



Report and Recommendation of the President to the Board of Directors

Project Number: 48238-001
November 2014

Proposed Loan Yoma Strategic Holdings Connectivity Infrastructure Development Project (Myanmar)

This is an abbreviated version of the document approved by ADB's Board of Directors that excludes information that is subject to exceptions to disclosure set forth in ADB's Public Communications Policy 2011.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 13 October 2014)

Currency unit	–	kyat/s (MK)
MK1.00	=	\$0.001
\$1.00	=	MK990.13

Currency unit	–	Singapore dollar/s (S\$)
S\$1.00	=	\$0.7833
\$1.00	=	S\$1.2766

ABBREVIATIONS

ADB	–	Asian Development Bank
ESMS	–	environmental and social management system
FMI	–	First Myanmar Investment
KCL	–	Kokubu & Co., Ltd.
KCCL	–	KOSPA Cold Chain Logistics
MTC	–	Myanmar Tower Company
PRC	–	People's Republic of China
YSH	–	Yoma Strategic Holdings

NOTES

- (i) The financial year (FY) of Yoma Strategic Holdings ends on 31 March. "FY" before a calendar year denotes the year in which the financial year ends, e.g., FY2014 ends on 31 March 2014.
- (ii) In this report, "\$" refers to US dollars.

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I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan of up to \$100,000,000 to Yoma Strategic Holdings (YSH) for the Connectivity Infrastructure Development Project in Myanmar.¹

II. THE PROJECT

A. Project Identification and Description

1. Project Identification

2. Myanmar is in the middle of a dynamic economic and social transition. Since its opening to the outside world, and following the progress of various political and economic reforms, the country has been experiencing rapid economic growth, which was estimated at 7.5% in fiscal year 2013 (ended 31 March 2014) and is expected to grow by 7.8% per year in fiscal years 2014 and 2015.² However, after decades of international isolation, economic stagnation, and resulting underinvestment, Myanmar has grossly underdeveloped infrastructure and run-down (or nonexistent) facilities, and the country's growth potential has not been fully exploited as a result.

3. In particular, Myanmar remains one of the least-connected countries in the world in terms of telecommunication, transportation, and logistics. In 2012, fixed line penetration stood at approximately 1%, mobile penetration at 7%, and internet penetration at less than 1% of the population.³ In a country with 676,000 square kilometers of land area, there are only 33,000 kilometers of paved roads, which translates into the road density of less than one-fifth of the average of the Association of Southeast Asian Nations countries. While the number of vehicles grew at a constant annual growth rate of about 18% during 2004–2013, the number of registered vehicles in Myanmar was 3.6 million in 2013, or 70 vehicles per 1,000 people, which is relatively low compared to Thailand (250 vehicles per 1,000 people) and Indonesia (370 vehicles per 1,000 people). Inland waterways in Myanmar play an important role for freight traffic, with 5 million tons transported along these waterways in 2011 thanks to the established network along the Ayeyarwaddy and Chidwin rivers and underdeveloped land transportation.⁴ However, the vessels and ports are old, resulting in an underutilized and malfunctioning network.

4. Better connectivity infrastructure contributes to sustainable economic growth by facilitating access to better economic opportunities and by improving the productivity of many sectors.⁵ A nationwide mobile network would be inclusive since people in remote areas would have access to market information and other opportunities, which would remove market inefficiencies and result in welfare benefits for them.⁶ It is estimated that a 10% increase in mobile penetration would raise gross domestic product by 1.2% (footnote 3). Development of transport and logistics infrastructure would enable farmers and other producers to broaden their

¹ The design and monitoring framework is in Appendix 1.

² Asian Development Bank (ADB). 2014. *Asian Development Outlook 2014*. Manila.

³ Deloitte. 2013. *Myanmar: The Next Asian Telecommunications Greenfield?* Singapore.

⁴ ADB. 2012. *ADB Transport Sector Initial Assessment*. Manila.

⁵ ADB. 2014. *Myanmar: Unlocking the Potential*. Manila.

