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This action is funded by the European Union

<u>**ANNEX 2**</u>

of the Commission Implementing Decision on the Annual Action Programme 2017 part 1 in favour of Myanmar/Burma

<u>**Action Document for Strengthening Governance and Democracy in Myanmar/Burma II**</u>

1. Title/basic act/ CRIS number	Strengthening Governance and Democracy in Myanmar/Burma II CRIS number: ACA/2017/039-997 financed under Development Cooperation Instrument
2. Zone benefiting from the action/location	Myanmar The action shall be carried out at the following location: nationwide
3. Programming document	Multiannual Indicative Programme (2014-2020) for Myanmar/Burma
4. Sector of concentration/ thematic area	Governance / Rule of law / State capacity building	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 14 000 000 Total amount of EU budget contribution: EUR 14 000 000
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management – procurement of services Indirect management with the International Institute for Democracy and Electoral Assistance (I-IDEA)
7 a) DAC code(s)	150 - Government and Civil Society; 15110 - Public sector policy and administrative management; 15150 - Democratic participation and civil society; 15151 – Elections; 15152 - Legislatures and political parties 15153 - Media and free flow of information
b) Main Delivery Channel	I-IDEA – 47058 Other – 52000

8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development / good governance	☐	☐	☒
	Aid to environment	☐	☒	☐
	Gender equality (including Women In Development)	☐	☒	☐
	Trade Development	☒	☐	☐

	Reproductive, Maternal, New born and child health	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Main objective**
	Biological diversity	☐	☒	☐
	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☒	☐	☐
9. GPGC thematic flagships	N/A			
10. Sustainable Development Goals (SDGs)	Main SDG: Goal 16, Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels Secondary SDG: Goal 4, Quality Education; Goal 5, Gender Equality.			

SUMMARY

EU engagement through this Action will continue EU's contribution to the development of the institutional framework required to support the democratic transition, both through an improved electoral system, policy development and strengthening of policy implementation in line with the priorities of the democratically elected government in areas relevant to the EU Multiannual Indicative Programme (MIP) 2014-2020 for Myanmar/Burma[1]. The historic election of 2015 and the successful transition to a democratically elected government in 2016 have created a receptive environment for the proposed support, which will help to maintain the momentum of the transition process.

The EU Election Observation Mission (EOM) report on the 2015 elections highlighted a number of challenges that should be addressed prior to the elections foreseen in 2020, including limited participation of underrepresented groups, weak institutions and norms of multiparty competition, the risk of conflict and limited public understanding of electoral democracy. The Union Election Commission (UEC) has reaffirmed its commitment to ensure the credibility of future elections. The opportunity therefore exists to continue using the EOM report as the key reference for a constructive engagement with key stakeholders, building on ongoing EU support through the STEP Democracy[2] programme.

In developing and implementing national and sector development strategies, the elected government faces a legacy of severe constraints in terms of human and institutional capacities. The EU has been engaged since 2013 in the provision of technical cooperation supporting policy dialogue and institutions across a range of priorities. Since 2015 this support has been channelled through the ongoing MyGovernance[3] programme, which has experienced strong demand for flexible demand-driven assistance in aid coordination, development planning, public finance management and preparations for EU budget support, education sector policy development, land use management as well as monitoring systems for rural development programmes and development of civil service training capacities. In view of the strong demand, it is proposed to expand the MyGovernance programme under an enhanced coordination process with the Ministry of Planning and Finance.

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[1] C(2014)9135 final of 4.12.2014
[2] Grant contract financed through Annex 2 of C(2014)9398 final of 12.12.2014; www.stepdemocracy.eu
[3] Service contract financed through Annex 2 of C(2014)9398 final of 12.12.2014

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic Area

The peaceful and credible elections in November 2015 and the successful formation of a new parliament and government laid the foundations for a promising new era in Myanmar/Burma. The main challenges the government, which took function in April 2016, faces are to sustain the democratic transition and strengthen key democratic governance institutions, build institutional capacity across government, move forward with the complex peace process, develop a decentralised model of governance, provide more and better social services with equitable access, and create opportunities for broad-based economic development. The transition to democracy is challenged by deeply rooted structural problems related to exclusion, (incomplete) state building and a profound lack of social and political trust. To complicate matters further, reforms are taking place in the context of a delicate peace negotiation aimed at ending more than half a century of continuous armed conflict.

1.1.1 Public Policy Assessment and EU Policy Framework

Since the beginning of the transition in 2011, the EU rapidly re-engaged with the country and provided significant support to encourage reforms. In 2013, it defined its priorities in the so-called "Comprehensive Framework". In 2014, the Myanmar/Burma MIP 2014-20 was adopted. Following arrival of the new democratically elected government, Council Conclusions on an EU strategy with Myanmar/Burma[4] were adopted. It lays out a plan for an ambitious and forward-looking EU engagement and intensified cooperation with the country to consolidate democracy, create lasting peace, and bring equitable development and social justice in alignment with the priorities of the government and the aspirations of the people. In this context the EU engagement will continue to support the development of the institutional framework required to assure the continuation of the democratic transition, both through support to the electoral system, and through support to policy development and strengthening of policy implementation in line with the priorities of the democratically elected government.

