

Verifying World Bank Claims About CDD ***A Report on the Namh Sam Township Project***

About this report

This is a product of a project monitoring activity that was carried out by representatives of the IFI Watch Myanmar in collaboration with their local partner-members in the Namh Sam Township, Shan State. Using guide questions to enable structured and focused conversations and ocular inspection of the CDD projects currently underway in the township, the on-site project monitoring took place between the 19th and 22nd of September 2014.

As a background, the National Community-Driven Development (CDD) Project is the World Bank's [first project loan to the Myanmar Government following its official re-engagement](#) in the country after nearly 25 years of lending freeze. Packaged as a 'peace dividend' in support of the country's 'multiple transitions' the Bank made several promises to make this project lay the "foundation to promote growth and poverty reduction."¹ These include but are not limited to claims that 1) "Consultations are at the heart of our engagement in Myanmar." and 2) "local communities will be able to choose how they want to spend the grants – whether it's roads, bridges, health clinics or fixing up classrooms or providing drinking water."² These claims were also at the heart of civil society's engagement with the World Bank to ensure these are not just rhetoric but ones that can be demonstrated from the national to ground level management project consultations and management. There have been many considerations that informed civil society's good faith engagements as well as dedicated monitoring of the project including the need for conflict-sensitive development, meaningful public participation to enable local community-sensitive inputs into the design and implementation, and the need to link development projects with the ongoing efforts for peacebuilding and preventing human rights and human rights harms, among others. The need to improve governance through improved transparency, anti-corruption and accountability measures also informed such engagements. At the heart of these engagement is the protection of the rights of communities for livelihood security and access to basic services that have long been denied by the government.

To enable a continuing engagement with the World Bank and facilitate community participation in the project management, IFI Watch Myanmar was formed in October 2012. It serves as an independent IFI monitor and advocacy group led by local Myanmar non-State organizations. It functions as a watchdog, independent monitor, alternative advisor and provider of constructive, independent advice to IFIs and to our own government. IFI watch Myanmar works to increase its visibility as a key stakeholder among government institutions, CSOs and IFIs in development projects they finance that advocates for inclusiveness, indigenous peoples' rights, gender-sensitive development programmes and enforcement of human rights, including exposure of any misuse of public funds and potential abuses of by corporations. We believe, as is the case in other developed and transitioning countries, that having an active, organized and well-informed IFI monitor increases development-effectiveness while reducing the risks of corruption, and environmental and social harms.

¹ Official project documents present the CDD as a paradigm shift to a people-centred approach, bottom-up approach, whether inclusiveness of communities' participation, capacity building, gender equity.

² See <http://www.worldbank.org/en/news/feature/2012/11/22/myanmar-wb-reengaging-through-cdd-to-tackle-poverty-in-rural-villages>

Objectives of the Namh Sam project monitoring

1. To monitor the implementation process in accordance with the Operational Manual and if it complies with the World Bank's Safeguard Policies. In particular, assess whether the poor rural communities effectively identified their own needs and implementation of activities to have access to basic services and rural infrastructure.
2. To monitor any possibilities for corruption and identify if these are being prevented, detected and/or reported for action.
3. To identify that the project management gaps, if any, that may have impacts in the achievement of project goals and objectives as well as implications to Cycle 2 and the upcoming projects.

Methodology:

To address the objectives, the monitoring used corresponding questions to guide and structure our conversations with the concerned project-supported (or affect) families and to verify the claims as demonstrated in the Bank's project design documents and published stories. These questions include:

Under objective 1:

1. Do you know anything about World Bank?
2. What has the Department of Rural Development done in this area?
3. Do you know the aims of CDD? Do you know about the project in your Village Tract (VT) or Village?
4. Do you know the grant amount your VT or Village received?
5. How was the project selection done in your VT or Village? Was it selected with the agreement of the entire village or was it influence by someone or a group?
6. Were you /the village tract/villagers satisfied or dissatisfied with the forming of the committees? Why?
7. Did you detect any overlapping of the committee members?
8. What kind /types of people were in the committee [teacher, village elders & so on]?
9. Any female members in the committees?
10. What are the challenges faced by the committees [procurement, finance, monitoring, grievance]?
11. Can you explain a bit about the village before the project? What were your feelings then?
12. What is the participation of the communities and how did they feel?
13. Who promoted the participation of the communities?
14. Was there women participation?
15. How did DRD staff and the engineers support this project?
16. Is gender equity promoted in this project?
17. Were there any disputes or any bad feelings with one another because of this project?

