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## **ACRONYMS**

CDF Constituency Development Fund

CERP COVID-19 Economic Relief Plan

DAO Development Affairs Organizations

DRD Department of Rural Development

GAD General Administration Department

MoPFI Ministry of Planning, Finance and Industry

MPLADS Member of Parliament Local Area Development Scheme

MPs Members of Parliament

NLD National League for Democracy

NPC National Planning Commission

PAC Public Accounts Committee

PDAF Priority Development Assistance Fund

PICs Planning and Implementation Committees

RE budget Revise Estimated budget

RNS budget Revise and Surrender budget

TDAC Township Development Affairs Committee

TPIC Township Planning and Implementation Committee

UFC Union Finance Commission

USDP Union Solidarity and Development Party

## **EXECUTIVE SUMMARY**

The outbreak of the pandemic COVID-19 largetly hit Myanmar's health, social and economic sectors. Like other countries across the world, the Myanmar government is working hard in responding to these COVID-19 impacts in various ways. The Union level Coronavirus Disease 2019 Containment and Emergency Response Committee, the National-Level Central Committee on Prevention, Control and Treatment of Coronavirus Disease 2019 (COVID-19), the Working Committee for Remedial Works on Economic Impacts, the General Administration Department (GAD), and other government ministries and offices are working around the clock. In addition, the Ministry of Planning, Finance and Industry (MoPFI) have formulated, and been implementing the COVID-19 Economic Relief Plan (CERP). In accordance with the guidelines from the Union level, the states/regions have formed the state and regional level Committee on Prevention, Control and Treatment of Coronavirus Disease 2019 (COVID-19) and tried to meet the pandemic challenges through their cooperation with the government departments/offices. Meanwhile, there are no specific response packages either for a district or a township. As the environmental and social influences can vary greatly in different townships across the country, the long-term impact of the COVID-19 pandemic on each of them will be distinct. Such situations rather generate challenges on the ground in following the policies and guidelines set by the higher levels.

In such regard, the role of the Township Planning and Implementation Committees (TPIC) becomes crucial. In fact, they have identified an increasing number of proposals under the bottom-up planning process introduced under the former President U Thein Sein's administration. The development of the TPICs demonstrates the capacity and willingness of the successive governments since the 2011 democratic transition in Myanmar, as well as a recognition of a need to serve the public needs and demands for socio-economic development, and for a good public service provision. Hence the Committees are the key actor to react to the COVID-19 challenges and impacts with the township-level plans.

The TPICs are generally composed of all the township-level officials. The Township Administrator of the GAD serves as the 'Chairman' and the Township Planning Officer as the 'Secretary' of the Committee. As the government's line departments/

offices present at the township level vary among townships, TPIC's organizational structure varies from township to township. Roughly it includes department officials from various line departments such as DAO, Road Management Department, Bridge Management Department, Electricity, and Fire Departments, as well as the community elders as the Committee members. Although they are not involved in membership, the MPs (Amyotha Hluttaw Representative, Pyithu Hluttaw Representative, State or Region Level Representative (1) and (2)) are invited as patrons to the Committee. Due to a variation in the committee structure and their duties and responsibilities outside the TPICs, it will be better to impose a formal Committee structure with a legal document for the clear distinctions and responsibilities of the different actors in the subnational planning and budgeting process. As the female population serving as the township administrators in the whole country is very low, appointing the first ever female township administrator in Coco Islands in October 2018, gender considerations in the planning and budgeting processes should also be taken into account.

The TPICs run their office at the District Planning Department, and has to depend on its mother department's benefits as the Union government does not allocate separate equipment and staff for the Committees. Apart from their commitment outside the Committee, the TPIC members and the MPs have to generalize and prioritize a high volume of proposals, then submit them to the higher levels, implement and assess them in a budget year. Hence the Government should provide additional members to the Committee, or if not, it should ensure sufficient time for projects development and review.

Since 2015, the coordination meetings are held once or twice a month regularly. The Committees are responsible to formulate the plan proposals through their direct engagement with the constituencies, or from the ward and village-tract administrators, the MPs and the line departments, and then prioritize them before submitting to the next level. However public participation in the TPICs is limited not just because opportunities for community participation are few, but also due to their interest in struggling for livelihood, and/or the lack of interest and hope in such events. In that case, the aims, objectives, missions, and visions of the TPICs should be clarified to the public. They can bring all walks of life to the public forums with a fixed date, and carry out field visits to the constituencies, and right up to their doors if possible. In fact, some of the township administrators have already been working on this recommendation. In addition, in some townships, certain line departments/offices submit the proposals to the TPICs only for a share of

departments/offices submit the proposals to the TPICs only for a share of information and an approval before proposing to higher levels. In such situations, clearer regulations and instructions on the role of the TPICs may increase its decision-making power.

Plan proposals must be submitted with the operationalized budgets, estimated by the DAOs for the local development projects, and by the respective line departments/offices for the sector-based projects. The plans are funded by the State/Regional Budget or by the Union Budget based on Article 96, Article 188 of the 2008 Constitution, and their appendix schedules 1 and 2. The annual planning process of the Committee begins with the Union level Planning Department's instructions to commence the planning and budgeting processes to the ministries, and state/region governments. Project plans are identified routinely throughout the year during the Coordination meetings. With a more concentrated effort, such projects are specified through a level of prioritization, either A, B, or C in the build up to the budget drafting period. There is no formal criteria used for selecting the priority projects. With the lack of formal criteria and policies, proposals are largely prioritized for inclusion in the budgets. The projects that are truly needed on the ground can be often overlooked due to their higher costs.

The high degree of Union control over the budget decisions can lead to the lack of adequate information at the Union level on the local needs and priorities. Whichever Government level is financing, all project plans operating within the township area must be generated and implemented by the Committees in principle, there are plan proposals that are neither formulated by nor known to the Committee members.

According to the KII results surveyed in this report, development plans such as road, ditch, drainage pipe, retaining wall, back lane drain pipe replacement, digging wells, school and department's building maintenance and repair or building new ones, health, and electricity are the commonly formulated project plans. Among them, plans concerning road, bridge, ditch, electricity, education and health are mostly being succeeded. It can be, thus, said that the state/region governments are prioritizing infrastructural development for their regional development, consistent with the 12-point economic policy published by the Union government in August 2016.

Nevertheless, TPICs are the Committees that possess the unique features including the decentralized layout and trilateral representation from the government's line departments/offices, the Members of Parliament (MPs) and the public. Their ability to formulate the people-centered project plans in accordance with the environmental and social influences of their respective townships in response to the long-term impacts of the COVID-19 pandemic to their township cannot be ignored during this period. If they can generate and implement the plans that support the township level businesses and the low-income households and address unemployment; provide training and information; and practice field surveying and evaluation on the COVID-19 response plans demanded by the constituencies, the bottom-up democratic governance can be clearly portrayed. Since these TPIC plans are trilaterally formulated by the Committee members, i.e. representatives from the government departments/offices, and the MPs and the public, they are more likely to strengthen accountability and responsibility; increase mutual trust between the government and the people; and encourage the practical fiscal expenditure and the effective use of limited resources within the country, which consequently pave the way to achieve the economic development.

## RESEARCH METHODOLOGY

The research methodology of the report is qualitative research methods. The researchers assumed one township from each district of Yangon Division as the random sampling method. The chosen sampling areas or the assumed interview sites of the townships are Yankin, Ahlone, North Okkalapa and Kamayut. Primary data are collected in the mean of making interviews to the members of the committees, General Administrators, Members of the Parliaments and etc. The limits of the study is data collection from the selected four townships and so the findings can differ from the contexts of rest townships and other township level committees. So the reader cannot be assumed beyond the reach of the research. If the study can be toward other townships and other committees, there will be more beneficial studies for the welfare of the people and of the government.

