, control the funds for project implementation, and offer the primary information on whether the project is performing well or not. **The OM requires that any community meeting where key project decisions are made should have a quorum of 50% of village households before the meeting can take place.** During this reporting period, the project continued to show a steady indicator of just above 60% for active community participation and leadership: **participation in 61 townships of project Year 5 stood at 61%, and 54 townships of Year 6 at 62.2%.**
12. Cumulative expenditure for facilitation and capacity building to end of June 2019 was MMK 74.8 billion (\$49.8 million), representing a cumulative 19 percent of overall project spending (Table 8).

Training

13. **During the reporting period, the project continued to reinforce the training program, so as to be able to maintain consistent quality at increased scale.** A national senior training expert joined the Union training team in June 2018.
14. **The delivery of strong ToT courses to township and state/regional team leaders in this last year has continued to be a key feature in operationalising the “cascade” system established in 2017**, transferring full responsibility for facilitator training to the township Technical Assistance teams and DRD team leaders.
15. The three stage training program for community facilitators comprises Training of Facilitator (ToF) 1, 2 and 3 (on Social Audit), and Training of Technical Facilitator (TTF) 1 and 2 for technical facilitators. During the first project cycle in any new township, this is augmented by a 20-day core program for all facilitators, with an additional 9-12 days for technical facilitators, and up to 5 additional days on sector-specific topics. The stages of the TOF packages relate closely to the project cycle (OM Chapter 2, Figure 1.1), but may be summarised briefly as follows:

² “Review of NCDDP in Conflict-Affected Townships in Myanmar” by Matthew Zurstrassen for World Bank June 2019.

Table 3: Summary of Facilitator Training Packages

	Course	Main Topic	Project Stage
A.	Training of Facilitators (TOF 1 - 3)		
	TOF 1	General Training for Facilitators + Village Development Plan	Stages 1 – 2: preparation, planning
	TOF 2	Training for Facilitators + Community Management Training (CMT)	Stages 3 – 5: sub-project preparation, review, implementation
	TOF 3	Training for Facilitators + Social Audit	Stage 6: sub-project closing & replanning
B	Training of Technical Facilitators (TTF 1- 2)		
	TTF 1	Positive/negative list; safeguards + ECoP; design of roads, bridges, culverts, water supply, buildings, electrification	
	TTF 2	O & M ; construction safety; DRM; technical audit; EMP; sub-project preparation/design/estimation	

16. The above ToF and TTF packages were developed by international training experts in 2017, assisted by DRD's Infrastructure Unit, and represent a significant upgrade in systematization of the content and delivery of previous facilitator training. The delivery of ToT to township teams was further strengthened by international training experts in 2018, with the result that the Union Training team is able to deliver high quality ToT at the Union, as well as training support/supervision visits to the townships during ToF and TTF implementation.
17. The table below summarizes the number and content of training during this reporting period:

Table 4: Summary of Training July 2018 to June 2019

Level	No. Trainings/ Courses	No. Participants	Topics Covered
Union	24	1,260	ToT (Infra and general), Grievance, Gender, AUTOCAD, Project Start-Up (OM), Project Management, Video Editing
Township	436	19,820	TOF, TTF, Infra refresher, Finance, M&E/MIS, Grievance, Procurement, Gender, Communication, OM, Team Management, Conflict Sensitive Facilitation and VDP
Community	7,094	291,429	PSC, MSC, FSC, OM, CMT, Grievance, Gender, M&E

18. Capacity building indicators 2.4 and 2.5 (Table 7, Results Matrix) show that during this reporting period 420 government officers, and 106,465 community members have been trained, with a cumulative output over the whole project of 1,748 government officers, and 528,341 community members.
19. To ensure the ToT system was continuing to deliver quality, the Union training team has visited selected townships at their request to monitor the facilitator training. During this reporting period, a total of 40 staff from the Union team have made support visits to 42 townships in Years 5 and 6 to ensure quality control of a range of training, including ToF 1-3 courses. pre-Multi-Stakeholder Review (MSR) meetings, CF/TF pre-forums, one MSR meeting and one exchange visit.

