



PEACEBUILDING FUND
[MYANMAR]

PROJECT HALF YEARLY PROGRESS UPDATE

AS OF JANUARY – JUNE 2013

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| Project No & Title: | PBF/IRF-64 Procurement for the Start-up of the Myanmar Peace Centre (MPC) | | |
| Recipient Organization(s)¹: | UNOPS | | |
| Implementing Partners (Government, UN agencies, NGOs etc) | Myanmar Peace Center (MPC) | | |
| Location: | Yangon, Myanmar | | |
| Total Approved Budget² | USD 477,426 | | |
| Funds Committed³ | USD 0 | % of funds committed / total approved budget: | 0% |
| Expenditure⁴: | USD 0 | % of expenditure / total budget: (Delivery rate) | 0% |
| Project Approval Date: | 27 February 2013 | Possible delay in operational closure date (Number of months) | 3 - 4 months |
| Project Start Date: | 01 February 2013 | | |
| Expected Operational Project Closure Date: | 31 July 2013 | | |
| PBF Outcome Area⁵ | <p>Outcome Area (from Priority Plan or Project Document):</p> <p>PBF Priority Area: Implementation of Peace Agreements</p> <p>Strategic Outcome: Myanmar Peace Center commences rapidly with its intended functions, thanks in part to critical gaps filled by the PBF, and it becomes recognized as a critical positive actor in the peace process.</p> | | |
| Qualitative assessment of achievements and challenges | MPC has already started to function in its peacebuilding activities, for which negotiations with ethnic groups is required. The procurement of equipment will allow MPC to <u>monitor</u> the ceasefires effectively by accessing (with vehicles) and | | |

¹ Please note that where there are multiple agencies, only one consolidated project report should be submitted.

² Approved budget should be the amount transferred to Recipient Organisations

³ Funds committed are defined as the commitments made through legal contracts for services and works according to the financial regulations and procedures of the Recipient Organisations.

⁴ Actual payments (contracts, services, works) made on commitments.

⁵ Reference to be made to outcomes of the Priority Plan or PBF Performance Management Plan (PMP)

reaching (with radios) hard-to-reach areas, which they are less able to do so now. As MPC increases in size, with an expanding remit, the need for transportation and communications is set to increase. The benefits of the project are thus great.

This procurement project is progressing; the equipment is currently being procured by the Procurement Unit of UNOPS Myanmar in coordination with Myanmar Peace Center (MPC).

There have, however, been delays in implementation. These are due to various factors. The process of negotiating the content and signing of the Project Document was lengthy. Subsequently, after PBF funds were received, the process was repeated for the Memorandum of Agreement, which is the legal document between UNOPS and MPC, essential for risk mitigation. These two documents required approval from not only MPC but the President's Office, Government of Myanmar.

Following the signing of the documents, the specifications of the 3 types of equipment have been subject to much discussion and changes from the original requirements. The challenge for the Procurement Unit, UNOPS, has been to ensure that these changes fully satisfy the client (MPC) while remaining within the original approved budget categories of the PBF award. To be specific, regarding the **generator**, MPC amended their request to 2 units of 100KV generators instead of 1x60KV & 1x100KV generator. UNOPS subsequently re-issued the Request for Quotation (RFQ) to suppliers, with the closing date of 15 July 2013. For the **radios**, MPC amended their request to 300 handheld units instead of 200, and also requested to cancel the original requirement for base stations mentioned in the RFQ that had been already issued. For this change, which requires issuing a new RFQ, UNOPS has requested an official letter from MPC to clarify the reasons. For **vehicles**, MPC submitted the confirmation for specifications on 12 July 2013. The tender process will now be launched. **Annex A** details the timelines for procurement for reference.

The risk in this project has, from the outset, been the material support to a nascent organization at a stage when their capacity is relatively untested. The potential benefits of doing so, given the pivotal role of MPC in peacebuilding and UN's support to the peace processes, were deemed greater than the risks. This is unchanged; UNOPS believes that this equipment, once delivered, will enable the MPC to deliver more quickly, more frequently, and across wider geographical areas. Their reach will be extended.

The issues of capacity do not however refer only to capacity in the core MPC mandate of peacebuilding and ceasefire management. On a more fundamental level, capacity also refers to the core operational capacities required in any new organisation, e.g. administration, logistics, communications, coordination, etc. As the Project Document (p. 10) states:

"While the MPC has significant backing from the Government of Myanmar, it still has to build its capacity to mobilise and negotiate with armed groups (and sub-groups). Taking into consideration that:

- *many MPC staff members will be new and with varying capacities, and*
- *it will take time to build management systems / processes;*

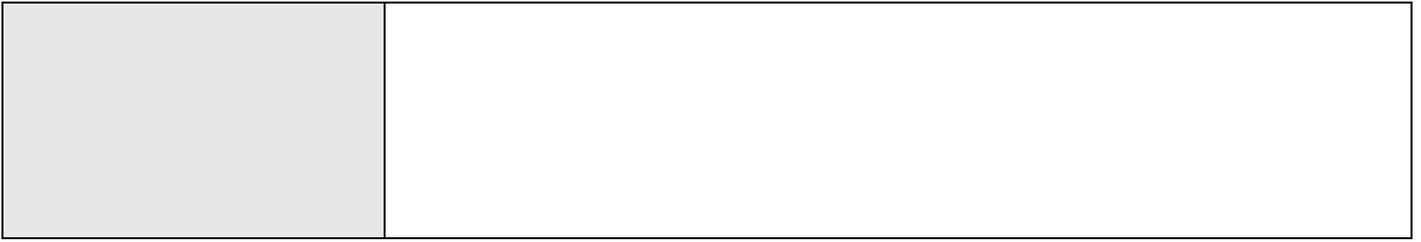
the probability of achieving successes immediately is low."