# ROLE OF TPICS DURING THE COVID-19 PANDEMIC

The Coronavirus Disease (COVID-19) has spread to the rest of the world, including Myanmar. This outbreak of the pandemic COVID-19 largetly hit Myanmar's health, social and economic sectors. Like other countries across the world, the Myanmar government is working hard in responding to these Covid-19 impacts in various ways.

The Union level Coronavirus Disease 2019 Containment and Emergency Response Committee, the National-Level Central Committee on Prevention, Control and Treatment of Coronavirus Disease 2019 (COVID-19), the Working Committee for Remedial Works on Economic Impacts, the General Administration Department (GAD), and other government ministries and offices are working around the clock. In addition, the Ministry of Planning, Finance and Industry (MoPFI) have formulated, and been implementing the COVID-19 Economic Relief Plan (CERP).

In accordance with the guidelines from the Union level, the states/regions have formed the state and regional level Committee on Prevention, Control and Treatment of Coronavirus Disease 2019 (COVID-19) and tried to meet the pandemic challenges through their cooperation with the government departments/offices.

#### PEOPLE'S MOVEMENT DURING COVID-19 PANDEMIC



CREDIT: THE MYANMAR TIMES PHOTO/AUNG CREDIT: THE MYANMAR TIMES PHOTO/MAR HTAY HLAING NAW

Meanwhile, there are no specific response packages either for a district or a township. Instead, the district and township levels departments are implementing the guidelines instructed by the Union government and the state/region governments. In this regard, as the environmental and social influences can vary greatly in different townships across the country, the long-term impact of the COVID-19 pandemic on each of them will be distinct. Such situations rather generate challenges on the ground in following the policies and guidelines set by the higher levels.

In fact, the Township Planning and Implementation Committee (TPIC) is the key actor to react to the COVID-19 challenges and impacts with the township-level plans, as it can assemble the most comprehensive representation of line departments/offices, the people's representatives and even people themselves. People directly participating within the Committee is the main difference from other government departments, the state/region government and the Union government. And this public participation is a major gateway, as instructed by the President, to the formulation and implementation of project plans that truly serve the public needs and demands.

The role of the TPICs becomes more crucial during this COVID-19 pandemic as the Committees possess the unique features including the decentralized layout and trilateral representation from the government's line departments/offices, the Members of Parliament (MPs) and the public.

#### PEOPLE'S MOVEMENT DURING COVID-19 PANDEMIC



CREDIT: AFP PHOTO/YE AUNG THU CREDIT: AP PHOTO/THEIN ZAW

# 1. THE DECENTRALIZED LAYOUT OF TPIC (1.1) TPIC STRUCTURE

Following a Presidential Notification No. 13/2016, the TPICs were materialized on May 5th 2016 under the formation of the State/Region Planning, Formulation and Implementation Committees (PICs). The TPICs have increased in prominence under the National League for Democracy (NLD)-led government, and is playing a central role in its efforts to implement a bottom-up approach to planning and budgeting. It is generally composed of all the township-level officials (the Assistant Director of the Ministries by rank). The township level line departments and offices participating in the TPICs are different across townships since they vary from township to township. Some departments, such as the Development **Affairs Organizations** (DAO) and the Housing Department, are urban focused, whereas the DRD, the Department of Agriculture, and the Department of Forestry play a more central role in rural areas (Batcheler, 2018). Roughly TPICs include department officials from various line departments such as DAO, Road Management Department, Bridge Management Department, Electricity, and Fire Departments, as well as the community elders who are selected by the Committee members.

A similarity among townships is that the Township Administrator of the GAD serves as the 'Chairman' and the Township Planning Officer as the 'Secretary' of the Committee. The Township Planning Officer has to keep the project plans from the members for records and invite all members. Meanwhile, the Township Administrator has to listen to the public directly through the public consultations or indirectly from the Ward/Village Tract Administrators, MPs and the other government departments/offices through the Coordination meetings. Notably, the number of the female township administrators in the 330 townships of Myanmar are limited. The first

Notably, the number of the female township administrators in the 330 townships of Myanmar are limited.

ever female administrator was appointed in October 2018 (United Nations Development Programme (Myanmar), 2019), gender equality in the planning and budgeting processes should also be taken into consideration. In some townships, the Township Director of the Department of Rural Development (DRD) (Batcheler, 2018) or the Staff Officer of the Township Cooperative Department serve as the 'Joint Secretary' of the Committee.

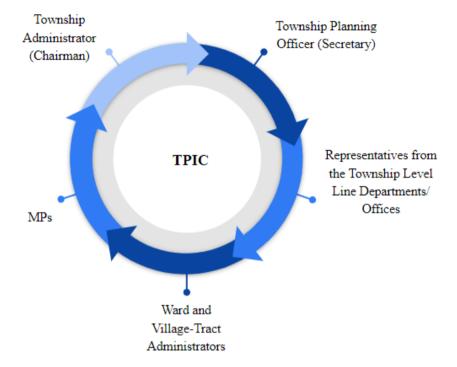
TPICs include respected community representatives in the form of representatives from the private sector, with industry, and service sector representatives etc.,. The Township Administrator is responsible for identifying the appropriate individuals for these roles. Not only the respected town elders of the previous USDP-led administration keep on serving at the Committee as they are familiar with almost all the processes like statistics, there are also newly assigned town elders under the current NLD-led administration. They normally represent in the Committee according to their occupations.

Although they are not involved in membership, the Township Planning Officer (TPIC Secretary) specially invites the (4) MPs (Amyotha Hluttaw Representative, Pyithu Hluttaw Representative, State or Region Level Representative (1) and (2)) as patrons to the Committee in accordance with the Planning Department's guidance. Because they represent their constituents, the Committee honors their advice and choices. In this way, the Committee and the MPs fully acknowledge that the public participation comes through their elected Representatives. From a democratic perspective, it can be considered positive because the TPIC members fully recognize the value and the fairness of the General Elections every five years. Not having a separate legal framework, TPIC is organized with the guidance of the President Office and conducts with a basis on the nine duties and responsibilities.

Not having their own, TPICs run their office at the District Planning Department. Besides, as the Union government does not allocate separate equipment and staff for TPIC, instead the Committee has to depend on its mother department's benefits. As a result, there is no separate equipment for the committee and staff are inadequate.

In this way, the Committee and the MPs fully acknowledge that the public participation comes through their elected Representatives.

Figure (1.1) Committee Structure



#### (1.2) COORDINATION MEETINGS

During the 2011-2015 period, the TPICs were not given much mandate and did not convene meetings regularly. But since 2015, the coordination meetings are held once or twice a month regularly where the Chairman, its secretary (and its joint secretary), its members, the MPs and the town elders chosen by the members attend. In many townships, the committee meets monthly, allowing updates on the progress of projects and a continuous process of identification and adjustment of township priorities. In accordance with the direction of the superior officers, the meetings are held during the first ten days of a month. The meetings are convened mainly on such days where the MPs are available.

Because if the Committee and the MPs had discussed the project plans unanimously since the coordination meetings, the MPs can then justify thoroughly in the Parliament on behalf of TPIC when one of those plans are being opposed. However the TPIC members in some townships complained about the usual absence of the Amyotha Hluttaw representatives. But some KII responded it is due to their commitments, and the responsibilities cover multiple townships, for instance, in Yangon region, one Amyotha Hluttaw representative has to deal with townships. Other members from departments/offices such as the Township DAOs send their representatives if they are unavailable. Note that university rectors that are equal to the the director level, become the TPIC members in the townships having universities, whose Chairmen are the assistant director by rank. In such a situation, the rectors usually send their representatives to the meetings which produces a low level of participation within the Committee.

