

This Case Story was submitted to the 2016 CLA Case Competition. The competition was open to individuals and organizations affiliated with USAID and gave participants an opportunity to promote their work and contribute to good practice that advances our understanding of collaborating, learning, and adapting in action.

## Shae Thot: Integrating Governance into Community-Driven Development Programming in Myanmar

**Matthew Tiedemann**  
**Pact**



### What is the general context in which the story takes place?

Myanmar is going through a period of rapid reform. The country's historic shift away from a closed, autocratic system took a dramatic turn with the overwhelming results of the November 2015 elections. The first democratically elected government in 62 years took office in April 2016, assuming the many challenges facing Myanmar, with high expectations to deliver change. The new government is indicating its desire for greater accountability and government responsiveness to the people's will.

The USAID-funded Shae Thot: The Way Forward program has largely coincided with the dramatic reform process. This \$70 million offers an integrated community development service delivery model that puts communities at the center of a process of building their own capacity for decision making and planning. Pact, with Cesvi, Marie Stopes International, Pact's Global Microfinance Fund, UN-Habitat, and local partners, implements a program that strengthens community institutions and provides comprehensive services for maternal and child health, livelihoods and food security, and water, sanitation, and hygiene.

Shae Thot bases all sector-specific activity on the premise that an empowered community governance system is vital to building and sustaining meaningful improvements to health, wealth, and development. Shae Thot has transformed to take advantage of new opportunities to support community governance, while working across more than 2,700 villages in 22 townships. Central to the Shae Thot process, and aligned with USAID's strategy of advancing democratic reform, is an approach to partnering with communities through the establishment and development of democratically elected village development committees (VDCs).

**What was the main challenge or opportunity you were addressing with this CLA approach or activity?**

Myanmar's transition to democracy has opened new opportunities to strengthen governing systems at the village and township levels. The decentralization process, widespread informal community governance institutions, and a groundswell of activity from civil society create fertile ground for Shae Thot to broaden its impact in support of Myanmar's push for democratic governance. The National League for Democracy's electoral mandate has led to expectations for quick political changes, serious dialogue about decentralization, and the possibility to empower local government and local government service providers with more resources and a stronger mandate.

As Myanmar's reforms move forward, the central government will be augmenting service provision in rural areas; some ministries have expressed the desire to be more connected and responsive to citizens' service delivery needs. But despite the excitement around the new government and speculation about broader democratic reforms, the extent of decentralization of fiscal and administrative authority away from the highly concentrated power center remains an open question and will undoubtedly be a major challenge. The reform environment is crowded with a long list of demands from across sectors and interest groups. The new government's willingness to fully embrace the decentralization agenda, with all of its political and administrative complexities, is unclear. However, there are pockets of opportunity to help stitch township and village governance systems together in preparation for the decentralization process. For example, Shae Thot has already observed spontaneous collaboration between communities and local authorities in some villages. There are opportunities to make that engagement more systematic and intentional.

To adapt to the new environment and lay the groundwork for future local governance, Shae Thot is expanding its capacity development and governance work at community and government levels, with a focus on strengthening community-to-government connections. Shae Thot is prompting more direct community engagement and response by building capacity, knowledge, and skills, and connecting VDCs to one another and to township-level decision makers. With Shae Thot's growing emphasis on village and Village Tract-level decision making around resource allocation, there are multiple angles to help construct and support a more responsive governing philosophy and an increasingly connected citizen base. Shae Thot's programming will begin to focus increasingly on local governance issues; for example, township-level support for informed planning through VDC and Village Tract consultations in technical areas such as health systems strengthening, village-to-village networking, exploring the viability of village governance structures, and higher-level engagement with government to advance reforms around key issues for rural communities.



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At least initially, there is a perception of increased space for civil society organizations to play a more active role in shaping Myanmar's future. As the atmosphere for civil society becomes more favorable, a number of small, community-based organizations are emerging, joining the dialogue on development efforts, and building grassroots constituencies. However, some institutions have weak organizational capacity and limited experience interacting with government authorities. The extent of civil society's influence remains contested, and the relationship between civil society leaders and the new government is still evolving.

**Describe the CLA approach or activity, explaining how the activity integrated collaborating, learning, adapting culture, processes, and/or resources as applicable.**

Shae Thot employs CLA approaches to drive the iterative evolution of its governance component. The governance aspects were initially billed as “building social and community institutions”; this component operated under the radar and was driven by sectoral programming. When the government began to open up in 2013, Shae Thot grasped the opportunity to be more explicit about its community governance work. With consortium partner Cesvi, Shae Thot piloted an initiative to strengthen VDCs as representative governance bodies as well as project implementation committees. Shae Thot mainstreamed a beneficiary feedback approach at the village level, and Pact embarked on a Local Partners Initiative to engage CSOs. With the arrival of a civilian government, the program is adapting yet again to overtly consider the political dynamics of local governance. Shae Thot is doubling the size of the initial VDC pilot, adding advocacy initiatives, and launching a political economy analysis to focus its future work with government.

