



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 04-Oct-2018 | Report No: PIDISDSC25498

**BASIC INFORMATION****A. Basic Project Data**

Country Myanmar	Project ID P168107	Parent Project ID (if any)	Project Name Myanmar Peaceful and Prosperous Communities Project (P168107)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Mar 04, 2019	Estimated Board Date Sep 30, 2019	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Republic of the Union of Myanmar	Implementing Agency Ministry of Agriculture, Livestock and Irrigation	

Proposed Development Objective(s)

To improve the quality of services and economic opportunities for vulnerable communities in conflict-affected areas of Myanmar.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	250.00
Total Financing	225.00
of which IBRD/IDA	200.00
Financing Gap	25.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	200.00
IDA Credit	200.00

Non-World Bank Group Financing

Counterpart Funding	25.00
---------------------	-------



Borrower	25.00
Environmental Assessment Category B - Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

- Myanmar is in the midst of a triple transition: from military rule to democratic governance, from a state-controlled to a market-oriented economy, and from decades of conflict with ethnic minorities to an effort at finding peace.** These transitions, begun in 2011, remain incomplete and continue to face setbacks and challenges. However, they offer the best hope in a generation for a peaceful and prosperous country with opportunities for all its people.
- A cornerstone of Myanmar’s transitions has been a historic peace initiative aimed at ending the myriad ethnic conflicts that have beset Myanmar’s border areas since independence.** This included a series of bilateral ceasefires starting in 2012, including in January 2012 with the Karen National Union (KNU), ending the world’s longest running civil conflict. In October 2015, the government and eight ethnic armed organizations (EAOs) signed the National Ceasefire Agreement (NCA), which set out to mark a change from decades of armed conflict to efforts at a political solution to address the historic grievances of Myanmar’s ethnic minorities, including for increased autonomy, recognition and control over their affairs. Two more EAOs signed the NCA in subsequent years.
- The civilian government that came to power following historic elections in November 2015 has confirmed the priority it attaches to the peace process, and has sought to move from the current ceasefire arrangements towards lasting peace.** This has included a series of national conferences that brought together leaders of ethnic armed organizations (EAOs), the Myanmar military (Tatmadaw) and the civilian government, to identify areas of shared concern and opportunities for political progress. It has also included dialogue with EAOs that have not yet signed the NCA to join the political process.
- However, the peace process remains fragile and uneven, with conflict escalating in Kachin and northern Shan States.** A 17 year ceasefire with the Kachin Independence Organization (KIO) broke down in 2011, and led to renewed fighting, which has also drawn in a number of other EAOs organized under the “Northern Alliance.” An estimated 100,000 people in Kachin and Shan States have been living in displacement camps or camp-like situations since 2011. Separately, the crisis in Rakhine State has led over 700,000 Rohingya to flee to Bangladesh since August 2017.



5. **As part of an effort to build trust and create opportunities for communities that were affected by conflict, the government has sought the World Bank’s support in the design and financing of a “Peaceful and Prosperous Communities” project.** The proposed project would support increased quality of services and economic opportunities for vulnerable rural communities in conflict-affected areas of Myanmar, including by building mechanisms to foster engagement and trust between communities, ethnic armed organizations, and government at the township, state and union levels.

Sectoral and Institutional Context

6. **Myanmar has some of the world’s longest-running civil conflicts, with upwards of one third of the country’s 330 townships (and almost one quarter of the country’s population) affected by sub-national conflicts.** These conflicts are predominantly concentrated in the country’s periphery, which is home to most of its many ethnic minorities. At the heart of these conflicts are issues of ethnic rights and local control of decisions and resources for local development, for which there was little space in the centralized, top-down military governance of the past.
7. **Both Bamar and ethnic minority communities have been affected by the conflicts, which over the decades have included violence associated with armed conflicts, large scale displacement, and credible allegations of a range of human rights violations committed by many parties to the conflicts.** While the recent ceasefires have not addressed the fundamental grievances underlying the conflict, they have greatly reduced the number of armed clashes and improved security to increase the ability of communities to travel safely to access markets and access services.
8. **Combined with high levels of insecurity and decades of underinvestment in rural areas, communities in conflict-affected areas – some of which are among the poorest in Myanmar – are facing significant gaps in access to essential infrastructure, limited service provision and low human development indicators.** The recently completed “Myanmar Living Conditions Survey” found that the border areas of Kachin, Kayin, Mon and Shan states, and Tanintharyi region, each of which have been affected by conflict, have some of the worst measures of access to basic social services and participation in economic activities.¹ For example, Kayin and Tanintharyi have the highest percentage of households using unimproved water sources, and, along with Rakhine, the lowest percentage of households with access to basic sanitation. Kayin, Mon, and Shan states have the highest percentage of people 15 years and older who report being illiterate, and similarly report among the highest levels of innumeracy for the same age group. Gross enrollment rates for both middle and high school are also among the worst in the country in Kayin, Tanintharyi, Mon and Shan, as are labor force participation rates (for those 15 years old and above) in Kachin, Kayin, and Mon states. A recent study by the Asia Foundation found that 77 percent of conflict-affected townships fall in the bottom half of the multi-dimensional disadvantage index (MDI-2) recently developed by the World Bank and the Myanmar Department of Population.²
9. **Despite this, the binding constraint in conflict-affected areas is not a lack of financing for development programs, but rather the absence of a mechanism to deliver such programs at scale, and in ways that**

