Defining appropriate institutional and financing arrangements is crucial to achieve sustainable social protection in Myanmar. This will require setting up overarching coordination mechanisms, with strong political leadership at the union level complemented by a more prominent role for region/state governments and local-level structures in social protection programming, financing, and delivery. This will lead to an effective and sustainable social protection system that addresses local priorities and increases accountability to citizens.

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1. Introduction

In order to be able to respond effectively to the needs of beneficiaries, social protection systems aim to harmonize approaches at three levels: policy, program, and delivery. Policy development and coordination require functions that a) allow for overall alignment of social protection provision with high-level development objectives; b) ensure coherent implementation functions across government levels and mandates, thus facilitating inter-institutional coordination; and c) mobilize sustainable and predictable resources for social protection provision at all three levels. Program design and coordination require functions that identify the type of instruments (programs) needed to respond to social protection needs and that harmonize and improve the design of existing programs or create new ones to fill gaps. Delivery systems to implement social protection programs include beneficiary identification and enrollment, transactions (e.g. benefit payments and reimbursement), communication and outreach, grievance and redress, record-keeping and information management, and monitoring and evaluation (M&E).

Figure 1: Three levels of engagement of social protection systems


2. For more information on social protection systems (objectives, components, programs, and results) see the Note on ‘Framework for the development of social protection systems’.
Myanmar’s institutional architecture for social protection provision is being shaped by its current reform process: from military rule to democratic governance, from armed conflict to peace, and from a centrally controlled and closed economy to one that can end poverty and promote inclusive growth (World Bank, 2014). The objectives of achieving people-centered development and democratic accountability are opening up opportunities to strengthen the role of government in service delivery. At the same time, the government’s capacity to deliver social programs and services can be strained by persistent gaps in the current institutional and financial architecture. The government will need to address these issues at various levels in the process of building a coherent social protection system.

This Note analyzes how and where (at what level of government) best to finance, manage, and deliver social protection in Myanmar, following the principle of ‘finance follows function’ to ensure resources for effective service delivery at all levels of functional assignment. See Annex 1 for a conceptual framework. The Note assesses current functions for social protection provision in Myanmar and provides recommendations for enhanced coordination and delivery of social protection policies and programs. International examples can help Myanmar identify arrangements to increase the effectiveness of social protection provision.

2. Current institutional arrangements for social protection provision in Myanmar

2.1 Policy development and coordination

Overarching policy frameworks identify poverty reduction as a central objective in Myanmar’s development agenda and suggest the use of social protection to help achieve it. The long-term National Comprehensive Development Plan (NCDP) identifies promoting human development and poverty reduction as one of its strategic objectives. This should be achieved through increased equity and improved access to services, employment opportunities, and citizen participation and through focused activities in the areas of social welfare, education for all, health coverage, and food security. The Framework for Economic and Social Reform (FESR) identifies social protection as a necessary component of Myanmar’s reform process. Several social protection instruments, such as social security provisions, stipends and other types of cash transfers (CTs), and public works programs (PWPs) are explicitly mentioned as having the potential to break intergenerational cycles of poverty and are in need of sufficient resource mobilization to take them to scale (Planning Commission, 2013).

Despite the enabling policy environment at the higher level, SP policies are being formulated in parallel processes across different ministries. For instance, the Rural Development Strategic Framework (RDSF) and the Social Protection Strategic Plan (SPSP) were both drafted in 2014 and address the question of social assistance as a poverty reduction tool through a multi-sectoral ap-
Institutional landscape for implementation and financing of social protection programs: Towards effective service delivery in Myanmar

The roles and responsibilities for coordination, design, and delivery of social assistance under these frameworks are still being articulated. Sectoral policies in education and health continue to guide elements of social assistance provision, such as demand-side approaches to universal health coverage and education for all, whereas social welfare services fall under the Ministry of Social Welfare, Relief and Resettlement (MSWRR). In terms of social security provision, current programs covering private formal workers and civil servants are guided by separate sets of laws and regulations to be followed by the Ministry of Finance (MOF) for pensions and by the Social Security Board (SSB), Ministry of Labor, Employment and Social Security (MOLESS), for social security (see Annex 2).

There is not yet an overarching institution that provides coherent guidance and coordination. Multiple multi-stakeholder committees, such as sector Technical Working Groups, support policy development and inter-ministerial coordination for various policies and programs that relate to social protection. An overarching body that could articulate social protection provision beyond ministerial mandates as part of Myanmar’s high-level poverty reduction and development agenda is yet to emerge.

### 2.2 Program design

Myanmar’s level of decentralization and the pace of its reforms currently translate into highly centralized structures for social protection provision that reflect broader patterns of social service delivery. Annex 2 illustrates how social protection programs (the school stipends pilot program, the maternal and child health voucher scheme (MCHVS), pensions, and SSB schemes) are being designed and implemented. Decisions on budget allocation, program design, and roles and responsibilities for implementations are highly centralized at the union level (i.e. these are deconcentrated functions). Input from region/state governments into program design to reflect local needs is for the most part limited or non-existent.

For instance, in the school stipends pilot, although state/region education officers (S/REOs) are involved in consultations for township selection, state/region governments are not yet actively involved. Township offices play a key role (see next section) in supporting implementation in the stipends, MCHVS, and SSB schemes. However, they have limited capacity to influence or gather feedback on design and standards; training and information-sharing on program coordination are mostly top-down processes.

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4. Social sectors are part of Schedule 1 of the Constitution and therefore remain highly centralized, as the authority to issue legislation and undertake planning processes remains with the union government. For more information on Myanmar’s institutional structure at union, region/state, and local level, refer to Nixon et al. (2013) and the World Bank (2015).

5. The Ministry of Education’s (MOE’s) stipend program has two modalities of implementation: a) the ‘national program’ has been in operation since 2009/10 and is based on MOE’s current guidelines for implementation, covering all townships in Myanmar at a small scale and prioritizing orphans; and b) the ‘pilot’ program (described in Annex 1) tests changes to the operational design of the program – namely, criteria to prioritize townships and students, conditions, and increased benefit levels.

6. Deconcentrated, delegated, and devolved functions reflect different levels of discretion in decision-making processes, with deconcentrated being the more centralized channel, typically via a single ministry; devolved functions give near full discretion to local governments and decision-making bodies, along with discretionary resources. More information can be found in Annex 1.

7. Region/states governments have little or no coordination with deconcentrated structures of union-level ministries, while region/state departments exist, sometimes in addition to union-level ministries, creating an ambiguous sector landscape at region/state level. More information can be found in Nixon et al. (2013).
Different solutions have emerged to address capacity constraints in program design and implementation in these programs – solutions that depend on available human and technical resources. In the SSB schemes, for example, a higher-level ministerial structure – the SSB head office – supports township-level implementers in implementation processes. In other programs, non-government stakeholders such as development partners (DPs) and non-governmental organizations (NGOs) support government in developing or revising operational guidelines or setting up pilot programs (e.g. the stipends program, the MCHVS). Centralizing information for planning and programming purposes is not yet a common practice. The government is taking steps in the direction of strengthening operational capacity within ministries by selecting and training permanent secretaries and by enhancing delivery systems.

### 2.3 Delivery systems

Townships represent the lowest official administrative divisions of the union at which central government offices exist, and thus become the most important subnational structure in the delivery of social protection programs. Deconcentrated ministerial structures such as SSB township officers and inspectors and township education officers (TEOs) are paramount in social protection delivery, particularly beneficiary selection and enrollment, benefit payments and reimbursement, and grievance and redress. Region/state levels have some supervisory and supportive roles but district-level structures have a very limited role in social protection delivery, except for in processing pension applications of low-ranking civil servants. Local elected bodies such as village
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and village tract administrators have no formal role in program implementation, although they are sometimes informed about program implementation in their villages or consulted about potential beneficiaries, as in the MCHVS (see discussion on identification below).