Grievance Handling Mechanism

20. **The NCDDP grievance handling mechanism (GHM) has continued to play an important role in ensuring accountability and effective feedback loops** over the reporting period, with communities across all project townships using the system to communicate questions, grievances and suggestions about the project. **Over this 12-month reporting period, the GHM received a total of 6,741 grievances, of which 99% were resolved. This brings the cumulative number of grievances since July 2014 to 25,036, of which 98% had been resolved.**

Table 5 : Grievances July 2018 – June 2019

	Jul-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	Apr-Jun 2019	Total Year	%
Total	1,012	520	1,844	3,365	6,741	
Core (Serious)	28	21	34	61	144	2.14%
Non-Core (Letters of appreciation, suggestion and inquiry etc)	984	499	1,810	3,304	6,597	97.9%

- **Breakdown of Core/Non-Core: 97.86% were letters of appreciation suggestion and enquiry, while 2.14% were serious complaints**, relating to violations of project rules and regulations, including corruption, abuse of power, etc). There has been a steady reduction in these core grievances over the years, with the cumulative rate for the whole project at 4.3%. The resolution rate for these core grievances, at 98%, is consistent with the overall resolution rate, although the time for resolution is usually a little longer.
- **Break down of core/non-core:** Of the 6,741 total grievances submitted in this reporting period, 97.9% were categorised as “non-core”, including letters of appreciation (57.6%), suggestions (28.2%), general enquiries (3%) and “other” (7.6%); in the category of “core” grievance, 1% dealt with a violation of project policies or procedures, and 1.1% were related to force majeure.
- **The great majority of grievances (93%) were received through the grievance boxes available in every village participating in the project**, suggesting that this mechanism continues to serve its intended purpose. This was followed by telephone (3%), made in person/hand delivered to a township officer (2%), email and delivered in community meetings, and delivered to the grievance focal person (1% each).
- **The proportion of grievances made by men has remained consistent at between 45 – 60%, women 20 – 30%, and unknown (gender not specified) between 12 – 25%.**
- **By the end of this reporting period, average response rate for all types of grievance has improved to 7 days, while the average response time for core grievances is approximately 11 days.** The once notable exception to these ranges is for “improper intervention”, which on average takes 30 days to resolve as the situation takes longer to investigate.

21. **New guidelines have been drafted for continuation of the GHM in townships which have exited the project** after completing four cycles of block grants. At the time of writing, only 1 grievance (suggestion) has been received from the 9 exited townships, but the system will continue be piloted in the coming years.

Gender Mainstreaming

During the reporting period, the NCDDP continued to work towards achievement of key gender mainstreaming objectives. The mandatory gender parity targets for committee leadership (1 chair of each gender), equal pay for equal work, and decision-making were achieved across all project townships; parity for committee membership was just above 50% in general, but slightly below parity for membership of finance sub-committees (38%). Womens participation in sub-project selection has not fallen below 50% since Y1, with an average cumulative figure at 51%. Principles of equal pay for equal work are being adhered to, despite initial resistance in some villages, gender disaggregated reporting continues, and the village development planning process includes a number of provisions that ensure voice for priorities identified by women.

Table 6 : Performance of Key Gender Mainstreaming Indicators

	Gender Indicators	Y1	Y2	Y3	Y4	Y5	Y6	Cumulative
1	Women’s participation in Project Committees	52%	51%	52%	51%	49%	50%	51%
2	Women’s leadership of VPSC and VTPSC	52%	50%	46%	49%	49%	50%	49%
3	Women’s participation in Sub-project Selection Decision Meeting	48%	50%	54%	51%	51%	50%	51%
4	Equal Pay for Equal Work	This is fully achieved for community labour under the community force account. Though contractors are obliged to sign off on this mandate in the code of conduct section of the contract (P6), this still needs strengthening in most of the townships.						

Despite receiving equal wages for equal work, women continued to receive a lower proportion of the total wages paid in Year 6, due to working fewer labor-days on the project (33% of the total).