The university rectors that are equal to the the director level. become the TPIC members in the townships having universities. whose Chairmen are the assistant director by rank. In such a situation, the rectors usually send their representatives to the meetings which produces a low level of participation within the Committee.

Fig (1.2) Coordination Meeting of TPIC in Lanmadaw township





Credit: NLD Ygn.

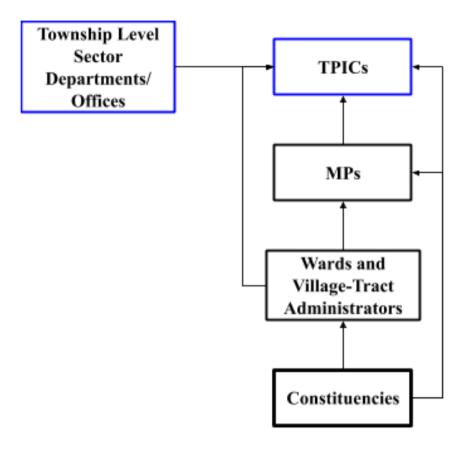
#### (1.3) PLAN FORMULATION

The TPICs are responsible for formulating and ranking a number of priority proposals for each sector for consideration at higher levels. The mechanism through which the Committee seeks to ensure that its priorities reflect the needs and desires of constituents, varies from township to township. In some townships, priorities originate at the village or ward level through the public consultations with the local residents. This process may be led by the Ward or Village-tract Administrators and may involve the MPs. Ward and Village-tract Administrators are also a significant source of proposals in many townships and across many sectors. Meanwhile the MPs may liaise directly with government departments, identify proposals during visits to the communities, or raise issues in parliament, through which the government may respond by pledging to implement a project (Batcheler, 2019). The public needs are also heard through the individual presentations.

However, the previous ward level public consultations, held until before the end of 2019, were mostly attended by a maximum of 20-25 people and a minimum of 5-6 people. In this regard, the state leaders and the government administrative employees acknowledge the importance of the public participation, but it may be flawed in the view of planning. The way or system to observe the needs and demands of the township population, who are the direct beneficiaries of the project, is weak. However in December 2019, the American model Town Hall Meetings was instructed to hold in each township in accordance with the State Counsellor's motto "Together with the People. These Meetings sought to directly engage with the people, and such direct engagement can be interpreted that TPICs are gradually becoming a more people-centered committee. It can also prove that the Government becomes more aware of the importance of information and appreciates the information provided by the public.

Apart from the projects directly or indirectly submitted from the public, there are plans submitted from the government's line departments/offices. The Township Development Affairs Committee (TDACs) present their project plans that have already been discussed within their Committees through the Executive Officer of the DAO in the Coordination Meeting while other departments present their township-level plans formulated in line with the direction of their respective departments. Many of the projects presented to the TPICs within Yangon Region (more than 70%) are submitted by the TDACs. In some townships, TPICs are passive in reviewing proposals from the individual departments as they merely present their proposals to the Committees as a way of information sharing and for approval. But in others, TPICs play a more substantive role over prioritization (Batcheler, 2019).

Figure (1.3) Plan Proposals Development Process



Project plans are identified routinely throughout the year during the Coordination meetings, with a more concentrated effort in the build up to the budget drafting period. Such projects are specified through a level of prioritization, either A, B, or C. A-listed priorities enjoy higher chances to be approved by the higher levels and are within the budget allocated for the township, while b-listed and c-listed priorities are expected to implement with the additional funds from the Revise Estimated (RE) budget or with the Revise and Surrender (RNS). With little confidence that lower priority proposals will receive funding, a great majority of proposals are often listed in Priority A (Batcheler, 2019).

There is no formal criteria used for selecting the priority projects, instead the Committee members, the MPs and other participants list them according to the needs and their importance mainly through negotiation. They also listen to a relevant line department's motion since an individual department cannot know the policies and criteria of the other. Some departments have their own technical criteria (e.g. roads are sometimes rated by Average Daily Traffic data; schools are rated by three criteria—whether the school is currently unsafe, how many pupils attend the school, and the school image) (Shotton et al., 2018). There is no such thing as voting or veto power in listing priorities. At the same time, both the Committee and the MPs recognize that the MPs' opinions are taken heed as they represent their constituents.

Under the Union Solidarity and Development Party (USDP) government, an overarching 20-year long-term National Comprehensive Development Plan (2011-30) was prepared which in turn gave rise to a series of Five-Year medium-term development plans, at both Union and State/Region levels, and which then, in turn, were operationalized through annual development plans for the state/region government, for state/region departments, and also for each township (Shotton et al., 2018). However, Planning Department officials stated that these plans are outdated, particularly as they were prepared in a top-down manner, and play little role in determining annual plans (Batcheler, 2018). During the current NLD administration, there are only annual plans for local development projects, and long, medium and short term projects for sector-based ones. But for the TPICs, a long-term project means a five-year plan until 2020. Only departments may formulate the 10-year; 15-year, 20-year and 30-year plans.

In the townships surveyed, there is no agriculture and industry, accordingly only development plans are formulated. Road, ditch, drainage pipe, retaining wall, back lane drain pipe replacement, digging wells, school and department's building maintenance and repair or building new ones, health, and electricity are the commonly formulated project plans. Among them, plans concerning road, bridge, ditch, electricity, education and health are mostly being succeeded. It might be said that the NLD-led state/region governments are leading the implementation of policies aimed at regional development by identifying infrastructure priorities (Batcheler, 2018) in consistent with its 12-point economic policy published in August 2016.

When the two projects proposed from the departments and from the public overlap, one of them is cancelled during the Coordination Meeting. In the townships studied, when the proposed plan and the approved plan go wrong, a title change can be appealed through the TPICs or through the MPs. A title change means a replacement of a plan approved with a submitted one within the budget amount approved by the Union government, for example, replacing a 100 million project with another 100 million project or with 10 projects of 10 million. This process is led by such government organizations as the Public Accounts Committee (PAC).

#### (1.4) BUDGET PROPOSAL

The plan must be submitted with the operationalized budget, which is estimated by the DAOs for the local development projects, and by the respective line departments/offices for the sector-based projects. Since 2016-2017, the Union level starts informing the states/regions about their grant-transfer amounts earlier in the process. Previously, unprioritized budget proposals were sent to the Union level unconstrained by a budget ceiling. Such change allows subnational planning to make a more realistic estimate of revenue (Batcheler, 2018). There are two different KII responses on this fiscal year change.

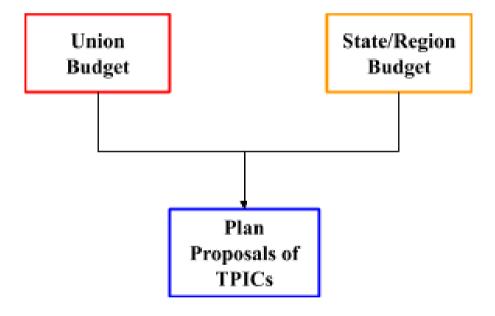
It is said that the Union Finance Commission (UFC) and the National Planning Commission (NPC) first hinted at the budget estimates. In contrast, it is argued that the Committee in some townships have never heard of an estimate of how much they may receive in a fiscal year. On this basis, the townships that can ask more, receive more budget. A consequence of the lack of information on the budget ceiling partly creates most sector departments across townships rarely submitting the list of a more realistic number of proposals that could be funded, instead a complete list of close to all proposals they receive (Batcheler, 2019). Approving only a few proposals among them not only raises arguments between the MPs and the TPIC members but also decreases the public trust on the Committees and the bottom-up planning process. It can further affect the existence of the TPICs and their Coordination meetings. Moreover in the absence of such ceilings, there is little incentive to prioritize. Many township officials answered that the more proposals they submit, the more that will receive funding (Batcheler, 2019).