The General Administration Department (GAD) is an important stakeholder at local level but its involvement with current service delivery is minimal. The GAD has a long history of functions related to collecting demographic data and managing resources – the latter being scaled down – and new functions related to public administration of local governments, including of region/states. For instance, township administrators are GAD officials and the GAD appoints village tract clerks. The GAD has also served as member and coordinator of social activities (e.g. partnership with MSWRR on disaster risk and articulation with DPs’ social programs) (Kyi Pyar Chit Saw and Arnold, 2014). Its role in decision-making at township level is less prominent, with the appearance of assorted planning committees that share decisions among a wider number of stakeholders, although the coordination of such structures is still a major GAD function.

A minimal but increasingly important form of subnational government exists at the local level but so far has a limited role in the implementation of social protection programs. Elected village administrators (VAs) and village tract administrators (VTAs) are supported by appointed village tract clerks and could more actively support some of the delivery functions described above. VTAs have no active role in the programs analyzed, although VAs have a role in beneficiary identification in the MCHVS. As townships are not composed of elected officials and as such are not primarily accountable to citizens, strengthening the village tract and village levels to support social protection delivery can promote accountability to citizens.

Identification

National identification exists in Myanmar but not all beneficiaries of social protection programs have it. Myanmar has a national identification system called the National Registration Card or Citizenship Scrutiny Card (CSC), determined in the 1982 Citizenship Law but first issued in 1989. All citizens of Myanmar are entitled to a national ID card from the aged of 10; however, only 69.3 percent of those over 10 years of age possess one, with coverage being particularly patchy in rural areas (GoM, 2015) and among vulnerable groups such as IDPs, migrants and ethnic minorities. The Ministry of Immigration and Population is responsible for issuing ID cards and has offices in all townships. Beneficiaries who have a CSC use it as proof of ID to enroll in social protection programs; alternative ID mechanisms are used for those that do not have it (e.g. household list/book from village administrators). The SSB at union level issues smart cards for beneficiary identification in SSB schemes; the Myanmar Economic Bank (MEB) issues e-pension cards to individual pensioners in the civil service pensions scheme.

Enrollment, verification of eligibility, and compliance

Currently, social assistance programs verify eligibility and enroll beneficiaries at local level. School heads and teachers have an important role in identifying beneficiaries of the stipends program, with TEOs verifying selection, although the level of engagement of school and township

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committees in these activities has so far been limited. The MCHVS sometimes uses village leaders/administrators to help identify women are eligible and recruits village stakeholders as voucher distributors (midwives and other trusted members in remote areas), who are also in charge of reimbursement.

**Compliance with conditions in the stipends program and the MCHVS is supported by structures in relative proximity to the beneficiary.** As with enrollment, the level of engagement of school committees in supporting compliance monitoring in the stipends program has so far been limited, with school heads taking greater responsibility. Health centers (administrative and medical staff) support verification of access for voucher reimbursement in the MCHVS.

The civil service pensions scheme uses local structures to start the enrollment process, though authorization happens at union level. Civil servants are required to apply at the administrative unit of his or her department. Those working at local level process their retirement request at the district or township offices of their respective ministries. MOF’s Pensions Department at union level verifies eligibility based on these applications and enrolls the pensioner.

**SSB township officers are responsible for the registration of companies and workers.** Employers need to register their companies with township SSB officers and workers need to register individually in order to receive their smart cards, issued by the SSB at union level. Employers deposit both worker and employer contributions monthly at the SSB office.

**Transactions (including benefit payments and reimbursement)**

**Responsibilities vary for benefit payments and reimbursements to beneficiaries of SSB schemes.** In the case of SSB schemes, the primary responsibility rests with the SSB township offices, which are also responsible for beneficiary enrollment. This can generate a potential conflict of interests, although mechanisms are often in place to provide some oversight of payment processes. For instance, SSB township officers are responsible for paying cash benefits directly to beneficiaries, although this is based on medical information provided by SSB health facilities and township inspectors verify payments are made appropriately. In some instances, the employer pays the workers’ benefit in advance and claims reimbursement from the SSB.

Payment of social assistance benefits is mostly the responsibility of service providers below township level and often imposes an additional unfunded burden. Given limited human resources at local level, school heads need to collect stipends funds at the township office, incurring time and transport costs and risks. The same happens to midwives and voucher distributors, who need to collect funds at health facilities. However, direct payments are currently the most viable option in poor and remote areas, given the underdeveloped financial and mobile payment sector in Myanmar. With the rapid development of the financial and telecommunications market in the

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9. There are between 2,000 and 3,000 administrative units processing these pension applications; the entire retirement-to-pension process takes almost an entire year.

10. In some instances, the employer pays the workers’ benefit in advance and claims reimbursement from the SSB.
country, there is the potential for a gradual transition to electronic payment systems for current and future social protection transfers, once adequate legal and regulatory frameworks are in place. It would be interesting to assess the effectiveness of delivering cash benefits via MEB in social assistance programs, with MSWRR’s social pension potentially piloting this payment mechanism in the near future (Ramkissoon, 2015).

Grievance and redress

The township level emerges once again as a key level of service delivery by being the focal point for grievances and redresses, with some cases elevated to union level. Grievance and redress systems are only starting to emerge in Myanmar. School and township committees are responsible for addressing any feedback and complaints during beneficiary selection processes in the stipends program. The Ministry of Education (MOE) central office makes available a telephone number for further feedback. Grievance and redress is in practice a township-level function for the SSB scheme; an Appeals Tribunal (union level) exists but this has not yet received complaints.

Record-keeping and management information systems (MIS)

Systems for record-keeping and information management are largely paper-based and implemented locally. Individual-level information on beneficiaries remains at the facility (school or health clinic) or township level; the union level has access only to aggregate indicators, making tracking of beneficiaries difficult. The stipends program distributes paper-based forms; schools submit these to TEOs, who then consolidate and submit them to S/REOs and union level. The Ministry of Health (MOH) and the World Health Organization (WHO) at union level compile monitoring data on the MCHVS collected manually by voucher distributors (VDs), health care providers, health center management agencies (administrative data), and lady health visitors (LHV).

Better process definition and IT system development will be required for information systems that facilitate effective record-keeping and produce useful information for management and reporting purposes; however, some improvements are evident already with recent initiatives towards automation. For instance, MEB has implemented an e-pension database that issues e-pension cards to eligible pensioners, lowering the number of visits to the bank branch from two visits to one. The SSB is currently piloting a new computerized information system (implementation started in April 2014) that encompasses the main insurance management functions (i.e. registration, contribution collection, claim, verification of the beneficiary’s identity at the point of service, management of the beneficiary’s medical records) as well as some general management functions (accounting, human resources, and stock management) (ILO and MDRI, 2015). These seem useful steps in the direction of obtaining disaggregated information that can facilitate program monitoring and enhance service delivery to beneficiaries.

11. For more details on payment systems, see the Note on ‘Developing scalable and transparent benefit payment systems in Myanmar’.
Monitoring and evaluation

Internal monitoring of processes is often conducted by higher levels, whereas monitoring of service provision is carried out by stakeholders close to beneficiaries. For instance, union-level SSB officers are in charge of the internal auditing of SSB schemes, whereas township-level inspectors carry out monitoring of timely delivery of services and reimbursements. The M&E Working Group leads on M&E activities of the stipends program and MOE’s union-level departments undertake monitoring activities, whereas school committees and TEOs remain critical in monitoring payments. Health care providers and midwives monitor activities of the MCHVS, albeit with limited feedback loops into program decision-making processes.

External monitoring is supported by DPs and NGOs in the stipends program and the MCHVS to help facilitate implementation and scale up activities. The stipends program has benefited from a recent qualitative assessment (process monitoring) and spot-checks by Save the Children with World Bank technical support, which have brought to attention the importance of keeping a focus on targeting vulnerable children in the transition grades (5-6) and if possible as early as grade 4, and the need to further standardize procedures (such as training) and clarify roles (such as those of school and township committees). Similarly, WHO field officers support monitoring activities of the MCHVS to help avoid bottlenecks in implementation.

Program evaluations, particularly impact evaluations, are scarce in Myanmar, although process evaluations are growing in number thanks to collaboration with DPs and academia. MOE will undertake a quantitative survey (school survey and household survey) with World Bank technical support. The Health Intervention and Technology Assessment Program (HITAP) conducted a midterm review of the MCHVS in 2014, and the International Labour Organization (ILO) and the World Bank have supported an operational assessment of the SSB schemes and civil service pensions, respectively.