The electoral system, as one part of the democratic infrastructure in Myanmar, is still nascent and while its first testing ground of the 2015 general elections represented an historic step forward, the EU EOM report highlighted a number of challenges that should be addressed prior to 2020, including: limited participation of underrepresented groups, weak institutions and norms of multiparty competition, the risk of conflict and limited public understanding of electoral democracy. The 2008 Constitution falls sharply short of democratic ideals, providing effective veto power for the military and enshrining a highly centralized State structure that is one of the principal grievances of non-state actors. The UEC has re-affirmed its commitment to establish itself as an independent agency that continues to administer the elections in a professional manner achieving similar success as that of 2015. Challenges remain in revising the existing legal framework to ensure that elections continue to be held in a transparent, credible manner in line with international good practice. Engagement with Parliaments at the Union and State/Regional level will be crucial to ensure the election framework is cemented via the legislature.

As the 2015 general elections seem largely to be considered as the founding event of the ongoing democratic transition both by international development partners and the wider public, the progress of the democratic transition may in part be gauged by the public based on

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[4] 10482/16 of 20 June 2016

capacity of the electoral administration to keep delivering increasingly transparent and credible elections, as well as on the capacity of the administration to improve the quality of public services.

The government has an ambitious economic and social development agenda laid out in the July 2016 Economic Policy. In addition, a number of specific sector strategies are finalised or close to finalisation. It is clear that institutional capacities and human resources represent major constraints to the successful development and implementation of these strategies. Furthermore, an important dimension of national development, linked to the peace process, is the creation of effective public institutions at the level of the states and regions, as will be required in the context of building a federal state. Capacity development at this level represents a huge challenge.

Strong demand exists within government institutions for technical cooperation for policy development and implementation. Under the Myanmar/Burma Annual Action Programme (AAP) 2014 the EU provided a flexible support facility, MyGovernance[5] that aims to support key government ministries and other institutions – including parliament – in the formulation and implementation and monitoring of policies, strategies and action plans to deliver government services, particularly in the MIP focal areas. The support is complementary to that provided by other development partners, and is exposing government officials to international best practices, standards and procedures in relevant fields of governance. It is also assisting the EU in ensuring that its support is well informed and aligned with the capacities and needs of the country. Continued delivery of flexible support for institutional strengthening and policy dialogue will focus on priority areas under the ongoing MIP, and build on a number of interventions currently receiving support under the AAP2014. The areas of focus thus include horizontal measures supporting development of the capacities of the public administration, support for aid coordination and management, strengthening of planning and budgeting procedures, support for public finance management, development and implementation of education sector policy, management and monitoring of rural development and land use management. Additional areas may be covered depending on the requests expressed by the national authorities.

1.1.2 Stakeholder analysis

This Action is rooted in a commitment to long-term, sustained support of the democratic transition and responds to priorities indicated by the new leadership. As regards the electoral system it will address the needs articulated by the key beneficiaries – UEC, political parties, advocacy-based civil society organizations (CSOs) and those undertaking civic and voter education. It also provides continued support for needs expressed by the public administration for strengthening capacities for development and implementation of key public policies.

The UEC's performance during the 2015 electoral cycle exceeded expectations, with acknowledgements received on the positive contribution of international assistance to the UEC, mostly delivered by embedded assistance providers such as I-IDEA and the International Foundation for Electoral Systems (IFES). This performance will need to be sustained during the upcoming electoral cycles; the quality standards applied to the 2015 general elections will need to be maintained, if possible improved, and cascaded to sub-national electoral processes, which have been largely left untouched by international assistance. The UEC's Strategic Plan (2014-2018) highlights that it must have sufficient resources, skills and capacities to conduct these electoral events effectively.

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[5] Institutional Strengthening and Policy Dialogue, Myanmar, ACA/2015/365-631

Political parties are central to the electoral process, peace negotiations and the definition of new political structures, yet the majority of parties are limited by a lack of trust, weak linkages with their parliamentarians and constituencies, minimal experience in policy and programmatic development and low levels of inclusion.

While political space for CSOs has opened considerably over the last 10-15 years, their capacity for policy analysis and political influence is weak. Policy making and reform rarely includes space or opportunity for CSO participation. Public awareness of emerging democratic institutions and processes is also limited.

Subnational governance holds promise as a democratic space, but is impeded by a lack of experience in citizen-government interface and limited real powers in terms of revenue sharing and authority over development and extraction projects.

Although 40% of Myanmar's population is made up of ethnic minorities, the underrepresentation of ethnic parties in the national and subnational parliaments underscores the need for alternative dialogue platforms as well as consideration of legislative or constitutional reform options that facilitate more balanced representation. Youth, women and religious minorities are also often side-lined from elected office and political parties.

The EU's involvement with public sector institutional capacity development since early 2013 has underlined the substantial needs that exist in key government institutions to strengthen capacities for policy development and build modern administrative systems needed for policy implementation. Progress in this area is essential to respond to public expectations that the democratic transition will result in real improvements in socio-economic conditions for all. During 2016 EU support through the MyGovernance programme has been provided to government institutions including the Ministry of Planning and Finance on aid coordination, development planning and preparations for EU budget support, to the Ministry of Education on sector policy development in the context of planned EU sector budget support, to the Ministry of Agriculture on land use management as well as on monitoring systems for rural development programmes and to the Union Civil Service Board on development of training capacities. The Ministry of Planning and Finance is the focal point for coordination of the EU support. As the government's reform programmes are further developed, demand for support through this facility is expected to increase.

1.1.3   *Priority areas for support/problem analysis*

Strengthening the legal framework for elections has been identified as a key priority area for reform by the EU EOM, domestic election observer CSOs, political parties and international assistance providers. The EU EOM report notes that 'the legal framework provides some of the conditions for competitive elections, including freedom of association for political parties. However, the framework does not fully provide for the conduct of genuine elections, with limitations concerning the number of seats directly elected to the parliament, the right to vote and the right to stand, as well as an inadequate framework for the resolution of election disputes.' An electoral cycle that is consistent with democratic principles – political equality, universal suffrage, inclusive and open representation – is not yet present. Embedding a multi-stakeholder approach in this Action will allow for a consistent reform message to be delivered to Myanmar/Burma's democratic institutions.