The annual planning process begins with the Union level Planning Department's instructions to commence the planning and budgeting processes to the ministries, and state/region governments (Batcheler, 2019). Then the state/region Planning Departments review the previous year's annual plan before issuing instructions to the township offices to formulate plan/budget proposals for the following year (Batcheler, 2018). But individual departments may receive instructions to plan for both current and capital expenditure prior to the Planning Department instructions. In other words, it means that this bottom-up planning process is largely concerned with the capital budget in local infrastructure such as roads, bridges, new schools, new health facilities, and electricity grids. On the contrary, many elements of the current budget, including operational costs, staffing and wages are largely determined by the existing staff establishment, and the array of facilities, equipment and infrastructure; by ministerial policy, rules and regulations; and by historical spending (Batcheler, 2019).

NPC is also known as the National Planning Implementation Committee.

In 2018, the Union government made changes to the fiscal year from April-March timeline to October-September. The change was aimed to facilitate purchasing and infrastructure budgeting during the dry months of November–May. Hence, at the end of Fiscal Year 2017-2018, a sixmonth budget from April 1, 2018, to September 30, 2018 was introduced for this intermediary period until the beginning of Fiscal Year 2018–19 in October 2018. Most of the KII responses regarding this fiscal year change are not significant. But there are two different responses. The first one was that the previous fiscal year calendar of Myanmar was adjusted by the British government to the country's farming season since the colonial era, accordingly the current change is not in line with the country's economic timeline. The second is that in this new fiscal year, as the budget is transferred in the rainy season, plans have been operationalized in the rainy season while tendering, tender-screening and plan formulation have been undertaken in the dry season, the time and the type of work are to the contrary.

Figure (1.4.1) Types of Fundings to the Plan Proposals submitted by The TPICs



There are two types of annual and formal fundings to the plan proposals produced by the TPICs, one by the State/Regional Budget and the other by the Union Budget to be undertaken within the states/regions. Such difference results from Article 96, Article 188 of the 2008 Constitution, and their appendix schedules 1 and 2. Schedule 2 is implemented with the regional budget. Most of the plans within the Yangon Region, formulated by TPICs are funded by the Region budget, but the amount of the Union budget is likely to be higher. It is important to note that these two fundings are different from the Constituency Development Fund (CDF), which is a model for township-level discretion over resources (Batcheler, 2019) (detailed in Chapter 1.6).

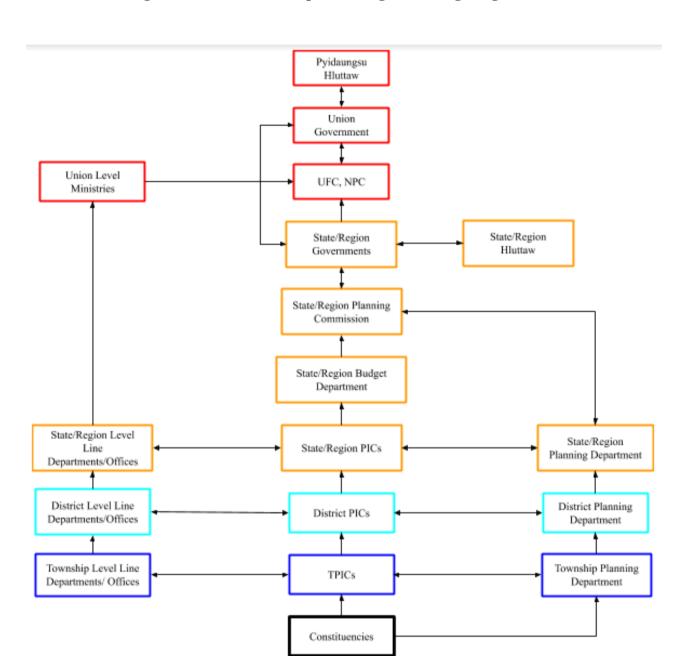
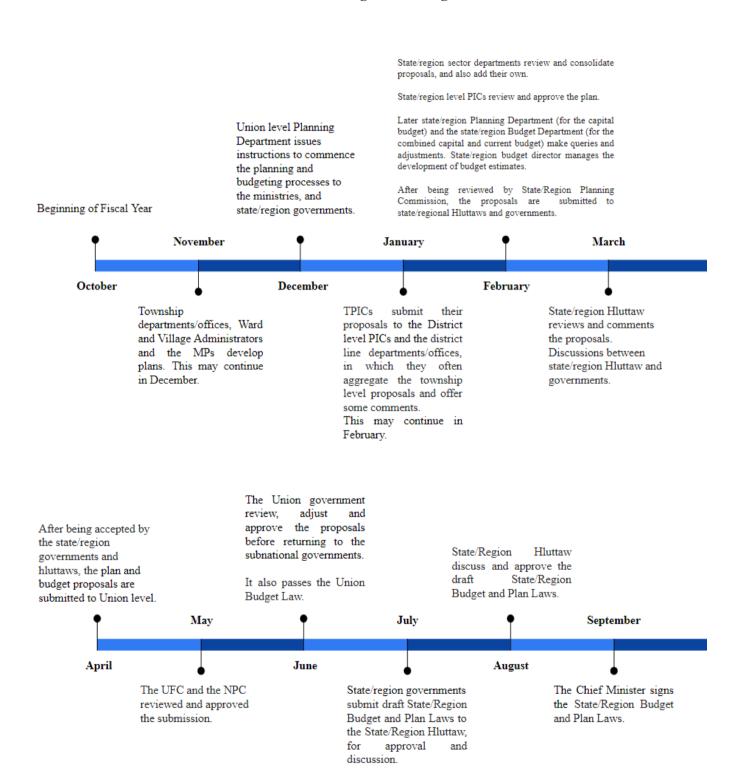


Figure (1.4.2) Bottom-Up Planning and Budgeting Process

The early stages of the proposal process are largely the same both for the Union plan and budget and the State/Regional plan and budget. Firstly, TPICs share their proposals with the District level PICs in conjunction with the district line departments/offices. They often aggregate the township-level proposals and offer some comment on their relative prioritization for the state/region consideration, with limited numbers of new proposals at this level. State/region line departments review and consolidate proposals, and also add their own (Batcheler, 2018). A major difference between the Union budget and the State/Regional budget starts as follows:

Fig (1.4.3) Planning and Budgeting Calendar for the Plan Proposals funded by the State/Regional Budget



For the latter, the proposals are then submitted to the state/region Planning Department (for the capital budget) and the state/region Budget Department (for the combined capital and current budget), which make queries and adjustments. The state/region level PICs, headed by the state/region ministers of planning and finance, review and approve the plan before sending it on to the Budget Department. The state/region budget director manages the development of budget estimates, which include annual revenues (own-source and transfers) and expenditures (current and capital) and are consistent with the regulations of the MoPFI and the overall government policy priorities. The budget estimate, once finalized and approved, is reflected in the annual State/Region Budget Law. After the plans and budgets are reviewed by the State/Region Planning Commission, the budget is submitted to state/regional Hluttaws and governments for review and possible changes (Batcheler, 2018).

Here, how each state/region hluttaw reviews and comments on the budget varies. In some states/regions, the process is led by the PAC or the Budget Committee while in some states/regions, the PAC plays more of a coordinating role, with all MPs reviewing the budgetand the proposals for their own individual townships. After being accepted by the state/regiongovernments and hluttaws, both the UFC and the NPC reviewed and approved the submission. The Union government reviews, adjusts and approves the proposals before returning to the subnational governments. It also passes the Union Budget Law, which contains annexes for the proposed fiscal transfers to the states/regions. Once the Union Budget Law is passed, the state/region governments submit draft State/Region Budget and Plan Laws to the State/Region Hluttaw, for approval, after which the laws are signed by the chief ministers (Batcheler, 2018).