The lengthy negotiations over the project document and Memorandum of Agreement were partially caused by inexperience in dealing with such documents. Currently, Procurement Unit of UNOPS is coordinating with MPC staff whose role in that organisation is not actually procurement, as they do not have such human resources. These "*management systems/processes*" are not yet robust.

Procurement is a core UNOPS mandate. Our procurement procedures are systematic and methodical. These procedures, in addition to the aforementioned negotiations over Project Document, Memorandum of Understanding and equipment specifications, have resulted in a lengthy implementation process. This is never desirable but these processes are helping to mitigate the risks of this project, by ensuring that the equipment is requested, procured and delivered based on sound rationale and planning.

MPC is unlikely to have experienced such rigorous processes or quality controls before. It is extremely beneficial for their evolution as an organisation that they are now doing so. Therefore, while implementation delays are regrettable and we cannot yet say that this has boosted MPC capacity in peacebuilding, we can surely state that this project has strengthened MPC's **organisational capacity** and has exposed them to international best practices in legal documentation, procurement and logistics. Going forward, this capacity will benefit MPC in multiple ways, including delivery of their core peacebuilding mandate.

As the Project Document (p. 9) states, "*with a very complex peace process confronting Myanmar, if the peace process continues to develop as hoped the Myanmar Peace Center is likely to be in operation for a number of years, warranting the investment in the equipment*". One major unexpected result from this project is that the process leading up to that investment in equipment, although currently taxing for MPC and UNOPS, is also of long-term benefit to MPC.



INDICATOR BASED PERFORMANCE ASSESSMENT: *Using the Programme Results Framework from the Project Document - provide an update on the achievement of indicators at both the outcome and output level in the table below. Where it has not been possible to collect data on indicators, clear explanation should be given explaining why, as well as plans on how and when this data will be collected.*

| | Performance Indicators | Indicator Baselines | Planned Indicator Targets | Achieved Indicator Targets | Reasons for Variance (if any) | Risks |
|---|---|----------------------------------|--|-----------------------------------|---|--------------|
| Outcome 1⁶ Myanmar Peace Center (MPC) becomes an active and positive force to advance peace processes. | MPC begins to implement its workplan. | MPC new and not yet operational. | MPC in a position to undertake missions and travel and communicate with documentation of actions/findings made (as part of its workplan) | N/A | The equipment has not been delivered yet. | |
| Output 1.1 Delivery and use of equipment to enable successful start-up of MPC. | Indicator 1.1.1 Number of equipment items delivered vs. planned number | No equipment currently in MPC | Delivery date of end-Q1, 2013 | N/A | The equipment has not been delivered yet. | |
| | Indicator 1.1.2 Timely delivery of equipment within Q1, 2013. | No equipment currently in MPC | Delivery date of end-Q1, 2013 | N/A | The equipment has not been delivered yet. | |
| | Indicator 1.1.3 Use of equipment by MPC as intended in agreement. | No equipment currently in MPC | Delivery date of end-Q1, 2013 | N/A | The equipment has not been delivered yet. | |
| | Indicator 1.1.4 Operations and maintenance costs | No equipment currently in MPC | Delivery date of end-Q1, 2013 12 seater - 2.5 L - manual – diesel) | N/A | The equipment has not been delivered yet. | |

⁶ Either country relevant (from the Priority Plan or Project Document) or PMP specific.

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| | covered by MPC allowing continuous use of equipment. | | | | | |
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Annex 1: Timeline for procurement of items

| Subject | Request For Quotation Sending Date | Quotation Closing Date | Comparison | Bid Evaluation | Bid Evaluation Report | Award of Contract | PO / Contract issued | Delivery Time / ETA |
|--|--|------------------------|------------|----------------|-----------------------|-------------------|----------------------|---------------------|
| Generator (2 nd tender process) | 12-Jul-13 | 15-Jul-13 | 16-Jul-13 | 16-Jul-13 | 25-Jul-13 | 26-Jul-13 | 29-Jul-13 | 02 Aug-13 |
| Radios (2 nd tender process) | TBC – depends on receipt of new written request from MPC | TBC | TBC | TBC | TBC | TBC | TBC | TBC |
| Vehicles | 31 Jul 13 | 20-Aug-13 | 21-Aug-13 | 22-Aug-13 | 29-Aug-13 | 31-Aug-13 | 02-Sep-13 | 01-Nov-13 |