In addition, the UEC identified the following needs: assessment and reform of the legal framework on the issues of party registration and candidate nomination; observation regulation and accreditation; electoral security; campaign finance; advanced voting including overseas voting; strategic communications as well as the training of citizen interested to work on election as priorities to 2020.

Some of these changes can be achieved through the professionalization of the UEC which has a new board of Commissioners and Chair who have yet to implement an election – the April 2017 by-election has been a testing ground – but the 2020 general elections provide the opportunity to confirm to the wider public that the democratic transition is indeed heading in a positive direction, through a key milestone of a second generation of elections. The 2015 general elections saw a two-party majority emerge in most parliaments, revealing a need for smaller and ethnic parties to consolidate their base, institutionalise through capacity development and technical expertise provided in public relations, policy design, campaigning strategies and to reach out across party-lines in multi-party dialogue spaces to address constituency grievances in a cohesive manner.

Positive sentiment amongst the general public towards the democratic transition is at risk with growing scepticism of the benefits of a democratic administration. Civic and voter education targeting the most vulnerable and remote communities, including IDPs, will be one way to address the complex issue of inclusion within the democratic framework and stimulate broader interest in citizen action.

The credibility of the democratic transition also requires improved capacities in key institutions of central government as well as at decentralised levels to develop appropriate policies and legislative frameworks, and institutional structures needed for their implementation. The government recognises substantial challenges in many areas that need to be addressed in order to improve conditions of life for the population. It has engaged constructively with a broad range of development partners in support of reforms in areas including macroeconomic management, creation of an environment conducive to trade and private sector development, strengthening public finance management, and development of adequate sector policies and institutional capacities related to decentralised delivery of public services.

Under AAP 2014 the EU provided a flexible support facility for Institutional Strengthening and Policy Dialogue that aimed to support key government ministries and other institutions – including parliament – in the formulation and implementation of policies, strategies and action plans to deliver government services, particularly in the MIP focal areas. The support is complementary to that provided by other development partners, and is exposing government officials to international best practices, standards and procedures in relevant fields of governance. It is also assisting the EU in ensuring that its support is well informed and aligned with the capacities and needs of the country. The demand for the available resources has proved strong and as of the end of 2016 around half of the total resources for expert services had been committed.

Within the broad range of areas where government needs to develop improved policy dialogue, stronger institutions and better skilled human resources, the EU will continue to target the four MIP focal areas (Governance, Education, Rural Development and Peacebuilding) taking into account cross-cutting issues and gender mainstreaming. In these areas, the MyGovernance programme has since October 2015 been mobilising technical cooperation, including as well support for training programmes and the organisation of seminars, workshops and study visits.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Peace process collapse or conflict escalation	M	Continued context monitoring, particularly through partners in remote, conflict-affected areas; Risk mapping with UEC to identify changes in conflict dynamics.
Lack of political will (government or military) to continue the transition process	M	Continued monitoring of the political situation through partners and the broader Electoral Support Group (ESG) network; Extreme caution by implementing partners through coordinated messaging on sensitive subjects such as constitutional reforms; Ongoing consultation with major parties, responsiveness to their needs for relevance and ownership; Supporting policy dialogue and capacity development within the public administration can improve performance with reform processes and increase the resilience of the transition process.
Natural disasters or a severe economic downturn/crisis	L	Continued monitoring of vulnerabilities through UEC risk mapping and information provided by partners in remote areas; Political party capacity strengthening to assess and develop socio-economic policies within their programmes; Support linked to improved delivery of sector policies and improved public finance systems may assist in mitigating the impact of natural disasters and economic uncertainties; Strengthening planning and budgeting processes can help mitigate risks of natural disasters and economic downturn.
Government (or military) crackdown on civil society or international cooperation support	L	Monitoring of political context, government statements and level of engagement in externally-supported democracy programming; Respectful communication / coordination with government and military officials, showing responsiveness to their needs; Joint monitoring and message coordination through international donor/practitioner networks (such as ESG) to prevent potential misunderstandings or tensions with the government/military; Flexible and responsive support can build trust and emphasise the value of creating space for engagement of civil society in policy dialogue.
Lack of trust/cooperation between stakeholders	L	Strong focus on trust building within and between stakeholders through mediation/negotiation training; dialogue processes; Inter-regional events to build relationships and understanding between stakeholders in different States/Regions; Continued work on political party dialogue platforms and skill building to contribute to trust among political actors.

Lack of stakeholder interest in Action activities	L	Concerted efforts to ensure that activities are relevant and responsive to stakeholder interests through: stakeholder consultations; testing processes for curriculum/materials design; feedback loops within P/M/E system; and respectful coordination with top-level leadership of stakeholder groups; Flexible and rapid response to specific support needs expressed by government will ensure relevance to needs of stakeholders in the area of institutional strengthening and policy dialogue.
Assumptions		

- Sustained political and socio-economic transition.
- The government will implement its declared priorities in particular (i) progress in national reconciliation and peace, with relevant structures and processes put in place for sustaining peace; (ii) commitment to the different reform processes.
- Increase in effectiveness of cooperation between Government and development partners.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Based on the comprehensive and independent mid-term evaluation of STEP Democracy and subsequent reflection and action on the recommendations by its Steering Committee, key lessons and recommendations have been identified and considered to design this Action:

Limited capacities in terms of human resources and administrative systems at all levels represent a major constraint to Myanmar/Burma's reform processes. The political transition requires a profound transformation of the objectives, processes and procedures of the public sector, and a need to take account of international experience and best practices in a wide range of technical areas. The authorities show a strong interest in technical cooperation with international partners, although capacity to absorb technical advice is limited. The proposed increase in resources for the MyGovernance programme responds to the need to expand the flexible provision of expertise in response to specific demands in key areas, while carefully coordinating with technical cooperation provided by others.