For the former, individual departments, after consideration, submit the proposals directly to their Union line ministries instead of to the state/region Planning and Implementation Committees. Prior to submission to the Union level, proposals may be shared with the state/region cabinet for comments or input before submission. State/region department directors and state/region ministers review the budgets, and make suggestions and amendments. Each Union line ministry reviews the proposals according to its own criteria, and gives final approval usually after substantially cutting down the original list. The Union government then submits the proposals to the UFC and the NPC for approval before they are provided to the Union Hluttaw. No consultation appears to take place with the state/region government during this process, and state and region line departments are simply informed of the outcomes. Only the Chief Ministers, as members of the UFC and NPC, can comment on the proposals submitted (Batcheler, 2018).

However these expenditure responsibilities provided in the two Schedules are both vague and incomplete (Roger et al., 2016). The division of responsibilities is clearly cut in some sectors, for instance, the municipal services are funded entirely by the state/region governments, while health and education by the Union government. However, in some sectors, expenditure responsibilities are determined by ministry rules and regulations and by precedent. In sectors where both the Union and state/region governments have expenditure responsibilities, the larger projects are more likely to be reserved for the Union budget (Valley et al., 2018).

## (1.5) FIELDWORK ON PLAN IMPLEMENTATION

The TPICs are required to record monthly reports on the project progress rate, and submit such reports with photos quarterly to the higher level government organizations. At the end of the year, the MPs carried out a fieldwork on the plan completion rate and exhort the relevant departments to the unfinished projects. In some townships, both the MPs and the Committee members examine the plan implementation rate before the further examination of the audit. Some TPICs mainly check the progress rate and whether or not it keeps with the original timeline, and entrusted a third party organization like the Federation of Myanmar Engineering Societies with the tasks of quality control and the rest.

In addition to the completion and the success of each project, it is important to note that the township level plans are likely to suffer from a low level of connection among the TPICs of different townships. For example, there is no negotiation or cooperation between the TPICs even for the ditches or roads passing through their townships. On this basis, a KII respondent criticized the lack of an aim and a strategy of the state/region's Chief Ministers on how they want the states/regions they are currently serving to become.

On the other hand, the State/regional Chief Ministers and Cabinet members frequently speak of their priorities as laid out in the NLD's 12-point economic policy, and they direct departments to fulfil these priorities (Batcheler, 2018).

In addition to the completion and the success of each project, it is important to note that the township level plans are likely to suffer from a low level of connection among the TPICs of different townships

# (1.6) CONSTITUENCY DEVELOPMENT FUND (CDF)

A CDF is a government budget allocation mechanism that channels a specific portion of the national budget to the constituencies of the MPs (International Budget Partnership, 2010; Keefer & Khemani 2009; Mshana, 2009). They are not merely a means of transferring public funds from central to local governments, they provide a unique analytical lens to examine the power dynamics between various political actors and institutions and more broadly, the nature of democracy in developing countries (Tsubura, 2013). In this light, it is also a strategic tool for the redistributive game by the MPs in electoral politics; the MPs identify the community needs and use the funds to respond to the development needs of their constituents, cultivate personal votes and enhance their chances of re-election (Baskin, 2010; Cain, Ferejohn & Fiorina, 1987; Cox & McCubbins, 1986). The practice has spread across the developing countries mainly in Asia and Africa since the mid-1980s (Tsubura, 2013).

In the Philippines, a CDF was introduced with the inauguration of President Corazon Aquino after the collapse of the Ferdinand Marcos authoritarian rule (Kasuya, 2009). It was aimed to address the unequal allocation of government budgets for local development due to pork barrel politics (Nograles & Lagman, 2008). At first, the Funds, namely the Mindanao Development Fund and Visayas Development Fund, covered only two out of the three geographical divisions of the country - Mindanao and Visayas. They were renamed as the Countrywide Development Fund, expanding to the whole country in 1990 (Kasuya, 2009). A decade later, it was transformed into the Priority Development Assistance Fund (PDAF) in 2000, and since then, the amount of funding has risen over the years (Nograles & Lagman, 2008). The total PDAF budget in Fiscal Year 2012 was 24.9 billion pesos and its proportion to the total government expenditure was 1.8% (International Monetary Fund, 2012b). Through the establishment of the CDF, congressional allocations for development became institutionalised with equal allocations to all the districts (Nograles & Lagman, 2008).

In Pakistan, President Mohammad Zia-ul-Haq originated a CDF with an allocation of the public funds to his chosen members of the legislature in 1981 (Islamic Republic of Pakistan, n.d.; Tahir, 2012; Wasti, 2009). Following the elections for national and provincial assemblies in 1985, a CDF was formally initiated as part of the civilianisation of military rule under the five-point programme launched by Prime Minister Muhammad Khan Junejo. Under the five-point programme, each minister, senator and Member of the National Assembly was allocated 5 million rupees (Rs) (approximately US\$314,000) and each Member of the Provincial Assemblies Rs2.5 million (approximately US\$157,000) to implement small-scale development projects in their constituencies. These funds were important for the MPs to strengthen the connections between the elected representatives and voters in their constituencies, particularly

because politicians had low credibility in the country as the 1985 elections were held on a non-party basis and boycotted by a coalition of major opposition parties (International Budget Partnership, 2010; Rizvi, 1986). Until now, the CDFs exist in the country in different names under different parties come to power (Malik, 2015; Qureshi, 2001).

The Indian CDF, the Member of Parliament Local Area Development Scheme (MPLADS), was established in 1993 in response to the MPs' proposal for an allocation of government funds to assist small-scale projects in their constituencies (Republic of India, 2005). When the MPLADS was introduced. Prime Minister Narasimha Rao was heading a minority government that was losing control of several state governments and delivering goods to voters to maintain their support through his party, the Indian National Congress. Given the lack of majority parties within Parliament, the Fund became a vehicle to gain support from the opposition MPs, so that Rao could run the government effectively (Tsubura, 2013). Following the 1999 elections, a new government led by the Bharatiya Janata Party introduced more stringent guidelines including provisions for review and scrutiny by ministry authorities if funds are severely under-utilized (Keefer & Khemani, 2009). Under these guidelines, the MPLADS is characterised by the substantial power held by local bureaucrats as the district authorities can withhold the disbursement of the funds on the grounds of nonconformity with the project guidelines. The allocation of MPLADS funds to each MP was increased from 10 million rupees (Rs) (approximately US\$318,800) per year to Rs50 million (approximately US\$977,000) in Fiscal Year 2011/12 (Republic of India, 2018). But the total funds released for the MPLADS in Fiscal Year 2010/11 was only about 0.1% of the central government budget (Republic of India, 2012) (International Monetary Fund, 2012a).

In Myanmar, the plan to establish a separate fund for the MPs to spend on the local development of their constituencies was brought to the Lower House by the former Pyidaungsu Hluttaw Speaker Thura U Shwe Mann after his visit to India in December 2011 (Zaw, 2013), and was established as the CDF in Fiscal Year 2013/14 (Roger et al., 2015). It is the only specific inter-governmental grant transfer now remaining (Robertson et al., 2015).

In Myanmar, the plan to establish a separate fund for the MPs to spend on the local development of their constituencies was brought to the Lower House by the former Pyidaungsu Hluttaw Speaker Thura U Shwe Mann after his visit to India in December 2011.

Thura U Shwe Mann, during his term (2013-2016) as the Speaker of Pyidaungsu Hluttaw, had issued the implementation methods/rules for the CDF in the development programme. This Fund is managed by a 'separately existing committee'. According to the township studied, one of the two Pyithu Hluttaw representatives serves as the Chairman of that Committee and the Township Administrator as his or her Secretary General and is responsible for the Fund. It is earmarked for small infrastructure and other investments, selected through a planning process managed under the various township committees (Roger et al., 2015).

