LIFT Call for Proposals

Expanding delivery of financial services to rural women through a digital platform

Ref no: CfP/LIFT/2018/4/Digital Finance

Release date: 12 November, 2018

Deadline: 20 December, 2018, 13:00 (Myanmar local time, GMT +6:30)

Title: Rural women’s Digital Finance Programme

Budget: USD 5.8 million

Estimated Start: February 2018

Duration: Three years

1. Background

The Livelihoods and Food Security Fund (LIFT) is a multi-donor fund established in 2010 to address food insecurity and income poverty in Myanmar. LIFT has received funding from 14 donors – the United Kingdom, the European Union, Australia, Switzerland, Denmark, the United States, the Netherlands, Sweden, France, Luxembourg, Italy, New Zealand, Ireland and Mitsubishi Corporation. The United Nations Office for Project Services (UNOPS) is the Fund Manager to administer the funds and provide monitoring and oversight.

The overall goal of LIFT is to sustainably reduce the number of people living in poverty and hunger in Myanmar. LIFT’s purpose is to improve the incomes and nutrition status of poor people in Myanmar by promoting resilient livelihoods and food security. LIFT’s purpose-level outcomes are improvements in income, resilience, nutrition, and pro-poor policy developments. LIFT works with implementing partners that include international and national non-government organisations, United Nations agencies, the Government of Myanmar, private sector organisations, and academic and research institutions.

LIFT is active in the four main agro-ecological zones of Myanmar: the Ayeyarwady Delta, Rakhine State, the central Dry Zone (including Mandalay, Magway and the southern Sagaing region), and the Upland areas (including Chin, Kachin, Kayah, Kayin and Shan States and Tanintharyi Region).

So far, LIFT has reached more than 9.2 million people or roughly 26 per cent of rural Myanmar’s population; and is active in two-thirds of the country’s townships.

In 2018, LIFT’s Fund Management Office and Fund Board have been working on refreshing the strategy for the next five-year period beginning in 2019.
The next phase for LIFT has at its heart ‘leaving no one behind’ in Myanmar’s rural transition with a greater focus on inclusion and social cohesion, increased support to areas affected by conflict, bringing displaced people into LIFT’s development programmes and working with Government at all levels on targeted policies that achieve gains in these areas.

LIFT will continue to focus on assisting:
- Households with land, labour or commercial potential to ‘step up’ through increases in labour and land productivity and enhanced capacity to market production
- Rural households or individuals to ‘step out’ of agriculture into the local non-farm economy or to take advantage of opportunities further afield
- Highly vulnerable households to ‘hang in’ and use agriculture as a safety net, improve their food security and nutrition outcomes while building their capacity to move out over time

Programmes will increasingly focus on strengthening the resilience and sustainable livelihoods of women, people with disabilities, smallholders and landless, internally displaced people and migrants, those vulnerable to trafficking and forced labour and those living in conflict-affected areas and border states. LIFT will prioritise improving nutrition for women, children and vulnerable groups, promoting decent work and safe and productive labour mobility, supporting agriculture and market development and increasing access to financial services.

For more details visit www.lift-fund.org.
2. Objective of the call for proposals

Overall Objective
The Rural Women’s Digital Finance Programme would be the first digital retail financial service for deposits and loans specifically customised to the needs of poor rural women in Myanmar. The overall objective is to contribute to strengthened resilience and sustainable livelihoods among poor women in Myanmar’s rural economy.

Specific Objective/Outcome
The specific objective of the Rural Women’s Digital Finance Programme is to increase the empowerment of rural women through access to enabling digital technology, and digital, financial and nutritional literacy knowledge and skills.

Outputs/Results
1) Introduce, and grow access and use of, digital financial services (both deposits and loans) among poor rural women, particularly related to their livelihoods—45,000 clients
2) Operationalise a digital platform for financial services
3) Increase women’s knowledge and skills in digital, financial and nutritional literacy

2.1 Background to the call

Women are empowered by having access to, and control over, assets. The European Union co-funded LIFT programme commissioned a Women’s Empowerment Study Through Microfinance in mid-2017 to research the influence of selected LIFT microfinance implementing partners on women’s empowerment. The findings showed that access to, and control over, assets and resources had a positive impact on women’s self-confidence and self-worth.¹ That said, women’s access to finance and their say in household financial decisions is limited in rural Myanmar, and there are important gender inequalities related to access and control over financial resources. This gap in access to financial services remains one of Myanmar’s most pressing development challenges. Improving access to finance for unserved and underserved market segments is critical to expanding rural households’ economic opportunities and reducing chronic undernutrition, while generating positive gender, social and economic benefits.

LIFT’s Financial Inclusion Programme empowers women and works towards greater gender equality through its focus on providing financial services, including loans and financial literacy training, specifically to women in rural Myanmar. Of LIFT’s 2.13 million financial inclusion clients, 92 per cent are women. Analysis of microfinance portfolios reveals that nearly two-thirds of financing is invested in rearing small livestock (primarily managed by women). The portfolio at risk (PAR) is less than one per cent, evidence that the women derive benefit from the loans and are able to meet repayment schedules. Impact on poverty, measured through the Progress out of Poverty Index (PPI), has been significant². Findings from Vision Fund Myanmar’s Uplands operations (funded by LIFT) provide an example: from a sample of 1,143 clients (91 per cent women) who had received their third loan, and were under the national poverty line at the time of their first loan, data showed a 27 per cent decrease in the likelihood of clients being under the national poverty line after receiving financial services. Female clients had a faster decrease in poverty likelihood compared to men.

¹ Women’s Empowerment Study of selected lift microfinance partners, Hall & Myanmar Survey Research, 2017
² PPI is a poverty measurement tool that is statistically sound and simple to use. The answers to 10 questions about a household’s characteristics and asset ownership are scored to compute the likelihood that the household is living below the defined poverty line. The analysis of the PPI predicts the probability of the target clients falling under the poverty line.
The Rural Women’s Digital Finance Programme would improve poor rural women’s access to financial services, their digital and financial literacy and their control over assets.

**Problem Statement**

The microfinance sector has experienced challenges to expand outreach due to capital constraints as well as the high operating cost of branch set up. The integration/down-marketing of commercial banking into the rural financial market therefore is important in order to increase access to financial services and meet strong demand for credit and savings services. Commercial banks have significantly more capital available than capital-constrained microfinance institutions.

2.2 **Programme design and activities**

**Target group:** Commercial bank selection of clients does not favour women, and retail finance remains relatively non-existent in Myanmar. Digital financial services (DFS) worldwide for women has focused almost exclusively on mobile access, payment solutions and savings. This programme, though incentives, is expected to catalyse Myanmar’s commercial banks to engage in providing DFS specifically targeting low-income, rural women with financial services that are more relevant to low-income women (i.e. savings and loans).