22. **The reporting period saw a significant strengthening of the team and intensity of activities at all levels, including national and international workshops, training, monitoring and evaluation, data collection and research**, including:
- Gender strategy revised in conjunction with the main stakeholders and development partners.
 - Continued communication of gender equity principles and success stories to wider stakeholders, such as MPs and the media.
 - Refined and improved data sources for qualitative analysis, not captured by quantitative disaggregation.
 - Prepared a case study on impact of water supply sub-projects on women .
 - Continued field visits to conflict-affected townships are starting to build useful experience, analysis and guidelines for staff regarding the interface between gender and conflict.
23. **New guidelines have been drafted for townships where the project** is phasing out to sustain the gender equality and awareness introduced and achieved through the NCDDP. While gender mainstreaming activities in Year 4 continue as in previous cycles (further strengthening of women leaders, continued participation of village women in bottom up planning, problem solving and decision making), a critical focus will be the sustainability of the women's network beyond the life of the project, by linking with Department of Social Welfare for mentoring and technical support.

Technical Assistance

24. This period has seen the project reach the original target of 63 townships thus reaching the peak demand for technical assistance, and leading the project towards a better distribution of Technical Assistance (TA) provision between the Union, state/region and township levels.
25. **DRD continues to draw on technical assistance at the union, regional and township levels in specific areas to support effective project implementation.** In the previous period, TA at Union level had been reduced from six to three international experts in support of financial management, procurement, and monitoring and evaluation, while six senior national experts continue to advise on infrastructure, training, financial management and grievance handling mechanism. Additional national and international expertise for specific operational tasks is mobilized as needed, as reflected in the project's procurement plan, such as inputs from two short-term international training experts in 2018.
26. **This reporting period saw the continued full and active participation of the state/region offices in NCDDP, strongly supported by two to three infrastructure experts per office.** These specialists have significantly filled the gaps left by the absence of an infrastructure expert on the township TA teams since Year 2, in terms of site monitoring and mentoring of township technical facilitators in detailed planning, quantity and cost estimation.
27. **At the township level, TA was continued to support DRD offices in the implementation of the NCDDP by a mix of domestic and international partners, comprising both NGOs and private firms.** Including the sixteen newest townships, TTA support is delivered by seven agencies in 54 townships. DRD keeps a close eye on the format of these arrangements to ensure that they continue to provide the best value for money to the nation. Since Year 3 (2015/6) the deployment of key experts has been extended to cover the full four years of project benefits to the townships, with management of facilitators transferred to DRD after two years.
28. **To keep up with the rapid scale-up in number of townships, the efficiency of TA has been increased by organizing contracts into geographical clusters,** which correspond approximately to the country's 14 state/regions and NPT territory, and has capitalized on the experience of early TA providers who performed well after Year 3, by extending their contracts to cover new townships, rather than seeking new TA providers with each new cycle. By the end of this reporting period, the project had recruited over 1,700 community facilitators and 1,000 technical facilitators in 63 townships. Community facilitators must be recruited from the township in which they operate to ensure familiarity with local customs, while technical facilitators (TFs) can be sourced from outside.

Component 3: Knowledge and Learning

29. **The NCDDP is designed to progressively improve through adaptive learning.** As the project concludes its sixth year, it has gained significant operational experience, including through multi-stakeholder reviews (MSRs) held at both the township and union levels, social audits at the village level, and exchange visits between committees and staff from older and newer townships. Over the last five years, lessons from these events that

have been applied to project operations include increased grant sizes, simplified forms, a strengthened facilitator training program, and provision of infrastructure support consultants in regional offices. As a result of this learning and adaptation, the community cycles are delivering significant results for poor communities across Myanmar.

Monitoring and Evaluation

30. **Rigorous monitoring and evaluation of performance is central to the NCDDP's adaptive learning approach as it provides the project with the ability to identify what is working well and where changes are needed.** Together with an improved management information system (MIS), including an upgraded user interface, this data provides weekly updated progress information on project operations across the current 54 townships.
31. During the reporting period, both Year 5 and Year 6 sites continued to be active, requiring separate tabs on the MIS website (www.ncddmis.com) as many of the new 16 townships were still completing Year 5 activities through this period. On both sites, the project continued to upgrade the GIS interface showing a dashboard of key Result Matrix indicators at Union, regional, township, village tract, and village level, and widen the range of weekly updated progress milestones covering 54 townships viewable online. The indicator dashboard now shows achievement of NCDDP indicators in current and previous project years, and the implementation progress webpage has been enhanced with further parameters such as block grant distribution. After improving the accuracy of results, both components are proving increasingly useful to NCDDP managers, donors and wider stakeholders alike.