The CDF depends neither on the population size nor the ward numbers. The Pyidaungsu Hluttaw annually channels MMK 100 million grants as CDF to each township equally through the state/region Hluttaws. However, among the 330 townships of Myanmar, the township populations vary between some 2,000 persons to over 400,000 persons, which indirectly leads to a very considerable difference in the funds provided, when measured on a per capita basis. Per capita allocations range from a meager MMK 250 in highly populated townships, to MMK 50,000 in the small townships in the hill areas – a range of 1:200. The annual volume of the CDF is MMK 33 billion, or only about 2% of the overall fiscal transfers from Union to states/regions (Robertson et al., 2015). At the final CDF meeting, the projects that benefit the more persons are selected. Wards are not equally entitled to this funding. The larger the size of the population, the more amount of CDF are granted. Quality control is managed by the relevant departments such as the township development affairs department.

Out of a lump sum of MMK 100 million, 3 million are officially allowed as operating expenses or general expenses, and within the remaining fund, the cost of one business/project unit is limited not to exceed 5 million. However a project unit that exceeds this specified limit can be implemented by dividing them into unit (a) and (b). For example, a 10 million project unit can be divided into two 5 million units. If the project plan exceeds the limit too much, the MPs occasionally submit them to the TPICs. According to the KII responses, the MPs transfer the funding to the ward administrators or the ward development support committees chaired by the ward administrators, twice a year through ceremonies, openly and transparently. *Under the USDP administration, the Development Support Committees (DSCs) played an integral part in the allocation and monitoring of local development funds in many townships. Following the 2015 elections, the NLD government abolished the DSCs via presidential decree (Batcheler, 2018).* 

The business units are selected together by the MPs as the Chairperson, the township administrator as the secretary, and other members, however the MPs' views and attitudes are important. Batcheler (2018) also claimed that the MPs play an important role in determining where the Fund will be spent in their respective townships. As the step-by-step planning through the Planning Department is a long process, the MPs utilize the CDF outside of the Planning in order to avoid the censure. In addition, when their project plan is rejected by the Planning Officer, the Township DAOs can coordinate with the MPs to reserve their plan for the CDF. These actions undermine the essence of the coordination meetings of the TPICs, but the MPs consider the work accomplishment as their major priority, rather than how it is accomplished.

# 2. CHALLENGES AND OPPORTUNITIES IN COLLABORATING WITH DIFFERENT LINE DEPARTMENTS/OFFICES AND THE MPS WITHIN TPICS (2.1) CHALLENGES OF TPICS

As mentioned above, the TPICs are composed of the assistant director or township level leaders and invite the MPs as patrons, wherefore there is only relations between the MPs and the State/Regional Governments, and no direct relations between the Committee and the Government.

Whichever Government level is financing (either the Union Government or the State/Regional Governments), all project plans operating within the township area must be routed via TPICs (i.e. TPICs must generate and implement the plans), but there are plans unknown to or not submitted by the Committee. The members consider that such actions disturb the existence of the Committee and weaken transparency. There are two reasons for this.

First is a direct implementation of the Union Government or the Union level government organizations without informing the TPIC members and the MPs. The regional MPs criticized such behaviors of the Union level government organizations, while the committee members, rather responded that it would be better if they had the opportunity to know. Lastly, without consultation with the TPICs, the MPs or other line departments/offices directly requested the States/Regional Governments or the Union Government and implemented. Batcheler (2018) also asserted that the MPs can directly communicate with the relevant department officials, without the need to go through the State/Region government or the relevant Union ministry, or with the State/Region ministers, without going through formal Hluttaw procedures. He also pointed out that in some areas, the township departments may submit proposals to the district level without TPIC review. Overall, these actions are not only creating a situation, where the more they can pledge to the Government, the more projects they can implement. And they not only neglect the existence of the TPICs but also undermine their essence.

Since the TPICs participants come from completely different backgrounds such as the township administrator, the Township planning officer, the MPs and representatives from the other government departments, particularly between the appointed and the elected participants, there are arguments and disagreements in the worst case scenario. Tensions have been noted in determining priorities, as there are no clear distinctions between the different actors in the

process, and they try to ensure that their own proposals are prioritized above that of others. Reports are already emerging of discontent that the MPs may be prioritizing projects for the wrong reasons or of their frequent absence in the Committee's Coordination meetings (Batcheler, 2018). The Committee members also remarked that some of their decisions are political, or politically decided although they acknowledge that the decisions of the MPs are essential as they represent the constituents. On the other hand, the MPs elected by their constituencies proposed the demands and needs of those constituencies as project plans to the TPICs. But having such authority to approve or reject those plans in their hands pressures the Committees, which subsequently affects the township's actual development.

#### (2.2) OPPORTUNITIES FOR TPICS

Due to the outbreak of the COVID-19 in the country, all plan proposals, approved by the Hluttaw in September 2019, may no longer be feasible for implementation, instead the planning and budgeting process must be revised and reprioritized towards pressing needs due to the pandemic (Beveridge, 2020). In the meantime, the TPICs are the focal point for the bottom-up planning process as their plan proposals are submitted to the district level, the state and region level, and finally to the union level. Moreover, with a comprehensive representation from the line departments/offices, the MPs and the constituencies, TPIC has many opportunities to develop practical proposals to minimize the spread of the Coronavirus disease and to systematically respond to its impacts. In taking advantage of these opportunities, the following should be taken into account:

- (a) Formulation of a direct public participation;
- (b) Formulation and implementation of the long-term township development plans;
- (c) Prioritizing the project plans for the people through the evidence-based research; and
- (d) Publishing reports on the project completion to the public.

Therefore, in addition to the regular the COVID-19 impacts Thereupon, the TPICs possess the opportunities to alleviate the people's worries and to fulfil their needs by developing the plans to cure the COVID-19 impacts in addition to the regular proposals that are in line with the people's needs.

## 3. RECOMMENDATIONS (3.1) TPIC STRUCTURE

It will be better to impose a formal Committee structure on participating departments and the town elders and the community representatives. Some KII responses are wrong about the structure of the TPICs, and the separate Committee under the CDF, the budget planning process and the fiscal year while some responses are not different from each other even at the same Committee. It may be partly because of a variation in the government's line departments/offices present at the township level, and partly because the number of respected town elders and community representatives are up to the Committee Chairperson. Gender considerations in the planning and budgeting processes should also be taken in consideration due to the small number of female township administrators. In order to reduce tensions between the appointed and the elected participants, a legal document for the clear distinctions and responsibilities of the different actors in the subnational planning and budgeting process should be executed.

TPICs also require the provision of separate or additional staff, equipment and technical support, rather than relying solely on the mother department. Staffing is essential as the TPICs participants have to generalize and prioritize a high volume of proposals, then submit the plans, implement and assess them in a budget year alongside with their commitment outside the Committee. Hence the Government should provide additional members to the Committee or ensure sufficient time for projects development and review. Besides, in some townships, certain line departments/offices submit the proposals to the TPICs only for a share of information and an approval before proposing to higher levels, and so the Committees are unable to make meaningful changes. Hence clearer regulations and instructions on the role of the TPICs may increase its decision-making power.

## (3.2) FORMULATING, ASSESSING AND PRIORITIZING PROPOSALS

Whichever Government level is financing, all project plans operating within the township area must be generated and implemented by the Committee in order to strengthen the essence of the existing TPICs. The role of TPICs is limited in the nature of identification, assessment, and prioritization of proposals, because no decisions can be made at their subnational level planning about which proposals will receive funding from the State/Region and Union budgets due to the absence of budgets at the township level. Thus, the Committee can be said to generate project proposals, prioritize them before submitting to the next level. Likewise, the high degree of Union control over the budget decisions can lead to the lack of adequate information at the Union level on the local needs and priorities.

