

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Myanmar	Project Title:	Economic Empowerment of the Poor and Women in the East–West Economic Corridor
Lending/Financing Modality:	Grant from the Japan Fund for Poverty Reduction	Department:	Southeast Asia Department
		Division:	Office of the Director General

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: Targeted intervention—geographic (TI-G)

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

Myanmar focuses on inclusive growth as one of its economic policy objectives in the National Development Plan, 2012–2016. Creation of jobs and income-generating activities to reduce poverty is a key priority, as highlighted in the government's National Comprehensive Development Plan, 2011–2031. In line with these objectives, the interim country partnership strategy, 2012–2014 (extended from 2015–2016) of the Asian Development Bank (ADB) for Myanmar provides a medium-term goal to assist the government in promoting sustainable and inclusive economic development and job creation in support of poverty reduction.^a The strategy is in line with ADB's Strategy 2020, which has a strong focus on poverty reduction and inclusive growth.^b The project supports these objectives by promoting pro-poor micro and small enterprises (MSEs) in 12 poor villages in Chaungzon, Kyaiktho, Mawlamyine, and Mudon townships in Mon state. About 55% of the state's population are self-employed, operating MSEs, such as selling prepared foods or snacks and woven products in nearby markets.^c

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. About 26% of Myanmar's population lives in poverty. The government aims to reduce the poverty rate to 16% by 2015. The government's agenda for poverty reduction is reflected in its series of national development plans, such as the National Comprehensive Development Plan, 2011–2030, the 5-year development and annual development plans, and the Framework for Economic and Social Reforms (announced by the government in January 2013). Poverty is more intense in rural areas where about 85% of the poor live. The disparities between rural and urban areas, and between poor and non-poor households are significant for various indicators such as health and education.^c In 2010, about 81% of the population had access to health care: 75% of rural residents, 96% of urban dwellers, 77% of the poor, and 82% of the non-poor. The net enrolment rate in primary education is 88%: 87% for rural residents, 92% for urban dwellers, 81% for the poor, and 90% for the non-poor. In Mon state, disparities also exist in access to basic services: only 65% of poor households have access to safe drinking water compared with 83% of non-poor households; and only 72% of households in the rural areas have access to electricity compared with 81% in urban areas. In Kyaiktho, water supply relies mainly on dug wells. The economy is dominated by agriculture, however, the contribution of agriculture and rural enterprises to economic growth, job creation, and poverty reduction is hampered by limited access to credit, markets, and services, as well as low human capital development. Self-employed and contributing family workers comprise 54.3% of total employment; this is higher in rural areas.^c These own-account workers usually operate MSEs, which have limited opportunities to grow as challenges include (i) limited product knowledge and access to technology, and lack of skilled employees; (ii) lack of knowledge and skills among entrepreneurs in business development, processing, and supply chain services; (iii) limited access to finance and markets; and (iv) weak infrastructure and institutional support.

2. Beneficiaries. Primary beneficiaries will be women entrepreneurs and owners of MSEs, and poor community members who will be provided with training on technical skills, production techniques, business development, and management skills; and those who will be supported to access credit, business services, processing, and marketing facilities to enable them to establish or expand their own businesses. The direct beneficiaries are those who will be employed in new MSEs, markets, and processing facilities—most are women. Households headed by women, very poor community members, and/or women from ethnic groups will be prioritized to participate in project activities. Community members and consumers will benefit from improved processing facilities and markets.

3. Impact channels. The project will train women, the poor, and marginalized on various skills to help them develop and sell marketable products, start-up and/or effectively manage their own enterprises, or obtain employment. Assessing livelihood needs and commercial potential of local products, and identifying interventions for women and the poor to benefit from new or improved enterprises will open up new opportunities. Training on business development and management and related skills, and facilitating access to finance and markets will help women to establish profitable businesses. New jobs expected to be created by improved MSEs, combined with training on skills aligned with labor market needs, will help the unemployed, especially women, to obtain employment.

4. Design features. The project aims to address the key constraints faced by women entrepreneurs and MSEs, through the following outputs: (i) improving the technical knowledge and skills of entrepreneurs and producers and their employees to produce marketable products, i.e., handicrafts and processed foods, with high demand for local and tourist markets; (ii) Improving access to business services, credit, and commercial networks; and (iii) improving infrastructure to support producers to access markets and processing facilities.

ensure their involvement in access to finance, training, and other project activities. The value-chain analysis and social and gender analysis will include an assessment of and impact of the project on ethnic groups. A consultation and participation summary will be included as part of project documentation.

Is broad community support triggered? Yes No

2. Strategy to address the impacts. None.

3. Plan or other actions.

- | | |
|---|---|
| <input type="checkbox"/> Indigenous peoples plan | <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan |
| <input type="checkbox"/> Indigenous peoples planning framework | <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework |
| <input type="checkbox"/> Environmental and social management system arrangement | <input checked="" type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary |
| <input type="checkbox"/> Social impact matrix | |
| <input type="checkbox"/> No action | |

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).

M unemployment M underemployment L retrenchment L core labor standards

2. **Labor market impact.** Unemployed women and the poor who gain skills through project training will be able to enter the labor market, specifically in improved MSEs, processing facilities, new market infrastructure, and other related employment. Migrants will also gain knowledge and skills needed in the labor market through information on safe migration and life skills, which will be included in all project training.

B. Affordability

The project will not charge fees for training activities. In terms of financing and executing management, operation, and maintenance of both facilities, recurrent cost will be generated from rental from the market and sales from the processing center. In addition, consultations were held with retailers and CSOs to assess willingness to pay and sustainability of retail spaces at the craft and souvenir market.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

NA Communicable diseases L Human trafficking

2. Risks to people in project area. The integrated benefits and impacts of the project are expected to outweigh the costs. Major risks and mitigating measures are described in the risk assessment and risk management plan.

VI. MONITORING AND EVALUATION

1. **Targets and indicators.** The project provides targets for the number of (i) men and women participating in skills training; (ii) products for which commercial viability and value-chain analysis is conducted; (iii) enterprises established and supported; (iv) producer associations registered; (v) producers accessing affordable credit; (vi) local community women and men employed in processing facilities; (vii) vendors employed in craft and product markets; and (viii) members of producer and vendor associations, and market management committee.

2. **Required human resources.** The national project director will be responsible for the management of the overall project. The director, supported by a consultant team, will carry out effective project supervision, monitoring, and reporting; provide technical inputs; and support semiannual planning and review processes. For the PIU, the project manager will be responsible for implementation of activities in the project's target areas in Chaungzon, Kyaikhto, Mawlamyine, and Mudon townships in Mon state.

3. **Information in the project administration manual.** The PAM provides information on the preparation of regular biannual grant status reports, quarterly progress reports, midterm evaluation report, and project completion report.

4. **Monitoring tools.** A project performance monitoring framework will be developed to record the project's technical and financial performance, and timely delivery of project activities and milestones; and assess achievement of project objectives and social, economic, and institutional impacts.

^a ADB. 2014. *Interim Country Partnership Strategy: Myanmar, 2015–2016*. Manila.

^b ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

^c Government of Myanmar, Ministry of National Planning and Economic Development; Swedish International Development Cooperation Agency; United Nations Children's Fund; and United Nations Development Programme. 2011. *Integrated Household Living Conditions Survey in Myanmar (2009–2010)*. Nay Pyi Taw.