¹ “Myanmar Living Conditions Survey 2017: Key Indicators Report”, Central Statistics Organization, UNDP and World Bank, Nay Pyi Taw and Yangon, Ministry of Planning and Finance, UNDP and WB (2018).

² The multidimensional disadvantage index (MDI-2) uses data from the 2014 census to compare relative levels of non-monetary development across all townships in the country. The index uses indicators relating to household education, health, water and sanitation, housing, employment and assets



generate trust. Multiple factors converge in Myanmar’s conflict affected areas to create a uniquely complex operating environment: firstly, the long duration of these conflicts has shaped the nature of the state in these areas and the experience of communities interacting with government authorities, including a very limited – and heavily security-focused – presence. Secondly, perceptions are shaped by a long legacy of development projects being used to further state-building aims, generating significant negative externalities, or being used to “buy the peace” by benefitting primarily local elites and powerholders. Thirdly, Myanmar’s civilian authorities today have little influence and no formal oversight over the actions of security sector actors, which combined with coordination challenges between the union, state and local levels of government generates a high potential for misunderstandings. Finally, a number of the conflict-affected areas had never been under the control of the Myanmar state – operating as independent principalities in the times of the Burman kingdoms, and administered separately as “frontier areas” during colonial rule. In recent decades, many of the ethnic armed organizations developed their own service arms in areas such as healthcare and education. These parallel systems continue to exist today and provide a key source of legitimacy for EAOs in an environment where their security role – as a result of the ceasefire agreements – is less vital. Suspicion by local communities, reluctance by EAOs, and limited capacity of government combine to create a highly uncertain operating environment, at a time when a peace agreement has not yet been reached.

10. **Despite these challenges, the current peace process, in particular the provisions of the National Ceasefire Agreement, offer the potential for progress on socio-economic development. At present, the peace process aims to advance progress on political, security and development tracks, with the latter being the least developed.** On the political side, regular high level dialogue through a series of national peace conferences aims to address underlying political grievances. On the security side, the NCA established the “Joint Monitoring Committee” (JMC) mechanism, which consists of tripartite bodies at the union and state levels bringing together government, Tatmadaw and EAOs to review and resolve ceasefire violations. On service delivery, chapter six of the national ceasefire agreement makes specific provisions for coordination between government and EAOs to increase socio-economic support and livelihood opportunities for conflict affected communities through its provisions for “interim arrangements,” whereby service delivery and governance would involve both EAO and government systems in the period between initial ceasefires and a comprehensive political settlement and potentially beyond. However, and despite some encouraging progress in specific sectors, these interim arrangements have not yet been operationalized in a structured manner that allows support to be increased at scale.
11. **Extensive consultations by the team³ have indicated a strong desire on the part of many stakeholders to find a way to increase access to services, essential infrastructure and livelihood opportunities in a way that builds trust among communities, ethnic armed organizations, and government.** In particular, there is a strong desire by both government and a range of development partners to scale up support to Myanmar’s conflict-affected areas, but few mechanisms to do so in a way that ensures programs would support a positive feedback loop of interactions, especially when operating at scale in a complex and highly diverse environment. Operationalizing, testing and scaling such structures would be an important element of the proposed project.

³ Given the complex environment and the diverse views by stakeholders, the team has engaged in extensive consultations to date, including bilateral meetings, small group discussions and roundtable events in Yangon, Nay Pyi Taw, Hpa-An (Kayin State), Loikaw (Kayah State), Mawlamyine (Mon State), Chiang Mai (Thailand) and community discussions with conflict-affected communities in Kayin, Mon and Kayah States. Consultations were held with ethnic armed organizations (EAOs), ethnic civil society groups, government departments, development partners, and private sector actors among others.



