

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Myanmar	Project Title:	Enhancing Rural Livelihoods and Incomes in Myanmar
Lending/Financing Modality:	Grant-Financed Assistance – Japan Fund for Poverty Reduction (JFPR)	Department/ Division:	SERD/SEER

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

Myanmar's national economic policy embraces (i) sustainable development of agriculture towards industrialization and national progress; (ii) equitable and proportionate development among Regions and States; and (iii) inclusive development. The project supports all three by targeting rural poor areas dependent on agriculture and offering a menu of strategic interventions to be designed and implemented through a community-driven development (CDD) approach. Interventions come in various forms including social infrastructure such as health and education facilities, capacity-building and livelihood-enhancing programs, and community natural resource management including watershed protection and flood management. The project also supports ethnic communities and takes into consideration the differential roles of men and women to ensure inclusion and that project benefits are equitably distributed. The project will directly involve and benefit the rural poor, women, and ethnic communities, and is expected to raise their incomes by at least 50% in 2020 from the 2013 baseline. The project design and objectives are also in line with the Interim Country Partnership Strategy for 2012–2014 approved by ADB's Board on 26 October 2012 emphasizes the promotion of sustainable and inclusive economic development and job creation.

A key program area involves support for creating access and connectivity for improved rural livelihoods and increased access to markets and social services. Support for improvement of rural infrastructure is an important component of the strategy for income generation, accelerating economic development, and reducing rural-urban gaps. These are aligned with the stated government priorities on food security and agricultural growth articulated in the 'Framework for Economic and Social Reforms in January 2013': (i) rural infrastructure, including small and medium scale irrigation systems and improved rural roads; and (ii) broader development of the rural sector through community-based development schemes.

B. Targeting Classification

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The project will be implemented in rural areas where majority of Myanmar's poor reside. The project's CDD approach allows the poor to select from a menu of subprojects and to manage their own subprojects themselves.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

About 70% of Myanmar's population reside in rural areas and are dependent on agriculture for their livelihood. Moreover about 36% of the rural population, many of whom are landless laborers and live below the national poverty line. Access to vocational and skills training is particularly limited in rural areas and fields like agriculture. Only an estimated 0.8% of 16-25 year-olds are enrolled in any form of skills training, and 54% of 10-15 year-olds are enrolled in secondary school. Infant mortality rate oscillates from 49 to 55 per 1,000 live births while maternal mortality rate is at 316 per 100,000 live births. ADB-supported analysis under Myanmar's Comprehensive Education Sector Review identified the following as key issues: (i) Access to vocational and skills training in Myanmar is particularly limited in rural areas and fields like agriculture. Analysis of 2009/10 IHCLS household survey data indicates that only roughly 0.8% of 16-25 year-olds are enrolled in any form of skills training; and (ii) in terms of poverty of human capital, all of the regions/states targeted also face challenges in terms of educational attainment, particularly in North Shan, Magwe, and Ayeyarwaddy, where dropout rates are high and only around 54% of 10-15 year-olds are enrolled in secondary school.

The project intends to contribute in decreasing income and non-income measures of poverty by targeting the poorest areas and setting up strategic interventions that address the area's specific needs. About 84 village tracts (VTs) ¹ covering around 600,000 target beneficiaries covering four regions/states through the following means:

Ayeyarwady Delta. Focus will be on five townships around the Yangon to Patheingyi Road as part of a 'rural ribbon development' approach. Although this main road provides connectivity, the corridor areas on either side of the road are severely hampered by lack of access and social infrastructure. Interventions will constitute: (i) labor intensive infrastructure rehabilitation, development, and operation and maintenance; and (ii) community-based enterprise and informal sector promotion and vocational training for employment generation. Computing hardware and software and training facilities to the Myanmar Agriculture Development Bank will also be considered to enable timely delivery of credit to all eligible farmers.

Central Dry Zone. This region is an arid zone with very little surface water for all users. The project focuses on availability and management of water resources for all users including the agriculture sector. The growing of various pulses, ground nuts, sesame, and cotton are popular agricultural activities in the Dry Zone. Marketable agricultural products such as peanut

¹ VTs constitute the lowest administrative level of Government. A typical VT is organized under a township, comprising 4-5 villages, with administrators elected by heads of households.

butter and sesame sweets, bars and oil, weaving cotton and small-scale textiles will be considered as additional primary value-added produce. All other rural infrastructure activities, as appropriate, will also be examined for implementation.