Technical Audit

32. Following an initial technical review of infrastructure quality of subprojects constructed during the first community cycle, **DRD commissioned two further independent technical audits to assess infrastructure quality, cost effectiveness, cost-benefit and sustainability** in 2015/16 (first nine townships) and in 2017/18. (27 townships from project years 3 and 4). The final reports for both audits are available on the project website. (<http://cdd.drdmyanmar.org/en/document>). No further technical audits have been performed since then.

The second technical audit covered 235 NCDDP sub-projects under 5 main categories (buildings, bridges, water supply, roads, electricity) in 27 townships, and a further 38 non-NCDDP sub-projects for comparison. Findings submitted in the final report (June 2018) showed : 1) 77% of sub-projects were rated satisfactory or highly satisfactory, 15% moderately satisfactory and 8% unsatisfactory; 2) overall 79% of structure components were in accordance with plans and specifications (with roads, bridges and electricity sub-projects more compliant than buildings); 3) there was a slight decline between 2016 and 2018 in sub-projects meeting specifications; 4) cost-effectiveness of NCDDP sub-projects was better than non-NCDDP sub-projects; and 5) environmental considerations were appropriately handled in 83% of sub-projects. The final report is available on the project website. (<http://cdd.drdmyanmar.org/en/document>).

Social Audits and Community Scorecard

33. After completion of construction and final inspection of the village's sub-project, **social audit meetings are held to provide beneficiary communities and their committees with an opportunity to voice their feedback and approval rating regarding the process and the results of their sub-project.** During project Year 6 through to June 2019, a total of 4,286 social audits have been held at village level by 45 townships, reaching a total of over 27,058 social audits since project start-up (Table 1).
34. For project Year 6, on average 97% of the members of the communities and committee members indicated their satisfaction or high satisfaction for both project processes and results. This represents a progressive increase in satisfaction rates year on year (Results Matrix, Table 7) as the quality of implementation improves with experience, with a current cumulative average of 90%, thus exceeding the Project Development Objective target (80%) by 10%.

Table 7: NCDDP Performance against Results Framework to 30 June 2019

1	Development Objective Indicators		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Cumulative	Target (to 30/11/2021)		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19				
1.1	Direct beneficiaries	by year	246,644	692,096	2,364,252	2,291,331	1,680,925	No additions				
		(# tns)	(3 tns)	(6 tns)	(18 tns)	(20 tns)	(16 tns)					
		cumulative	246,644	938,740	3,302,992	5,594,323	7,275,248	7,275,248	7,275,248	4,000,000		
		(# tns)	(3 tns)	(9 tns)	(27 tns)	(47 tns)	(63 tns)	(63 tns)	(63 tns)	63		
1.2	% female beneficiaries		51.90%	51%	51.50%	50.70%	51.50%	51.3%	51.3%			
1.3	# persons having access to and use of project-built infrastructure and services		204,527	621,361	2,042,112	2,120,302	1,571,558	1,571,558	6,559,860	4,000,000		
1.4	% households in project villages participating in planning, decision-making, and implementation of sps		56%	58%	65%	61%	61.2%	62.03%	59.73%	50%		
1.5	% community members satisfied with the project		90%	78.8%	82%	94%	95%	97%	90%	80%		
1.6	CFA Participation											
	•Total CFA labour paid out (MMK billion)		0.45	1.46	4.97	8.32	12.19	10.5	37.89			
	•Total # of labour days provided		106,500	325,400	863,648	1,586 million	2.09 million	1.95 million	5.166 million			
	•CFA payments as % of BG		n.a	15%	17.40%	21.30%	20.40%	21.10%	19.0%			
	•% sub-projects with CFA as main source of labour		n.a	70%	92%	94%	95%	91%	89%			
2	Intermediate Results Indicators		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Cumulative			
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19				
2.1	#Type of rural infrastructure built	Transport (roads, jetties, bridges)	126	684	2,299	4,288	5,484	2,322	15,203			
		Water and sanitation	69	229	978	1,157	724	377	3,534			
		Education	118	448	966	1,065	1,026	534	4,157			
		Electrification	26	123	209	488	635	580	2,061			
		Community facilities	15	65	192	478	636	541	1,927			
		Health		8	33	31	30	13	115			
		Other	3	21	57	175	115	201	572			
		Length of roads constructed (Km)	83	612	1,646	2,953	3,805	2,365	11,464			
		2.2	Total sub-project costs:	CDD project costs (MMK bn)	1.5	9.55	32.32	60.01	82.61	68.83	254.82	
				Community contribution (MMK bn)	0.1	0.845	1.8	3.3	5.61	3.92	15.58	
(% project costs)	6.25%			8.13%	5.28%	5.21%	6.36%	5.39%	5.76%			
2.3	Total block grants disbursed (MMK billion)	1.57	10.23	35.7	67.37	86.63	79.83	281.33				
2.2	% of sub-projects evaluated as high priority by communities	Not yet	Not yet	Not yet	Not yet	Not yet	Not yet	n.a	90%			
2.3	% of sub-projects evaluated independently meeting project operations manual technical and safeguard specifications	85%		93%		77%		85%	85%			
2.4	# of Government officials using their new skills in project management, engineering, planning	48	115	234	452	479	420	1,748	500			
2.5	# of community members using their new skills in project planning, financial management, and procurement (6)	4,731	19,160	84,748	113,588	166,596	139,518	528,341	300,000			
2.6	# of internal cross-township learning exchanges	2	4	4	0	2	3	14	20			
2.7	Annual Union Multi-Stakeholder Review conducted	1	1	1	1	1		5	8			
2.8	% grievances registered, related to delivery of project benefits, that are addressed		99%	98.50%	99%	99%	98%	98%	98.70%	85%		
		A Core	98%	98%	99%	99%	96%	98%	98%			
		B Non-Core	99%	99%	99%	99%	99%	99%	99%			
2.9	# grievances related to delivery of project benefits, that are addressed		318	1,030	4,688	7,392	5,879	5,729	25,036			
		A Core	16	132	199	201	212	116	876			
		B Non-Core	302	898	4,489	7,191	5,667	5,613	24,160			
2.1	% of annual significant financial audit findings addressed (misuse of funds, non-compliance with procedures)	100%	100%	100%	100%	100%		100%	95%			