⁶ R. Jensen. 2007. The Digital Divide: Information (Technology), Market Performance, and Welfare in the South Indian Fisheries Sector. *Quarterly Journal of Economics*, 122(3), pp. 879–924. Cary; and J. C. Aker. 2010. Information from Markets Near and Far: Mobile Phones and Agricultural Markets in Niger. *American Economic Journal: Applied Economics*, 2(3), pp. 46–59.

reach to sell their products, and would enable consumers to enjoy better products at an affordable price. Investment in connectivity infrastructure is therefore a key factor in giving people and goods better access to more opportunities and markets, reducing transportation and other transaction costs, promoting domestic and international trade, and attracting investors into diverse geographic areas and sectors. Furthermore, Myanmar could potentially benefit from a “greenfield” advantage (i.e., it is unencumbered by investments in earlier technologies), meaning it can immediately adopt more cost-effective, sustainable infrastructure. The caveat is that the government lacks the budget and capacity to undertake projects in various connectivity sectors at once, which is necessary to meet Myanmar’s enormous infrastructure needs.⁷ Therefore, the role of the private sector is crucial to successfully address the connectivity bottlenecks.

5. Against this backdrop, an increasing number of private sector connectivity infrastructure opportunities are emerging, including in telecommunications, transport, logistics, agriculture value chain, and related support infrastructure. However, private sector financing for these opportunities remains a major challenge for the following reasons: (i) many of these projects are either too small for complex project finance structuring in an untested legal environment in Myanmar, and/or are perceived to be too risky to finance on a standalone basis; (ii) the banking sector and capital market in Myanmar are highly underdeveloped, meaning (a) local banks do not have the skills or capacity to finance such projects, and (b) project promoters do not have access to alternative funding sources; (iii) although Myanmar is experiencing an influx of investors, investments have been concentrated in the oil, gas, and other mineral sectors, as well as light manufacturing; and (iv) few international investors have the necessary in-depth understanding to structure and implement local connectivity infrastructure projects, while most local investors lack the financial and managerial capacities to undertake such projects.

6. YSH has been identified as a sound partner to fill this gap. As a Singapore-listed company focusing on Myanmar and led by Serge Pun, a reputable Myanmar entrepreneur, YSH has become a preferred business partner for major multinational corporations including Mitsubishi, Sumitomo, Case New Holland, and Digicel Group. Through its work with various renowned international partners, YSH has emerged as a potential aggregator of the connectivity subprojects, which will also enable them to diversify the risks of individual subprojects. Since long-term commercial debt, which is necessary to undertake such connectivity infrastructure projects, remains extremely scarce in Myanmar, YSH has requested the Asian Development Bank (ADB) to consider extending assistance. In addition to ADB’s direct contribution through financing the project, ADB’s involvement and presence are expected to catalyze commercial debt funding to both YSH and to individual subprojects.

2. Project Design

7. The project will support YSH’s long-term investments in connectivity infrastructure subprojects in Myanmar to advance inclusion of isolated people, reduce urban–rural development gaps, and attract private investment into diverse geographic areas and sectors. Development of connectivity infrastructure contributes to these objectives by (i) giving people and goods better access to more opportunities and markets, (ii) improving productivity through reduction of transport and other transaction costs, and (iii) promoting domestic and international trade.

⁷ It is estimated that total investment gaps for infrastructure could be as much as \$80 billion from 2014 to 2030. ADB. 2014. *Myanmar: Unlocking the Potential*. Manila.

8. YSH intends to significantly increase its presence in the connectivity infrastructure sectors such as transport, telecommunications, and logistics, both in terms of asset base and sales. The projects ADB will initially support are described in Table 1 and paras, 9–11. Subsequently, ADB will support further subprojects that meet eligibility criteria as YSH secures new connectivity subprojects in transportation, distribution and logistics, agricultural value chains, or international education, in addition to the subprojects mentioned in Table 1.

Table 1: Summary of Yoma Strategic Holdings' Connectivity Subprojects

Subproject	Project Description	Partner
Telecom towers	Construction and leasing of telecom towers	Digicel Group
Cold storage logistics	Construction of warehouses, development of a network of refrigerated trucks	Kokubu & Co. Ltd.
Fleet leasing	Leasing of logistics fleet	First Myanmar Investment

Source: Yoma Strategic Holdings.

9. **Telecom towers.** In the telecommunications sector, YSH has partnered with Digicel Group and established Myanmar Tower Company (MTC) to build telecom towers in Myanmar. Digicel Group is a global telecom operator that operates in the Caribbean, Pacific island countries, and other developing countries. MTC has signed agreements with Ooredoo, one of the two telecom license winners, to provide 1,250 towers initially.

