



## Myanmar: Enhancing Rural Livelihoods and Incomes

Project Name	Enhancing Rural Livelihoods and Incomes	
Project Number	47311-001	
Country	Myanmar	
Project Status	Active	
Project Type / Modality of Assistance	Grant	
Source of Funding / Amount	<b>Grant 9174-MYA: Enhancing Rural Livelihoods and Incomes</b>	
	Japan Fund for Poverty Reduction	US\$ 12.00 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Partnerships	
Sector / Subsector	<b>Multisector</b> - Multisector	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The project will represent one consolidated investment grant of \$12.0 million to target four diverse geographic (and agro-ecological) regions of the country: (i) Ayeyawady Delta, (ii) the Central Dry Zone, (iii) Taninthayi Region, and (iv) Shan State Plateau. This will enable the implementation of different interventions based on topography, agricultural production systems, and natural resource management regimes. The project will focus on two inter-related sets of activities: (i) improvements and upgrades of social and productive infrastructure; and (ii) improvement of capacities of communities, project line agencies at the local and state levels, and to a lesser degree at the central levels. Envisaged interventions include community-prioritized interventions such as development of small-scale infrastructure at VT level, inter alia, community irrigation and drainage systems, rural access roads, bridges and foot-paths, potable water systems at the village level, and provision of social infrastructure such as community health centers, enhancement of existing or provision of new education facilities, and rural electrification needs at the household level. Support will also be extended for traditional cottage/home based small scale industries for which there is an increasing demand such as lacquer work and handicraft production. Training for enhanced livelihood opportunities will include functional English literacy training, skills development for the emerging tourism market, and training for improved crop production, agricultural diversification, and agribusiness, especially in the Delta and the Dry Zone. The primary focus will be on confidence building at local levels by re-invigorating cooperative societies, self-help groups, and traditional rural level leadership as key local level centers for planning and development.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>At present, rural incomes are constrained by high transaction costs for agricultural production and marketing (due largely to the poor condition of access roads, tracks, bridges, and boat landing sites as well as irrigation, drainage, and flood control structures), sparse opportunities for alternative employment and limited access to markets, social and technical services. Investments in improving rural infrastructure, livelihoods and extension services will reduce these constraints, increase the access of rural communities to markets and leverage their capacity to make real economic gains.</p> <p>The project will implement grassroots interventions based on a community-driven development (CDD) approach aimed at stimulating economic activities in rural areas of Myanmar. This will be achieved through income enhancing rural livelihood interventions including rehabilitation, upgrading and provision of new productive and social infrastructure at the village level. Economic and financial benefits are expected from the reduction of transaction costs and improved access to input supplies through direct cash payments to the rural population participating in the project's rural infrastructure activities. Central to this project is the use of labor-based appropriate technology (LBAT) which will provide direct cash infusion into rural areas, through pay for work, enabling further local income generating activities. The reduction of infrastructure constraints and the direct infusion of cash to village households will provide an economic stimulus in and around the project areas.</p>	
Impact	Improved agricultural productivity and enhanced livelihoods contributing to reduced poverty in Ayeyawady Delta region, Magway and Mandalay Regions in the Central Dry Zone, Taninthayi Region, and the Shan State	

## Project Outcome

Description of Outcome	Improved essential productive rural and social infrastructure in the project-assisted villages to lead to better income opportunities
Progress Toward Outcome	ERLIP originally targeted four diverse geographic and agro-ecological regions of the country: (i) Ayeyarwady Delta; (ii) Magway and Mandalay Regions of the Central Dry Zone; (iii) Tanintharyi Region; and (iv) Shan State Plateau to enable implementation of area-specific interventions based on topography, agricultural production systems, and natural resource management regimes. After a number of adjustments agreed between DRD and ADB to suit project design, budget availability and ensure synergies between the Project and National Community Driven Development Program (NCDDP), project coverage as of 31 December 2016, has finally focused on 63 village tracts (VTs) in 3 townships, namely: 16 of the 83 VTs of Ngaputaw Township in Ayeyarwady Region; all 19 VTs of Bokpyin Township in Thaninthayi Region; and all 28 VTs of Ywangan Township in Southern Shan State. As a result, no townships in Magway or Mandalay were selected and only one from Ayeyarwady Region instead of two. The focus on three townships, instead of the originally envisaged six townships, was primarily due to the need to ensure better targeting of beneficiaries and more comprehensive coverage of village tracts within the township. This change in coverage allowed reallocation of limited resources to the three chosen townships enabling coverage of all village tracts in Bokpyin and Ywangan townships.

### Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> <li>1. Communities mobilized and organized for identifying priority needs</li> <li>2. Village/village tract level infrastructure and rural livelihoods improved</li> <li>3. Project management services institutionalized</li> </ol>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Villagers report active support from the Township Planning and Implementation Committee (TPIC) which is responsible for undertaking the final review and approval of the proposed subprojects. DRD has recently completed the development of an enhanced VDP process that significantly addresses these issues. ERLIP shall adopt the enhanced process in Cycle 2.</p> <p>A total of 132 infrastructure subprojects were approved for Cycle 1 in Bokpyin and in the 16 village tracts in Ngaputaw. In Ywangan Township, Southern Shan State, Cycle 1 is in progress in all 28 village tracts. VDPs were completed in January 2017 and 61 subprojects established.</p>
Geographical Location	

### Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	B

### Summary of Environmental and Social Aspects

Environmental Aspects	Overall, the potential for negative environmental impacts for the Project are limited, localized and most of such impacts are reversible and can be mitigated. The size and scale of subprojects will be limited by the size of community block grants and as such are unlikely to generate significant adverse impacts on the environment. Each subproject will go through a screening process to identify potential impacts and mitigation measures will be proposed and implemented. A safeguards audit conducted covering 40 out of 131 subprojects indicates no significant adverse negative impact to the environment.
Involuntary Resettlement	Resettlement issues are not foreseen to be significant by the nature (community driven development) and size of potential small infrastructure improvement of rural road, rehabilitation of irrigation, rural market, improvement of water sanitation facilities for school/communities. Minor land acquisition or loss of assets cannot be fully avoided. Selection criteria for infrastructures will exclude projects with adverse impact on land/environment. Close monitoring of safeguards will be ensured through regular review missions. Men and women, including minority ethnic groups in villages, were given equal opportunity to participate in subproject planning and construction as evidenced by the record of consultations and review of subproject progress. Grievance redress mechanisms have also been established and are operational for the project.
Indigenous Peoples	The project has various measures to ensure that ethnic minorities in selected states/towns participate in and receive benefits from the project including better access to basic services and skill for income generation. Framework to support indigenous people involvement is prepared as a guide. Close monitoring of safeguards will be ensured through regular review missions. Men and women, including minority ethnic groups in villages, were given equal opportunity to participate in subproject planning and construction as evidenced by the record of consultations and review of subproject progress. Grievance redress mechanisms have also been established and are operational for the project.

### Stakeholder Communication, Participation, and Consultation

During Project Design	<p>On 12 September 2012, the ADB mission met with and briefed Mr Sato Yasuyuki, Representative, JICA; Fukuyama Akira, Representative, JICA and Mr U Tun Myint Thein, Program Officer and Mr. Hideaki Matsuo, Counselor and Head, Economic and ODA Section, Embassy of Japan and Hideki Wada, Second Secretary, (EOJ). In March 2013, the mission again discussed the progress of the project with Mr Yasuyuki and Mr. Myint Thein. During the fact-finding mission on 17 June 2013, the mission met with and briefed Mr. Yasuyuki and Ms. Yoko Yamazaki, Project Formulation Adviser (Agricultural and Rural Development Sector). The feedback from JICA and EOJ has been supportive of the CDD approach adopted under the Project and the decentralized implementation arrangements under the project.</p> <p>A follow-up mission visited Myanmar to confirm the same project scope, implementation arrangements, cost estimates, time frame, and other details with the reorganized executing agency: Ministry of Livestock, Fisheries, and Rural Development.</p> <p>During the fact-finding mission of June 2013, consultation meetings were also conducted with the World Bank (WB), Department of International Development (DfID), co-chair, and United Nations Office of Project Services, fund manager, respectively of the LIFT, Food and Agriculture Organization (FAO), and the United Nations World Food Programme (WFP). A one day workshop was also organized with INGOs, NGOs, and with the Food Security Working Group (FSWG) in Yangon.</p>
During Project Implementation	<p>A multi-stakeholder workshop was held in Naypyitaw on 20 February 2017 to (i) convene project stakeholders to share experiences from the project; (ii) identify strengths and weaknesses, lessons learned and best practices from the previous cycle and make recommendations for the succeeding cycle; (iii) create space for open communication and enable a wide range of stakeholders to discuss actions that can help to achieve shared objectives; (iv) enable the project to access a variety of expertise and perspectives from diverse ERLIP stakeholders and other external participants; (v) foster mutual trust between and among communities, non-government organizations and the government.</p>

## Business Opportunities

Consulting Services	All consultants will be recruited in accordance with the ADB Guidelines on the Use of Consultants (2013, as amended from time to time). All consulting firms (including NGOs, LNGOs, and INGOs) will be recruited using Quality and Cost Based Selection (QCBS) with a quality-cost ratio of 80:20, or Consultants Qualifications Selection (CQS).
Procurement	All procurement to be financed by the project will be undertaken in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Civil works and livelihood packages (Component B, Subproject) will consist of 288 units (estimated value of \$27,000/unit), with multiple lots or contracts to allow small contractors and community groups to participate under community contracting scheme to bid. Procurement of civil works valued between \$100,000 to \$1.0 million per package shall follow National Competitive Bidding (NCB) procedure which ADB and the government will agree with. Goods and civil works costing between \$10,001 to \$99,999 per package shall be procured through Shopping. Goods estimated to cost below \$10,000 may be purchased by the executing/implementing agency directly from the supplier, and in this case, ADB should be satisfied that the price paid is reasonable.

## Responsible Staff

Responsible ADB Officer	Ramachandran, Pavit
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SERD
Executing Agencies	<i>Ministry of Livestock, Fisheries, and Rural Development Office No. 36 Nay Pyi Taw, Myanmar</i>

## Timetable

Concept Clearance	-
Fact Finding	12 Jun 2013 to 28 Jun 2013
MRM	-
Approval	11 Dec 2013
Last Review Mission	-
Last PDS Update	03 Apr 2017

## Grant 9174-MYA

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Dec 2013	04 Jun 2014	04 Jun 2014	31 Dec 2017	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	13.90	Cumulative Contract Awards			
ADB	0.00	11 Dec 2013	0.00	4.29	36%
Counterpart	1.90	Cumulative Disbursements			
Cofinancing	12.00	11 Dec 2013	0.00	5.29	44%

Project Page <https://www.adb.org/projects/47311-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=47311-001>

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