The Rural Women’s Digital Finance Programme will target 45,000 poor rural women nationwide. Women may be targeted in groups or as individuals. The programme’s target group are rural women below the national poverty line who have access to a data-activated mobile phone. The Progress out of Poverty Index (PPI) (now renamed the Poverty Probability Index) poverty score of USD 1.25 day will be used to choose women on the basis of their likelihood of being very poor (as compared to the international poverty line of USD 1.9 day/World Bank).

The Programme is aligned with the *Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)* articles, specifically, Article 10 – Education: States shall ensure that women have equal rights with men in education, including equal access to schools, vocational training, curricula and educational resources; and Article 13 — Economic and Social Benefits: States shall ensure that women have equal rights with men to family benefits, bank loans and other forms of financial credit. The Programme aligns with Myanmar’s National Strategic Plan for the Advancement of Women, specifically, in providing training to women on technology and developing women’s access to credit, resources, assets and economic benefits. The Programme is aligned with the EU Gender Action Plan, specifically, Objective 12— Healthy nutrition levels for girls and women through their life cycle; and Objective 15 — Equal access by women to financial services, and productive resources including land, trade and entrepreneurship.

**Geographical Distribution:** There is no geographical prioritisation per se, but the programme will be naturally constrained by two factors: 1) Areas that have access to functional and robust mobile money services; and 2) Development organisations and LIFT’s implementing partners (IPs), both financial and non-financial, will help identify women who would benefit from the programme and recommend them to become clients in areas where commercial banks can offer digital financial services. The incentive for IPs to identify and recommend women to the programme is the credit they receive from their beneficiaries and the community at large for including them in this programme.

**Financial, nutritional and digital literacy training:** Access to digital financial services is conditional on women receiving digital, financial and nutritional literacy training.

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\(^3\) Women make up 30 per cent of WAVE transactions as of December 2017.
Telecommunications and mobile phone penetration have grown rapidly in Myanmar in a short time, with mobile phones and call rates becoming affordable in Myanmar in 2012. Following this development, digital payment systems such as WAVE Money launched in 2014. Data collected in July 2017 in a nationwide survey of the general population reveals that men and women report access to a mobile phone in their households in equal numbers, and that mobile phone penetration is high (88.5 per cent of rural households). Data on phone usage is mixed. In general, although smartphone ownership is high, usage tends to be for only a few apps. Importantly, although women increasingly have access to smartphones, their digital and financial literacy is not always on par with the requirements for accessing and utilising these digital payment systems.

The financial literacy training will help women improve their ability to manage personal and household finances, and become informed and effective consumers of financial services. This will allow women to move beyond credit management to having access to, and the ability to effectively use, asset-building financial services such as savings. Financial literacy is also a critical component of consumer protection that enables women to effectively use financial services and avoid the risks of over-indebtedness.

Nutrition literacy will also be delivered to assist women improve their own and their families’ nutritional outcomes. LIFT is currently working on a nutrition literacy training booklet.

The financial, nutritional and digital literacy training will be delivered using a combination of traditional methods, as well as more innovative ways such as video, broadcast and cell phone applications. The combination of delivery methods aims to more effectively train larger groups of women, including those who are unable to read. The implementing partners of the programme are expected to mainstream nutrition and financial literacy into their service orientation processes.

**Digital wallet:** The financial transactions for deposits and loans will be electronic – through a personal digital wallet, and accessible through a cell phone, with banks’ agents providing the cash out (loans, deposits and withdrawals). This also allows the programme to monitor and evaluate how loan funds are being invested at the lowest transactional costs and the purpose of the loans.

**Digital information management:** The majority of women targeted by the programme lack a formal financial history. The use of digital data collected is important to inform commercial bank decision-making; phone usage and mobile transactions will complement traditional methods of client identification and credit risk assessment. Analytics from the data collected will be used to underwrite risk and give a credit score. In the long term, lower transaction costs will lead to mainstreaming financially feasible rural retail lending.

**Loan terms and conditions:** One of LIFT’s Financial Inclusion Strategy objectives is to increase the supply of rural financial services (loans, savings, financial education, business services) customised to the demand and needs of women in rural households and businesses. Information and research will need to be conducted and used to know the clients well and identify constraints and barriers faced by women. Additionally, women will be engaged in the tailoring of digital financial services and solutions, and LIFT MFIs will be consulted given their understanding of women’s behaviours, needs and household income streams. A review of the extent to which banking services are gender-inclusive is a good practice to foster understanding of difference in coverage between men and women. This programme will test the financial viability of targeting women with digital financial services.

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The following is not prescriptive, but illustrative of the terms and conditions of a digital loan made available to rural, low-income women:

The commercial bank’s new digital financial services will provide up to USD 300 as a loan to women clients. The loan is secured by a cash transfer of USD 100 to each beneficiary woman; a programme grant, which is deposited into a ‘compensating balance’5 account in her name for a fixed term of five years6 (can be a shorter term). The digital loan carries an annual interest rate of 13 per cent outstanding (as regulated by the CBM). Other digital loan terms and conditions will be determined by the offeror.

The commercial bank gets the benefit of a non-interest bearing deposit, of up to five years, with an estimated return of USD 1 million (return of 4.5 per cent7 compounded over four and a half years). Financial collateral and earnings from the non-interest bearing deposit is estimated to be slightly more than 33 per cent against the seasonal (monsoon and winter) loans disbursed of USD 13.5 million. Total commercial bank lending disbursement is targeted for the first year at USD 13.5 million and USD 54 million over the next two years.

It is expected that women clients will be able invest their loans in home gardening, livestock, fisheries, crop production, small trading, micro/small businesses, social loans (education and health) and small equipment—this is the general range of investments made by MFI clients. Additionally, loans will be available for consumption smoothing.

Financial collateral: Collateral is provided through a form of a compensating balance, a minimum balance maintained in a deposit account, used to offset the transactional costs and risks incurred to set up this digital loan. The programme will engage in a conditional cash transfer (i.e. women receiving cash must participate in financial, digital and nutritional literacy activities) with a fund flow to a deposit account of USD 100 to each beneficiary woman. The cash transfer will be deposited in women’s commercial bank compensating balance accounts. The women can leverage the USD 100 compensating balance to borrow up to three times the value of the compensating balance. Loans could be higher or lower, depending on demand and how much liquidity and compensating balance the offeror considers necessary. At the close of the project, the compensating balance will become a demand deposit account (or remain a compensating balance on agreement between the bank and client).