**TPICs need to formulate the sectoral base township level plans.** As the current fundings is township focused, they resulted in the isolated performance of each TPICs. But the TPICs should cooperate in planning and implementing some projects together (such as ditches, and roads). Furthermore, there is no township plan in the sense of a multi-sector base comprehensive plan for all spending within the township as budgets are split between departments, and between the state/region and Union government budgets.

Appropriate criteria need to be set in deciding the project proposals. With the lack of formal criteria and policies, proposals are largely prioritized for inclusion in the budgets. The projects that are truly needed on the ground can be often overlooked due to their higher costs. Therefore, it is advised to focus on the plans that are genuinely needed or that are potential (e.g. population, poverty, or the local development). Moreover, rather than who proposes them, a set of criteria that can measure their outcomes should be applied in prioritizing the project proposals, in order to formulate the projects that are directly beneficial to the people as instructed by the President.

## (3.3) PARTICIPATION OF THE PUBLIC AND THE CIVIL SOCIETY ORGANIZATIONS

The TPICs should promote ways to increase public participation. Not just because opportunities for community participation are few, but also due to their interest in struggling for livelihood, and/or the lack of interest and hope in such events. In that case, the aims, objectives, missions, and visions of the TPICs should be clarified to the public. The Committee must also explain how much the projects can guarantee or develop their living standards and rights. TPICs must bring all walks of life to the public forums with a fixed date, and carry out field visits to the constituencies, and right up to their doors if possible. At the same time, the people need to be educated to understand the concept of planning, only then, the people know their needs and can demand them tactfully. They can also learn the work of the TPICs through this planning education. There is also a little room for the involvement of civil society actors. The CSOs, alongside with providing training courses to the Committee members, should also cooperate with the Committees and should be invited as a third party in carrying out the fieldwork on plan implementation. Any increased involvement of civil society and/or communities should be meaningful enough to shape decision-making.

#### (3.4) ROLE OF TPICS DURING COVID-19

During this pandemic, the TPICs should produce the people-centered project proposals after a research and analysis on the needs of the township level businesses. Under the bottom-up planning process introduced since the previous USDP-led government, an increasing number of proposals are identified at the township level by the TPICs. This provides significant opportunities for an emergence of more responsive and participatory decision-making to the local needs, and for an involvement of a broader range of diverse actors. The development of the TPICs demonstrates the capacity and willingness of the successive democratic governments in Myanmar, as well as a recognition of a need to serve the public needs and demands for socioeconomic development, and for a good public service provision.

In fact, the TPICs is the key actor to react to the COVID-19 challenges and impacts with the township-level plans, not only because these formulated plans can reach to the union level through the district level and the state and region level, but also it can assemble the most comprehensive representation of line departments/offices, the people's representatives and even people themselves. People directly participating within the Committee is the main difference from other government departments, the state/region government and the Union government. And this public participation within the Committee is a major gateway, as instructed by the President, to the formulation and implementation of project plans that truly serve the public needs and demands.

The role of TPICs becomes crucial for the long-term responses to the COVID-19 pandemic. If they can generate and implement the plans that support the township level businesses and the low-income households and address unemployment; provide training and information; and practice field surveying and evaluation on the COVID-19 response plans demanded by the constituencies, the bottom-up democratic governance can be clearly portrayed. Since these TPICs plans are tri-laterally formulated by the Committee members, i.e. representatives from the government departments/offices, and the MPs and the public, they are more likely to strengthen accountability and responsibility; increase mutual trust between the government and the people; and encourage the practical fiscal expenditure and the effective use of limited resources within the country, which indirectly pave the way to achieve Myanmar's economic development.

INYA ECONOMICS JULY 2020

## RECOMMENDATION SUMMARY

### (3.1) TPIC STRUCTURE

- A formal Committee structure on participating departments and the town elders and the community representatives should be imposed.
- A legal document for the clear distinctions and responsibilities of the different actors in the subnational planning and budgeting process should be executed.
- Gender considerations in the planning and budgeting processes should be taken in consideration.
- TPICs also require the provision of separate or the additional staff, equipment and technical support rather than relying solely on the mother department. If not, the Government should provide sufficient time for projects development and review.
- Clearer regulations and instructions on the role of the TPICs may increase its decision-making power.

## (3.2) FORMULATING, ASSESSING AND PRIORITIZING PROPOSALS

- Whichever Government level is financing, all project plans operating within the township area must be generated and implemented by the Committee.
- The TPICs across different townships should cooperate in planning and implementing some projects together (such as ditches, and roads).

- A criteria needs to develop in prioritizing the project plans (e.g. the poor or potential areas).
- Rather than who proposes them, a set of criteria that can measure their outcomes should be applied in prioritizing the project proposals, in order to formulate the projects that are directly beneficial to the people as instructed by the President.

INYA ECONOMICS JULY 2020

## RECOMMENDATION SUMMARY

# (3.3) PARTICIPATION OF THE PUBLIC AND THE CIVIL SOCIETY ORGANIZATIONS

- The aims, objectives, missions, and visions of the TPICs should be clarified to the public. The Committee must explain how much the projects can guarantee or develop their living standards and rights.
- TPICs must bring all walks of life to the public forums with a fixed date, and carry out field visits to the constituencies, and right up to their doors if possible.

- In order to know their needs and demand them tactfully, the public need to be educated to understand the concept of planning.
- The CSOs, alongside with providing training courses to the Committee members, should also cooperate with the Committees and should be invited as a third party in carrying out the fieldwork on plan implementation.

## (3.4) ROLE OF TPICS DURING COVID-19

• The role of TPICs becomes crucial for the long-term responses to the COVID-19 pandemic. If they can generate and implement the plans that support the township level businesses and the low-income households and address unemployment; provide training and information; and practice field surveying and evaluation on the COVID-19 response plans demanded by the constituencies, the democratic bottom-up planning process can be clearly portrayed.

# ANNEXES

# ANNEXE A SCHEDULE ONE: UNION LEGISLATIVE LIST

- 1. Union Defence and Security Sector
- (a) Defence of the Republic of the Union of Myanmar and every part thereof and preparation for such defence;
- (b) Defence and Security industries;
- (c) Arms, ammunition and explosives including biological and chemical weapons;
- (d) Atomic energy, nuclear fuel and radiation and mineral resources essential to its production;
- (e) Declaration of war and conclusion of peace;
- (f) Stability, peace and tranquility of the Union and prevalence of law and order; and
- (g) Police force.
- 2. Foreign Affairs Sector
- (a) Representatives of the diplomatic, consular and other affairs;
- (b) United Nations;
- (c) Participation in international, regional and bilateral conferences, seminars, meetings, associations and other organizations and implementation of resolutions thereof;
- (d) Conclusion and implementation of international and regional treaties, agreements, conventions and bilateral agreements and treaties;
- (e) Passports and identification certificates;
- (f) Visas, admission into the Republic of the Union of Myanmar, stay, departure, immigration and deportation; and
- (g) Extradition and request for extradition.
- 3. Finance and Planning Sector
- (a) The Union Budget;
- (b) The Union Fund;
- (c) Currency and coinage;
- (d) The Central Bank of Myanmar and financial institutions;
- (e) Foreign exchange control;
- (f) Capital and money markets;
- (g) Insurance;
- (h) Income tax;
- (i) Commercial tax;