[CONFIDENTIAL INFORMATION DELETED]

10. **Cold storage logistics.** YSH and First Myanmar Investment (FMI)⁸ have established KOSPA Cold Chain Logistics (KCCL), a joint venture with Kokubu & Co., Ltd. (KCL), to develop the first cold storage logistics business in Myanmar. KCL is a leading logistics company in food products established in 1712 in Japan. It has overseas presence in the People's Republic of China (PRC) and Viet Nam.

[CONFIDENTIAL INFORMATION DELETED]

11. **Fleet leasing.** YSH has established a logistics fleet company, Yoma Fleet, in partnership with FMI to address the shortage of trucks, tractors, and other logistics vehicles. Myanmar's freight transport market has been characterized by an old, inefficient fleet. However, as the government lifted the restrictions on the import of modern trucks, the fleet is modernizing, creating huge business opportunities and bringing substantial benefits to various sectors.

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3. The Borrower

12. The borrower will be YSH, a Singapore-listed company with property, agriculture, tourism, and automobile dealership businesses in Myanmar. YSH was listed on the main board of the Singapore Exchange in 2006 and has a current market capitalization of over \$632 million equivalent.⁹ YSH was founded by Serge Pun, who is the chairman. A Myanmar national with a successful business track record across Asia, Serge Pun is considered to have a solid

⁸ FMI is a Myanmar public company that is majority owned by Serge Pun. Established in 1992, FMI is a diversified company with a core focus in property development followed by automotive, services (e.g., healthcare), banking, agriculture, retail, and tourism. As a Myanmar public company, FMI has a broad local shareholder base of more than 6,000. While YSH is an international flagship company with international shareholders to make investments in Myanmar, FMI is a local vehicle of Serge Pun with local shareholders. YSH often makes co-investments with FMI because of this association.

[CONFIDENTIAL INFORMATION DELETED]

⁹ As of 10 October 2014.

reputation which has led to YSH's business partnerships in Myanmar with renowned multinational corporations.

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13. YSH is led by a team of international management professionals and is known for its good corporate governance systems and practices, including (i) a board of directors with a majority of independent directors; (ii) a clearly set-out code of conduct; (iii) an audit committee, nominating committee, and remuneration committee comprised solely of independent directors; and (iv) well-established whistleblower and internal control systems, evidenced by YSH's ranking in the top 5% of Singapore Exchange-listed companies in the 2014 Governance & Transparency Index.¹⁰

14. Aside from Serge Pun, no YSH shareholder owns 10% or more shares.

[CONFIDENTIAL INFORMATION DELETED].

B. Development Impact, Outcome, and Outputs

1. Impact

15. Successful implementation of the project will contribute to (i) increased domestic trade; (ii) increased labor productivity, because of the increased share of secondary and tertiary sectors increase, which have higher productivity than the primary sector; and (iii) increased foreign direct investment, in Myanmar.

2. Outcome

16. The project's expected outcome will be improved connectivity of people and goods in Myanmar. The first three subprojects to be supported by the ADB facility will result in (i) an increase in the number of mobile subscribers, (ii) transportation of perishable goods through improved cold chain logistics, and (iii) high utilization of logistics fleets.

3. Outputs

17. The project's outputs are (i) the successful completion of initial investments (paras. 8–11) by 2017,¹¹ and (ii) the establishment of an environmental and social management system (ESMS) and implementation of project-level safeguard plans in compliance with ADB safeguard policies.

C. Alignment with ADB Strategy and Operations

18. **Consistency with Midterm Review of Strategy 2020.** The project is consistent with ADB's Midterm Review of Strategy 2020, which identifies inclusive growth and infrastructure development as two of the four strategic priorities to sharpen ADB's operational focus.¹² The project is fully in line with the Midterm Review of Strategy 2020's emphasis on private sector operations in Asian Development Fund-recipient countries, and expanding connectivity.

¹⁰ YSH was ranked 26th out of the 644 listed companies on the Singapore Exchange. It was ranked 74th in 2013 and 177th in 2012 (<http://bschool.nus.edu/Portals/0/docs/GTI-2014-Index-Website-Ranking-Order.pdf>).