Communication and outreach

Several local stakeholders, particularly implementers, carry out communication, outreach, and awareness-raising functions. Township-level officers create awareness (and also monitor enrollment in the case of inspectors) on the SSB schemes by visiting companies and providing information on enrollment and services through mobile enrollment units (ILO and MDRI, 2015). Hospitals also provide medical tours to factories for outpatient services and health education. Community members, schools, health care providers, and other local stakeholders are in charge of providing information on the MCHVS and the stipends program, with mixed results in terms of accuracy of information but generally good results in terms of awareness-rising. Payment events (e.g. of stipends) and other contacts between service providers and beneficiaries (e.g. voucher distribution) have been identified as potential opportunities to enhance messages on adequate health-seeking behavior and the benefits of schooling and to provide clear program information.
2.4 Role of non-state actors in social protection provision

Development partners, non-governmental organizations, and community-based organizations

DPs, NGOs, and CBOs have been actively involved in social assistance provision; their role can change to that of supporting structure of particular activities in the context of government-led social protection provision. DPs have provided social protection directly, with a substantially higher budget and beneficiary coverage compared with government provision, building up a wealth of knowledge that can support government in the technical design and implementation of programs. DPs can also mobilize technical resources to support MIS and M&E system development, as well as impact and process evaluations. NGOs and CBOs have been actively involved in delivering social assistance and social services, often in partnership with government stakeholders such as MSWRR. Supporting roles for NGOs and CBOs can include collaboration on grievance and redress mechanisms, monitoring, and communication and outreach activities, as has been done in other countries (see Annex 3). In all cases, support needs to be framed within government-led priorities and programs, with decision-making processes ultimately falling in government hands. Opportunities for partnership in service delivery can enhance specific delivery mechanisms without relying solely on these agencies to deliver services and risk undermining government ownership.

Non-state actors in conflict-affected areas

Ethnic conflicts in Myanmar have generated a system of social service delivery in conflict-affected areas that is parallel to that of state actors; the peace agreement will pave the way for thinking on how to close delivery gaps in these areas. Delivery systems include political and administrative structures of previously armed groups and associated networks of service providers and social organizations (Jolliffe, 2014). Given the complexity of these arrangements and the distinctive regional features they have taken, thinking on how to articulate parallel service delivery structures in a social protection system can be mostly a task for subnational structures. Ideally, region/state governments, as well as stakeholders who can identify roles and responsibilities for government and non-government actors that suit local contexts and contribute to rebuilding social cohesion, should lead the process of stakeholder consultation.

Social protection programs can be an important component in building social cohesion through promoting dialogue around service delivery roles. Dialogue around service delivery can help decrease the anxiety of communities uncertain about new roles of government and non-government actors, and assist government in building a social contract that promotes long-lasting reconciliation. Non-state systems will continue to operate, at least in the short term (Jolliffe, 2014), thus initial stages can focus on establishing institutional arrangements that a) build on existing foundations for service delivery that minimize disruption in provision, support a smooth transition, and avoid reigniting grievances; and b) recognize the need for locally adapted approaches to service delivery.13

12. For more information on DP support see Note on Inventory of social protection programs in Myanmar.

13. Social protection programs can address the needs of particularly vulnerable groups such as conflict-affected communities and ex-combatants. More on these programs can be found in the Note on ‘Framework for the development of social protection systems: Lessons from international experience’.
3. Financing functions for social protection implementation and sources of funding\(^{14}\)

Functions for service provision need to be adequately funded (see Annex 1). Unfunded functions can hamper the quality of service provision and significantly constrain implementation and scale-up processes. Financial, human, and physical resources should follow the assignment of a function for service delivery to run smoothly (‘finance follows function’).

Despite a deconcentrated architecture of most social protection programs, which should facilitate the vertical flow of funds, in some cases respective ministries do not provide funding to cover a specific functional assignment. For instance, township-level teams implementing the stipends program lack specific resources and mandates to hire additional staff for administrative support.\(^{15}\) A similar issue arises in the implementation of the MCHVS, with health assistants in health care facilities taking on an additional workload as a result of filling out monitoring forms for the MCHVS without receiving additional support staff to take care of extra responsibilities; a review of the program recommends hiring a full-time manager to support current implementation but also, importantly, to facilitate taking the program to scale (WHO, 2014).

3.1 Union level

Union-level government has been the main source of funding for publicly led social protection provision through vertical transfers for deconcentrated functions and benefit delivery. Annex 2 shows how the social budget in MOF is the main source for main social protection programs such as stipends and pensions. DPs and other non-state actors have also been involved in funding social protection, particularly social assistance programs.\(^{16}\)

Subnational level

There are opportunities to explore financing social protection functions out of intergovernmental transfers to region/states (Nixon and Joelene, 2014; World Bank, 2015). The share of union expenditures on intergovernmental transfers increased from 0.6 percent of gross domestic product...
uct (GDP) in 2011/12 to 2.3 percent in 2014/15, equivalent to 14.6 percent of the 2014/15 general (union) budget, signaling the increasing importance of these intergovernmental transfers and the potential to finance locally relevant initiatives.

**Three types of intergovernmental transfers could potentially finance social protection functions: grants and loans to region/state governments; the Poverty Reduction Fund (PRF); and the Constituency Fund (CF).** Grants and loans to region/state governments support region/state budgets and complement tax and non-tax revenues. However, their potential to finance social protection functions is limited given current accountability relations and budgeting processes covering previous budget deficits rather than local needs.17

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17. The ability of states and regions to meet local needs is currently low, as autonomy over local spending is limited and accountability relations of budget and finance officers at region/states is upward to union ministries rather than to local constituencies. In addition, grants and loans finance deficits incurred by region/states with additional resources in the next budget cycle, which can generate the wrong incentives for service provision and could reinforce historical trends to over- or under-spend. The latter means optimal outcomes in achieving equitable financing across region/states (e.g. those with higher poverty rates receive more resources than richer ones) is not encouraged.
In addition to state/region budget support, there are various separately budgeted funds, of which the two most important ones are the PRF and the CF. Although they account for just 5 percent of total transfers to region/states in 2014/15, the CF and particularly the PRF include interesting features that can provide better incentives from a perspective of social protection financing.

The PRF accounted for around MMK50 billion in 2014/15 and was allocated according to poverty rates and presence of ethnic minorities in states and regions. This translated into MMK 15 billion each for Rakhine and Kachin states, MMK 5 billion for Chin state, MMK 4 billion for Shan state, and MMK 2 billion for Kayin state, with the remaining budget divided equally among the other states and regions (World Bank, 2015; interviews with Budget Office, Yangon region). In previous years, equalization was used to allocate resources (MMK 1 billion per region/state except Chin, which received MMK 2 billion), showing an important increase in resources but also the intention to associate funds more closely with poverty reduction objectives and evidence-based financing. There are no specific criteria to guide the investment of the PRF at region/state level but chief ministers are advised to use the fund for rural development and poverty alleviation measures. The process for allocating funds to each township is also now decided by the region/state government. Some states and regions have kept the equalization principle; others use criteria such as population, poverty, or project size.

The CF, also known as the Township Development Fund, allocates some MMK 33 billion equally across townships, with each township receiving MMK 100 million. Representatives of both union and state/region hluttaws are allowed to select township development activities in their constituencies to a maximum of MMK 5 million per project. Township Development Support Committees (TDSCs) and Township Management Committees coordinate project activities, drawing on proposals from village planning processes.

There are opportunities for social protection financing at state/region level in the medium term, particularly through the PRF. First, strengthening further the system of evidence-based resource allocation of the PRF, not only across regions/states but also within region/states across townships, could maximize its poverty reduction potential. Second, increasing the autonomy of region/states to spend intergovernmental transfers can translate into locally relevant projects. The role of TDSCs is an important one in ensuring village-level infrastructure needs are funded and implementation and oversight is conducted transparently. Third, the PRF’s guidelines can be expanded to incorporate ‘soft’ infrastructure for poverty reduction purposes and to include specific guidelines on potential social protection programs that could strengthen the poverty reduction objective of the fund beyond the currently understood scope on infrastructure development. For instance, transfers and social welfare service provision could be discussed in the context of poverty reduction investments to be made eligible for financing under this modality in the medium term.