Public-private partnership: The proposed public-private partnership is a key driver for sustainability of services delivered by the programme. This partnership brings additional leveraging of project investment funds by commercial banks, a development outcome which would not be achieved without project support. The support leverages private sector capital to create sustainable-lending financial services for rural women through the development and rollout of digital retail loans with lower transaction costs than traditional lending mechanisms. In addition, the market of financial services will increase through the introduction of these new products. These new products are scalable, a feature that will be used by private sector investments to increase the scope of these services. Given the rapidly changing environment in Myanmar, and in particular, the growth in mobile phone penetration and customer-facing cash agent channels, the programme is proposing a change in the delivery channel from a bank’s branch network, to a digital financial services channel. An advantage of using a digital channel for the commercial bank is lowered transaction costs after

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5 The commercial bank offerors would set the compensating balance based on their assessment of risk and this would be detailed in their proposals, as would repayment schedules.

6 The use of compensating balances, a particular form of collateral, is a practice well known in microfinance and regular commercial banking.

7 4.5 per cent is an estimate based on the real cost of money being 1% and the 9% time rate.
the initial account registration. The commercial bank does not need to meet the women to evaluate them, or to service each loan, as an agent of the digital financial services performs both the disbursement of the loan and collection of repayments. Furthermore, compensating balances that are non-interest bearing compensate the commercial bank for the costs incurred in servicing low-income women. The compensating balance account will reduce maintenance costs per deposit and loan account from where they are now - in excess of USD 6 per year.

3. Data Collection

Proposals must demonstrate a firm commitment to disaggregated data collection to allow the projects and programme to be analysed in line with the requirements in LIFT’s Monitoring, Evaluation, Accountability and Learning (MEAL) framework for Financial Inclusion that can be found [here](#). LIFT’s FI MEAL framework requires partners to report on their loan portfolio, client’s socio-economic status and demographics, financial services accessed, Poverty Probability Index ratings and institutional performance.

To capture the social performance information and socio-economic status of the clients the following tools will be used:

- Impact or outcome assessment will be done through the simple, low-cost and highly effective Progress out of Poverty Index (PPI). The PPI allows financial institutions to effectively translate the institution’s social objectives into practice. Refer to the PPI methods and tools available at [http://www.lift-fund.org/out-poverty-index-ppi-tools-for-microfinance-projects](http://www.lift-fund.org/out-poverty-index-ppi-tools-for-microfinance-projects)
- Monitoring and household visits: This exercise is common among the financial institutions and is the action of monitoring utilisation of financial services. The reports are useful for financial product development.
- Social Performance Indicators: Microfinance institutions that are practicing measurement of social performance indicators are encouraged to report analysis of the results to LIFT.

Analysis of demand for financial services will be done using a client satisfaction survey with a reasonable sample size to understand changes in demand of financial services. Over time, information about increase of loan size, change of loan terms, and pricing will be analysed.

4. Partnerships

Partnership quality will be a key consideration during the evaluation of proposals. Applicants should demonstrate that their organisation and any proposed partners have relevant expertise.

It is fundamental at the proposal stage that all partners in the project are aware of the proposal, its content and their specific responsibilities and agree on an initial agreement (financial and technical). Please also take into consideration that according to LIFT’s Operational Guidelines, applicants are expected to share indirect costs with their sub-partners.

LIFT will favour partners who can demonstrate sufficient contextual understanding, including of the local institutional structure and key government, non-state armed groups and civil society stakeholders. Identified partners should already have or demonstrate that they can build trusted relationships with relevant local stakeholders and have interventions that are supportive of local institutions, whether formal or informal. Gender-sensitivity of the partner organisations is required, both in organisational policy and operational approach.

5. Funding allocation

The provisional allocation for the Rural Women’s Digital Finance Programme is USD 5.8 million.
6. **Requirements for proposal submission**

Key documents for the preparation of submissions are:

- a) Annex 1: Format and requirements for proposals
- b) Annex 2: Evaluation criteria to be used by the evaluation committee
- c) Annex 3: Guidelines on gender sensitivity for proposals
- d) Annex 4: Guidelines on value for money
- e) Annex 5: Conflict sensitivity principles

Please note the following requirements for submissions:

- Proposals must be prepared in the English language according to the format requirements presented in Annex 1.
- Proposals must include a technical proposal and a financial proposal.
- Proposals must be received by email at the following address: lift.proposals.mmoh@unops.org on the date and time indicated below. Please do not submit your proposal to any email address other than the email address provided above or your proposal may be at risk of not being considered. The size of individual e-mails, including e-mail text and attachments, must not exceed 5 MB.
- Please note that the cost of preparing a proposal and of negotiating a grant agreement, including any related travel, is not reimbursable, nor can it be included as a direct cost of the assignment.

**Clarifications:** Any requests for clarification should be sent to lift@unops.org. Clarifications will be provided on the LIFT website: [http://lift-fund.org/](http://lift-fund.org/) and the UN Global Marketplace website: [https://www.ungm.org/Public/Notice](https://www.ungm.org/Public/Notice)

Also note that successful applicants will be expected to conform to LIFT’s Operational Guidelines, which are available at [http://www.lift-fund.org/guidelines](http://www.lift-fund.org/guidelines). The guidelines specify LIFT’s rules in relation to *inter alia* reporting, procurement, asset management, record management and visibility.

7. **Proposal appraisal and selection procedures**

An Evaluation Committee will complete a technical, financial and organisational capacity assessment of each proposal.

LIFT reserves the right to fund any, a portion of, or none of the applications submitted. As part of its evaluation process, LIFT may elect to discuss technical, cost or other issues with one or more applicants. After scoring the proposals, the evaluation team may determine that one or more proposals require further clarification and possible revision. Discussions with submitting organisations are only conducted with regard to proposals determined to be acceptable. In reviewing proposals, the Fund reserves the right to accept parts of a proposal and/or, in close consultation with applicants, to build a programme composed of several proposals (or parts of these proposals) put together.

The selection of the proposals is carried out through two stages:

1. **Appraisal by the evaluation committee:**
The Evaluation Committee will appraise each proposal using all the criteria listed in this section. Proposals that do not align sufficiently with the LIFT strategy, the LIFT Gender Strategy and the
thematic requirements of this call, or which have shortcomings regarding the criteria outlined in this section, will be rejected. The full appraisals of the shortlisted proposals are submitted to the LIFT Fund Board with recommendations.

2. LIFT Fund Board review:
The Fund Board will review the appraisals and provide its recommendations for endorsement and conditions of endorsement.

The endorsement of the proposal by the Fund Board is not a guarantee to receive funding until the conditions attached to the endorsement have been fulfilled and the grant support agreement is signed. LIFT reserves the right to reject a proposal after Fund Board approval if it cannot reach an agreement with the applicant for contracting. Unsuccessful applications will not be returned to the applicant.

Successful proposals will be implemented under a Grant Support Agreement for NGOs and inter-agency agreements with UN organisations with UNOPS as the LIFT Fund Manager. Please refer to the LIFT website for the template including the general terms and conditions [https://www.lift-fund.org/guidelines](https://www.lift-fund.org/guidelines). The expected contract duration is for a maximum of three years.