Sustainability based on a long-term vision, combined with short-term tangible results. There is no democratic fast track; transitions unfold over years - in fits and starts and with inevitable reversals. With this in mind, the Action will prioritise processes and systems, rather than discrete events. At the level of the individual, the Action will support sustainable capacity development through the use of participatory learning methods, embedded technical cooperation, on-demand long-term coaching and mentoring, training of trainers and inter-regional and international (peer) networking. At the institutional level, the Action will reinforce sustainability through strategic planning, organisational development, knowledge development and management, dialogue platforms and "scale-up" efforts around civic education.

Elections are essential, but only one ingredient of democratic transitions. Improving the quality of elections depends on an approach that focuses on the full electoral cycle as well as the broader democratic ecosystem. To be credible and sustainable, electoral processes require rule of law and widely accepted political and electoral rules, a competitive and inclusive political party system, a vibrant civil society and an informed citizenry. Thus the design of the Action goes beyond the electoral process to incorporate a holistic approach to democratic

strengthening, involving multiple stakeholders (political parties, civil society, parliament and government) in pursuit of shared objectives.

A multi-level approach to building trust and relationships. Sustainable reform requires working at multiple levels within each stakeholder group. For instance, reforms aimed at greater inclusion within parties must necessarily involve the underrepresented groups (women, youth, ethnic, religious minorities and the disabled) who are excluded from decision making. At the same time, efforts aimed at inclusion must necessarily engage party leaders. Partners of the ongoing programme found that meaningful and sustainable change requires at least "tacit authorization" from formal authorities, which can be achieved through targeted advisory support, dialogue with the grassroots or exposure to other national or international experiences. Moreover, the Action will support shared learning and relationship building at the inter-regional level.

Planning, monitoring and evaluation that is sensible and sensitive. Given the complexity of the democratic transition, the Action will improve on its existing planning, monitoring and evaluation system in a way that is practical, politically-smart, iterative and responsive to changes in the context. To gauge programme impact, methods will include "bedrock" indicators at the overall objective level that "keep the goalposts in place" along with a mix of qualitative and quantitative measures.

3.2 Complementarity, synergy and donor coordination

International support for elections, prior to the 2015 general elections, was coordinated through the Electoral Support Group (ESG) with a donor forum and implementer forum. This was an avenue to ensure that electoral assistance was not duplicated and that donors channelled efforts to areas of implementation that were identified by the UEC as priorities. I-IDEA as lead of the STEP Democracy programme co-chaired the ESG prior to the general elections with IFES and this forum has been re-instated in advance of the 2017 by-elections. This forum will continue as needed. In addition, all partners of STEP Democracy actively share political intelligence and coordinate with other implementers to ensure minimal duplication outside of the ESG forum.

The STEP Democracy mid-term evaluation identified as one of the most important assets the participation of the many reputable, experienced and specialised partner organisations. The Action will aim to deepen and fully capitalise on the partners' potential for complementary programming and collective learning in a number of ways. First, unlike STEP Democracy, the specific objectives for its second phase - STEP Democracy II, will be structured around common themes, rather than stakeholder groups. As a result, partners will necessarily collaborate on shared objectives and outputs. Additionally, in order to foster trust, coordination and sustainability, the partners will work to bring their stakeholders together in the context of multi-stakeholder dialogues or integrated study tours.

The Action will also seek complementarity with external programmes. A special effort will be made to maximize synergies with other EU-funded projects. For instance, on the rule of law focussed MyJustice[6] programme, avenues of interaction in the areas of civic education and constitutional culture will be explored. Additionally, the Action will actively coordinate with EU civil society strengthening projects and the proposed civic education work will seek synergies with other donors' initiatives on education reform.

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[6] MyJustice, ACA/2015/359-042; www.myjusticemyanmar.org

I-IDEA, the lead implementer of STEP Democracy, will continue to coordinate with IFES in UEC support, aligned to the UEC Strategy and with a clear division of labour determined through close coordination with senior UEC leadership. STEP Democracy II partners will continue to work closely with the National Democratic Institute (NDI) in CSO support, jointly supporting the newly formed Electoral Reforms Coordinating Body (ERCB). In the area of subnational governance and Parliament, STEP Democracy II will continue to liaise with the United Nations Development Programme (UNDP), Westminster Foundation for Democracy as well as the European Parliament to identify opportunities for enhanced cooperation, including participation in the Democratic Institutions and Processes (DIP) meetings.

Given the range of issues covered, continued delivery of flexible support for Institutional Strengthening and Policy Dialogue will focus on focal areas under the MIP, and build on a number of interventions currently receiving support under MyGovernance. EU support has to be carefully coordinated with support from other development partners. This coordination will take place in the context of national donor coordination systems under the Ministry of Planning and Finance, including various sector working groups, where the EU is already strongly engaged. Initial technical cooperation has also been provided to the Parliamentary Joint Public Accounts Committee in the area of strengthening budget oversight, in preparation for a more substantial package of EU support planned in 2017.