18. A council or assembly, historically a council of ministers, now denotes legislative bodies at national and state/region level (Nixon et al., 2013).
3.2 Community-driven development platforms

**CDD platforms are already financing rural development activities at local level.** Delegated and devolved functions for the implementation of the RDSF are being financed through conditional grants from the Ministry of Livestock, Fisheries and Rural Development (MLFRD) to villages and village tracts and provide a model and even a platform to articulate social protection provision around these structures.\(^{19}\) Annex 2 outlines functions for the National Community-Driven Development Project (NCDDP), where village tracts are the main level of planning, payment processing, and support provision for communities undertaking infrastructure development with project grants directly transferred to village tracts. The Mya Sein Yaung (MSY; also known as Evergreen Village Development Project) transfers resources from MLFRD to finance villages’ revolving funds. From a decentralization perspective, delivery of social protection programs can support further strengthening of these structures by shaping their service delivery role.

**Embedding social protection schemes as part of CDD platforms in Myanmar can be an appropriate short-and medium-term option for social protection financing.** Current experience with government CDD models, particularly the NCDDP, can facilitate the gradual transition from DP-led social protection provision to a more sustainable institutional architecture. Building government capacity at local level would need significant efforts through a learning-by-doing approach on roles of government and non-government actors, as well as enhancing coordination across local stakeholders, empowering communities, and promoting local accountability. The NCDDP can help build these foundations for social protection delivery in a phased manner while channeling resources directly to beneficiary communities for social protection provision. In addition, CDD platforms have incorporated elements of evidence-based budget allocation that can encourage more effective poverty reduction outcomes.

3.3 Development partners

**DPs can also help co-finance government programs through government platforms that facilitate harmonization and provide an opportunity for institutional and financial sustainability of social protection delivery.** Programs such as the stipends and the NCDDP have facilitated pooling resources from various DPs to supplement the government budget. The stipends program channels resources from the World Bank and the government of Australia whereas the NCDDP pools resources from the World Bank, the government of Italy, and the Japan Trust Fund for Social Development.

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\(^{19}\) For more information on CDD approaches in Myanmar and the scope of social protection interventions within them see the Note on ‘Social protection delivery through community-driven development platforms: International experience and key considerations for Myanmar’.
4. Assessing institutional and financing arrangements for social protection provision in Myanmar

Myanmar can enhance certain aspects of its institutional and financing architecture to make social protection more responsive and efficient. Social protection systems need coordinated and well-funded functions at policy, program, and delivery level. Recent policy developments in the country bring opportunities to enhance coordination, program design, and delivery mechanisms, including the potential to include local structures more actively in service delivery.

4.1 Policy and program coordination and financing

An overarching coordinating structure that has the mandate to coordinate the allocation of functions and resources for social protection can contribute to developing an effective social protection system. Centralized policy development and implementation can be significantly enhanced by stronger inter-ministerial coordination arrangements that avoid duplication and promote comprehensive and sustainable coverage. Fiscal sustainability is a foundation for effective social protection systems by ensuring beneficiaries are covered in a predictable and adequate manner. Evidence-based financing has recently started with initiatives like the PRF; this should be further strengthened and championed by the coordinating structure for social protection provision.

The social protection coordination structure should also provide guidelines on coordination mechanisms between union, regions and states, and local stakeholders for social protection implementation. While the pace of decentralization is uncertain and makes a long-term analysis of ideal functional allocation for social protection provision difficult, opportunities to link these discussions can be promoted. Functional assignment as part of the decentralization reform is being discussed in Myanmar, but there is no single body responsible for designing and articulating decentralization policy (World Bank, 2015). Aligning discussions on functional assignment for social protection with the decentralization reform should be pursued.

New programs are being considered under the SPSP, the potential fiscal implications of which need to be carefully evaluated in relation to ongoing initiatives by various sectors. Building on existing program and delivery systems can facilitate the expansion of functions and coverage in a sustainable manner (e.g. additional benefits and coverage for maternal and child health through an expanded/modified platform of the MCHVS and MOH; for school-age children through stipends and MOE) in order to ensure efficiency of service delivery and avoid fragmentation and duplication. Taking existing systems as the basis for promoting a coherent approach to expansion can facilitate assessment of the need for and feasibility of creating additional programs and systems to fill remaining gaps. Increasing support to government programs instead of establishing parallel delivery structures should be pursued in the short and medium term to support the transition to government-led social assistance provision. Pooling DP resources for single-program implementation can help the government coordinate provision and maximize the technical support DPs can provide at particular stages and for particular functions of service delivery.
Tapping into financial resources from township-level funds such as the PRF can be a medium-term objective. Additional government resources that promote the service delivery role of state/region governments and that could finance delegated and devolved functions at local level can strengthen accountability to citizens and underpin a long-term vision of government service delivery and empowered communities. To this end, clear guidelines for PRF investments that promote social protection as a poverty reduction tool and that facilitate decision-making at local level for investments other than infrastructure would be necessary. Consolidating resources for local-level development around the PRF, as well as consolidating township-level committees to avoid duplicating functions, would help build clarity on township-level coordinating structures and better define the scope of technical support townships can provide to community decision-making processes.

4.2 Roles in service delivery: ministerial structures and region/state governments

Current deconcentrated implementation of social protection needs to be further strengthened to continue to promote responsive and accountable service delivery. Current social protection provision is centralized in deconcentrated ministerial structures, reflecting Myanmar’s level of development. Analyzing current ministerial functions for social protection provision and ensuring these are adequately funded can already improve the way social protection is delivered. Involvement of DPs in such processes as support to piloting delivery functions in the MCHVS and stipends programs can be replicated and expanded to other programs (e.g. social pensions) and in further areas (e.g. specific delivery systems) to improve current and future practices. Deconcentrated functions have the weakness of generating internal accountability to vertical ministries rather than to citizens; adding strong multi-stakeholder committees (such as school and township committees in the stipends program) or articulating oversight functions into existing ones through clear roles and mechanisms to influence program performance can help address this issue.

In the short term, capacity constraints mean several functions are assigned to the same stakeholders (e.g. school heads and health care providers); separating roles would be advisable in the medium term. Besides selecting students and having regular academic functions, school heads and teachers are also in charge of paying stipends to parents as an additional (unfunded) function. The same is the case for midwives and VDs. In the medium term, payments through third parties (e.g. banks) and greater support for program functions such as enrollment can ease the burden current implementation arrangements place on service providers.

Two key subnational stakeholders are paramount when thinking about current technical capacity at local level: township-level officers and the GAD. Townships already perform a number of often-unfunded delivery functions. Supporting technically and financially the role of township officers in service delivery could be a short-term priority for the respective sectoral ministries (MOE, MOH and SSB). The GAD is already an important stakeholder at local level; building on its technical functions but ensuring support to the redefinition of its relationship with local communities around service delivery can support the institutional-strengthening of ministries and subnational units. For instance the GAD could support the groundwork of functional, centrally developed IT,
MIS, and M&E systems by performing monitoring functions at subnational level that help gather accurate and timely information about program implementation to inform program design and implementation.

Region/state governments, and not only deconcentrated ministerial structures, could be involved more actively in program design and implementation with the help of clear guidelines on decision-making processes and local inputs needed to inform program standards. Models such as the NCDDP (Annex 2) and India’s Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS; Annex 3) provide examples on how this has been done for infrastructure development programs. For instance, the NCDDP includes multi-stakeholder consultations organized by region/state governments to support geographic targeting procedures (also in Annex 1); these lessons are valuable for other programs as well. The involvement of region/state governments can strengthen the relevance of programs to local context and could support reconciliation and articulation of service delivery roles in conflict-affected contexts.

4.3 Roles in service delivery: communities and local stakeholders

Testing social protection provision through CDD structures can support the capacity development of subnational stakeholders and promote accountability in service delivery. A more prominent role for subnational structures can create space to adapt program design and standards to serve citizens in a way that is more tailored to different needs across region/states. Financing locally relevant programs can be done through existing mechanisms such as the NCDDP that promote devolved decision-making and accountability to citizens, following lessons from Indonesia’s PNPM Generasi (see Annex 3). Resources currently flowing to village tract level could pave the way to strengthening these and village-level structures to build a responsive and accountable service delivery platform for social protection in the medium term.