Exchange Visits

35. Exchange visits between townships are a valuable source of learning for both village committees, and for township project staff such as facilitators and DRD officers. During this reporting period, two categories of exchange visits were organised : 1) Village committee members : 22 participants each from 20 Year 4 townships visited 17 Year 3 townships between July – September 2018 - per visit (5 days, including travel) 2) Facilitators (CFs and TFs) : groups of facilitators (33 – 89 in size, depending size of township) from 20 year 4 townships visited 18 Year 3 townships between March – June 2019.

Multi-Stakeholder Review

36. **The fifth annual union-level Multi-Stakeholder Review for the NCDDP was held on 5th October 2018 in Nay Pyi Taw.** The one-day event attracted over 800 participants, including representatives of communities in NCDDP townships, as well as union ministers and deputy ministers, State and Regional Ministers, Members of Parliament, officials from line ministries and departments at the union, state and township level, international and local non-governmental organizations, development partners and media. A full report is available at : <http://cdd.drdmyanmar.org/en/document>.
37. The annual union-level MSR is the culmination of the project's day to day commitment to transparency, learning and adaptation. To ensure feedback from staff and community who are unable to be present in person at the union MSR is captured, the NCDDP conducts village level social audit meetings: township level MSR meetings, and fora for CFs, TFs and key experts of the NCDDP prior to the union level MSR. This feedback informs final discussions at the UMSR, which in turn feeds into the annual update of the Operations Manual.

Operations Manual

38. The final outcome of the learning and feedback mechanisms described above is the annual review and update of the Operations Manual (OM). Main updates in the Year 6 OM have included: 1) an increase in block grant size across all population bands to reflect national inflation and ensure greater impact, and 2) addition of a new Annex 3 in the Operational Manual on Phase-Out Guidelines. The customary feedback fora will be held in August 2019 to give facilitators and key experts a chance to give their inputs into an updated OM prior to the Union MSR, where the final discussions will take place, and updates, if any, recommended. After 6 years of continuous improvement, very few changes are anticipated for the Year 7 version.
39. **Phase-Out Guidelines:** In order to safeguard and monitor the sustainability of investments under NCDDP, DRD has formulated a set of guidelines to project staff and communities for the phase-out situation, focussing on continuity of O&M, Asset Management, GHM, VDP and Gender processes. These guidelines detail actions and responsibilities of staff and communities in the last cycle of project implementation and after phase-out in each village.