Relationship to CPF

12. **The proposed project fits fully within the strategic ambitions of the Myanmar Country Partnership Framework, which highlights conflict as a cross-cutting issue to be addressed through WBG activities, and emphasizes the importance of reducing rural poverty as its first pillar.** It also fits with the emerging priorities identified in the draft Systematic Country Diagnostic (SCD), scheduled to be completed this fiscal year, which notes the importance of fostering inclusive growth and addressing the special challenges faced by conflict-affected areas of the country.
13. **In addition, the project would directly contribute to the first pillar of the Government's Myanmar Sustainable Development Plan (MSDP) on peace and stability,** including by securing and further fostering Union-wide peace (strategy 1.1); promoting equitable and conflict-sensitive socio-economic development across all regions and states (strategy 1.2); enhancing good governance and institutional performance (strategy 1.4); and promoting increased engagement of all people and open communication with government (strategy 1.5). The project would also contribute to other strategies of the MSDP, including creating a diverse and productive economy with rural development and agriculture as the foundation (strategy 3.1); protecting the rights and harnessing the productivity of all (strategy 4.5); and strategies 4.1, 4.2, 5.3 and 5.4 relating to the delivery of basic rural infrastructure for education, health, water, and energy.

C. Proposed Development Objective(s)

To improve the quality of services and economic opportunities for vulnerable communities in conflict-affected areas of Myanmar.

Key Results (From PCN)

14. **Key outcome indicators would be defined including: (i) increased access to services by conflict-affected communities; (ii) increased household economic opportunities; and (iii) increased involvement by communities and ethnic organizations in local development planning.** All results indicators will be disaggregated by gender and ethnicity where feasible.

D. Concept Description

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will support conflict-affected communities across Myanmar. In its first three years, the project will focus on the country's southeastern region (Mon, Kayin, and Kayah States, as well as select areas in Bago and Tanintharyi Regions). At the end of the second year of implementation, a review will consider feasibility of expansion into areas of Shan and Kachin States, and possibly other areas, depending on the state of the peace process. Therefore, the project locations will be across Myanmar, with varying physical characteristics.

The project will fund small-scale infrastructure and livelihood interventions in rural communities, through a participatory



and inclusive process. The footprint and physical impacts of these activities are expected to be minimal and manageable.

B. Borrower’s Institutional Capacity for Safeguard Policies

At the national level, the project implementing agency is expected to be the Department of Rural Development and the Department of Agriculture in the Ministry of Agriculture, Livestock and Irrigation. The World Bank has active projects with both of these departments (the National Community Driven Development Project and the Agricultural Development Support Project), with satisfactory safeguards management ratings. Both departments have staff at the national level who are familiar with World Bank safeguards policies, have experience providing training on requirements to township level implementing staff, and have experience implementing, supervising and reporting on safeguards. However, the coordination between these two departments and various other government agencies that will be involved in the implementation of the project is likely to be challenging and will need to be addressed under the institutional arrangements section of the Environmental and Social Management Framework (ESMF) for the project.

C. Environmental and Social Safeguards Specialists on the Team

Martin Fodor, Environmental Specialist
Zeynep Durnev Darendeliler, Social Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project is rated as Category B as it will finance small-scale infrastructure and livelihood interventions in rural communities, with limited and manageable footprint and impacts. The infrastructure to be financed will be based on eligibility criteria and typically include small roads, village water supply systems, rehabilitation of classrooms and health centers etc. New construction of infrastructure that has the potential to cause significant impacts (e.g. degradation of natural habitats, protected forests, or cultural resources) will not eligible for financing. Temporary negative impacts will be related to typical small-scale construction activities. Any activities requiring land acquisition or restrictions on land use will not be eligible under the project.</p> <p>On the social side, the project has substantial risks based on operating in conflict settings and potential exclusion of minorities, other vulnerable or disadvantaged groups or women, in both decision making processes and access to project benefits. The project will manage these risks by incorporating participatory and inclusive processes into the design of the project across all components.</p>



		Given that the specific project locations and activities are not known at this time, the implementing agency will be asked to prepare an ESMF that details how risks will be identified and managed during project implementation.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	This policy is triggered because of the potential negative impacts that subproject activities might have on natural habitats. While these activities are expected to be small scale and with overall limited impacts manageable through application of mitigation measures, the policy is triggered for precautionary reasons to ensure that any physical interventions (including those proposed in known reserved or declared national forests zones) will not adversely impact or lead to the degradation of critical or other natural habitats. The ESMF will provide for the screening of potential project impacts and how safeguard issues under this policy should be addressed during project implementation.
Forests OP/BP 4.36	Yes	This policy is triggered because of the possibility that some villages to be supported under the project are within classified forests and implementation of project livelihood support activities in such villages may involve utilization of natural forests or plantations. Environmental impacts of such subprojects are expected to be minimal, site-specific and manageable. Procedures for screening and managing potential impacts on forest and for promoting sustainable use of forests will be included in the ESMF. Activities that would cause significant conversion or degradation of critical natural forest areas will not be eligible for the project support.
Pest Management OP 4.09	Yes	The project will not promote the use or finance procurement of pesticides, insecticides and herbicides and other dangerous chemicals. However, the project support on rural livelihood might lead to an increased use of pesticides. The ESMF will include procedure for screening/assessing potential use of pesticide and a simple pest management plan to ensure that the pesticides used have negligible or minimal impact on environment and people.
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered because of the possibility that sub-projects may be implemented in, or in the vicinity