In the medium term, the role of subnational structures in social protection delivery has the potential to be significantly strengthened to increase accountability to citizens. Districts, villages, and village tracts have a very limited role in actual program implementation. Districts, unlike townships, do not have specific functions for service delivery, thus their role may need to be explored based on the coordination needs arising between township and regional/state level. Villages and village tracts have important roles to play in ensuring communication and accountability to citizens, thus learning from social protection implemented through CDD platforms can help identify practical ways in which subnational structures can support implementation.
4.4 Roles in service delivery: non-state actors

DPs, the private sector, NGOs, and CBOs have an important role to play in helping government establish basic delivery systems and administrative capacity. DPs can support government in evidence-based budgeting (e.g. PRF allocation) through gathering additional evidence to inform policy decisions at even lower levels of government (e.g. townships) in a systematic way. DPs, NGOs, and private firms can help strengthen identification processes, develop MIS, IT, and M&E systems, and provide technical support to program implementation at various levels. NGOs and CBOs can support grievance and redress mechanisms, monitoring, and communication and outreach at local level. The role of non-state actors in previously conflict-affected areas will need to be articulated with local-level leadership.

5. Short-term recommendations to strengthen institutional and financing arrangements for social protection provision in Myanmar

Institutional and financing arrangements should support the achievement of a strategic vision for sustainable social protection provision. Setting up an overarching coordination mechanism for social protection needs to be an immediate priority for the government, given its ambitious poverty reduction objectives that call for the expansion and enhanced effectiveness of approaches in various fronts. Achieving effective coordination arrangements requires strong political leadership at the union level. In this context, Indonesia’s model of linking social protection to poverty reduction objectives, financing, and strategic direction is relevant for Myanmar. For instance, Indonesia’s National Team for the Acceleration of Poverty Reduction (TNP2K), chaired by the vice-president, coordinates poverty reduction policies at the national level and provides technical advice to multiple programs in light of poverty reduction objectives (see Annex 3).

Pooling DP resources for single-program implementation can enhance coordination; this should be the preferred mechanism to channel non-state funds for social protection provision. Programs such as the stipends and the NCDDP have allowed pooling resources from several DPs to supplement the government budget. This facilitates government coordination on service delivery provision and maximizes the technical support DPs can provide at particular stages and for particular functions of service delivery.

Testing social protection provision through the NCDDP can be explored in the near future. The NCDDP provides the opportunity for coordinated financing for social protection through an existing government platform. The NCDDP allows testing locally relevant social protection programs and has the potential to strengthen local capacity and accountability for service delivery. The involvement of state/region governments in the identification of areas to be served and the use of evidence to inform these decisions are features that can reinforce locally relevant and evidence-based budgeting processes.
Fiscal sustainability should underpin implementation of social protection programs through ministerial structures. Building on existing program and delivery systems of ministerial structures can facilitate the expansion of functions and coverage in a sustainable manner. Platforms provided by the stipends program or the MCHVS can promote efficiency of service delivery and avoid fragmentation and duplication. Taking existing systems as the basis to promote a coherent approach to expansion can facilitate assessment of the need for and feasibility of creating additional programs and systems to fill remaining gaps. Strengthening current service delivery functions at all levels of ministries involved in social protection provision can be an affordable short-term priority.
References


PNPM (n.d.) ‘CDD Financing and Budgeting: The Case of PNPM in Indonesia’. Jakarta: PNPM.


Annex 1:

Framework for implementation and financing of social protection systems

Functions and financing

Social protection systems need functions performed at different levels of government: central, regional/state, and local. Functional assignment of social protection functions is linked to the extent of decentralization pursued by governments but should also follow principles of functional assignment that can help achieve efficient, transparent, and responsive service delivery (see Box A1). Given the different degrees of decentralization and the specific challenges countries face in terms of governance and capacity, there is no single blueprint for functions of social protection systems, although patterns can be identified in systems across various countries (see Annex 3).

Box A1: Principles for functional assignment

1. The *subsidiarity* principle states that what the lowest level can undertake efficiently should be kept at that level. If an activity cannot be performed at any lower level, it should be assigned to a higher (more central) level.
2. The *responsiveness* principle states that lower tiers of governments are closer to the populations they serve, and therefore should be more responsive to their needs.
3. If the activity under consideration displays *economies of scale*, more centralized provision is more efficient.
4. If the activity under consideration displays *externalities* (if an activity in one area affects another area), it should be assigned to higher levels of government.
5. If *equity* is a priority for the activity under consideration, centralized provision may be better. Conversely, if people in each state and region have different requirements and preferences regarding that activity, lower levels could better address these variations.
6. If the activity under consideration involves a great deal of *discretion* in decision-making, it should be assigned to a lower level of government.
7. If the activity involves significant *technical expertise*, assignment to a higher level of government may be most suitable.


Policy development is typically a central government function. Central governments can provide an overarching vision to social protection provision by a) identifying the development objectives social protection can help achieve (e.g. poverty reduction, human capital development) and developing a legal and institutional framework to pursue them (see Indonesia’s TNP2K); b) dealing with equity concerns between geographic areas; c) coordinating different ministries involved in social protection provision; d) ensuring government resources (human, physical, financial) are sufficient to implement programs in an effective and predictable manner; and e) providing or facilitating technical support to lower levels of government.

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20. Region/states can perform some of these functions where regional disparities in requirements and preferences, strong technical capacity, and a high degree of fiscal decentralization allow for social protection provision to be coherently coordinated and financed at a lower level (e.g. India).
Program design may involve several levels of government and stakeholder involvement. Central government is responsible for identifying the types of instruments that better respond to social protection needs and ensuring program design responds to the needs the program is set to address, the latter often jointly with regional stakeholders. This involves setting standards for program implementation, such as minimum benefit levels, eligibility criteria, and processes and procedures (e.g., drafting operations manuals (OMs)). Central governments are also better positioned to assess the externalities programs can bring to national and regional contexts. Region/state governments can help adapt the design to the context and often compile information at regional level to support implementation and scale-up processes. For instance, the OM of India’s MGNREGS was drafted by the central Ministry of Rural Development (MRD), unbundling activities and assigning responsibilities for program implementation that provided clear guidelines for state-level OMs.

Similarly to program design, setting up delivery sub-systems includes functions such as designing and developing the actual systems and managing processes and information flows. Therefore, setting up delivery systems is typically performed at central level. Developing MISs, payment systems through third parties (e.g., financial institutions), or M&E systems requiring monitoring frameworks and impact evaluations involves central-level decision-making processes such as procuring the technical expertise to develop the systems.

### Table 1: Deconcentrated, delegated and devolved service delivery

<table>
<thead>
<tr>
<th>Aspect of service delivery</th>
<th>Deconcentrated</th>
<th>Delegated</th>
<th>Devolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source and receiver of authority</td>
<td>Ministry delegates to its own branches</td>
<td>Ministry/agency to local authorities or parastatal/semi-independent bodies</td>
<td>State/agency to local authorities</td>
</tr>
<tr>
<td>Funding</td>
<td>Ministry to its own branches (not showing in local government’s budget)</td>
<td>From assigning entity to local authority (showing in local government’s budget)</td>
<td>Local levels raise/receive resources through revenues or block grants</td>
</tr>
<tr>
<td>Implementation discretion</td>
<td>Limited by ministry’s regulations, procedures, standards, and instructions</td>
<td>Constrained by policy, procedures, and standards set by assigning agency but some level of discretion in implementation</td>
<td>High degree of discretion but somewhat limited by national standards</td>
</tr>
<tr>
<td>Reporting and accountability</td>
<td>To ministry headquarters</td>
<td>To assigning entity and local council/citizens</td>
<td>Primarily to citizens through local councils; vertical accountability still present in early stages of decentralization</td>
</tr>
</tbody>
</table>

*Source: Adapted from UNDP and UNCDF (2011).*

While setting up delivery sub-systems is usually done at central level, program implementation through delivery sub-systems is mostly, though not exclusively, a local task. Intermediate levels of subnational administration such as districts and townships can provide technical support to local levels in undertaking beneficiary identification and registration, beneficiary support through grievance and redress mechanisms, communication campaigns, and collection of program information to feed MIS and M&E systems.