Component 4: Implementation Support

40. By the end of June 2019, the union NCDDP had two Deputy Director Generals serving as Project Director and Deputy Project Director, two Directors serving as Project and Procurement Managers, a Deputy Director in charge of project operations, and two Deputy Directors in charge of financial management. This management group was assisted by 85 staff members as well as by national and international consultants providing specialized support on procurement, financial management, monitoring and evaluation, communications, gender and training as described under Component 2 above. The union level secretariat convenes quarterly meetings that bring together regional and township DRD staff at the union level to review and resolve ongoing implementation issues. By the end of this period, DRD has been in its new and current departmental premises for just over a year.
41. **At the township level, township DRD offices support implementation.** Given the additional work required, DRD provides a team of 6 staff dedicated to NCDDP in township offices. Moreover, DRD recruits township-level technical assistance to provide capacity building in key areas, as described above.
42. **As the project expanded to 47 townships in Year 4 (2016/17) then to 61 townships in Year 5, DRD created 15 NCDDP offices at the State and Region level to ensure effective implementation and reflect the increasing role of the state/regions in national government.** With a core of 6 staff dedicated to NCDDP and 3 infrastructure

consultants, these offices have a range of tasks aimed at distributing the Union's management burden as follows: 1) provide support to township offices on infrastructure, monitoring and evaluation and operational support 2) aggregate township quarterly reporting 3) carry out township supervision activities 4) engage State and Regional governments in the implementation of the NCDDP. Introduced at the beginning of Year 4, these regional offices have gained considerable experience and ownership of NCDDP over this reporting period, with strong contributions from the 3 attached infrastructure consultants in terms of supporting TFs and township engineers with detailed design and engineering knowledge.

Financial Management

43. The cumulative expenditures under NCDDP since project start in November 2013 though the end of June 2019 **stood at MMK 390.7 billion (\$257.9 million)**. The largest share of project funds have been spent on community block grants, accounting for a total of MMK 281.3 billion (\$185.7 million) or 72% percent of total project expenditures. This was followed by expenditures for facilitation and capacity building at 19% (MMK 74.8 billion), implementation support at 8% (MMK 30.4 billion), and knowledge and learning at 1% (MMK 4.1 billion).

Table 8 : Cumulative Expenditure by Component to End June 2019

Component	MMK	US \$ ⁽¹⁾	%
1 Community block grants	281,334,585,364.00	185,699,396.28	72%
2 Facilitation and Capacity	74,784,774,280.65	49,362,887.31	19%
3 Knowledge and Learning	4,143,805,496.70	2,735,185.15	1%
4 Implementation Support	30,421,552,805.84	20,080,232.88	8%
5 Contingency			0%
Total	390,684,717,947	257,877,702	100%

1) Exchange rate : 1 US\$ = MMK 1,515

44. **During the reporting period, an audit report for FY17/18 was received from the Office of the Union Auditor General and made publicly available on the project's website.** In addition, the project submitted quarterly unaudited Interim Financial Reports (IFRs) to the World Bank for its review. The financial Audit for FY18/19 audit is expected to take place some time around December 2019, after submission of the IFR to the OAG for the FY ending September 30, 2019.
45. **In the conduct of the audit, the Auditor General reviewed documentation at the union, township and community levels.** Spot checks of community finance records were also carried out by World Bank implementation support missions during the reporting period found that financial management of community grants at both the village tract and village level has been highly satisfactory, with bank accounts being well managed, subproject related financial reports and supporting documentation being well maintained by village committees, and nearly all subprojects being completed within the estimated budget.
46. **Day-to-day finance operations were significantly strengthened and streamlined during this period** with installation and training of a new accounting system enabling effective production of the financial Reports and closer integration with the procurement unit in terms of annual budgeting and asset management.
47. The change in the Myanmar financial year from April – March to October - September has allowed for a better match between financial budgeting/reporting and project cycle implementation. To accommodate this change, a separate 6- month budget was formulated from April to September 2018. Financial statements were also prepared, submitted and audited by the OAG. The audit took place in December 2018 and the Myanmar version of the audit report was received by DRD on May 2019 while the official English translation of the audit report was received by DRD late June of 2019.