**Shae Thot governance components:**

- *Village Development Committees:* Shae Thot partners with communities to establish and strengthen VDCs as primary units of village governance. Shae Thot facilitated the election of 7,000 VDC members in 1,126 VDCs. Through VDCs, communities exercise grassroots democracy, develop action plans, train members, and manage community resources.
- *Village development funds:* Shae Thot has worked with communities to create and manage 1,009 community-led revolving funds, financed through household contributions and matched by Shae Thot up to a ceiling. The village development funds provide members with immediate access to financing for community priorities.
- *Local Partners Initiative:* Pact engages local organizations to integrate their experiences into programming that builds community resilience. We strengthen organizational capacity while creating a network of groups working toward locally driven solutions.

**Existing CLA approaches:**



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- *VDC strengthening:* Pact implements a pilot learning program to build the capacity of VDCs and put them on the path toward becoming full-fledged community-based organizations. About 10 percent of villages receive additional support to develop more capable and accountable village governance structures. The pilot focuses on integrating VDC subcommittees, stressing a “One VDC” approach within communities. This is especially important as decentralization results in a significantly greater “pushing down” of decision making and funding.
- *Beneficiary accountability:* All Shae Thot villages implement Beneficiary Accountability, which solicits and acts on feedback on program activities. The mechanism seeks to ensure that beneficiary voices are heard and that issues are resolved effectively. This institutionalized feedback loop allows issues to percolate up and communities to collaborate with the program to resolve issues and learn throughout the process.

### **New CLA activities:**

- *Applied Political Economy Analysis:* The political economy analysis will inform strategic decision making around how to best invest program resources in impact areas and townships where there is sufficient scope to advance reforms within the timeframe. Using the applied political economy analysis, Pact will identify high-impact frontline service delivery areas that are essential for the effective rollout of the government’s decentralization initiatives and develop an effective model for government engagement that puts more power in the hands of communities.
- *Idea Fund:* Shae Thot will prioritize multi-village initiatives that leverage funds from outside donors. Shae Thot is tailoring the Idea Fund to support themes with high social returns linked to the program’s advocacy goals with government, such as improved health services, small business incubation, or value chain linkages.
- *Village-to-village networking and peer learning:* Shae Thot will use a mentoring approach to enable more than 100 villages to convene, discuss advocacy for community priorities with township departments, and promote transparency and accountability within VDCs. A cross-village model invites healthy competition, incentivizes villages to demonstrate their results to peer village leadership, and provides space to learn.

**Were there any special considerations during implementation (e.g., necessary resources, implementation challenges or obstacles, and enabling factors)?**

### **Enabling factors for CLA effectiveness:**

- Shae Thot has collaborated with a highly cooperative and encouraging USAID mission in Yangon. Using adaptive management, the mission has been a flexible partner who is able to respond to a highly dynamic environment. This has enabled Shae Thot to continue to be relevant in new circumstances.



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- The design of new elements and rethinking of original approaches has been critical. The USAID team has been substantively engaged in discussions on ideas for integrating governance approaches and very supportive of program evolution. This includes Shae Thot's prioritization of local governance in its remaining two years of implementation.
- The intense use of evaluations, assessments, and rapid surveys has been essential for the team to regularly question its methods and results, including a recent evaluation of the VDC pilot program, which is being used to design the scale-up. Regular application of customized assessment tools, such as the Community Organizational Performance Index and Community Organizational Capacity Assessment, provide metrics to guide the next stages of programming. Based on findings, successful elements were repeated and ineffective approaches were re-designed.
- Regular staff check-ins provided the "boots on the ground" perspective, and quarterly field visits to talk directly to communities informed subsequent programming. The team also used mobile data collection to improve data collection speed and quality.
- Beneficiary Accountability is a direct feedback mechanism for the program to learn about the community perspective and respond to longstanding issues. Similarly, findings from client and staff surveys in the Local Partner Initiative are influencing the next iteration of the initiative.
- Shae Thot's strong footprint in more than 2,700 villages and 1,126 VDCs provided implementing partners with the scope to pilot new ideas and concepts in specific villages and townships where they have a higher rate of potential success. This has given Shae Thot the opportunity to undertake analytical comparisons across villages with different types of interventions.
- Shae Thot has built considerable relationships with local authorities across the program's geographic coverage. Consortium partners have been able to leverage these relationships to improve service delivery systems and strengthen community-government connections.

### Challenges to implementation:

- High turnover of village leadership and VDC members can be difficult for Shae Thot capacity building to ensure adequate training coverage, particularly given the significant turnover and lack of clarity on leadership roles after the 2015 elections.
- Many communities have little understanding of or experience interacting with government authorities. Knowledge of civic duties and responsibilities of communities and government service providers is low.
- The hierarchical cultural environment may limit some villagers from speaking out. Communities may hesitate to provide feedback that could be interpreted as critical. In Myanmar, the concept of *arr nar deh* (pronounced "ah-nah-deh") is very strong, suggesting guilt or feeling sorry for how one's words or actions might affect another.