3.3 Cross-cutting issues

Within the broader theme of inclusion, equality between women and men is especially relevant in Myanmar. With the notable exception of its de facto national leader, women's participation rates are low: Union-level Parliament (13.6%), State and Regional Parliaments (12.5%), ward/village tract administrators (0.25%), political party leaders (approximately 10%), UEC leadership (0/4 commissioners) and Union Peace Conference (6.3%). Additionally, there is concern that suffrage at the ward/village tract level - limited to heads of household - disproportionately affects the voting rights of women. Some of the barriers that impede gender equality in political participation include: cultural norms; time constraints; unequal access to financial resources; travel constraints due to insecurity or other factors; male-dominated political parties; limited opportunities for women to gain political experience.

The Action will be consistent with the Gender Action Plan (GAP) adopted by the Council for the period of 2016-2020, particularly the area of strengthening girls and women's voice and participation - in supporting women's empowerment, more inclusive institutions and gender-responsive democratic reforms. The Action will work most directly on two of the GAP objectives: #17: "Equal rights and ability for women to participate in policy and governance processes at all levels" and #19: "Challenged and changed discriminatory social norms and gender stereotypes". Gender sensitivity will be consistently reflected in the "how", or strategies adopted. For instance, the program's focus on "gender equality" means that men will be engaged as allies who share responsibility for ensuring the effective inclusion of women. Additionally, partners will aim to ensure that capacity building activities of CSOs and political parties are gender balanced with a minimum of 30% women participants. Monitoring and evaluation reporting will be sex-disaggregated.

Human rights will be fully integrated into the Action with a focus on ensuring the capacity of rights-holders to understand and claim their rights and the accountability of duty-bearers to respect and protect human rights. In addressing discriminatory practices at all levels, STEP Democracy II emphasizes stakeholders´ capacity to advocate for, legislate on, monitor and/or report on human rights. The Action will strengthen stakeholder awareness of the rights

enshrined in the Universal Declaration of Human Rights and other main international treaties and conventions (CEDAW, ICCPR, ICERD, CAT, CAC[7], inter alia) and will systematically reference these in its work to support a dialogue for electoral and democratic reforms. Although climate change is not a focus area for this Action, it will contribute to enhanced environmental management. Work with political parties on programmatic capacity will include the development of programmes or manifestos covering policies related to the environment.

Terms of Reference for specific activities under MyGovernance will take account of cross-cutting issues, in particular the GAP.

4   DESCRIPTION OF THE ACTION

4.1 Objectives/results

The action will contribute to achieving the specific objectives set out in the Myanmar/Burma MIP 2014-2020:

1. Policy-making capacity of government institutions is increased and public administration is more efficient, accountable and responsive to citizen's needs.
4. More credible, transparent and inclusive elections and increased participation, transparency and accountability of the democratic process.

The **overall objective** is to contribute to strengthen institutional, political and civic capacity in institutions critical to sustaining Myanmar/Burma's democratic transition.

The **specific objectives** are to:
1. Strengthen electoral cycle and democratic governance, consistent with the democratic principles of universal suffrage, political equality, representative political parties, transparency, and credible and professional election administration at the national and subnational levels.
2. Reform processes informed through deeper democratic and constitutional culture with a view to improved inclusion of underrepresented groups in democratic institutions and processes.
3. Strengthen policy making institutions in their capacity to advance the reform process; improve the capacities of public service delivery institutions ; ensure that EU cooperation programmes/projects are well communicated and responsive to the Government reform agenda and the needs of the population.

Expected results:

1.1   Improved legal framework, (including laws, by-laws, regulations, procedures and practices) in place and implemented
1.2   Enhanced UEC capacity to successfully manage electoral cycles per best practice standards
1.3   Enhanced party capacity to institutionalise inclusion, transparency, and communications

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[7] Convention on the Elimination of all Forms of Discrimination Against Women, International Covenant on Civil and Political Rights, International Convention on Elimination of All Forms of Racial Discrimination, Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, Convention against Corruption.

1.4 Enhanced capacity of CSOs and political parties to participate in and influence policymaking at the subnational level

1.5 Enhanced public awareness, commitment and capacity to participate in democratic governance, particularly in remote areas

2.1 Increased access to resources on democratic/constitutional reform

2.2 Improved stakeholder capacity to facilitate inclusion

2.3 Enhanced empowerment of underrepresented groups for effective participation

3.1 Specific reform activities defined; relevant implementation capacities developed, including capacities for national and sectoral planning, budgeting and policy implementation

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels, but also promotes progress towards Goal 4 - quality education and Goal 5 - gender equality. This does not imply a commitment by the country benefiting from this programme.

4.2 Main activities

Indicative activities for Result 1.1: This work stream will be guided by recommendations from the EU EOM and domestic observation groups. Building on the relationships fostered during the current programme, the Action will promote inclusive multi-stakeholder dialogues on electoral reforms - including political equality - between the UEC, political parties, civil society and subnational governments, which broadly did not exist prior to STEP Democracy. Reforms will be presented to the UEC and where relevant to Parliament and MPs through facilitated dialogues. This work stream will also devolve to the sub-national level through the provision of technical assistance and specialist advice to Chief Ministers on the administration of local and municipal elections and advocacy for electoral reform at the sub-national level – municipal and local elections.

