

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: RES24137

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

AGRICULTURAL DEVELOPMENT SUPPORT PROJECT
(IDA CREDIT NO. 5624-MM)

(Board Approval Date: April 23, 2015)

TO THE

REPUBLIC OF THE UNION OF MYANMAR

June 13, 2016

*Agriculture Global Practice
East Asia and Pacific Region*

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

ABBREVIATIONS AND ACRONYMS

CERIP	Contingent Emergency Response Plan
GoM	Government of Myanmar
IDA	International Development Association
IRM	Immediate Response Mechanism
MOALI	Ministry of Agriculture, Livestock and Irrigation
MOPAF	Ministry of Planning and Finance
OAG	Office of the Auditor General of the Union
PDNA	Post-Disaster Needs Assessment
PDO	Project Development Objective
TOR	Terms of Reference
UNOPS	United Nations Office for Project Services

Regional Vice President:	Victoria Kwakwa
Country Director:	Ulrich Zachau
Senior Global Practice Director:	Juergen Voegele
Practice Manager/Manager:	Nathan M. Belete
Task Team Leader:	Sergiy Zorya

REPUBLIC OF THE UNION OF MYANMAR
AGRICULTURAL DEVELOPMENT SUPPORT PROJECT

CONTENTS

A.	SUMMARY	5
B.	PROJECT STATUS	6
C.	PROPOSED CHANGES	6
	ANNEX 1: RESULTS FRAMEWORK AND MONITORING	9

DATA SHEET*Myanmar**Agricultural Development Support Project (P147629)**EAST ASIA AND PACIFIC**Agriculture*

Report No: RES24137

Basic Information									
Project ID:	P147629			Lending Instrument:	Investment Project Financing				
Regional Vice President:	Victoria Kwakwa			Original EA Category:	Partial Assessment (B)				
Country Director:	Ulrich Zachau			Current EA Category:	Partial Assessment (B)				
Senior Global Practice Director:	Juergen Voegele			Original Approval Date:	23-Apr-2015				
Practice Manager/Manager:	Nathan M. Belete			Current Closing Date:	30-Jun-2022				
Team Leader(s):	Sergiy Zorya								
Borrower:	Republic of the Union of Myanmar								
Responsible Agency:	Ministry of Agriculture and Irrigation								
Restructuring Type									
Form Type:	Full Restructuring Paper			Decision Authority:	CD Decision				
Restructuring Level:	Level 2			Explanation of Approval Authority:	Reference is made OP 10.00 Para 12 and 13 and OPCS Guidance note on IDA IRM, this is a Level 2 Restructuring.				
Financing (as of 26-Nov-2015)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P147629	IDA-56240	Effective	23-Apr-2015	09-Sep-2015	29-Sep-2015	30-Jun-2022	30-Jun-2022		
Disbursements (in Millions)									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P147629	IDA-56240	Effective	XDR	71.00	71.00	0.00	0.00	71.00	

Policy Waivers		
Does the project depart from the CAS/CPF in content or in other significant respects?	Yes []	No [X]
Does the project require any policy waiver(s)?	Yes []	No [X]

A. Summary of Proposed Changes

The purpose of the restructuring is to permit the implementation of the IDA IRM, in line with operational policy. Per IDA IRM Guidance Note, PDO change would still be considered Level II restructuring based on the delegated approval authority for IDA IRM restructurings.

During July to September 2015, Myanmar experienced several disasters (cyclone, floods and landslide). These disasters had a major impact on about 5.2 million people exposing them to heavy floods, strong winds and landslides in the 40 most heavily affected townships. A Post-Disaster Needs Assessment (PDNA), led by the Government of Myanmar and supported by the World Bank Group and other development partners, estimated the total damages and losses of the floods and landslides to be US\$1.5 billion. Of this, US\$615.6 million was attributed to damages and US\$892.9 million to losses. The total effects are the equivalent of 3.1 percent of Myanmar's gross domestic product (GDP) in 2014/2015.

Given the scale of impact and urgent financial needs for post-disaster recovery and reconstruction, the Government of Myanmar (GoM) seeks the activation of the IDA Immediate Response Mechanism (IDA IRM) as part of its broader strategy to meet the recovery and reconstruction needs of its population. The IDA IRM is part of World Bank's support for Myanmar's reconstruction and recovery efforts. The IDA IRM allows countries to access up to 5 percent of the total undisbursed amount of investment lending portfolio in the country. The current undisbursed portfolio in Myanmar is US\$1.276 billion, making the request of US\$32 million part of the available volume. The Contingent Emergency Response Component (CERC) of four projects have been requested by the GoM to be activated with the amounts as shown in the table below. The restructuring is required for the activation of IDA IRM, and it is prepared in accordance to the Contingent Emergency Response Plan (CERIP) and Paragraph 12 and 13 of OP 10.00.