LIFT expects to sign more than one grant agreement.

8. Schedule of events
The dates provided below are only indicative. The Evaluation Committee may follow a quicker or a longer timeframe for the appraisal of the proposals.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tr>
<td>Call for Proposals release date</td>
<td>12 November, 2018</td>
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<tr>
<td>Deadline for receipt of written inquiries</td>
<td>19 November, 2018</td>
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<td>Written responses distributed</td>
<td>21 November, 2018</td>
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<tr>
<td>Proposal due date</td>
<td>20 December, 2018, 13:00 (Myanmar local time, GMT +6:30)</td>
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<tr>
<td>Grant agreement negotiation / contracting</td>
<td>Late January, 2019</td>
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ANNEX 1: Format and requirements for the proposal submission

The proposal must be complete and conform to the formal requirements presented below. Submissions must be made electronically as outlined in the main part of this call for proposals. Electronic submissions must not exceed 5MB in size.

The proposal must not exceed 25 pages (12 point Calibri Font and a minimum of 1 inch margins all around). Pages should be numbered. The proposal may include annexes with additional details regarding approach, methodologies, references, maps, etc. Annexes must not exceed 30 pages.

LIFT will consider only applications conforming to the above format and page limitations. Any other information submitted will not be evaluated.

Applicants should include all information that they consider necessary for LIFT to adequately understand and evaluate the project being proposed. The remainder of this section describes the information that LIFT considers necessary for all applications. There is no obligation to follow the order of the sections below, and applicants are encouraged to make their proposal reader friendly and to avoid repetition.

Proposals must consist of the following:

Title page
Project title, name and contact of the applicant, partners, geographical area, expected project duration, start and finish dates and total budget. Note that the title page is not counted in the proposal page limitation.

Preamble
Include a table of contents, a list of abbreviations, a map and an executive summary. Note that these pages are not counted in the proposal page limitation.

Project background and rationale
Outline the origin of the concept, problem definition/rationale and context for the project. Outline how the proposed project aligns with the LIFT strategy (available on LIFT website www.lift-fund.org) and the thematic components of this call and explains how lessons from previous experiences and studies inform the design of the project.

Explain how the project aligns with the development plans/priorities of the Government of the Union of Myanmar (if not, why not), and other development partners working in the same field and/or area. Identify any gaps in the available knowledge.

Outline the results of key discussions that have taken place in preparation of the proposal, including:

- who was consulted (e.g. other development partners, government departments, NGOs, etc.)
- any issues raised pertinent to the project’s rationale and design approach
- a summary of the views of other key stakeholders

Target area and stakeholder analysis
This section should describe the targeted geographical areas of the project and number of direct and indirect beneficiaries (disaggregated by sex). The distinction between direct and indirect beneficiaries should be clear.
A project stakeholder analysis should be included to review the key direct and indirect beneficiaries, and the organisations and individuals involved and who have an interest - along with any vested interests they may have. The following are also important:

- a clear description of how the project will cooperate with the government and non-state actors, and engage with the private sector
- a description of the role of all local institutions involved and any support or intention to establish new institutions clearly detailed and justified
- where new or improved institutional arrangements are to be enduring, explanation should be provided on the sustainability provisions included

Outcomes, outputs, activities, technical approach, methodologies and scope

The activity and methodology description needs to be sufficient to identify what will be done, how it will be done, and where it will be done. It should indicate who will do what at a broad level to explain stakeholder roles. The structure of the proposal needs to align with the workplan and budget to allow tracking analysis and value for money assessments.

This section should include consideration of relevant cross-cutting issues (gender, nutrition, human rights and the environment). The gender issues the project intends to address should be reflected in the activities and workplan.

A work plan should be presented in graphical (spreadsheet or table, preferably in LIFT template) form and can be attached as an annex. It should indicate the sequence of all major activities and implementation milestones, including targeted beginning and ending months for each step and key deliverables. Provide as much detail as necessary to understand the implementation process. The work plan and budget should align and show a logical flow of implementation steps, indicating that all the things that must happen have been carefully thought through from the start to the end of the grant project. It should consider seasonality and/or other major constraints. Please include in the work plan all required milestone reports and monitoring reviews.

Risks and mitigation

Identify and list major risk factors that could result from project activities and/or the project not producing the expected results. These should include both internal/operational factors (e.g. the technology involved fails to work as projected) and external factors (e.g. government policy changes). Outline mitigation strategies and/or how risk will be identified and assessed in the design. Include key assumptions on which the proposal is based.

Cross-cutting issues (gender, nutrition, environment, do-no-harm)

Cross-cutting issues like gender, nutrition, do-no-harm need to be considered in the proposal. The gender issues that the project intends to address should be reflected in the activities. See annex 3 for details about inclusion of gender considerations in the proposal.

Nutrition (especially the reduction of stunting in children through a focus on the first 1,000 days window) is an important cross-cutting issue for LIFT that needs to be included in project implementation. For more information about what LIFT is doing to reduce stunting and improve nutrition see the LIFT website.

The proposal has to show that the proposed interventions do not harm the target group or any other stakeholders to the project.

Monitoring and evaluation for accountability and learning (MEAL) management

This section should follow the guidelines provided in LIFT’s Financial Inclusion MEAL guidelines https://www.lift-fund.org/meal-framework-financial-inclusion.
Projects need to establish an appropriate project baseline and conduct an endline survey to support the final evaluation.

**Organisational background of the applying organisations**

It should be clearly demonstrated that the proposing organisation has the experience, capacity, and commitment to implement the proposed project successfully.

The following should be covered:

- Type of organisation – Is it a community-based organisation, national NGO, international NGO, research or training institution?
- Organisational approach (philosophy), purpose and core activities of the organisation, and relevant experience.
- Length of existence and legal status. The applying organisation and partners should have the appropriate authority to carry out the project in Myanmar.
- Expertise mobilised from within and outside the organisation.
- A description of partnerships, how long they have been in place and for what purpose.
- An explanation of previous or existing activities in the target area and what working relationships are in place with government and non-state actors.

**Staffing**

An overview of the organisational structure of the project should be provided, including the CVs of key personnel (national and international), (e.g. chief of party, project director, senior technical advisor).

How the expertise required for project implementation will be made available should be explained (i.e. from within the organisation, through external consultancy, and partnerships) along with a description of implementation roles. LIFT encourages gender balance in the project team composition.
Partnerships

Explain who the partners are, how they have been identified, what their specific expertise is, what their contribution is to be and how the relationships between the partners will be managed throughout the project. The section should explain what the governance and coordination arrangements are, and how the project will maximise local ownership. The lead applicant should provide a brief assessment of the institutional, organisational and technical capacities of partners and how the project will strengthen their capacities, including:

- institutional, organisational and technical support to, and capacity building of, local partners
- identify budget allocation between partners, including for indirect costs (see below)
- contractual relationships and coordination/decision-making systems
- organisational chart including links between partners

If a partner is not full time on the project, please provide a schedule for their inputs.