Under objective 2:

18. Is there transparency regarding this project? [accounts, procurement, contracts]
19. What is the involvement of the village administrator?
20. What is the relationship between the villagers and the community facilitators, DRD, the engineers and the VT and village administrator that affects the delivery of resources necessary for the community to implement the project?

Under objective 3:

21. What do you think are the main project gaps that should be avoided and why?
22. Do you have any plans for the sustainability of this project?

23. Is there anything that the World Bank and the government must do to have a better implementation process in Cycle 2?
24. What did you learn from this project implementation process?

Due to the weather and limited time frame, we were able to visit only (10) Villages from (6) VTs. Nevertheless, a total of (36) key informant interviews were conducted with school teachers, the Village Administrator, committee members, and both male and female villagers.

Key findings

The interviewees were fairly satisfied with the sub-projects selection only because it was done during the village meeting with the consensus of the entire village. However, the following observations, which add to the persistent complaints, were given to us:

1. **The implementation period was too short to implement their 1st priority for most of the villages.** The villagers were too busy with their livelihood; the peak season of tealeaves picking and could not work as hired laborers in the CDD Project. As such, it is difficult for them to say the project addresses their needs and ability to effectively manage it.
2. **The majority of the interviewees were not aware of how the committees were formed or how the members were chosen.** They were not included in these meetings but in a few villages, committee members were elected by the communities during village meetings. Female committee members are found in every VT and village. They are happy with the ground results even though a few believe that there are discrepancies, although they have no proof of this.
3. **Full and effective community participation did not happen limited as it conflicted with the seasonal tealeaves picking.** The project consultant and the government opted not to postpone the project selection and consultation.. The community facilitators urged the communities to participate in most of the villages, and we observed that women also participated if and when they could. Some gender equity could be noted and measured through women representation and participation in activities including equal payment for hired labour. In some villages the hired labour contributed their payment towards the sub-projects.
4. **Proper and adequate representation by village leaders was absent.** In a number of villages, the VT/Village Administrators were not invited to the meetings but in a number of others they called for meetings and gave their residence as a meeting place. None of the VT/Village Administrators were elected as committee members.
5. **Although the committees provided financial statements related to project activities these reports were not trusted by a majority of communities.** They found that there were discrepancies between the actual works and the amount of money budgeted from the grant. The relationships between community facilitators, DRD, the engineers and the VT and village administrators were fairly good except in Man Nauk village tract (*please see the findings below*). The majority of project communities have a sense of ownership and have good future plans for the sustainability, even going as far as seeking donors for this. For example, in the case of the road sub-project, villagers have gone as far as collecting contributions and even agreeing to pay for any minor damage that occurs in the range of their house in order to save project money and time.

6. The technical and financial audits have already taken place but no objective results have been released yet and the methodologies used were not disclosed.

Findings in specific villages:

Man Nauk Village Tract [Ho Chaung, Man Nauk, Man Karn and Kya Kyein]

11 key informants were interviewed including school teachers, committee members, V/T Administrators and both male and female members of the community. Their comments on the Community Facilitator and the general situation are stated below. The finance and procurement committee members were absent from the meeting as they were in the fields.

Ho Chaung Village:

Although the disbursements were provided in April, Ho Chaung Villae did not receive any grant as the Community Facilitator [CF] told the committee to wait while she worked on procurement. Even though there was a Procurement Committee, this was a new experience for the village so they waited until July to receive that grant. As nothing moved forward, one of the committee members went to Namh Sam DRD office with a complaint letter asking the DRD office to solve this problem. The next day the responsible persons held a meeting at the village and the community received their grant.

It was very difficult to complete implementation within a month due to the financial mismanagement of the CF in procuring materials for the project. They have refused to continue working with the same CF so as not to have a repeat of this situation.

In addition to the above-mentioned challenges, when the village was given forty thousand Kyats to mark the successful completion of the sub-project, the CF took the cash and misused it by inflating the event-related costs.

Man Nauk Village:

The CF held frequent meetings with committee members. This CF only chose to work with the few committee members, who were on good terms with her. Though these committee members interviewed were never called for meetings, they received information from other members. She did not invite the administrator for meetings either.

The finance committee only had to sign the documents whereas she handled the cash and did the procurement. She did not train anyone and put forward the notion that she had to do everything as the villagers lacked the capacity. Regarding procurement, the villagers had to depend on the supplier she contracted and even when there were many delays and the materials procured were of low quality. The work was done by her and one other skilled labourer but no one knew his fee. Although the actual rate of a brick was 250 kyats, she stated that it costs 300 kyats at the meeting.

The interviewees do not like her condescending and rude way of engaging with the community and her incompetence. Relationship is not good either. In the next cycle, the villagers have refused to work with her if she cannot work more professionally.