Overview of Projects with CERC activated for IDA IRM

Project	Original Credit Amount (US\$)	Proposed reallocation to IDA IRM (US\$)
Essential Health Services Access Project	100,000,000	3,431,000
Ayeyarwady Integrated River Basin Management Project	100,000,000	4,610,000
Agricultural Development Support Project	100,000,000	4,991,000
National Community Driven Development Project	400,000,000	18,944,000
Total	700,000,000	31,976,000

Change in Implementing Agency	Yes []	No [X]
Change in Project's Development Objectives	Yes [X]	No []
Change in Results Framework	Yes [X]	No []
Change in Safeguard Policies Triggered	Yes []	No [X]
Change of EA category	Yes []	No [X]

Other Changes to Safeguards	Yes []	No [X]
Change in Legal Covenants	Yes []	No [X]
Change in Loan Closing Date(s)	Yes []	No [X]
Cancellations Proposed	Yes []	No [X]
Change to Financing Plan	Yes []	No [X]
Change in Disbursement Arrangements	Yes []	No [X]
Reallocation between Disbursement Categories	Yes [X]	No []
Change in Disbursement Estimates	Yes []	No [X]
Change to Components and Cost	Yes [X]	No []
Change in Institutional Arrangements	Yes []	No [X]
Change in Financial Management	Yes []	No [X]
Change in Procurement	Yes []	No [X]
Change in Implementation Schedule	Yes []	No [X]
Other Change(s)	Yes []	No [X]
Appraisal Summary Change in Economic and Financial Analysis	Yes []	No [X]
Appraisal Summary Change in Technical Analysis	Yes []	No [X]
Appraisal Summary Change in Social Analysis	Yes []	No [X]
Appraisal Summary Change in Environmental Analysis	Yes []	No [X]
Appraisal Summary Change in Risk Assessment	Yes []	No [X]

B. Project Status

The implementation has been affected by the long government transition and the merge of three ministries into one. The implementation has accelerated since May 2016. The procurements on the project management unit and the study for feasibility and design for irrigation works have progressed. The project management unit will be established by the end of July. The important reviews of land surveying and tenure procedures in place related to the project are almost completed, permitting the start of actual land surveying of selected irrigation sites. The designated account opened on June 5 and the first disbursement will be made by the end of June 2016. The 2016/17 annual work plan for US\$8.5 million will be approved by the National Project Steering Committee on June 16, and the implementation will gain the further momentum.

C. Proposed Changes

The purpose of the restructuring is to permit the implementation of the IDA IRM, in line with operational policy. Per IDA IRM Guidance Note, PDO change would still be considered Level II restructuring based on the delegated approval authority for IDA IRM restructurings. The restructuring proposes the following changes:

1. Change in PDO: PDO is revised to include reference to IDA IRM.
2. Change in Results Framework: An indicator is added to monitor the implementation of IDA IRM.
3. Reallocation between disbursement categories.
4. Change in Component and Cost: This is to reflect allocations to Contingent Emergency

Response Component.									
Details of all the changes are reflected in the following sections.									
Development Objectives/Results									
Project Development Objectives									
Original PDO									
The Project Development Objective is to increase crop yields and cropping intensity in the selected existing irrigation sites in the Recipient's Bago East, Nay Pyi Taw, Mandalay, and Sagaing regions.									
Change in Project's Development Objectives									
Explanation									
The Project's Development Objective (PDO) is revised to reflect the provision of emergency financing under the Immediate Response Mechanism (IRM) per IPF's IDA IRM Guidance Note.									
Proposed New PDO									
The Project Development Objective is to increase crop yields and cropping intensity in the selected existing irrigation sites in the Recipient's Bago East, Nay Pyi Taw, Mandalay, and Sagaing regions, and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.									
Change in Results Framework									
Explanation:									
As stated in paragraph 21 of CERIP, an indicator, "Goods procured and distributed as outlined in the CERIP", will be added to help monitor the implementation of IDA IRM.									
Financing									
Reallocations									
Explanation:									
Reallocation of SDR 3,560,000 from Category (1) to Category (2), as set forth below.									
Ln/Cr/TF	Currency	Cat.No.	Current Category of Expenditure	Allocation Current	Actual Disbursements	Pending Commitments	Allocation Proposed	Disbursement % (Type Total)	
								Current	Proposed
IDA-56240-001	XDR	1	GD,WK,Non CS,CS+audit Training, OCRC P1,P2,P3	71,000,000.00	0.00	0.00	67,440,000.00	100.00	100.00
		2	Emergency Expenditures Pt 4	0.00	0.00	0.00	3,560,000.00	100.00	100.00
			Total:	71,000,000.00	0.00	0.00	71,000,000.00		
Components									
Change to Components and Cost									
Explanation:									