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### **Anticipated challenges for new CLA activities:**

- The new government has little to no governing experience, and shows initial signs of skepticism about the role of international actors in development. However, there is an opportunity to help the government with quick wins on the ground.
- The lack of clarity with the government's transition may slow the implementation of CLA activities, as high-level policy adjustments take time to filter down to the community level.

### **Financial and staff resources:**

- The CLA activities on capacity building require significant resources, particularly in terms of staff and social capital. The role and training of community facilitators is particularly important.
- The budget for CLA activities, including staff and implementing partner costs, is roughly \$500,000 per year, 5 percent of the program budget.

### **With your initial challenge/opportunity in mind, what have been the most significant outcomes, results, or impacts of the activity or approach to date?**

Working through VDCs achieves efficient and effective development while empowering villagers to have a stronger voice in local decision-making processes, modeling good governance, and building linkages to the evolving formal local government system. We have qualitatively tracked the results of the first phase of the VDC strengthening program through a recent evaluation conducted by Pact staff. It compared villages where the program had been piloted with non-pilot villages through qualitative interviews and a Community Organizational Performance Index exercise to evaluate the relative performance of pilot VDCs. The evaluation identified three factors to determine a VDC's achievement:

- Is the VDC sustainable?
- Is it able to mobilize community members to successfully implement activities?
- Can it leverage resources beyond those immediately available?

The evaluation demonstrated dramatically increased performance in all eight capacity subdomains, including service delivery, relevance, resource mobilization, and efficiency. This means that these VDCs have collected information from the community to verify completion of activities, engaged all groups in participatory planning and decision making, identified the community's human and natural resources and can leverage them, and consistently taken into account the needs of different social groups in the community.

The evaluation provided recommendations, based on input from VDCs, about which training should be prioritized to improve the capacity building approach.



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The findings demonstrate that Shae Thot's focused efforts to strengthen VDC capacity results in better performance across sectoral interventions. Routine data collection from the program's agricultural interventions show substantial growth of crop yields, while data from its maternal and child health and water and sanitation initiatives depict significant increases in access to health services and clean water. Shae Thot has documented cases of positive outcomes of Beneficiary Accountability case resolution and examples where the submission of feedback led to meaningful inclusion of community voices into activities.

**If your project or activity is in the development phase or just recently underway (less than 1 year into implementation), how do you intend to track results and impact? What outcomes do you anticipate?**

Shae Thot will continue to test key innovations to increase sustainability and support reforms. The learning generated through CLA will be critical for communities and implementing partners throughout the remainder of Shae Thot implementation, and beyond. The applied political economy analysis will inform how, when, and where Shae Thot implements new governance approaches focused on linking communities with government authorities and service providers. Following the completion of the initial study, program staff will use applied political economy analysis principles iteratively, so that local political dynamics are constantly informing the implementation of activities, which will improve the program's ability to achieve its intended community-level outcomes.

Shae Thot will undertake an additional evaluation of the VDC strengthening program using the Community Organizational Performance Index and comparing VDC pilot villages with non-pilot villages. The program will also continue to collect qualitative stories of peer learning between villages — many of which have already surfaced — and document outcomes.

As an integrated development program, Shae Thot's community governance work is often twinned with interventions in maternal and child health, agriculture, financial inclusion, or water and sanitation. Shae Thot will produce a baseline study to examine the effects of integrating governance and sectoral programming in village-level interventions, compared with villages where programmatic integration has not taken place.

Finally, CLA activities on improving VDC performance are deeply connected to Shae Thot's focus on the sustainability of programmatic interventions. The VDCs play an essential role in facilitating Shae Thot's sectoral work in maternal and child health, livelihoods, and water and sanitation. Stronger and higher-capacity VDCs ultimately produce village leadership that can more effectively address community priorities and plan for the future growth and development of the village. A sustainability study will examine the activities of VDCs and assess their sustainability beyond the life of the project.

**What were the most important lessons learned?**

Shae Thot's community governance component is the building block for all other interventions. Pact has witnessed how much communities appreciate the integrated approach to development. They use



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governance structures for multiple development priorities, not just a single project. Targeted capacity development support truly makes a difference in communities. The program is building significant social capital at the village level, as trained community volunteers become community leaders and VDC members with management and leadership skills. About 7,000 people have been elected to positions of influence at the village level; this is consolidating into louder voices for community needs and increasing the possibility that communities will play a role in budget planning and allocation in the future.

A primary lesson is that the VDC must be at the core of all community engagement, whether the sector focus is livelihoods, water and sanitation, or health. All partners need to approach the VDCs and subcommittees as a single body; creating separate groups with distinct purposes and governance structures in the same villages causes confusion and division among and within communities. By working through the VDC as representative, transparent bodies, we encourage good governance. This also helps the communities own the VDC as theirs, which in turn allows them to effectively lead development in their communities. This provides communities with the leverage to force new entrants to their communities, such as other international NGOs or the government, to work with the VDC on its own terms.

Finally, USAID's flexibility and support allows Shae Thot to contribute to the foundation for long-term governance-structure reform. The support of the Yangon mission was and will continue to be essential to Shae Thot's ability to learn and evolve in a rapidly changing Myanmar.

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