The communities stopped participating when they became confused and lost track of the situation and this resulted in delays and incomplete implementation of the project.

Though there is a complaint mechanism, no one dares to complain due to fear of her retaliation.

Committee members were not included in the meetings and did not receive any information, so the committees were dismantled eventually.

From the other two villages, the CF's attitude and the work done were almost the same.

Specific challenges encountered

- I. The weather did not permit us to travel to cover all target villages.
- II. In some villages, the majority of the villagers were out in the fields so meetings could not be held with committee members in every Village Tract.
- III. Time, the distance from one village tract to another and the bad weather conditions prevented the monitoring team from reaching the farthest village tract.

What these findings tell us are the following:

- I. We need training as we have no capacity and experience in a project management that has technical, financial and organizational requirements. This is not our way of life. It is not easy to do accounting and procurement according to the Bank's strict requirements.
- II. In the coming cycle, the procurement and the finance committee should be able to do their own tasks without interference of the Community Facilitator. The training should not come from the community facilitator; it has to come from independent experts.

Conclusion

Per joint Government-World Bank document E4032, the National Community Driven Development Project aims to empower communities to determine their own development path, implementing a people-centred development, emphasizing transparency and accountability in the use of funds. The findings of this monitoring trip show similar patterns of serious discrepancies in behaviour and mechanisms that exploit and mislead the community rather than fulfil the objectives that the World Bank originally intended the CDD project to accomplish.

Therefore it is IFI Watch Myanmar's firm recommendation that the World Bank investigate these contentious issues taking place within CDD project communities and ensure that they are addressed in line with the Banks own safeguards and policies, and in a manner appropriate to an agency expected to operate under international standards.

Recommendations addressed to the role of the World Bank and the DRD relevant to project management improvement and the upcoming CDD projects in the Phase 2.

- The WB and the DRD should have clear working plan to ensure the communities are aware about the fundamentals of the project, their roles and responsibilities and the expectations on the project benefits. So far, these basic information are significantly lacking.
- The WB and DRD should recognize that CFs should have thorough knowledge about the Operational Manual [e.g. the administrators should not attend meetings] to avoid providing incomplete or wrong information to the communities. As this CDD Project aims to empower the communities, CFs need to make more effort to play a supportive and facilitative role in helping the community to understand and explain more about the projects.

- Simplify forms. The forms currently use for community to fill out are complicated. They are not user friendly.
- More time is needed for implementation. The implementation period should not overlap with their harvest season or key livelihood-related activities. To meet the completion deadline, the communities had to choose project activities that involved less time and work over the 1st prioritized sub-projects. Thus, longer period for implementation is needed.
- More coordination and greater transparency are needed between the community facilitators, committee members and the communities.
- Pay the labourers' on time. There is no clear and predictable payment system for the laborers whose time spent for the project is a clear diversion from their regular livelihood activities.
- Encourage the communities to speak up as they are afraid of persons in decision-making positions and there is fear that the project could be terminated if they spoke out about project-related difficulties.
- Set up a local complaint mechanism. Considering the problems of limited information, different expectations, limited time for project selection and deliberation of real needs, and indications of improper use of project funds, the Bank and DRD should seriously consider setting up the complaint mechanism at the local level before the problems of corruption and crushed interest in the project escalate.
- The WB and DRD must make clear measures to improve coordination and greater transparency among the community facilitators, committee members and the communities.
- The committee members should not only be elected but must ensure that they are committed to this crucial project. Power sharing and accountability mechanisms need be introduced to the communities.

Some photos of the sub - projects.

1. Hpa Yar Gyi Village Tract [Hpa Yar Gyi, Zei Tone Huong and Zei Ba Gkok Village]

Hpa Yar Gyi Village



- Roadside drain construction
- The road to the monastery is much better now as the road is free from flooding

2. Man Karn Village Tract [Taik Tan, Man Karn and Sa Khan Thar Village]

Sa Khan Thar Village



- 2 concrete footpaths in the village.
- Old people and school children in the village had difficulty using the footpath before.
- Villagers plan to add side drains.

5. Taung Ma Village Tract [Taung Ma, Taung Me, Tat Min Thar, Pang Sa Yan, Man Mai+Pang Kwei Mein, La Paing & Hkun Pawng villages]



The project road leads to the Monastery.

The road path ends at the Monastery. Plans to expand.

Big events in the village are carried out at this Monastery – very convenient now.

6. Za Yan Village Tract [Za Yang Ywar Ma Village and Za Yang (North)]
Za Yang Ywar Ma Village



Concrete road to village Health Clinic