The lead applicant should submit in an annex to the proposal a letter signed by the proposed partners stating that they have contributed to the project design, are willing to collaborate with the applicant and that they agree to enter into an agreement if the proposal is successful.

Project budget and value for money

A realistic budget is an important part of developing and implementing a successful project. The proposal budget should include a detailed breakdown of costs. The budget template available on the LIFT website must be used https://www.lift-fund.org/budget-initial. The budget breakdown should clarify the total allocated budget for each component that the project will contribute to. The budget breakdown should align with the workplan.

The following important principles should be kept in mind in preparing a project budget:

- Include only costs that directly relate to efficiently carrying out the activities and producing the outputs and outcomes, which are set out in the proposal. Other associated costs should be funded from other sources. Refer to the LIFT operational guidelines on what LIFT can and cannot fund.
- The budget should be realistic.
- The budget should include all costs associated with managing and administering the grant project. In particular, include the cost of gender-sensitive monitoring and evaluation.
- Indirect costs are allowable up to six per cent of the total direct costs, not including investment capital funded by LIFT.
- The budget line items in the budget template are general categories intended to assist in thinking through where money will be spent. If a planned expenditure does not appear to fit in any of the standard line item categories, list the item under other costs, and state what the money is to be used for.
- The figures contained in the budget sheet should agree with those on the proposal header and text.
- The budget needs to be accompanied by detailed assumptions on costs (e.g. how many computers are required for how many staff, how per diems are calculated, etc.). The narrative detailed assumptions should not repeat the budget figures but explain your assumptions when calculating the figures in the budget.
- Costs incurred at headquarters outside Myanmar will be only considered in exceptional cases and if directly related to the project.
Financial and technical proposals should be sufficiently linked with the work plan to conduct value-for-money (VfM) assessments of the project during implementation. A lot of the value for money assessments during the implementation will depend on realistic planning and well managed implementation.

Proposals that demonstrate that LIFT’s funds will leverage other funds, as well as proposals that demonstrate multiplier effects or clear progress towards financial sustainability, are encouraged.

For more guidance on value for money see annex 4.
ANNEX 2: Evaluation criteria

An Evaluation Committee will appraise applications in accordance with the selection criteria identified below. Applicants should note that these criteria serve to a) identify the significant issues that applicants should address in their applications; and b) to set standards against which all applications will be evaluated. If there are ambiguities/unclear explanations, or further need for details, the LIFT Evaluation Committee will seek clarification from the submitting organisation if the proposal otherwise meets the main criteria.

The Evaluation Committee will assess the following questions to justify their final appraisal:

- **Completeness**: Is the information provided in the proposal complete and sufficient for the appraisal?
- **Relevance**: Is the problem definition and rationale for the project clear and does it address a critical issue relevant to LIFT strategy?
- **Context analysis**: Is the project based on a good understanding of the context in the respective project site?
- **Stakeholder analysis**: Is there a stakeholder analysis and a clear definition of target groups? To what extent is participation of, and ownership by, key stakeholders in planning and design evident? Is it clear how the project will work with the government, non-state actors and the private sector?
- **Coherence of the design**: Is there clear outcome logic? Are the project’s expected results well defined and aligned with the identified problem/needs?
- **Approach and methods**: Is the project approach and methodology innovative, feasible and appropriate? Are the methodologies based on previous experience and evidence-based knowledge? Is the idea technically feasible and likely to achieve the stated results? Does it embody good development practice and lessons?
- **Operating principles**: Is the proposed project in line with the LIFT Operational and MEAL Guidelines? How specifically does the project propose to monitor continuous alignment with the principles?
- **Sustainability**: Does the project demonstrate a good case for sustainability of the proposed outcomes and impacts beyond the funding period? Has an exit strategy been considered?
- **Cross cutting issues**: Are relevant gender, nutrition, migration, and environment issues considered?
- **Gender sensitivity**: Does the proposal demonstrate awareness and understanding of concrete gender-related/gender-specific challenges in the project context? To what extent does the proposal strive to include women as both, equal participants and as equal beneficiaries? To what extent does the proposal plan to contribute to greater gender equality and women’s empowerment? What concrete measures are proposed to address gender issues? Is gender equality/women’s empowerment reflected in the proposal’s activities? Does the project plan to conduct a gender analysis at the beginning of project? Will the project collect sex-disaggregated data? Are gender-sensitive and/or gender-specific criteria integrated in monitoring and reporting systems? Refer to Annex 1 for specific guidelines and evaluation criteria for gender sensitivity. See annex 3 for more guidance.
- **Risks**: Has the proposal sufficiently considered major internal and external risks and indicated risk mitigation measures to be developed?
• **Monitoring and evaluation for accountability and learning:** Is a measurement framework provided and appropriate to the type and scale of the project?

• **Learning and policy dialogue:** Does the project give scope to contribute to evidence-based knowledge and policy dialogue?

• **Capacity:** Does the proposed implementing organisation and its partners have the necessary technical expertise, experience and capacity to implement the project?

• **Partnership:** What partnerships are foreseen in the proposal? Is the partnership built on long-term trust relationships? Is the governance and coordination system between stakeholders and partners appropriate? Is the role and involvement of the sub-partners clear and sound? Are the local partners likely to increase institutional, organisational and technical capacities through project implementation?

Partnership quality will be a key consideration during the evaluation of the proposals. Applicants should demonstrate that their organisation and proposed partners have relevant expertise. It is fundamental at the proposal stage that all partners involved in the project are aware of the proposal, its content and their specific responsibilities and agree on an initial agreement (financial and technical). Please also take into consideration that according to the LIFT Operational Guidelines applicants are expected to share indirect costs with their sub-partners. LIFT will favour partners that can demonstrate sufficient contextual understanding, including of the local institutional structure and key government, non-state armed groups and civil society stakeholders. Identified partners should have already built trusted relationships with relevant local stakeholders and have interventions that are supportive of local institutions, whether formal or informal. Gender-sensitivity of the partner organisations is desirable regarding both their organisational policy and their operational approach.

• **Budget:** Does the budget demonstrate value for money for the project, in particular in relation to the expected results? Is it adequate to deliver the outputs? Is there a sufficient budget dedicated to M&E, learning and capacity building? Is the budget aligned with the workplan? Do local partners receive their share of the indirect costs? See Annex 4 for VfM guidance.
ANNEX 3: Guidelines on gender sensitivity

Why do LIFT’s proposals have to be gender sensitive?