¹¹ The project's outcome and outputs in the design and monitoring framework will be updated once subprojects under the second tranche are identified.

¹² ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

19. **Consistency with country partnership strategy.** The project is also aligned with ADB's interim country partnership strategy for Myanmar, 2012–2014, which places importance on enhancing connectivity.¹³ The project addresses the critical shortage of connectivity, promotes access to markets and basic social services, improves rural infrastructure to boost productivity and incomes, lowers transaction costs, enhances opportunities for domestic and cross-border trade and investment, and improves access to reliable and sustainable utility services. The project will also complement various projects being processed by ADB's Southeast Asia Department, including several road projects and technical assistance projects.¹⁴ Since Myanmar was long isolated from regional and international markets, a combination of sovereign and nonsovereign connectivity projects to strengthen the country's capacity to compete will be critical in supporting Myanmar's reintegration with its regional neighbors.

D. Project Cost and Financing Plan

20. ADB's corporate loan to YSH will be directed to several connectivity infrastructure subprojects and is composed of two tranches amounting up to \$50 million each.

21. The project cost for the first tranche comprises investments in the telecom sector to be undertaken by MTC, cold storage logistics by KCCL, and fleet leasing by Yoma Fleet.
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22. The project cost for the second tranche comprises investments in connectivity subprojects in transportation, fleet leasing, telecommunication towers, distribution and logistics, agricultural value chains, or international education.
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E. Implementation Arrangements

23. Table 3 summarizes the implementation arrangements.

Table 3: Summary of Implementation Arrangements

Aspects	Arrangements
Regulatory framework	Since 2013, the Government of Myanmar has promulgated a number of laws that bring further economic deregulation and market liberalization. Those that impact the project include the Foreign Investment Law, Telecommunications Law, and Special Economic Zones Law.
Management	YSH is led by a team of experienced managers with solid qualifications. At the project company level for each connectivity subproject, managers who have extensive experience in the respective business or sector have been or will be appointed. [CONFIDENTIAL INFORMATION DELETED]
Implementation period	FY2015–FY2019
Construction arrangements	The goods and services required for the project will be procured based on transparent and competitive bidding processes from suppliers in ADB members.
Revenue structure	[CONFIDENTIAL INFORMATION DELETED]
Operation and maintenance	[CONFIDENTIAL INFORMATION DELETED]
Performance monitoring	YSH will report on key performance indicators, including the outcome and outputs indicators identified in the design and monitoring framework in Appendix 1.

ADB = Asian Development Bank, O&M = operation and maintenance, YSH = Yoma Strategic Holdings.
Sources: Asian Development Bank and Yoma Strategic Holdings.

¹³ ADB. 2012. *Interim Country Partnership Strategy: Myanmar, 2012–2014*. Manila.

¹⁴ ADB. 2013. *Concept Paper: Maubin Phyarpon Road Rehabilitation Project in Myanmar*. Manila; ADB. 2013. *Concept Paper: Greater Mekong Subregion East–West Economic Corridor Eindu to Kawkaik Road Improvement In Myanmar*. Manila.

F. Projected Financial and Economic Performance

[CONFIDENTIAL INFORMATION DELETED]

III. THE PROPOSED ADB ASSISTANCE

A. The Assistance

24. ADB's proposed assistance is a direct loan to YSH of up to \$100 million, comprising two tranches.

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B. Value Added by ADB Assistance

25. ADB's participation in the project will add substantial value in the following ways:

- (i) ADB's assistance will be critical, as the financial market in Myanmar is shallow, and debt financing is extremely scarce from local banks and from international banks. Local banks currently lack the financial and technical capacities to undertake large and long-term financing.
- (ii) ADB's assistance will support development of much-needed connectivity infrastructure to help reduce transportation and other transaction costs, improve productivity, and enhance access to opportunity and services that will effectively contribute to sustainable economic growth and poverty alleviation objectives.
- (iii) The project structure will enable ADB to extend its reach to multiple connectivity subprojects that would be difficult to assist directly.
- (iv) ADB's substantial participation will signal to the Government of Myanmar, multinationals, and international financiers that private sector-led infrastructure investments can be undertaken successfully and sustained in Myanmar under sectors that implement sound legal and regulatory frameworks and/or are founded on the principles of transparent and competitive bidding procedures.

