



**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

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

Concept Stage | Date Prepared/Updated: 28-Jun-2017 | Report No: PIDISDSC21687



**BASIC INFORMATION**

**A. Basic Project Data**

Country Myanmar	Project ID P162647	Parent Project ID (if any)	Project Name Enhancing Community Driven Development Project (P162647)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Aug 21, 2017	Estimated Board Date Oct 02, 2017	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Planning and Finance	Implementing Agency Department of Rural Development, Ministry of Agriculture, Livestock and Irrigation	

**Proposed Development Objective(s)**

The development objective is to enable poor rural communities to benefit from improved access to and use of basic infrastructure and services through a people-centered approach.

**Financing (in USD Million)**

Financing Source	Amount
Japan Social Development Fund	25.00
<b>Total Project Cost</b>	<b>25.00</b>

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

**Note to Task Teams:** End of system generated content, document is editable from here.

Other Decision (as needed)



## **B. Introduction and Context**

### Country Context

Strategic context. Notwithstanding a rich natural resource base and a strategic location in one of the most economically dynamic regions in the world, Myanmar today is one of the least developed countries in Southeast Asia as a result of a long period of civil conflict, isolation, and ineffective economic and social policies. With a population of 51.4 million, the country has a per capita GDP of US\$1,105. At least 70 percent of Myanmar's poor live in rural areas, where decades of underinvestment have limited access to essential infrastructure and services. Beginning in 2011, Myanmar accelerated major political and economic reforms.

The past five years have seen a significant increase of political and civil liberties. On November 8, 2015 open elections in Myanmar ushered in a successful transition to democracy, with a new Government formed by the National League for Democracy (NLD) taking office on April 1, 2016. Myanmar has also advanced an economic reform process by removing some constraints on commerce, trade, and private enterprise that long held back the economy, leading to higher rates of economic growth. Government has significantly increased social expenditures.

Meanwhile, the new government has continued to pursue an end to decades of ethnic conflicts through a peace process involving negotiations with over a dozen armed groups. In its initial phase in 2012 and 2013, the process led to the signing of a series of bilateral ceasefire agreements, including with the Karen National Union, ending the world's longest-running civil conflict. In October 2015, eight ethnic armed organizations signed a Nationwide Ceasefire Agreement with the Government, committing to a political dialogue aimed at a comprehensive national peace agreement. However, despite this promising start and the significant achievements of the peace process to date, progress remains uneven and fighting in recent months has intensified in the country's northeast. This includes in particular, high intensity conflict with the Kachin Independence Organization, but also armed clashes with smaller groups in Shan State which displaced thousands of civilians in late 2016 alone. The government's efforts to agree on a ceasefire with these groups and have them join the political process have so far been unsuccessful, in part reflecting a deep legacy of distrust following decades of conflict.

Even as the government seeks to advance the national peace process, other sources of conflict have (re-)emerged, including in Rakhine State. Long-simmering tensions between the predominantly Buddhist population and the state's Muslim minority led to communal violence in 2012, and the uneasy peace that prevailed thereafter (with 120,000 Muslims who self-identify as Rohingya restricted to IDP camps) was broken with an attack on a police border post in October 2016. A military-led security and clearance operation after this attack caused some 65,000 people to flee to Bangladesh.

### Sectoral and Institutional Context

As part of the country's ongoing transition, the Government of Myanmar has placed great importance on inclusive and people-centered rural development. A core part of its approach has been to demonstrate the commitment and capacity of the state to deliver public services in a responsive, transparent and accountable manner. Key initiatives in this regard include early steps towards fiscal decentralization, with a focus on state and regional level governments, who have received an increasing share of fiscal transfers from the union level to support local development. Moreover, the Government has been piloting efforts to decentralize frontline service delivery by providing greater



spending autonomy to township level healthcare and education authorities.

The World Bank has supported the operationalization of the Government’s vision of people-centered development inter alia through the National Community-Driven Development Project (NCDDP). Since becoming effective in January 2013, the NCDDP project has delivered rapid results. As of early 2017, the National Community Driven Development Project (NCDDP) financed over 6,900 subprojects in approximately 5,400 villages in 47 townships, home to over 5 million people. Subprojects have included the rehabilitation of over 2,300 kms of roads, extensions and renovations of 1,500 schools, along with investments in new water supplies, sanitation facilities, electrification, jetties, libraries and health centers amid a broad range of community level infrastructure. To date, the project has created over 1.2 million days of paid labor. An independent technical audit in 2016 found that 92 percent of subprojects met or exceeded technical specifications, and that subprojects were cost effective when compared to the construction of similar infrastructure through other programs in Myanmar.

Besides infrastructures and jobs, the NCDDP has helped in using innovative tools and approaches that have the potential to increase social capital and support the peace process. This includes: (i) the strengthening of the capacity of communities to serve as agents of local development; (ii) annual performance reviews, including social audits, with a view to fostering adaptive learning and transparency; (iv) a large scale grievance handling mechanism; and (v) confidence building measures between Government and some Ethnic Armed Organizations (EAOs) to serve communities in townships that are still contested.