LIFT is strongly committed to contributing to greater gender equality and women’s empowerment through all its projects and programmes. LIFT strives to achieve the following four outcomes related to gender:

• Increases in women’s access to, and control over, resources
• Increases in women’s participation in decision-making
• Increases in women’s knowledge and skills
• Improved focus on gender within livelihood and food security policies

An important step to achieving these goals is to ensure gender sensitivity is considered in the formulation and planning of projects.

What does gender sensitivity mean for LIFT?

Gender sensitivity means that in each action and process, gender norms and roles, and the impact gender has on access to, and control over, resources are considered and addressed. Suggested guiding questions for assessing gender sensitivity are:

• How does the proposal attempt to address existing gender inequalities?
• How does the proposal strive to include women as both equal participants and as equal beneficiaries of the planned interventions?

Projects should not only propose equal numeric participation of female/male participants but also strive for equal quality of their participation. The latter is more difficult to assess than merely counting numbers, and often requires supportive actions to empower women e.g. gender-sensitive activities that includes men/boys to ensure that women’s decision-making capacity is sustained beyond the project.

Where do LIFT’s proposals have to be gender sensitive?

Gender sensitivity should be woven into all stages of projects and programmes. Every project proposal includes a mandatory section on gender where the project is required to answer the question: “How is gender considered in the project...?” Here, the proposal outlines the gender sensitivity, and the alignment with LIFT’s gender strategy and how the proposed intervention contributes to LIFT’s four gender programme outcomes stated above.

Gender should also appear explicitly in the project’s workplan to reflect gender-related goals and outcomes of the project.

ANNEX 4: Guidance on value for money

VfM in the proposal

Value for money (VfM) begins with programme design. Project proposals should include an overall value for money statement (why the chosen interventions are better value for money than alternative approaches to address the same problem). For example, the VfM statement could include a cost-effectiveness assessment of two or more alternatives, unit-cost benchmarks, or local or international evidence that supports the chosen intervention, and the reasoning for the proposed approach in this context.

How the project will manage VfM during implementation

This guidance provides a high-level overview of VfM in the project cycle (Figure 1); a description of how the programme components are assessed for VfM (Table 1); and how the assessment of programme components is linked to the four VfM factors: economy, efficiency, effectiveness, and equity (Table 2).

Projects begin with inputs (grants) that are translated into goods and services necessary to implement the project. The allocation of funds for staff, equipment, services, administration, and contracting with partners for project delivery are often analysed in planning and during implementation.

Translating inputs into delivery for beneficiaries involves processes and activities that lead to outputs. VfM analysis generates evidence to manage and maintain efficient operations at this project stage. Beneficiary measurements assessing the equitable spread of outputs are also analysed. For such measures cost efficiency, unit costs, and regional variations are often analysed.

When outputs are sustained, and when there is evidence of adoption of planned results by beneficiaries, effectiveness is assessed. Effectiveness may be assessed by cost-benefit analysis of sustained results, unit-costs of outcomes, value lost or gained vs. plan, sustainability, and ultimate impact to improve the lives of beneficiaries. It should be noted that effectiveness measures are often less possible in the early stage of programming when there is less evidence of adoption and sustained results.

Equity is measured across the stages of planning and implementation. Clear plans for quantifying beneficiaries should be defined including gender disaggregation, displaced persons, disabled persons, and persons in conflict affected areas.

Figure 1, following, presents the Value for Money Project Cycle.
The project cycle consists of various programme components illustrated below in Table 1.

**Table 1. Programme components**

<table>
<thead>
<tr>
<th>Input:</th>
<th>Process:</th>
<th>Output:</th>
<th>Outcome:</th>
<th>Impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR, procurement of goods and services to accomplish project objectives, contracted deliverables. e.g. vaccines procured, contracting methods</td>
<td>How are inputs used for beneficiaries; strategy to accomplish project objectives; partner management e.g. plans to deliver and monitor use of vaccines</td>
<td>The planned results delivered for beneficiaries e.g. Number of children vaccinated</td>
<td>The sustained use, adoption, or benefit received by beneficiaries e.g. children less susceptible to major childhood diseases</td>
<td>Long-term transformative change e.g. poverty reduced</td>
</tr>
</tbody>
</table>

The evaluation committee will review the project’s VfM approach for a clear plan indicating how the VfM factors (Table 2) will be measured and managed across programme components during project implementation.

**Table 2. Value for money factors**

<table>
<thead>
<tr>
<th>Economy:</th>
<th>Efficiency:</th>
<th>Effectiveness:</th>
<th>Equity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the evidence that the purchase and contracting for goods and services is the best quality at the best price? What are the processes to ensure economy for the project duration?</td>
<td>What is the relationship between planned and actual results and expenditures? Are output targets achieved at or below budget? How will the project manage efficiency during implementation?</td>
<td>How will the project measure if the interventions are effective? How will the project assess the likelihood of sustainability or the needed for additional support? How will beneficiary adoption of results, and potential impact be estimated or measured? What is the exit plan when the project ends?</td>
<td>How will the project measure the equitable spread of benefits across gender, disabled persons, displaced persons, and persons in conflict areas? Justify whether beneficiary disaggregation will be assumed, estimated, or counted? Has the project considered the possible costs to ensure equity?</td>
</tr>
</tbody>
</table>
To demonstrate an understanding of VfM, it may be useful to propose a limited number of measures that will be reported on regularly, the data that will be used for VfM reporting and calculations and link each measure to one (or more) VfM factor(s).

The evaluation will review how the proposed project will include VFM analysis in its strategy and planning and how the project will manage VFM during implementation. It is not necessary to propose all possible VFM metrics, though it is helpful for the project to suggest one or more metrics that will provide evidence of economy, efficiency, effectiveness and equity.

**Indicative approaches to VfM management for proposals**

Table 3 describes some indicative appraisal criteria that LIFT’s Fund Management Office (FMO) uses for assessing VFM in proposals. If a proposal is advanced for further consideration, the VFM metrics may be further defined or revised in consultation between LIFT and the implementing partner.