C. Risks

[CONFIDENTIAL INFORMATION DELETED]

IV. POLICY COMPLIANCE

A. Safeguards and Social Dimensions

26. The project is processed as general corporate finance, with ADB funds expected to be allocated for implementing YSH's connectivity infrastructure projects. Telecom towers, cold storage logistics, and fleet leasing subprojects will be taken up in the first tranche. In addition, connectivity subprojects in transport, agribusiness, and education sectors are likely to be taken up in the second tranche. In compliance with ADB's Safeguard Policy Statement (2009), the project is classified category B for environment, category B for involuntary resettlement, and category C for indigenous peoples. The potential environmental and social impacts of the project have been identified and effective measures to avoid, minimize, mitigate, and compensate for the adverse impacts will be incorporated in the safeguard reports and plans. In addition to compliance with the safeguard requirements for individual subprojects, YSH and the project companies under which the specific connectivity subprojects will be undertaken will establish and maintain an ESMS to screen, assess, and address environmental and social

impacts and risks meeting the requirements of ADB's Safeguard Policy Statement, including the submission and review of safeguards documents. The borrower is committed to implement environmental and social safeguards in compliance with ADB's Safeguard Policy Statement on subprojects funded directly by it or through its subsidiaries.

27. Proposed infrastructure will not be located within the boundaries or traversing environmentally sensitive areas such as protected areas, wetlands, or historical or cultural site. Potential impacts during construction (e.g., noise, soil erosion, air, and water pollution) can be mitigated, and are short-term and temporary. Potential residual impacts during operation (e.g., visual; pollution of land and water from hazardous materials and wastes; occupational and community health and safety, including electromagnetic exposure) can also be mitigated using tested mitigation measures. The building of telecom towers and the cold storage logistics facilities will be carried out by the project companies on lands to be leased from willing landowners on a long-term basis. The site selection criteria and processes by the project companies exclude sites with landowners who are not willing to enter into leases or lands with potential impacts on indigenous peoples. Involuntary resettlement impacts and impacts on indigenous peoples are not envisaged with respect to the building of telecom towers and cold storage facilities. For government lands allotted for locating facilities, YSH and the project companies will assess and address any compliance gaps pertaining to involuntary resettlement impacts in line with ESMS provisions and ADB requirements. Information disclosure and consultations will be carried out in accordance with ADB requirements.¹⁵

28. A corporate audit was conducted on YSH's ESMS. The audit identified corrective actions required to ensure compliance of the ESMS to ADB's Safeguard Policy Statement requirements. The corrective actions have been discussed and agreed upon with YSH. The key corrective actions include (i) enhancing YSH's corporate ESMS to meet ADB requirements and developing entity-level environmental and social procedures for the three project companies; (ii) formalizing a procedure for screening, scoping, and categorizing projects and undertaking appropriate environmental and social assessment; (iii) developing stakeholder engagement plans and establishing a grievance redress mechanism for the project companies; (iv) providing specific occupational health and safety and community health and safety strategies for the project companies; and (v) incorporating in the corporate ESMS a policy statement and procedures for addressing impacts on involuntary resettlement and indigenous peoples. YSH commits to have a Safeguard Policy Statement-compliant ESMS that is satisfactory to ADB in place prior to the first disbursement. YSH will submit annual environmental and social monitoring reports on the implementation of its ESMS and the subprojects, including the implementation of corrective actions in the audit report. In addition, safeguard documents for the subprojects in line with the ESMS requirements will be prepared for the connectivity infrastructure subprojects to be taken up.

29. The project is classified as having some gender elements, and the borrower commits to (i) prioritizing women for at least 40% of construction-related jobs created, and (ii) hiring at least 30% women employees for employment requirements in the connectivity subprojects. In addition, YSH's human resources policies promote equal opportunities for women and ensure that the rights of women are protected. YSH will comply with ADB's Social Protection Strategy and report regularly to ADB on compliance (including compliance by contractors) with national labor laws and adherence to internationally recognized core labor standards.¹⁶

¹⁵ Entity-level environmental and social procedures for the other connectivity sectors, in line with the ESMS of YSH, will be prepared and approved by ADB prior to the second tranche disbursement.