Indicative activities for Result 1.2: Efforts will focus on enhanced UEC institutionalization and sustainability of the tools developed thus far. Areas of technical cooperation with the UEC include electoral risk management, candidate nomination, election observation, voting procedures (advance voting) and transparency. Complementary support strategies will include training (including BRIDGE[8]), spaces for consultation/dialogue, and multi-stakeholder access to global experiences, particularly with ASEAN[9]. The UEC will be supported to formalise relationships with ASEAN Election Management Bodies and participate in ASEAN networks. Furthermore, election-related work will expand to include the subnational level, with a focus on reforms consistent with international standards, including political equality and greater inclusion.

Indicative activities for Result 1.3: Given the essential role that multiparty competition plays in democratic processes, the Action will continue and expand support for sustainable improvements in political party capacity. It will strengthen their capacity for dialogue as well as in prioritised areas such as inclusion, mediation/negotiation skills, political finance and issue-based policy and programmatic development. The Action will take into account the

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[8] Building Resources in Democracy Governance and Elections Training Module
[9] Association of South East Asian Nations

varying needs of 'major' parties such as NLD[10] and USDP[11] and other political parties. This result will be achieved by building capacity of political parties to transform into institutions that form policies, platforms and have inclusive nomination practices and will also be achieved by promoting cross-party relationship building.

Indicative activities for Result 1.4: Civil society engagement in the policy development and electoral space will include support for domestic observation and advocacy capacity building, particularly linked to ratification of the International Covenant on Civil and Political Rights (ICCPR). This result will see relationships built between CSOs and political parties, creating avenues for parties to use CSOs as credible, evidence and policy based bodies that can provide research and advisory services to MPs. This will assist their own efforts within parliament both at the Union and State/Region level. This result will also be achieved by working with MPs and CSOs to create alternative dialogue spaces while formal spaces for public hearings do not currently exist; and to advocate for procedural reforms to enable public hearings. Partners will work with municipal development committees and state/regional parliaments to strengthen their capacity, policies and practices for participatory policy making or planning. The Action will support dialogue between stakeholders through skill building and the facilitation of multiparty platforms at the national and lower levels. Within this work stream, civil society engagement will include capacity building support to the coalition of CSOs working on local government reforms, particularly regarding the procedural changes needed for more inclusive policy-making.

Indicative activities for Result 1.5: Civic education will be a key strategy for ensuring a deeper understanding of democratic processes and institutions. The Action will expand the scope of civic education to local educational institutions (e.g. private schools, monastic schools, non-formal educational centres), particularly in remote areas. In coordination with other development partners, this Action support advocacy aimed at including civic education in public school curricula. In addition, the quality of the 2020 electoral process will be enhanced through voter education efforts, especially in remote areas.

Indicative activities for Result 2.1: Pending definition of the scope and mechanism of constitutional change, activities under this work stream will contribute to laying the groundwork through access to analysis - both from within Myanmar and relevant international experiences - on issues such as federalism, political equality, and civil-military relations. The Action will take an inclusive approach that engages government and independent institutions as well as civil society and academia, parliaments and the military as appropriate. Additionally, the programme will strengthen CSO capacity through an expansion of the Myanmar Democracy Fellowship Network which provides training on constitutional issues and effective advocacy.

Indicative activities for Result 2.2: Activities include facilitating space for public consultation through roundtables, fora, informal public hearings amongst political parties; parliaments; CSOs; UEC and in multi-stakeholder platforms on the issue of greater participation of underrepresented persons. Activities will focus on facilitating policy positioning; design and implementation of procedures; candidate nomination; and leadership skills aimed at underrepresented groups. Support for enhanced participation in subnational governance will reflect the principles of inclusion, representation, responsiveness and accountability

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[10] National League for Democracy
[11] Union Solidarity and Development Party

<u>Indicative activities for Result 2.3</u>: In order to best close the gap between the powerful and the powerless, the Action will feature the inclusion of ethnic and religious minorities, women and youth as both a stand-alone objective and cross-cutting theme. The participation of underrepresented groups will be prioritized in all activities including training, mentoring and networking through dialogue platforms. In line with human rights standards and obligations, the Action will facilitate broad-based dialogue and CSO advocacy support for legal and institutional reforms that promote greater inclusion. Voter and civic education activities are also specifically tailored to reach ethnic and religious minority groups in remote areas.

<u>Indicative activities for Result 3</u>: In light of the positive results and level of demand from key counterparts for the resources of the MyGovernance programme, expand and extend the duration of the existing programme of activities. This will allow provision of further technical cooperation, and the organisation of trainings, seminars and workshops, study tours, research and communication activities in line with the requests of national authorities in priority areas falling within the scope of the MIP on the basis of continuing consultation and dialogue with national authorities.

4.3 Intervention logic

The Action will allow implementing partners to deepen relationships that were established through the current programmes. A multi-stakeholder approach to electoral reforms will be further cemented, and policy dialogue on the theme of institutional capacity development will be deepened.

As regards the electoral system, the methodology will both strengthen formal and informal relationships and dialogue fora between stakeholders, e.g. UEC and CSOs, UEC and political parties, and will devolve to the sub-national level, building on the successes achieved at the Union level. This approach was highlighted in the mid-term evaluation as a key value-added and unique feature of the STEP Democracy programme.

The ultimate goal of this Action is to strengthen institutional, political and civic capacity for more inclusive and accountable democratic governance, with the 2020 elections held as a key milestone. Continued support to key beneficiaries in this regard places the EU in a position of trust with key institutions. By working in a multi-stakeholder manner while each partner continues to address priority needs of each beneficiary, improvements to the electoral administration, participation and legal reform will be achieved.