of, a physical cultural heritage site. It is anticipated that impacts on PCR from sub-projects activities are likely to be minimal/limited, site-specific and manageable because: (i) infrastructure works that the project will support are small-scale; and (ii) investments detrimental to cultural resources will not be eligible under project.

The ESMF will include guidance on screening, assessing and identifying measures to avoid or mitigate and monitor impacts on physical cultural resources.

The project will finance activities in townships where ethnic minorities are present, therefore OP 4.10 is triggered.

Given that the specific project locations and activities are not known at this time, the implementing agency will be asked to prepare an Indigenous Peoples Planning Framework (IPPF) that details procedures for how screening and assessment will be conducted, and free, prior and informed consultations will be obtained, ensuring broad community support. The township or village level plans, which will be based on a participatory social assessment, will serve as the Indigenous Peoples Plan (IPP) under this project, and will meet the requirements of the OP 4.10 for the IPP.

Indigenous Peoples OP/BP 4.10

Yes

The project will also prepare a social assessment, proportional to the nature and scale of the sub-project activities, and with the constraint of specific locations and activities not being known at appraisal. During project preparation, the government and the Bank has already and will continue to 1. identify key project stakeholders and culturally appropriate process of consulting with ethnic communities and their representatives, 2. engage in free, prior and informed consultations with ethnic communities and their representatives in order to ascertain broad community support for the project, and 3. identify any measures necessary to avoid adverse impacts based on these consultations. The social assessment will summarize the process above and the outcome of the process, as well as include baseline information on the demographic, social, cultural, and political characteristics of the affected communities based on



		existing secondary resources. The IPPF will detail the process for screening sub-project activities and conducting site and community specific social assessments during project implementation.
Involuntary Resettlement OP/BP 4.12	No	Under the project, any activities requiring land acquisition or restrictions on land use, which would trigger OP 4.12, will not be eligible for financing. The ESMF will include procedures for screening of all activities for impacts on land, and procedures for voluntary land donation. Voluntary land donations will only be allowed for small-scale investments decided by the communities themselves. Specific eligibility criteria and a clear process will be developed and included in the Project's Operational Manual, with risks related to voluntary land donations further assessed during preparation.
Safety of Dams OP/BP 4.37	No	The project will not finance the construction of any new dams or the rehabilitation of existing dams including structural and or operational changes. The project will also not finance irrigation or water supply sub-projects that will depend on the storage and operation of an existing dam or a dam under construction for their supply of water and could not function if the dam failed.
Projects on International Waterways OP/BP 7.50	No	The project area does not include sites on the Ayeyarwaddy river which is defined as an International Water Way according to this policy.
Projects in Disputed Areas OP/BP 7.60	No	No activities are planned in areas considered as disputed under OP7.60.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Feb 28, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

An ESMF, IPPF and SA will be prepared prior to appraisal.

The consultation and disclosure strategy during preparation is planned as follows: the ESMF, IPPF and SA will be disclosed at least two weeks before consultations. Consultations will be held on these instruments in Naypyidaw with government counterparts, in Yangon with civil society and development partners, and in at least two states/regions



where the project will definitely fund activities with relevant stakeholders identified during preparation. The government will present key national and World Bank requirements; key issues, risks and impacts; and planned processes during these consultations before discussions. Feedback from these consultations will be incorporated into the final safeguards instruments. The final versions of the instruments will be re-disclosed.

CONTACT POINT

World Bank

Sean Bradley, Nikolas Myint
Lead Social Development Specialist

Borrower/Client/Recipient

Republic of the Union of Myanmar

Implementing Agencies

Ministry of Agriculture, Livestock and Irrigation
Khant Zaw
Director General
kzaw.dda@gmail.com

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Sean Bradley, Nikolas Myint
----------------------	-----------------------------

Approved By

Safeguards Advisor:	Svend E. Jensby	04-Oct-2018
---------------------	-----------------	-------------



Practice Manager/Manager:	Susan S. Shen	04-Oct-2018
Country Director:	Mark A. Austin	05-Oct-2018