¹⁶ ADB. 2003. *Social Protection Strategy*. Manila (adopted in 2001).

B. Anticorruption Policy

30. YSH was advised of ADB's policy of implementing best international practice relating to combating corruption, money laundering, and the financing of terrorism. ADB will ensure that investment documentation includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism, and remedies for ADB in the event of noncompliance.¹⁷

C. Investment Limitations

31. The proposed loan is within the medium-term, country, industry, group, and single-project exposure limits for nonsovereign investments.

D. Assurances

32. Consistent with the Agreement Establishing the Asian Development Bank (the Charter),¹⁸ the Government of Myanmar will be requested to confirm that it has no objection to the proposed assistance to Yoma Strategic Holdings. ADB will enter into suitable finance documentation, in form and substance satisfactory to ADB, following approval of the proposed assistance by the ADB Board of Directors.

V. RECOMMENDATION

33. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the loan of up to \$100,000,000 to Yoma Strategic Holdings for the Connectivity Infrastructure Development Project in Myanmar, from ADB's ordinary capital resources, with such terms and conditions as are substantially in accordance with those set forth in this report, and as may be reported to the Board.

Takehiko Nakao
President

17 November 2014

¹⁷ According to the public statement by the Financial Action Task Force dated 27 June 2014, Myanmar is regarded as a jurisdiction with strategic deficiencies that has not made sufficient progress in addressing these deficiencies. The integrity due diligence carried out has not identified any concerns relating to involvement by YSH in money laundering or terrorism financing.

¹⁸ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and/or Indicators with Baselines	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Impacts</p> <p>Domestic trade in Myanmar is increased</p> <p>Myanmar's labor productivity is increased</p> <p>Private sector investment in Myanmar is increased</p>	<p>Myanmar's Logistics Performance Index ranking is improved to 100 in 2023 from 145 in 2014</p> <p>GDP per capita in Myanmar is increased from \$876 in 2012 to \$1,663 in 2023^a</p> <p>Foreign direct private investment in Myanmar increases from \$4 billion per annum (the average during 2005–2013) to \$8 billion per annum in 2023</p>	<p>Logistics Performance Index, World Bank</p> <p>World Bank database</p> <p>International Financial Statistics, International Monetary Fund</p>	<p>Assumption</p> <p>Continuing government support for private sector-led infrastructure development</p> <p>Improved connectivity increases labor productivity and trade</p> <p>ADB project has a strong demonstration effect and increases foreign direct investment in infrastructure</p> <p>Risk</p> <p>Worsening political, social, and economic situation in Myanmar</p>
<p>Outcome</p> <p>Connectivity of people and goods improved^b</p>	<p>Number of mobile subscribers increased from 4 million in 2013 to 35 million by 2018</p> <p>[CONFIDENTIAL INFORMATION DELETED]</p>	<p>Statistics from the Government of Myanmar and mobile operators</p> <p>[CONFIDENTIAL INFORMATION DELETED]</p>	<p>[CONFIDENTIAL INFORMATION DELETED]</p>
<p>Outputs</p> <p>1. Investment subprojects successfully implemented^b</p> <p>2. ESMS established and project-level safeguard plans implemented</p>	<p>[CONFIDENTIAL INFORMATION DELETED]</p> <p>ESMS operationalized across YSH operations, and safeguard plans implemented for subprojects in line with ESMS requirements by 2016</p> <p>All subprojects screened for environmental and social safeguards in line with ESMS requirements</p> <p>Safeguard documents prepared and implemented in line with ESMS requirements</p>	<p>[CONFIDENTIAL INFORMATION DELETED]</p>	<p>[CONFIDENTIAL INFORMATION DELETED]</p>
<p>Activities with Milestones</p>			<p>[CONFIDENTIAL INFORMATION DELETED]</p>

Design Summary	Performance Targets and/or Indicators with Baselines	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
1. Financial close achieved by Q4 2014 2. ESMS adopted by Q4 2014			

ADB = Asian Development Bank, ESMS = environmental and social management system, GDP = gross domestic products, YSH = Yoma Strategic Holdings.

^a Per capita GDP is used as a proxy for labor productivity.

^b Outcome and outputs indicators will be updated once the subprojects under the second tranche are identified.

Source: Asian Development Bank.