**Table 3. Indicative approaches to VfM in proposals**

<table>
<thead>
<tr>
<th>Describing the VFM plan</th>
<th>The project proposal should describe how it aims to achieve or represents VfM or what the expected returns on investment are (overall or for specific project components).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>What are the proposed VFM metrics to address each VFM factor (economy, efficiency, effectiveness, equity)? Will the project conduct, cost performance ratio, cost-benefit analysis? Will there be transparent procurement procedures in place? How will project unit costs compare to unit costs for the same outputs in similar projects (here or globally)? Has cost benchmarking or cost-effectiveness data been presented to make the case for the project?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternative project approaches</th>
<th>The project approach should offer better VFM compared to other approaches (consider benchmarks where possible).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Are alternative approaches offered or clear justifications outlined why specific approaches are selected? Have the expected results and financial costs of alternative approaches been considered?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Robust design</th>
<th>The proposal should outline a well-thought out design to achieve the project objectives.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For example, this may include a thorough analysis of the project context and strategies for effective delivery, innovative approaches for promoting uptake or dissemination, promising technologies or delivery models, etc. What are the key aspects of the design that warranted the project’s selection? How will the project address displaced persons, persons in conflict areas, disabled persons, gender, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget Alignment</th>
<th>The project budgets and results indicators are aligned to allow easy VFM activity/output/outcome assessment.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget templates should be designed in a manner that enables proper alignment to the programme components on the basis of which standard VFM calculations will be performed (e.g. by ‘programme outcome’). Is the budget presented to a level of detail that will allow expenditure monitoring by component, if desired?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Data collection (M&amp;E)</th>
<th>The project M&amp;E system (indicators and data collection plans) is set up to allow for assessment project results vs. expenditures. The M&amp;E system should also allow VFM analysis at the project level and regional (township, state) levels and for multi-region projects. The project level VFM analysis should align with the LIFT logframe and the regional and project results frameworks.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Is it possible to determine the budgeted costs of the outputs and the activities that contribute to outputs? Does the project define data collection plans and have measurable indicators that allow for VFM assessments of outcomes? Is it possible to determine the budgeted costs of the outputs and the activities that contribute to outputs?</td>
</tr>
<tr>
<td>Long-term benefits and sustainability</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>
| What are the opportunities and challenges for long-term sustainability of the project or key project outputs/outcomes. Is the project likely to be sustainable, replicable and/or scalable (or to have significant impact on policy)? How will the project address long term sustainability? Is private sector involvement possible? Will the project seek to influence increased government funding; if so, how will this be measured by the project? Is other funding likely to follow the current project? What is the exit plan at project end? For example, are cost-recovery mechanisms in place? Are adequate documentation processes outlined for possible replication? Is there a plan for influencing policy? Projects that are sustainable (e.g. activities continue once funding ceases) will continue to generate benefits even though they may not be captured in a VfM assessment. Similarly, projects that are replicable or scalable will also have the potential to generate greater benefits if they inform the design of other projects or are able to have a wider reach.
ANNEX 5: Conflict sensitive principles

LIFT is willing to engage in conflict-affected areas or areas emerging from conflict, and in particular to support displaced people. LIFT will be intervening in new areas with a legacy of ethnic conflict, division, state failure and mistrust between stakeholders, including armed groups. LIFT will need to navigate within very complex social-political settings. In doing so, LIFT wants to adhere to the international best practices related to ‘Do No Harm’.

LIFT would like to ensure the programme design and interventions contribute to improving the livelihoods and food security and situation of people in conflict-affected areas, while taking precaution not to contribute unintended negative impacts on society. The following set of conflict sensitive principles are outlined as a basic guideline to raise awareness and guide programme and project design and implementation.

Principle 1: Understand the conflict

LIFT programme areas may be complex, and area specific analysis will be useful to understand how a community ‘works’ and to identify key stakeholders (their power and influence) and how each relates to one another and to the LIFT programme.

LIFT partners should conduct stakeholder analysis and conflict context analysis in order to understand the underlying political and socio-economic drivers of the conflict. The analysis should attempt, at a minimum, to identify key conflict drivers, conflict dynamics, capacities for tension (and violence) and for peace, and; ‘map out’ key stakeholders to determine the power relations between them (see sample table below).

<table>
<thead>
<tr>
<th>Groups/Stakeholders</th>
<th>Position/Interests</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Who are the key stakeholders / groups present in the programme operation area? • Group based on (social, economic, religious, ethnic, etc).</td>
<td>• What are the underlying interests of key groups and individuals? • What are their hopes, concerns and fears? • Do they represent the community? • Who do they make the decisions for?</td>
<td>• What are the relationships between the stakeholder groups? • What divides these groups in the area of conflict? • What brings them together? • How tensions currently are expressed?</td>
</tr>
</tbody>
</table>

In these analyses, the potential impact and consequences of LIFT-supported interventions on the conflict dynamics should be appraised to ensure they do no harm. It is important to keep progress in the peace process in view, and avoid pushing interventions ahead of the peace process or presuming outcomes that have not been realised.

The understanding of the context and conflict dynamic will help ensure that the livelihood programme is developing a strategy to minimise conflict impacts and maximise positive efforts across all areas, and at all levels (local, state/region, and national), of programme implementation.

Principle 2: Meaningful consultation with all local stakeholders

All key conflict stakeholders in the area should be properly consulted prior to the design and delivery of any interventions, and on-going, routine consultation with stakeholders should be effected throughout the programme lifecycle.
The definition of stakeholders needs to include not only local authority representatives from relevant government agencies and non-state armed groups, but all the actors who represent other aid and development service providers, political parties, business and civil society organisations (e.g., religious leaders, women, farmers and different social and ethnic groups at different levels). They should be consulted about where, how, if, and what kind of interventions are best to take place. This includes obtaining prior consent from representatives of non-state armed groups to operate in areas where they are present and/or have relevant influence.

The stakeholder consultation has to be ‘meaningful consultation’ and foster participation in decision-making processes, as well as promoting a sense of ownership. More inclusive, informal, and empowering channels of communication are required, especially where there are power imbalances between stakeholders.

**Principle 3: Engage with power holders**

There are different types of administration and governance practices in areas emerging from conflict. The programme needs to engage with key power holders that may include both government and non-state armed groups. Balancing between ‘too close to’ or ‘too remote from’ one over the other, and the ability to manage these kind of relationships is essential. The programme should ensure that the engagements will not substitute their responsibilities, and rather set a good example in dealing with power holders in order to support peace.

**Principle 4: Encourage cooperation across conflict lines**

A long-term goal of inclusion among the different communities and conflict parties needs to be maintained as part of the process of conflict resolution. Experience continues to warn that development and humanitarian aid in different parts of the country can become regarded as divisive rather than equitable and inclusive. Thus strategies of cooperation and coordination need to be delivered, including target working groups, implementing partner meetings, and regular programme assessments. The initiatives should aim to strengthen and improve development structures of the local government administration as well as of non-state armed groups, and ensure not to create unnecessary burdens and bureaucratic layers.

The programme should facilitate co-operation on interventions between government and non-government entities where feasible and opportune. The programme should also work with civil society organisations, faith-based and community-based organisations that have a significant role in crossing and bridging conflict actors, and sometimes facilitate the connectivity and relationships of those actors.

Often, local structures that cross conflict lines are not formally constituted. It may be that households, communities, or traditional structures are without formal ‘institutional’ representation and therefore, might be overlooked in partnering decisions. The programme and implementing partners must be able to identify and empower existing local and traditional structures or actors in the community that have roles to address community livelihood and development. Empowerment should include developing their capacity, particularly institutional capacity, so they become competent to perform their roles effectively.