This Action will replicate piloted methods of intervention in the current STEP Democracy programme at the subnational level. Focus at the sub-national level will allow for greater inclusion of underrepresented groups; allow for the professionalization and institutionalisation of political parties and the UEC and strengthen CSOs' ability to produce reform proposals. Implementing results under specific objective 1 will lead to increased ownership of each stakeholder in coordinating with other institutions; increase exposure to best international practices and expertise and raise awareness of options to address identified areas for improvement; and increase capacities to address development needs in innovative, home-grown and modern ways. With expected results under specific objective 2, the Action expands from an electoral assistance focussed project to one that situates elections within a broader democratic transition context.

Concerning capacity development in public institutions relevant to the MIP, the expansion of MyGovernance will provide a focus for a renewed policy dialogue with government in the light of progress since April 2016 in the development of the national policy and planning framework and the fuller elaboration of specific sectoral priorities.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this Action, it is foreseen to conclude a financing agreement with the partner country, referred to in Budget Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this Action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical cooperation for policy dialogue and institutional strengthening	Services	1	Q1 2018

5.3.2 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the International Institute for Democracy and Electoral Assistance (I-IDEA) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails the completion of all activities as described in section 4 above, including the mobilisation of all the necessary expertise, as well as office facilities and equipment, assets and logistical support. I-IDEA will ensure regular reporting, monitoring and communication, including effective EU visibility.

Indirect Management with this inter-governmental organisation is the best option to ensure a fully integrated and coherent implementation of the Action that builds on previous supported actions. This implementation is justified because:

− The Action requires close working relationships with the election management body (UEC) and a range of other actors (parliament, government, political parties, civil society, the public and media). The independent mid-term evaluation of STEP Democracy confirmed that 'inclusion of the key electoral stakeholders under one project is both innovative and relevant and allows the Action to position itself strategically to achieve its overall objective to support inclusive and peaceful electoral processes and to empower electoral stakeholders and strengthen the democratic transition'.

− I-IDEA has the capacity and experience to manage and coordinate the complex and politically sensitive action that will involve other election specialised implementing partners.

− I-IDEA's interactions with UEC are based on a formal MoU, which helps ensure the sustainability of I-IDEA's engagement, and provides the UEC with a degree of assurance that the organisation's engagement is of a long-term nature. Continuity of our on-going support to the UEC needs to be ensured to maintain established relations with the institution. The next general elections will take place in 2020 and this action should begin implementation soon in order to have a meaningful effect on the electoral reform process.

− I-IDEA has a proven track record and demonstrated its in-depth knowledge by implementing several election and democracy support projects with the EU (Myanmar, Libya, Haiti, Peru and Egypt). The EU has established fluid contacts with the I-IDEA office in Myanmar/Burma and can ensure EU visibility and involvement in the selection of experts.

− I-IDEA has successfully passed the EU Pillar Assessment, the mandatory Pillars (Internal Control System, Accounting System and, External Audit) as well as the Sub-Delegation and Procurement pillars.

The entrusted entity would carry out the following budget-implementation tasks consisting of: i) carrying out procurement and grant[12] procedures, and ii) awarding, signing and executing the resulting contracts, notably accepting deliverables, as well as carrying out payments and recovering funds unduly paid.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provision.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3.1 – Procurement (direct management)	3 925 000	NA
5.3.2 – Indirect management with I-IDEA (STEP Democracy II)	9 925 000	Not known at this stage

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[12] As assessed in the ex-ante pillars assessment

5.8 – Evaluation, 5.9 – Audit	100 000	NA
5.10 – Communication and visibility	50 000	NA
Contingencies	NA	NA
Total	14 000 000	Not known at this stage

5.6 Organisational set-up and responsibilities

For the electoral support, a STEP Democracy II Programme Steering Committee (STEP PSC) will be set up for strategic planning and direction in line with national, regional and local priorities. This PSC will monitor progress and endorse updated work plans. It will meet every 6 months and comprise representatives of the EU, I-IDEA and key beneficiaries (UEC) as well as other relevant implementing partners and stakeholders as appropriate.

For the Technical Cooperation, a MyGovernance Programme Steering Committee will be set up in consultation with the Ministry of Planning and Finance to oversee the implementation of the Institutional Strengthening and Policy Dialogue facility. Other Working and Advisory Groups will be established as necessary.

5.7 Performance monitoring and reporting

The results-based monitoring and evaluation framework for the electoral support will be refined during the inception period. This will allow monitoring of effectiveness and impact, and coordinated implementation for maximum impact. The framework includes a full set of outputs and outcome indicators, and an activity-based budget linked directly to expected results and specific objectives. The framework will be agreed by the STEP PSC during the start-up.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The monitoring processes for MyGovernance will be further elaborated in consultation with the Ministry of Planning and Finance in light of the development of national and sectoral planning frameworks.

5.8 Evaluation

Having regard to the importance and nature of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission or the implementing partner.

A mid-term evaluation will be carried out for learning purposes, in particular with respect to obtaining an in-depth understanding of project/programme performance in order to fine tune project implementation arrangements and implementing approach. A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the volatile peace process in Myanmar/Burma. The Commission shall inform the implementing partner at least two months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, two contracts for evaluation services shall be concluded in 2019 and 2022.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract just after the end of the implementation period, upon reception by the EU of the final financial report.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This Action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) [13]

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Contribute to strengthen institutional, political and civic capacity in institutions critical to sustaining Myanmar/Burma's democratic transition	- Proportion of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and) compared to national distributions (SDG 16.7) - Proportion of population who believe decision making is inclusive and responsive (by sex, age, and population group) (SDG 16.7) - Improved electoral process and pluralism - Improved political participation - Ratification of the International Covenant on Civic and Political Rights - Good functioning of processes for identification and monitoring with government of specific priority activities under My Governance.	To be defined at the inception phase. 804 female candidates out of over 6000 candidates ran for seats in the 2015 General Election. Women represent 13% of elected MPs. Only 3 female MPs hold Committee Chair positions Elections.	To be defined at the inception phase.	(Economist Intelligence Unit Democracy Index) National Opinion Surveys National Statistics Inter-Parliamentary Union (IPU) ranking and reports STEP/MyGovernance project reports.	