Procurement

48. **There was little main procurement activity during this reporting period, since:** a) the broad range of procurement for goods and services for 16 new townships in Year 5 under procurement plan nine (PP9) had already been completed in Year 5; and b) DRD did not yet receive the approval from the Economic Committee with regard

to the extension of the NCDDP to 13 new townships. Consequently the main package in the PP9 remained on hold at the end of this period.

49. **Procurement followed both DRD and World Bank regulations**, with both prior and post reviews of packages by World Bank, and procurement notices published in national newspapers, on the project website, and on the UN Development Business website. These documents are publicly available at www.worldbank.org
50. **Community procurement has proceeded well, with guidelines in the Operations Manual further streamlined and simplified in Year 6 as a result of MSR feedback.** The ability of communities to pay themselves for labor under sub-projects using the grants has created a significant positive economic impact: by the end of Year 5, this had provided twenty seven townships with a cumulative MMK 24.09 billion (\$4.7 million) in daily wages and 4.5 million person days of paid labour under community force account, the main source of labor in 70% of all subprojects. In a survey of the two exiting townships (Kyunsu and Kanpetlet) in Year 4, competence in procurement and finance was cited the highest valued benefits to individuals.

Communications

51. **With the final scale-up of the project and the growing importance of regional institutions and media, this reporting period saw the need to expand and revise the original communications strategy based on feedback from front line staff and communities, and to move from the branding stage to more quality interaction and discussion with stakeholders.** An updated Communications Plan completed in July 2018 added new activities and materials to the original outputs, including:
 - Development and distribution of a Communications Guidebook for regional and township (CSAG) focal points;
 - Development and distribution of a CDD booklet for government counterparts and MPs;
 - Publication of a printed magazine and electronic version for relevant government departments and other stakeholders;
 - Increase media collaboration (field trips and interviews with media agencies) monitoring (tracking the accuracy and range of printed and online media coverage, tracking trends in community participation, especially women);
 - Internet presence and access by: a) complete development of the NCDDP mobile application, and b) continued improvement of the new website, including key FAQs and uploading of e-booklet;
 - Production of short video clips featuring feedback from key stakeholders for improving project performance, and a new project video (to be shown at the Union MSR 2018).

It was further decided to create a Local Engagement Plan to complement the Communications Plan

Further communications actions which took place during this reporting period included:

- Intensification of stakeholder engagement
- Monthly information campaigns in selected villages of townships
- MP/CSO meetings in Kayah state conducted quarterly
- Production of a video of gender success stories
- Update conversation-cartoons to replace plain text in project brochures
- Development of a mobile application to access the project website
- Development and distribution of project visibility materials including tile stone/plaques for sub-projects, project vinyl posters, gender booklets, ECoPs booklets, project cycle brochures
- Organise/coordinate cross township exchange visits for community

NCCDP Annual Progress Report (July 2018 – June 2019)

Annex I: Workplan Year 5 & 6

	2017		2018										2019										
	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	August	Sept
1 TOF 1	45 tns	45 tns				12 tns						4 tns		38 tns			16 tns						
2 TTF 1 16 new tns							12 tns					4 tns					16 tns						
3 BG transfer	45 tns	45 tns						12 tns				4 tns		38 tns			16 tns						
4 TOT 2 16 tns + S/R head								12 tns				4 tns											
5 TOF 2	45 tns	45 tns							12 tns			4 tns		38 tns			16 tns						
6 TTF 2 16tns Infra community management training								12 tns	12 tns			4 tns	4 tns						16 tns				
7 SP construction 45 tns (1348 VT, 8357 V) 16 tns		45 tns									12 tns		4 tns		38 tns							16 tns	
8 TOT 3 16 tns + S/R head										12 tns		4 tns											
9 TOF 3	45 tns				45 tns					12 tns			4 tns			38 tns						16 tns	
10 Social Audit 45 tns (1348 VT, 8357 V) 16 tns					45 tns							12 tns		4 tns		38 tns							16 tns
11 Township MSR 45 tns (1348 VT, 8357 V) 16 tns							45 tns								12 tns	4 tns			38 tns				16 tns
12 Union MSR													UMSR 18										UMSR 19

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