Where there is opportunity, encourage partners representing different groups to work together around common activities for community livelihoods and food security (i.e. do not force

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9 Three different types of administration and governance: i) areas administered by the government, ii) areas administered by non-state armed groups, iii) areas where both the government and non-state armed groups administer in parallel or in mixed arrangements.
partnerships). This will be an important measure in contributing to confidence and ensuring an up-to-date shared understanding of the progress of activities.

**Principle 5: Transparency and coordination**

The programme should operate in a way that builds collaboration with and among development actors. Collaboration should help minimise duplication in each other’s work and build synergies and trust.

At all stages of intervention, it is important to ensure the objectives, activities, implementing partners, and availability of programmes and services are transparent. A lack of transparency could create fertile ground for rumours about inequitable assistance, and enable manipulation to generate animosity among stakeholders (e.g. conflict actors). Information dissemination is vital to building community and stakeholder trust, as well as successful programme delivery. The mechanism for communicating and sharing information openly needs to develop during the programme design.

However, information security needs to be considered also, particularly if related to people’s stories and security in the area, to ensure the voices of people are heard without jeopardising personal safety.

**Principle 6: Meaningful involvement and participation of local and national civil society organisations**

Civil society organisations in Myanmar (including faith-based and community-based organisations) are gaining momentum and are active from the local community to national levels at influencing policy and giving voice to the needs and concerns of people with policy makers and decision-making bodies. They also have established working relationships with conflict actors in conflict-affected areas and have access to most places, including restricted areas, through their networks. They are often organised by local groups from these restricted areas. This all means that CSOs and CBOs have a developed understanding of the community (including culture and language) and its dynamics to contribute to all stages of the project cycle, including decisions on the choice of programme strategies and intervention.

**Principle 7: Meet the priority needs of conflict-affected populations**

Misunderstandings on the intervention objectives of projects may arise if the support provided ignores key issues affecting the livelihoods of the local population, or bypasses important on-going processes, e.g. on natural resource management. This may also affect the capacity to achieve results and induce long-term changes.

Prioritisation of the programme must be based on the needs for stable livelihoods, sustainable communities and recognition of the fundamental rights of all people, including vulnerable groups who may have been denied access to resources, forced to leave from their homes, or dispossessed from legitimate claims to land, etc. It is important to engage the community in discussing the relevance of interventions and acknowledge the project limitations, what it can and cannot do. A wide range of stakeholders – and especially the affected populations – should be included in the process of identifying, prioritising and achieving programme outcomes and outputs.

**Principle 8: Inclusion and non-discrimination**

Intervention programmes should adhere to the principles of inclusion and non-discrimination, and ensure that services are provided equally to all population groups, regardless of ethnicity, language, religion, gender and age.
Under most circumstances, representatives of all groups, sub-groups and stakeholders in conflict should be included in: a) programming decisions; b) among beneficiaries; and c) among partners. Excluded/marginalised groups should be empowered and participate. Their inclusion will assist stability, sustainability, and bridge gaps that reduce divisions and create space for effective collaboration between stakeholders.

In a conflict and ethnically-divided context, it is vital to recruit staff from all population groups. Staff and projects need to be sensitive to local ethnic, linguistic, faith and cultural realities and, at the same time, not become socially or ethnically exclusive. Inclusion rather than separation should be the goal.

This will also contribute to the local human resource development and ensure that there are clear and easy communication channels between beneficiaries and project staff who share a common language and culture.

**Principle 9: Pragmatism and flexibility**

The situation in conflict-affected areas is often fluid and subject to change. Different regions may need different intervention approaches. A localised understanding of the conflict transformation challenges involved is necessary. Standard and rigid approaches in conflict zones are risky. The programme and its projects therefore, need to be flexible and provide for pragmatic responses to changeable situations. These situations may require urgent meetings with conflict actors, immediate discussions with community members, management of unexpected security concerns, and the ability to pause implementation while operations, and potentially design, are reviewed.

Standards and policies should be determined by implementing partners with key stakeholders and have a measure of flexibility in their application. Financial allocation for this flexibility and changes should be provided for in the programme budget.

Flexibility is also important to achieve results and sustainability. Design and implementation approaches need to be adaptable and based on experience and real time learning. This can be supported by process-oriented M&E systems that provide for reflection on lessons, best practice, and discussion with partners. Opportunity should be taken for upwards feedback of this learning to the state/region and national levels, also linking it in with current initiatives on conflict resolution by others.

**Principle 10: Establish feedback, accountability and grievance mechanisms**

Feedback, grievance and accountability mechanisms are an essential part of ensuring positive relationships with communities and different stakeholders. The mechanisms should be neutral, open to all, and enable good programming that could help to reduce potential for tension and conflict to escalate. The principle of accountability is central to conflict sensitivity, as it touches upon issues of power in agency, partner and stakeholder relationships, and informs the roles and type of power/influence each brings.

For partner guidance, LIFT has developed an Accountability Framework\(^{10}\) which includes a clear mechanism for responding to complaints, concerns and suggestions. Partners are expected to set up a similar mechanism which is locally adapted and practical in their intervention areas.

\(^{10}\) Available in English and Myanmar languages here: [www.lift-fund.org/guidelines](http://www.lift-fund.org/guidelines)
Principle 11: Develop a project exit strategy

Tension can arise at the end of a programme, particularly if the stakeholders and community do not understand the reasons why the programme is ending or an organisation is leaving. It is important to have a well-considered and agreed exit strategy well in advance of a programme or project coming to a close. Ideally the strategy will be designed at project inception in consultation with community, key stakeholders and partners, and with a conflict sensitive perspective.

Resource allocation issues should be carefully considered, especially where there is potential for conflict, including what, who and how they are allocated. Measures should be drawn up to mitigate the risk of exacerbating tensions.

The ownership arrangements for project benefits should be agreed, and any newly established local organisations and groups should be strengthened and brought to a point where they can be independent and able to operate without project support. Avoid setting up structures that are pushed by the project; rather engage stakeholders and community members to build their understanding and participation gradually with consent and ownership. Structures established by projects do not last long if they do not effectively serve the purpose and interests of the community. Structures that help bring conflict parties and others together and prove relevant to addressing community issues will be more likely to endure.

Principle 12: Operationalise the principles throughout the programme lifecycle

The guidance provided by these principles should be built into design to ensure effect throughout the whole life cycle of programme and project execution. The initial analysis of conflict dynamics can become quickly outdated and so will not be useful if not operationalised through a strategy for engagement throughout implementation. In some cases issues not identified by early analysis may unexpectedly appear when activities commence. It is important therefore, that projects have mechanisms to regularly review and update design and operational strategies.