The following reallocation to the Component 4: Contingent Emergency Response at the total amount of US\$4,991,000 applies:

- Deduct US\$3,991,000 from Component 1
- Deduct US\$1,000,000 from Component 2

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
1. Irrigation and Drainage Management		78.40	74.41	Revised
2. Farm Advisory and Technical Services		17.20	16.20	Revised
3. Project Coordination and Management		4.40	4.40	No Change
4. Contingent Emergency Response		0.00	4.99	Revised
	Total:	100.00	100.00	

ANNEX 1: RESULTS FRAMEWORK AND MONITORING

Project Name:	Agricultural Development Support Project (P147629)	Project Stage:	Restructuring	Status:	Final
Team Leader(s):	Sergiy Zorya	Requesting Unit:	EACTF	Created by:	Sergiy Zorya on 10-Jun-2016
Product Line:	IBRD/IDA	Responsible Unit:	GFA02	Modified by:	Sergiy Zorya on 10-Jun-2016
Country:	Myanmar	Approval FY:	2015		
Region:	EAST ASIA AND PACIFIC	Lending Instrument:	Investment Project Financing		

Project Development Objectives

Original Project Development Objective:

The Project Development Objective is to increase crop yields and cropping intensity in the selected existing irrigation sites in the Recipient's Bago East, Nay Pyi Taw, Mandalay, and Sagaing regions.

Proposed Project Development Objective (from Restructuring Paper):

The Project Development Objective is to increase crop yields and cropping intensity in the selected existing irrigation sites in the Recipient's Bago East, Nay Pyi Taw, Mandalay, and Sagaing regions, and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0.00		120000.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00		50.00
No Change	Average yields of selected crops in project areas increased	<input type="checkbox"/>	Percentage	Value	0.00		25.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Paddy rice (wet season)	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		25.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Paddy rice (dry season)	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		30.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Blackgram	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		30.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Green gram	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		30.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Cropping intensity in project	<input type="checkbox"/>	Percentage	Value	120.00		160.00

	areas increased			Date	30-Oct-2014		30-Jun-2022
				Comment			
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Area provided with irrigation and drainage services (ha)	☒	Hectare(Ha)	Value	0.00		35000.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Area provided with irrigation and drainage services - Improved (ha)	☒	Hectare(Ha) Sub Type Breakdown	Value	0.00		35000.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Water users provided with new/improved irrigation and drainage services (number)	☒	Number	Value	0.00		22000.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Water users provided with irrigation and drainage services - female (number)	☒	Number Sub Type Breakdown	Value	0.00		2200.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Operational water user associations created and/or strengthened (number)	☒	Number	Value	0.00		280.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Technologies demonstrated in the project areas (number)	☒	Number	Value	0.00		56.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Land area where sustainable land mgt. practices were	☒	Hectare(Ha)	Value	0.00		10500.00
				Date	30-Oct-2014		30-Jun-2022

	adopted as a result of proj			Comment			
No Change	Land users adopting sustainable land mgt. practices as a result of the project	<input checked="" type="checkbox"/>	Number	Value	0.00		6500.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Land users adopting SLM practices as a result of the project - female	<input type="checkbox"/>	Number Sub Type Supplemental	Value	0.00	0.00	600.00
No Change	Clients who have adopted an improved agr. technology promoted by the project	<input checked="" type="checkbox"/>	Number	Value	0.00		11000.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Clients who adopted an improved agr. technology promoted by project – female	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00		1100.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Targeted clients satisfied with agricultural services (percentage)	<input checked="" type="checkbox"/>	Percentage	Value	0.00		60.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Targeted clients satisfied with agricultural services - male (number)	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00		198000.00
No Change	Targeted clients satisfied with agricultural services - female (number)	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00		198000.00
No Change	Targeted clients- male (number)	<input checked="" type="checkbox"/>	Number Sub Type	Value	0.00		331000.00

			Supplemental				
No Change	Targeted clients – female (number)	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00		331000.00
No Change	Client days of training provided (number)	<input checked="" type="checkbox"/>	Number	Value	0.00		30000.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Client days of training provided - Female (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00		3000.00
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Project progress reports submitted on time	<input type="checkbox"/>	Yes/No	Value	No		Yes
				Date	30-Oct-2014		30-Jun-2022
				Comment			
No Change	Annual audit report submitted on time	<input type="checkbox"/>	Yes/No	Value	No		Yes
				Date	30-Oct-2014		30-Jun-2022
				Comment			
New	Goods procured and distributed as outlines in the CERIP	<input type="checkbox"/>	Yes/No	Value	No		Yes
				Date	14-Jun-2016		14-Jun-2017
				Comment			Procurement and distribution of goods as described in the IDA IRM Contingent Emergency Response

							Implementation Plan (CERIP), developed for the response to the 2015 floods and landslides.
--	--	--	--	--	--	--	--