- (j) Stamp duty;
- (k) Customs duty;
- (l) Union lottery;
- (m) Tax appeal;
- (n) Services of the Union;
- (o) Sale, lease and other means of execution of property of the Union;
- (p) Disbursement of loans from the Union Funds;
- (q) Investment of the Union Funds;
- (r) Domestic and foreign loans;
- (s) Acquisition of property for the Union; and
- (t) Foreign aid and financial assistance.
- 4. Economic Sector
- (a) Economy;
- (b) Commerce;
- (c) Co-operatives;
- (d) Corporations, boards, enterprises, companies and partnerships;
- (e) Imports, exports and quality control thereon;
- (f) Hotels and lodging houses; and
- (g) Tourism.
- 5. Agriculture and Livestock Breeding Sector
- (a) Land administration;
- (b) Reclamation of vacant, fallow and virgin lands;
- (c) Settlements and land records;
- (d) Land survey;
- (e) Dams, embankments and irrigation works managed by the Union;
- (f) Meteorology, hydrology and seismic survey;
- (g) Registration of documents;
- (h) Mechanized agriculture;
- (i) Agricultural research;
- (j) Production of chemical fertilizers and insecticides;
- (k) Marine fisheries; and
- (l) Livestock proliferation, prevention and treatment of diseases and research works.
- 6. Energy, Electricity, Mining and Forestry Sector
- (a) Petroleum, natural gas, other liquids and substances declared by the Union Law to be dangerously inflammable;
- (b) Production and distribution of electricity of the Union;
- (c) Minerals, mines, safety of mine workers, and environmental conservation and restoration;
- (d) Gems;
- (e) Pearls;
- (f) Forests; and
- (g) Environmental protection and conservation including wildlife, natural plants and natural areas.

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- 7. Industrial Sector
- (a) Industries to be undertaken by the Union level;
- (b) Industrial zones;
- (c) Basic standardization and specification for manufactured products;
- (d) Science and technology and research thereon;
- (e) Standardization of weights and measures; and
- (f) Intellectual property such as copyrights, patents, trademarks and industrial designs.
- 8. Transport, Communication and Construction Sector
- (a) Inland water transport;
- (b) Maintenance of waterways;
- (c) Development of water resources and rivers and streams;
- (d) Carriage by sea;
- (e) Major ports;
- (f) Lighthouses, lightships and lighting plans;
- (g) Shipbuilding, repair and maintenance;
- (h) Air transport
- (i) Air navigation, control and airfields construction;
- (j) Land transport;
- (k) Railways;
- (1) Major highways and bridges managed by the Union;
- (m) Posts, telegraphs, telephones, fax, e-mail, internet, intranet and similar means of communication; and
- (n) Television, satellite communication, transmission and reception, and similar means of communication and housing and buildings.
- 9. Social Sector
- (a) Educational curricula, syllabus, teaching methodology, research, plans, projects and standards;
- (b) Universities, degree colleges, institutes and other institutions of higher education;
- (c) Examinations prescribed by the Union;
- (d) Private schools and training;
- (e) National sports;
- (f) National health;
- (g) Development of traditional medicinal science and traditional medicine;
- (h) Charitable hospitals and clinics and private hospitals and clinics;
- (i) Maternal and child welfare;
- (j) Red cross society;
- (k) Prevention from adulteration, manufacture and sale of foodstuffs, drugs, medicines and cosmetics;
- (1) Welfare of children, youths, women, the disabled, the aged and the homeless;
- (m) Relief and rehabilitation;

- (n) Fire Brigade;
- (o) Working hours, resting-hours, holidays and occupational safety;
- (p) Trade disputes;
- (q) Social security;
- (r) Labour organizations;
- (s) Managements by the Union, the following: (i) Ancient culture or historical sites, buildings, monuments, records, stone inscriptions, ink inscriptions on stucco, palm-leaf parabaiks, handwritings, handiworks, inanimate objects and archaeological works; (ii) Museums and libraries.
- (t) Literature, dramatic arts, music, traditional arts and crafts, cinematographic films and videos; and
- (u) Registration of births and deaths.
- 10. Management Sector
- (a) General administration;
- (b) Administration of town and village land;
- (c) Tenants;
- (d) Narcotic drugs and psychotropic substances;
- (e) Union secrets;
- (f) Associations:
- (g) Prisons;
- (h) Development of border areas;
- (i) Census;
- (j) Citizenship, naturalization, termination and revocation of citizenship, citizenship scrutiny and registration; and
- (k) Titles and honours.
- 11. Judicial Sector
- (a) Judiciary;
- (b) Lawyers;
- (c) Criminal Laws and procedures;
- (d) Civil Laws and procedures including contract, arbitration, actionable wrong, insolvency, trust and trustees, administrator and receiver, family laws, guardians and wards, transfer of property and inheritance;
- (e) Law of Evidence;
- (f) Limitation;
- (g) Suit valuation;
- (h) Specific relief;
- (i) Foreign jurisdiction;
- (j) Admiralty jurisdiction; and
- (k) Piracies, crimes committed in international waters or in outer space and offences against the international law on land or in international waters or in outer space.

# ANNEXE B SCHEDULE TWO: REGION OR STATE LEGISLATIVE LIST

- 1. Finance and Planning Sector
- (a) The Region or State budget;
- (b) The Region or State fund;
- (c) Land revenue;
- (d) Excise duty (not including narcotic drugs and psychotropic substances);
- (e) Municipal taxes such as taxes on buildings and lands, water, street lightings and wheels;
- (f) Services of the Region or State;
- (g) Sale, lease and other means of execution of property of the Region or State;
- (h) Disbursement of loans in the country from the Region or State funds;
- (i) Investment in the country from the Region or State funds;
- (j) Local plan; and
- (k) Small loans business.

#### 2. Economic Sector

- (a) Economic matters undertaken in the Region or State in accord with law enacted by the Union;
- (b) Commercial matters undertaken in the Region or State in accord with law enacted by the Union; and
- (c) Co-operative matters undertaken in the Region or State in accord with law enacted by the Union.

### 3. Agriculture and Livestock Breeding Sector

- (a) Agriculture;
- (b) Protection against and control of plants and crop pests and diseases;
- (c) Systematic use of chemical fertilizers and systematic production and use of natural fertilizers;
- (d) Agricultural loans and savings;
- (e) Dams, embankments, lakes, drains and irrigation works having the right to be managed by the Region or State;
- (f) Fresh water fisheries; and
- (g) Livestock breeding and systematic herding in accord with the law enacted by the Union.

- 4. Energy, Electricity, Mining and Forestry Sector
- (a) Medium and small scale electric power production and distribution that have the right to be managed by the Region or State not having any link with national power grid, except large scale electric power production and distribution having the right to be managed by the Union;
- (b) Salt and salt products;
- (c) Cutting and polishing of gemstones within the Region or State;
- (d) Village firewood plantation; and
- (e) Recreation centers, zoological garden and botanical garden.

#### 5. Industrial Sector

- (a) Industries other than those prescribed to be undertaken by the Union level; and
- (b) Cottage industries.
- 6. Transport, Communication and Construction Sector
- (a) Ports, jetties and pontoons having the right to be managed by the Region or State;
- (b) Roads and bridges having the right to be managed by the Region or State; and
- (c) Systematic running of private vehicles within the Region or State.

#### 7. Social Sector

- (a) Matters on traditional medicine not contrary to traditional medicine policies prescribed by the Union;
- (b) Social welfare works within the Region or State;
- (c) Preventive and precautionary measures against fire and natural disasters;
- (d) Stevedoring;
- (e) Having the right of management by the Region or State, the following: (i) preservation of cultural heritage; (ii) museums and libraries;
- (f) Theatres, cinemas and video houses; and
- (g) Exhibitions such as photographs, paintings and sculptures.
- 8. Management Sector
- (a) Development matters;
- (b) Town and housing development; and
- (c) Honorary certificates and awards.

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