Kayin State. High value cash crops, such as vegetables and chilies, are grown on about 0.8 million ha mainly in the upland areas. Development of community-based small scale infrastructure will improve access to markets and social facilities, enhance production, and improve incomes of upland peoples. Combining community based livelihoods improvement with sustainable natural resource management, such as watershed protection, will contribute to environmental enhancement and sustainable development of the area. Activities will also target ethnic minorities and refugee returnees in the State.

Shan State Plateau. Activities will focus on North Shan near Lashio and Tangyang and Man Ton where poverty levels are very high, and in South Shan near HoPong. Due to extremely high levels of poverty, the main focus is reducing and eliminating vulnerability to food insecurity.

2. Impact channels and expected systemic changes. The Project will implement 'grassroots' interventions based on a 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 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. The Project will provide block grants with appropriate safeguards to VTs to undertake priority small scale rural infrastructure and livelihood subprojects based on Village Development Plans (VDPs) prepared on a participatory basis and consistent with Township Development Plans.

3. Focus of (and resources allocated in) the PPTA or due diligence. The rural poor are the main project beneficiaries. However, the poor, as a group is also stratified and greater attention needs to be placed in identifying those living under absolute poverty as well as the measures for ensuring their inclusion in the project. Vulnerability to poverty including socioeconomic shocks that potentially cause people to fall below the poverty line needs to be looked into.

4. Specific analysis for policy-based lending. N.A.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

Poverty has a woman's face and poverty incidence is expected to be higher for women than for men. Rural women lack access to and use of social services, capital and capacity development. Women's participation and access to project information and benefit in subproject selection and management needs to be ensured.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No Please explain.

The project's CDD approach provides huge potential for the participation and empowerment of women. Subproject activities will be carefully screened to ensure their felt needs are prioritized. In addition, the project envisages a 40% participation rate of women in VT forums and village development committees. A gender analysis and gender action plan will be prepared during the detailed design of the grant proposal.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain.

The proposed project will facilitate opportunity for women and girls to be involved and participate actively in all project cycle and benefits from rural development intervention

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Village people consisting of farmers, women, ethnic groups, etc. in the 80 to 100 villages of each of the four project areas are the main beneficiaries of the project. Landowners, occupants and renters of land may be negatively affected when small parcels of land need to be acquired for infrastructure improvement and development. Local government units at various levels constitute another set of stakeholders, as well as interest groups including nongovernment organizations (NGOs) or community-based organizations (CBOs) working in rural development in the areas need to be consulted on the procedure and institutional arrangements for proposing subprojects.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

The project being implemented in rural areas where Myanmar's poor live and the project's CDD approach ensure stakeholder involvement especially those of the poor. As the project targets the rural poor, the menu of subprojects needs to be prepared in close consultation with them. Stakeholder mapping will be conducted as early as possible to enable to select the appropriate participation tools that will ensure appropriate approach and strategy to work with the poor communities.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing Consultation Collaboration Partnership

The stakeholder analysis will include international nongovernment organizations (INGOs)/NGOs/CBOs working in the areas to ensure that they are adequately consulted and involved during project design. The Project has already initiated consultations with a wide cross-section of INGOs (Population Services International, ActionAid, Help Age International, World Vision, and Mercy Corps) and local NGOs (such as the Network Advocacy Group) active in the Project areas. The experiences in working through community structures – including, examples of Help Age International and the Network Advocacy Group establishing and capacitating village development committees in the Central Dry Zone and World Vision with agriculture groups/farmer organizations will be assessed. Detailed discussions have also been conducted with the Japanese NGO: Organization for Industrial, Spiritual and Cultural Advancement to review their experience in agro-forestry training and extension work in the Central Dry Zone for possible adoption within the Project. Appropriate NGO/s may be hired to provide/facilitate and monitor subproject activities.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

The list of subprojects will be identified together with representatives of the poor to ensure these cater to their needs.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

Minimal land acquisition may be required for infrastructure upgrading and development. Since it is a CDD project, impact and measures to avoid land acquisition will be discussed with the community.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

Ethnic communities present in Kayin State will be closely consulted with using culturally appropriate means.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the project require broad community support of affected indigenous communities? Yes No
Subproject screening will exclude those that will have adverse impacts on Indigenous Peoples.

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment Adhering to core labor standards Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts – High Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

The stability of the reform process and the potential for escalating and/or spreading of ethnic tensions pose a fundamental risk. The project will monitor these developments very closely in coordination with the Extended Mission in Myanmar. One of the township selection criteria will exclude conflict and security risk areas.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?
 Yes No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the PPTA or due diligence?

Qualified social development/community development specialist with relevant conflict management skills, gender specialist and social safeguard specialists will be engaged during PPTA. Adequate budget will be made available for the conduct of poverty and social analysis.