Whereas government should provide overall leadership and coordination at all levels, DPs, the private sector, and other non-governmental actors (NGOs, CBOs, academia, research institutes, and think-tanks) can perform specific activities within social protection functions. Technical sup-
Port is an area where DP expertise can support government at various levels. DPs and NGOs often support program design since they can mobilize specialized expertise to inform these processes. Independent bodies such as academia, research institutes, and DPs can undertake impact evaluations of social protection programs, which are instrumental to inform program revision and scale-up processes. Indonesia’s PKH and PNPM Generasi as well as India’s MGNREGS have benefited from external impact evaluations by DPs and academia that have contributed to government’s own efforts to improve program performance.

Functional assignment for social assistance implementation should be accompanied by sufficient funding to implement such mandates, following the principle of ‘finance follows function’ (World Bank, 2015). There are different ways in which functions can be assigned and funded at various levels of government; they can be deconcentrated, delegated, or devolved, translating into different degrees of discretion for implementation, different options for financing mechanisms, and different types of accountability relations.

Social protection programs can be implemented through a mix of deconcentrated, delegated, and devolved functions. For instance, India’s MGNREGS transfers significant resources from MRD to local governments (the panchayat, which includes district, block, and village levels) following a functional assignment that gives local governments discretion on project identification as well as several responsibilities in asset creation, employment processes, and project monitoring, following central- and state-level standards. Transfer programs can also delegate to local governments decisions on the type of transfer (cash or inkind), the type of and need for conditions, and the degree of enforcement based on local capacity (UNDP and UNCDF, 2011).

CDD programs include planning and decision-making processes that would otherwise take place at central level, such as choosing schemes to implement out of a menu of options and adapting eligibility criteria to local needs. Therefore, CDD models can be used to finance delegated and devolved functions from central ministries or agencies to local governments or CBOs. Performance-based financing mechanisms and community facilitators of local decision-making processes have been used in programs such as Indonesia’s PNPM Generasi to incentivize locally relevant investments that better achieve expected results.

Sources of funding

Overall, central governments are better placed to reliably finance the implementation of non-contributory, social assistance programs. They can mobilize larger resources for safety nets compared with regional or local governments, particularly if the latter have few sources of revenue (Grosh et al., 2008). Central governments can also address issues of regional disparities by redistributing resources to the areas that need them the most. Lastly, central governments can make funding available in a counter-cyclical manner (e.g. in times of crises or economic slowdown), precisely when social protection provision is needed the most.

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21. More information on CDD programs can be found in the Note on ‘Social protection delivery through community-driven development platforms’.

22. Contributory social security programs are (partly) financed through contributions from employers and workers, thus are subject to inter-temporal fluctuations in the number of contributors and actual beneficiaries, salaries, contribution rates, and other factors. Social security financing is analyzed in the Note on ‘Strengthening social security provision in Myanmar’.
Depending on the degree of political and fiscal decentralization, decisions on intergovernmental transfer can be informed by bottom-up planning, and region/states governments can top up central funding for specific programs or introduce additional funding for more locally relevant programs. For instance, state governments provide complementary funding under MGNREGS to finance 25 percent of non-wage costs (World Bank, 2011). Bottom-up planning has informed central-level transfers for MGNREGS implementation, avoiding a ‘quota’ system since spending is determined by demand for work at local level.23

**DPs can support central and regional governments in financing social assistance through mechanisms that aim to avoid fragmentation of service provision.** Governments can provide platforms to pool resources from several DPs for single programs, which can support a coordinated approach to service delivery and ensure functions at different levels of government are coherently and predictably funded. For instance, PNPM Generasi is funded through a combination of funds from the government of Indonesia and from DPs that pool resources jointly in the PNPM Support Facility.

### Accountability

**Governance in social protection can be defined as the set of incentives and accountability relationships that define how providers are held accountable for their ability to deliver services with quality, efficiency, and transparency (WB, 2012).** Accountability is thus generated from implementers to citizens (external) and within implementing levels (internal). Table A1 identifies the type of accountability generated by different functional assignment and financing arrangements. The more decentralized the arrangements, the more accountability is generated from government to citizens. Internal accountability is also important to ensure quality service delivery and varies according to the degree of concentration of functions in single entities.

Local leaders and locally elected governments can be assessed (and elected/re-elected) based on the quality of service delivery and thus have a relatively strong incentive to perform well on this front. Belonging to the community they serve means they bear social pressure to deliver well to their community. CDD models are an example of how to make these incentives part of the governance structure, albeit with the associated risk of elite capture in highly discretionary models.24 Internal accountability and/or external monitoring are necessary to prevent misappropriation of resources by local stakeholders, particularly when there is a relatively high degree of discretion. Social audits can complement accountability to citizens and support quality service delivery as in the case of India’s MGNREGS.

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23. This is a rights-based program where the state needs to guarantee funds for the provision of 100 days of work annually; however, a mismatch between insufficient supply of infrastructure projects and excessive demand for work persists.

### Example of institutional arrangements of social protection programs in Myanmar

<table>
<thead>
<tr>
<th>Type of function</th>
<th>Function</th>
<th>Stipends program (MOE; pilot of enhanced implementation arrangements)</th>
<th>MCHVS (MOH)</th>
<th>NCCPD (MLFRD)</th>
<th>Civil service pensions (MOF)</th>
<th>Social security (SSB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeting and financial management</td>
<td>MOE (central); mostly deconcentrated functions and financing. Township-level quotas for program implementation. TEOs transfer funds to schools, which pay to beneficiary parents</td>
<td>MOH (central); mostly deconcentrated functions and financing. Midwives, LHVs, and hospital management agency in charge of local financial management</td>
<td>Department of Rural Development (DRD) (central) transfers funds directly to village tract forums based on village tract-level planning. Village tract forums form finance sub-committees to manage the block grant and transfer resources to village support committees to cover project implementation. DRD staff at township level responsible for financial management support (accounting) and information disclosure</td>
<td>MOF (central); deconcentrated functions for verification but centralized financial management for payments through MEB</td>
<td>a) Operations: SSB; deconcentrated functions and financing; b) benefits: contributions paid monthly by company managers based on employees’ salary (2% from employers, 2% from employees, plus 1% additional from employers for injury fund; full implementation of 2012 Law will take total contributions to 13%). Autonomous financial management by SSB (in the past, contributions flowed back to MOF)</td>
<td></td>
</tr>
<tr>
<td>Sources of funding</td>
<td>General budget; social budget; allocation to MOE. Support from government of Australia and World Bank</td>
<td>General budget; social budget; allocation to MOH. Support from WHO/GAVI Alliance</td>
<td>General budget; MLFRD budget. Support from World Bank, governments of Italy and Japan</td>
<td>General budget; social budget; allocation to MOF pensions and gratuities</td>
<td>a) General budget; social budget; allocation to SSB (for operational costs such as salaries); b) contributions from affiliates</td>
<td></td>
</tr>
<tr>
<td>Type of function</td>
<td>Function</td>
<td>Stipends program (MOE; pilot of enhanced implementation arrangements)</td>
<td>MCHVS (MOH)</td>
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<tr>
<td><strong>Program design</strong></td>
<td>Design and implementation standards</td>
<td>Operational guidelines developed by MOE (central level), with technical support from World Bank</td>
<td>Operational guidelines developed by MOH (central level) with technical support from HITAP</td>
<td>OM developed by MLFRD (central)</td>
<td>Department of Pensions, MOF (central), responsible for overall program architecture. Beneficiary and employer (respective ministry/government entity) calculate benefit level (township, district, or region/state). Central or region/state level MOF verifies calculation</td>
<td>SSB (central)</td>
</tr>
<tr>
<td><strong>Set-up and scale-up processes</strong></td>
<td>TEO teams responsible for rolling out implementing functions and supporting and coordinating with school heads and committees. S/REOs hold consultations for township selection, approve stipend students, and monitor implementation of programs, including visits to TEOs, producing reports/statistics, and addressing complaints. MOE will review national program based on results from piloting enhanced implementation arrangements</td>
<td>Department of Health (MOH, central); health centers (voucher distribution to midwives at local level). Technical support from WHO township officer to help setup and monitor processes and coordinate between local and central stakeholders</td>
<td>Project Secretariat at DRD, MLFRD (central). Project Secretariat is assigned several DRD staff and shall recruit consultants as necessary for implementation of project. DRD staff at township level provide technical support to village tract in project planning and execution and help with inter-ministerial coordination. NGOs and firms assist township officers</td>
<td>Department of Pensions, MOF (central); Department of Pensions, MOF (states/regions), Supervision Units 1 and 2 and Calculation Unit</td>
<td>SSB operational arm: central-level team and field offices, 977 townships, several medical centers</td>
<td></td>
</tr>
<tr>
<td><strong>Eligibility criteria</strong></td>
<td>MOE (central level), with technical support from Technical Working Group and World Bank</td>
<td>MOH (central) as per operational guidelines; further identification of poor pregnant women via hospital equity fund questionnaire</td>
<td>DRD (central) with help from Ministry of National Planning select criteria for township selection based on poverty data. Consultation with region/state governments</td>
<td>Ministries where civil servants have worked. District-level supervisors of future pensioners approve retirement for low-rank civil servants. Region/state supervisory level approves for medium rank and director-generals for high-rank future pensioners</td>
<td>Parliament: Social Security Act, 1954; Social Security Law, 2012. Enterprises with more than 5 employees need to register with SSB. Students and enterprises with fewer than 5 employees can join voluntarily</td>
<td></td>
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</tbody>
</table>
### Institutional landscape for implementation and financing of social protection programs: Towards effective service delivery in Myanmar

