

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Myanmar	Project Title:	Power Distribution Improvement Project
Lending/Financing Modality:	Project Loan	Department/Division:	Southeast Asia Department Energy Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Targeting classification: General intervention
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy The Asian Development Bank (ADB) approved the interim country partnership strategy, 2012–2014 for Myanmar after more than 25 years with no operations in the country. It highlights ADB support for energy infrastructure. The government prioritized the need to rehabilitate transmission and distribution networks to improve electricity access and reduce high system loss in support of inclusive and sustainable economic development. The project will rehabilitate distribution networks in five townships in Yangon region (Hlaingthaya, Insein, Kamayut, Mayangone, and Mingaladon), four districts in Mandalay region (Kyaukse, Meikhtila, Myingyen, and Yameethins), five districts in Sagaing region (Kalay, Katha, Monywa, Sagaing, and Shwebo), and two townships in Magway region (Aunglan and Magway). The project will help reduce system losses and increase reliable electricity supply to urban and rural consumers. The project is included in the first draft country operation and business plan for Myanmar. As such, the project will indirectly contribute to poverty reduction by improving access to electricity.
B. Results from the Poverty and Social Analysis during PPTA or Due Diligence 1. Key poverty and social issues. The project is to improve the supply of reliable electricity from indigenous sources in the country. About 480,000 households will benefit from improved access to electricity to support their daily activities including economic activities. Lack of transmission and distribution infrastructure has been the biggest constraint in accessing electricity. Furthermore, by increasing the supply of electricity, the project will provide increased opportunities for large industries and small and medium-sized enterprises to expand their own services, improved living conditions for individuals and households, and improved conditions for community facilities (e.g., clinics, schools) in the area and thus, contribute to economic development and poverty reduction. Measures must be included to ensure the very poor can benefit. Consideration should be given to measures such as subsidizing household connections, introducing lifeline tariffs for small consumers, and possibly using prepaid vouchers (providing the poor, especially women, with a degree of control over how much electricity they consume). 2. Beneficiaries. Residents of the project townships and districts will be among the beneficiaries. An estimated 480,000 households, about 20% of the total population of Myanmar, will benefit from the improvements.
II. PARTICIPATION AND EMPOWERING THE POOR
Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation. This project is classified as a general intervention and a general stakeholder communication strategy acceptable to the executing agency, the Ministry of Electric Power (MOEP), and ADB was prepared. MOEP will post all relevant information on its website, including, at a minimum, information regarding the bidding process, bidders, contract awards, use of funds disbursed under the project, and physical progress. The project will follow ADB’s Public Communication Policy (2011) and its guidelines on the disclosure and exchange of information. What forms of civil society organization participation are envisaged during project implementation? Not applicable. <input type="checkbox"/> Information gathering and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable? <input type="checkbox"/> Yes. <input checked="" type="checkbox"/> No. See above
III. GENDER AND DEVELOPMENT
Gender mainstreaming category: No gender elements.
A. Key Issues. As the project focuses primarily on rehabilitating existing equipment and materials, the nature of the project does not provide any opportunities to directly influence women’s access to services, empowerment, or participation in decision making.
B. Key Actions. <input type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input checked="" type="checkbox"/> No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
A. Involuntary Resettlement	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. The project does not have any involuntary resettlement issues.	
2. Strategy to address the impacts. The project does not have any involuntary resettlement impacts as reflected in ADB's Safeguard Policy Statement (2009). In the event that the project does have any such impact, the government will take all steps required to ensure that the project complies with the applicable laws and regulations of the government and with ADB's Safeguard Policy Statement.	
3. Plan or other actions.	
<input type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix
<input checked="" type="checkbox"/> No action	
B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. The project will not have impacts on indigenous peoples. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Strategy to address the impacts. The project will not impact indigenous peoples. In the event that the project does have any such an impact, the government will take all steps required to ensure that the project complies with the applicable laws and regulations of the government and with ADB's Safeguard Policy Statement.	
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 type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" 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. Indicate the impact as high (H), medium (M), and low or not significant (L). <input type="checkbox"/> unemployment (L) <input type="checkbox"/> underemployment (L) <input type="checkbox"/> retrenchment (L) <input type="checkbox"/> core labor standards (L)	
2. Labor market impact. Not applicable.	
B. Affordability	
Since January 2012, the electricity tariff has been MK35/kilowatt-hour (kWh) for general purposes (households), street lighting, and government offices; and MK75/kWh for domestic power, small power, and bulk. On 27 October 2013, the government announced the increase in electricity tariff with effect from 1 November 2013: MK35/kWh for households (until 100 kWh) and MK50/kWh (for 101 kWh and above); MK100/kWh for industry, enterprise, and lumpsum (until 5,000 kWh) and MK150/kWh for industry, enterprise, and lumpsum (for 5,001 kWh and above); MK50/kWh for government offices; and MK100/kWh for industrial use of government departments. Off-grid consumer tariffs vary depending on the cost of generation by diesel or other means (e.g., solar, mini-hydropower) and may range from MK100/kWh to MK300/kWh.	
C. Communicable Diseases and Other Social Risks	
1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA): <input type="checkbox"/> Communicable diseases (NA) <input type="checkbox"/> Human trafficking (NA) <input type="checkbox"/> Others (please specify) _____	
2. Describe the related risks of the project on people in the project area.	
MOEP practices are not within international standards for health and safety. Some switchyards and substations are not secure, often without fences and with uncontrolled entry. Though most substations are equipped with fire extinguishers, the substation operators do not use personal protective equipment (PPE) such as boots, hard hats, overalls, insulating gloves, safety glasses, and ear protection. In addition, during installation and maintenance work, ladders and scaffolding were not used. To mitigate these, the project will provide PPE to all the project areas to be integrated under the tools and equipment budget. The project implementation consultant (PIC) will provide training on the use of PPE, occupational health and safety to workers, and safety of nearby communities.	

VI. MONITORING AND EVALUATION

1. Targets and indicators. The project will help reduce the system losses and subsequent increase of electricity supply to urban and rural consumers for the country's inclusive and sustainable economic development. The distribution losses will be decreased from 18.2% in 2012 to 14.2% from 2018, and about 29,000 new households will be connected using the savings. National statistics and project benefit, monitoring, and postevaluation reports will be used to collect data.

2. Required human resources. PICs will be engaged to assist MOEP with project implementation. They will assist MOEP in reviewing the detailed engineering design, procurement implementation, supervision of construction, financial management and reporting, final testing and commissioning of the works, social and environmental planning, implementation, and monitoring.

3. Information in the project administration manual. MOEP will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project.

4. Monitoring tools. The project management unit (PMU) or project implementation unit staff in MOEP, YESB, and ESE will be supported by well-qualified international and domestic financial management consultants, and by appropriate computer hardware and software applications to enable them to take care of the accounting, financial reporting, and monitoring activities of the project during implementation. Each PMU will establish a project performance monitoring system. Through the project performance reporting system, ADB will rigorously monitor overall performance of the project. Each PMU will refine the monitoring system within 6 months from project commencement, and collect and update baseline data for performance monitoring. The key indicators and targets, assumptions, and risks outlined in the impact, outcome, and outputs in the project's design and monitoring framework will be the primary data required for analysis. For this purpose, the ADB inception mission will provide MOEP, YESB, and ESE with a checklist of the data to be updated and reported on quarterly through MOEP's quarterly progress reports and after each ADB review mission. Compliance with environmental, involuntary resettlement, and indigenous peoples safeguards and corrective actions, if any, will be included in the quarterly progress report to be prepared by the PICs and PMUs.

Source: Asian Development Bank fact-finding mission findings.