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[13] Two indicators in specific objectives 1, 2 and 3 aligned with the EU Results Framework are marked with '**'.

Specific objectives: Outcomes	1. Strengthen electoral cycle and democratic governance, consistent with the democratic principles of universal suffrage, political equality, representative political parties, transparency, and credible and professional election administration at the national and subnational levels. 2. Reform processes informed through deeper democratic and constitutional culture with a view to improved inclusion of underrepresented groups in democratic institutions and processes. 3. Strengthen policy making institutions in their capacity to advance the reform process; improve the capacities of public service delivery institutions ; ensure that EU cooperation programmes/projects are well communicated and responsive to the Government reform agenda and the needs of the population	% EU EOM recommendations applied in conduct of 2020 general elections** # representative multiparty dialogue platforms in place that carry out constructive debate and produce policy recommendations # municipal government plans developed through transparent and participatory processes # municipal development committees that develop mechanisms, procedures or guidelines that facilitate participatory policymaking - Reforms developed based on broad-based and inclusive public input - Dialogue processes created and/or strengthened to discuss constitutional issues and related democratic reforms involving key national stakeholders, including media % increase in representation of underrepresented groups in party and CSO leadership and decision making - Proportion of seats held by women in national parliaments (GAPII).** % increase in no. of candidates from underrepresented groups in 2020 elections # changes in the legal and regulatory framework that support the inclusion of underrepresented groups - Specific objectives and indicators to be developed for individual institutional strengthening and policy dialogue actions agreed under My Governance.	EUEOM recommendations No. of established multiparty dialogues No. of municipal governments engaged in participatory policymaking No. of candidates in 2015 and 2017 elections vs 2020 elections	To be defined at the inception phase.	EUEOM report Observer reports Legislation passed Regulations, by-laws issued National and state level media articles Candidate nomination lists Reports on specific TA activities under My Governance	Reform of the electoral process is seen as a priority of the UEC and other stakeholders and viewed as a key indicator of a positive trajectory of the democratic transition. Inclusion of underrepresented groups is seen as a priority of government institutions. Space for engagement with subnational institutions continues to exist. International assistance is positively received on the area of constitutional culture.

	Output	Indicator	Baseline		Sources of verification	Assumptions
Outputs	1.1 Improved legal framework, (inc law, by-laws regulations, procedures and practices) in place and implemented 1.2 Enhanced UEC capacity to successfully manage electoral cycles per best practice standards 1.3 Enhanced party capacity to institutionalise inclusion, transparency, communication 1.4 Enhanced capacity of CSOs and political parties to participate in and influence policymaking at the subnational level 1.5 Enhanced public awareness, commitment and capacity to participate in democratic governance, particularly in remote areas 2.1 Increased access to resources on democratic /constitutional reform 2.2 Improved stakeholder capacity to facilitate inclusion 3.1 Specific reform activities defined; relevant implementation capacities developed, including capacities for national and sectoral planning, budgeting and policy implementation	- 1.1.1 Status of adoption of electoral reforms based on consultation and dialogue with electoral stakeholders at the national and subnational level. 1.2.1 Active engagement in ASEAN EMB networking for exchange on best practices and international standards. 1.3.1 % parties that produce issue-based policies and election manifestos 1.4.1 # parties/CSOs that engage in participatory policymaking and/or monitoring of policy implementation 1.5.1 # people reached by civic education and% training participants who retain civic education knowledge 2.1.1 # resources/dialogue processes related to constitutional issues that address inclusion 2.2.1 Stakeholders develop and implement policies aimed at supporting underrepresented groups within their organisations. Monitoring with government of outputs of specific EU-supported activities # EU Delegation and project Operational Unit have ongoing dialogue with key government institutions in MIP focal areas leading to identification, design and implementation of specific technical cooperation activities # New policies are formulated by key government bodies – assisted and advised by external resources. # Strategies and procedures for relevant service delivery are issued, with the direct involvement of institutions' and ministries staff.	1.1.1.1 Existing electoral regulations 1.2.1.1 Existing number of engagements with ASEAN EMBs 1.3.1.1 No. of parties that produced election manifestos in 2015 1.4.1.1Current rate of reform proposals 1.5.1.1 Trace study results for voter education materials 2.1.1.1 Current number of resources produced on inclusion issues 2.2.1.1 No of policies responsive to under-represented groups 3.1 Baselines to be defined during preparation of specific reform activities	To be defined at the inception phase.	Regulations, procedures and by-laws adopted Agenda, minutes of meetings Election manifestos Reform proposals submitted to formal governance bodies Trace study Knowledge materials National statistics Specific project outputs and reports	Political will and motivation by the UEC to reform the legal framework in line with international good practice Non-parliamentary political parties are adequately resourced to compete Access to remote areas remains available Cooperation continues between key stakeholders The peace process does not impact on the electoral reform process Continuing government commitment to policy reform and institutional strengthening in the context of democratic transition.