<table>
<thead>
<tr>
<th>Type of function</th>
<th>Function</th>
<th>Stipends program (MOE; pilot of enhanced implementation arrangements)</th>
<th>MCHVS (MOH)</th>
<th>NCCPD (MLFRD)</th>
<th>Civil service pensions (MOP)</th>
<th>Social security (SSB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery sub-systems</td>
<td>Beneficiary identification</td>
<td>Schools in township committees select schools in need and allocate quota. School committees select students in need, township committees verify. In practice, little/varied involvement of non-education committee members (parents, NGOs)</td>
<td>Midwives and VDs with support from village leaders who attest women are poor</td>
<td>Chief ministry of region/state shortlists three townships based on consultation. Foreign Aid Management Working Committee selects final townships</td>
<td>Future pensioner and supervisor (township, district, region/state or central depending on rank) prepare case files with documentation such as ID, photo, and service book. MEB issues e-pension card</td>
<td>SSB issued smart cards with personal information, photo, and fingerprints with a unique social security number</td>
</tr>
<tr>
<td>Enrollment and compliance (for conditional cash transfers (CCTs))</td>
<td>School committees enroll beneficiaries and monitor compliance. Varied involvement of non-education members; usually school heads take charge of activities</td>
<td>Enrollment: midwives and VDs. Compliance: verified at health center</td>
<td>Village support committees with support from village tracts implement subprojects and organize the necessary labor</td>
<td>Calculation Unit, Pension Department (central), or pension staff at state and regional level</td>
<td>• Enrollment: company registers with SSB township officer, states no. of workers, and collects contributions. Workers register with township officer and receive cards in a month. • Compliance/verification of eligibility: a) medical treatment: verified at SSB facilities or by township SSB officer if needs referral. Free treatment in SSB facilities. Reimbursements for medicine, diagnostics, and treatment (outside SSB facilities) go to township SSB officers (less than MMK 30,000) or central level where medical board check eligibility; b) cash benefits: SSB clinics refer patient to township office which approves it</td>
<td></td>
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<tr>
<td>Type of function</td>
<td>Function</td>
<td>Stipends program (MOE; pilot of enhanced implementation arrangements)</td>
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<tr>
<td>Asset creation (for PWPs)</td>
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<tr>
<td></td>
<td></td>
<td>Village tract forums responsible for development of subproject plans, receiving project funds, and implementing subprojects. Technical and administrative support to village tract forums will be provided by community facilitators appointed under the project and by DRD township-level staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments, services, and transactions</td>
<td>Direct payment and record-keeping by school heads to teachers and then to parents; TEO processes payments and transfer resources to schools</td>
<td>Voucher distribution and reimbursement: most commonly midwives and other trained community members; perform both voucher distribution and reimbursement functions. Record-keeping by midwives and LHVs</td>
<td>Voucher distribution and reimbursement: most commonly midwives and other trained community members; perform both voucher distribution and reimbursement functions. Record-keeping by midwives and LHVs</td>
<td>Village tract level receives funds, disburses, and transfers to village support committees for program implementation</td>
<td>Calculation unit at central or region/state level processes pensions, consolidates payment books, and sends them to MEB. MEB pays into pensioners’ accounts. Township bank branches send information to state/region MOF pensions department on total monthly payment, list of new pensioners (and their amount), and total pensioners</td>
<td>Cash benefits: direct payments by SSB township officer. In some instances, employer pays the workers’ benefit in advance and claims reimbursement to the SSB. Services: 40 government enterprise clinics, 3 workers’ hospitals, and 92 SSB clinics provide free health care services to insured workers and are linked to the SSB for medical supplies. Hospitals also provide medical tours to factories for outpatient service and health education</td>
</tr>
<tr>
<td>Grievance and redress mechanisms</td>
<td>School committees and township committees are responsible for addressing any feedback and complaints during selection process. The program has a telephone number (MOE central office)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Appeals Tribunal (no appeals made yet). Most complaints handled at township level</td>
</tr>
<tr>
<td>Type of function</td>
<td>Function</td>
<td>Stipends program (MOE; pilot of enhanced implementation arrangements)</td>
<td>MCHVS (MOH)</td>
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</tr>
<tr>
<td>MIS</td>
<td>Reporting forms are submitted from schools to TEOs, and consolidated and submitted to S/REOs and central level. Paper-based, deployment of data entry is underway</td>
<td>MOH and WHO compile at central level; VDs, health care providers, health center management agencies (administrative), and LHVVs fill forms to gather information at local level</td>
<td>Central level: design and compiling by DRD with support from NGO/firm. DRD township level enters data</td>
<td>Supervision units (central) prepare reports by type of pension (compensation, survivors, etc.), category (civil servant, state-owned enterprise, political), and states and regions. No disaggregated information on individual pensions paid to old pensioners. Manual data and basic excel systems. Will update IT systems in the near future</td>
<td>SSB (central) updates and compiles database monthly based on registration and contribution information collected at township level</td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td>• Internal: school committees, TEOs, S/REOs, Department of Basic Education and Department of Education Planning and Training; M&amp;E Working Group leads in M&amp;E activities</td>
<td>VDs, health care providers, health center administrative staff, WHO field officers</td>
<td>Central level: DRD M&amp;E and finance officers; auditor general</td>
<td>Director and deputy director of Supervision Unit travel to update local staff on new rules and regulations. MOF officers (central) do spot-checks on local-level records</td>
<td>Internal auditing unit for internal processes. SSB (central) monitors number of registered companies and workers. Township inspectors check company information on workers and companies not paying contributions, verify cash benefits paid, and seek companies that should be registered</td>
<td></td>
</tr>
<tr>
<td>Evaluation</td>
<td>Quantitative survey (school survey and household survey) with World Bank technical support</td>
<td>HITAP technical support (mid-term review)</td>
<td>DRD township office organizes annual multi-stakeholder review at township level</td>
<td>No unit is in charge of analyzing monitoring information</td>
<td>ILO assessment</td>
<td></td>
</tr>
<tr>
<td>Communication, outreach, and/or community mobilization</td>
<td>School committees handle communication with beneficiaries and general public. Township committees communicate program information to school committees. In practice, miscommunication still an issue; ad hoc community outreach and communication strategies with mixed results</td>
<td>VDs; messages mostly on financial benefit; messages on health benefits could be strengthened</td>
<td>Knowledge market place: annual knowledge exchange between communities. NGOs/community facilitators help communities plan, decide, and execute subprojects so communication and mobilization is part of program implementation, public disclosure of project documents to communities</td>
<td>No unit is in charge of communication</td>
<td>SSB township staff: mobile units and inspectors visit companies and create awareness</td>
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</tbody>
</table>

Source: GoM (2014); ILO and MDRI (2015); SC (2015); WHO (2014).
### Annex 3:

**International examples of institutional arrangements for social protection provision**

<table>
<thead>
<tr>
<th>Type of function</th>
<th>Function</th>
<th>Unified Database (Indonesia, targeting system)</th>
<th>PKH (Indonesia, CCT)</th>
<th>PNPM Generasi (Indonesia, community empowerment program)</th>
<th>MGREGS (India, PWP)</th>
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<tr>
<td>Budgeting and financial management</td>
<td>TNP2K</td>
<td>Ministry of Social Affairs authorizes payments, Treasury Office within Ministry of Finance disburses funds to central office of the post system for payment execution. TNP2K tops up and fills gaps if needed</td>
<td>Direct block grant transfers from Treasury Office to community account at sub-district level. Performance-based financing to incentivize results. To decide on allocation of funds within a village, trained facilitators help each village elect an 11-member management team as well as select local facilitators and volunteers. Following community planning processes, elected team makes final budget allocation</td>
<td>Principle of bottom-up planning with villages developing plans and budgets based on estimated man-days of work demanded in the course of the year. Budget not subject to quotas. Bottom-up planning is supposed to inform MRD’s budget allocation to states and then to districts, although difficulties of this principle in practice</td>
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<tr>
<td>Sources of funding</td>
<td>Ministry of Finance, TNP2K, Poverty Reduction Support Facility (PRSF)</td>
<td>Ministry of Finance, TNP2K</td>
<td>Ministry of Finance, multi-donor PNPM Support Facility</td>
<td>Central level provides majority of funds (90%); states complement by covering quarter of non-wage costs. Act mandates that 60% of total costs should be labor costs. States to provide unemployment allowance if they fail to provide work within 15 days of demand</td>
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<td>Program design</td>
<td>Design and implementation</td>
<td>Bureau of Statistics (BPS)</td>
<td>Ministry of Planning led design process, Ministry of Social Affairs is implementing agency</td>
<td>Directorate-General for Village and Community Empowerment, Ministry of Home Affairs (PMD), designed program and set standards. Communities with PNPM facilitators identify projects to improve education and health indicators</td>
<td>Central (MRD) drafted OM. States drafted their state-specific versions based on MRD guidelines with clearly detailed roles and responsibilities across functions for program implementation</td>
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<td>standards</td>
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<td></td>
<td>Set-up and scale-up processes</td>
<td>BPS</td>
<td>District, sub-district and village PKH staff and PKH facilitators</td>
<td>PMD</td>
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<td></td>
<td>State governments (strong variation in readiness across states). Dedicated staff should be hired at panchayat level for program implementation</td>
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<td>Eligibility criteria</td>
<td>TNP2K. Central level determines criteria for proxy means testing (PMT) of households potentially eligible for anti-poverty programs</td>
<td>Using Unified Database (see column 1), poor households selected with children aged 0-15 or less than 18 years but who have not completed basic education, or pregnant/lactating mothers</td>
<td>PMD: communities with poor results on maternal and child health and education. Vulnerable groups most benefiting are poor women and children. 8 provinces, 290 kecamatan, and 2,892 villages (2012)</td>
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<td>Parliament: Act states all households are eligible and that a third of beneficiaries should be women. Self-selection in practice</td>
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<tr>
<td>Delivery sub-systems</td>
<td>Beneficiary identification</td>
<td>Local leaders inform BPS enumerators about potential households that could meet PMT</td>
<td>PKH ID card/national ID card</td>
<td>Communities with support from PNPM facilitators</td>
<td>States are capturing information on Unique Identification (UID) in program enrollment</td>
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<td>Enrollment and compliance</td>
<td>-</td>
<td>Enrollment automatic for households meeting demographic requirements and PMT criteria. Health and education service providers support beneficiary monitoring and recording compliance with conditions; provincial and district/municipality levels support local operations and ensure availability of supply-side services</td>
<td>For complementary feeding and household education or health financial support, the community with support from PNPM facilitators identifies poor households with small and school-aged children, and pregnant and lactating mothers</td>
<td>Village-level officers in charge of enrollment and management of workers at worksite. Support from district level (all local levels, Panchayat Raj institutions)</td>
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<td>Asset creation (for PWPs)</td>
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<td>Community social mapping and participatory planning with support from PNPM facilitators</td>
<td>Local governments (Panchayati Raj; districts, blocks, and villages) support communities in project identification. Village level mandated to undertake at least 50% of projects. Remaining projects also identified at sub-state level (block and district level). Variation across states (e.g. in Tamil Nadu 100% of projects done by villages). Communities: annual participatory planning exercise to decide on list of projects</td>
</tr>
<tr>
<td>Payments and transactions</td>
<td>-</td>
<td>Central and regional offices of Indonesian postal service</td>
<td>Disbursement requires sign-off by government officials and minimum of 4 signatories on bank accounts</td>
<td>Cash payments through banks and post offices. Accounts usually opened in name of woman in household (e.g. Andhra Pradesh). Direct cash payments to beneficiaries still present when bank/post office network presence and capacity is limited</td>
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</tr>
<tr>
<td>Grievance and redress mechanisms</td>
<td>TNP2K, but a functioning system still needs to be developed</td>
<td>PKH facilitators at sub-district level, PKH complaints manager at district level</td>
<td>PNPM Complaints Handling Units from sub-district up, managed by PNPM Oversight Committee</td>
<td>Reporting one level higher than the person responsible for implementation</td>
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<tr>
<td>MIS</td>
<td>TNP2K, but no formal institutional home yet</td>
<td>PKH administrators at district level maintain MIS</td>
<td>PNPM Oversight Committee, Coordinating Ministry for Social Affairs</td>
<td>Central level: compile state-level information. State-level: development of web-based, local-language, MIS in most states. Local-level data entry on employment and assets created</td>
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<tr>
<td>Monitoring</td>
<td>TNP2K</td>
<td>District/municipality levels</td>
<td>Village meetings to account for funds used and monitoring of physical progress. Performance-based financing schemes based on monitoring results</td>
<td>Overall program monitoring: field staff reporting to central-level ministry. Project supervision: local government. Social audits: communities</td>
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<tr>
<td>Evaluation</td>
<td>TNP2K with support from the PRSF</td>
<td>Impact evaluations by Bappenas (2009), World Bank (2010)</td>
<td>Including by PNPM Support Facility, World Bank, SMERU</td>
<td>State-level evaluations by development partners and academia</td>
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<td>Communication, outreach, and/or community mobilization</td>
<td>Local leaders and enumerators</td>
<td>Ministry of Communications and Information Technology supports program communication campaigns</td>
<td>PNPM facilitators, including through village and project information boards</td>
<td>Strong civil society role in advocating right to work and information, contributed to awareness (e.g. in Rajasthan)</td>
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Myanmar Social Protection Notes Series

The note – ‘Building resilience, equity, and opportunity in Myanmar: The role of social protection’ – provides an overview of the technical notes in the series. These include:

1. Risks and vulnerabilities along the lifecycle: Role for social protection in Myanmar
2. Framework for the development of social protection systems: Lessons from international experience
3. Inventory of social protection programs in Myanmar
4. The experience of public works programs in Myanmar: Lessons from a social protection and poverty reduction perspective
5. The experience of cash transfers in Myanmar: Lessons from a social protection and poverty reduction perspective
6. Social protection for disaster risk management: Opportunities for Myanmar
7. Strengthening social security provision in Myanmar
8. Institutional landscape for implementation and financing of social protection programs: Towards effective service delivery in Myanmar
9. Social protection delivery through community-driven development platforms: International experience and key considerations for Myanmar
10. Reaching the poor and vulnerable: Key considerations in designing targeting systems
11. Reaching the poor and vulnerable in Myanmar: Lessons from a social protection and poverty reduction perspective
12. Developing scalable and transparent benefit payment systems in Myanmar