The Government of Japan and the Secretariat of the Japanese Social Development Fund (JSDF) have approved an introductory note for a JSDF grant in an amount of US\$11 million to provide complementary financing to support the implementation of community development activities under the NCDDP. This financing was also reflected in the Project Paper for the Additional Financing IDA credit approved in July 2015. The grant amount was subsequently increased to US\$25 million, necessitating a separate processing of this grant financing contribution.<sup>1</sup>

#### Relationship to CPF

The proposed financing is in line with the WBG’s Country Partnership Framework for Myanmar (FY15-17), which foresees a scale up of the National Community Driven Development Project under its first focus area of “reducing rural poverty.”<sup>2</sup> The CPF specifically notes the importance of the National CDD Project in increasing access to essential services for rural populations in a bottom up manner as part of the WBG’s engagement in Myanmar to reduce extreme poverty and boost shared prosperity. Similarly, the CDD project remains an essential component of the Government’s commitment to a shift to “people-centered development.”

### C. Proposed Development Objective(s)

**Note to Task Teams:** The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

<sup>1</sup> In addition, US\$2.37 million would be allocated to the World Bank to ensure the supervision of the JSDF resources.

<sup>2</sup> The World Bank Group’s Country Partnership Framework FY15-17 (Report No. 95183-MM) discussed by Executive Directors on April 23, 2015.



The development objective is to enable poor rural communities to benefit from improved access to and use of basic infrastructure and services through a people-centered approach.

#### Key Results (From PCN)

The Project will finance the construction of public infrastructure that will provide access to and use of project-built infrastructure (e.g., all-weather roads, water, schools) that will benefit approximately 300,000 persons in at least five townships in Myanmar.

Participating communities will gain skills in the planning, decision-making, and implementation of public infrastructure sub-projects, with a particular focus on the inclusion of women, and on adapting processes to ensure reflection of ethnic minority needs and priorities.

### D. Concept Description

The Government of Japan and the Secretariat of the Japanese Social Development Fund (JSDF) have approved an introductory note for a JSDF grant to provide complementary financing to support the implementation of community development activities under the NCDDP. This grant is expected to finance the following activities: (i) community block grants, (ii) measures to strengthen facilitation at the community level, (iii) knowledge and learning activities, with a focus on gender and inclusion monitoring, and (iv) implementation support. This financing will become available subject to an additional approval by the Japanese government and the JSDF Secretariat.

The objective for the JSDF grant is to strengthen the capacity of the Recipient to enable poor rural communities to benefit from improved access to and use of basic infrastructure and services through a people-centered approach. The JSDF grant would support CDD activities through the following activities: (i) financing of community-identified rural infrastructure investments in five additional townships, with a particular focus on a township with ethnic minority groups; and (ii) piloting innovative mechanisms for further institutionalizing participatory village and local development planning through strengthening of facilitation

**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

## SAFEGUARDS

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

The JSDF Grant, Enhancing Community Driven Development Project, would finance complementary activities including community block grants in approximately five townships participating in the NCDDP, financing four rounds of sub-projects in the selected townships over a period of four years. NCDDP Project townships are normally selected by the state and regional Chief Ministers based on a participatory process that brings together local government officials, civil society, and community representatives in a workshop setting to identify the poorest township of the State/Region. The key criteria for township selection are (i) poverty; (ii) the absence of external funding for similar activities, (iii) willingness and capability of the township authorities to implement the project, (iv) adequate peace and stability of the township, and (v)



relative ease of logistical access to and within the township.

**B. Borrower’s Institutional Capacity for Safeguard Policies**

The Department of Rural Development (DRD) under the Ministry of Agriculture, Livestock, and Irrigation (Former Ministry of Livestock, Fisheries and Rural Development), through the CDD Secretariat established in it, will continue to implement this JSDF grant. Under the ongoing NCDDP, DRD has developed the necessary management systems to oversee safeguards implementation. Safeguards implementation under the NCDDP has been satisfactory to date, including through the period when the project scaled up its operations from 3 townships to its current coverage of 47 townships.

Responsibility for implementing and ensuring adherence to the project safeguards requirements rests with DRD at the union level, supported by the state/regional office and through the day-to-day operations and supervision of DRD at the township level supported by the township TA teams. The DRD safeguards responsibilities include communications and outreach, and capacity development of all project stakeholders. DRD will also make regular monitoring and supervision visits to project locations, review township monthly reports, resolve management and implementation issues as they arise, and provide a learning feedback loop with the townships. The DRD will provide quarterly progress reports to the World Bank.

The Village Tract Project Support Committee (VTPSC) and village project support committees are responsible for ensuring that the community planning process and sub-project implementation cycle at the village tract and village levels, respectively, are carried out with due diligence and efficiency and in accordance with the project Operations Manual and ESMF. Technical assistance teams at the township level will provide safeguard capacity development support to the VTPSCs.

The VTPSCs review the respective village development plans and prioritizes the interventions against the needs of the tract and the available funding envelope in a 3-year village tract development plan. In each village tract, a village tract grievance sub-committee is established under the VTSPC, whose tasks include supporting the grievance handling mechanism, monitoring progress of grievance handling activities, and collecting/receiving and responding to complaints/grievances and, where necessary, referring such to the township level. The grievance subcommittee is composed of one to two representatives from each village who are not members of the village tract project support committee.

**C. Environmental and Social Safeguards Specialists on the Team**

Martin Fodor, Zeynep Durnev Darendeliler

**D. Policies that might apply**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The JSDF Enhancing Community Driven Development Project is classified as environmental category “B” as it will continue to finance small-scale rehabilitation and construction rural infrastructure works similar to the NCDDP original and additional financing project. The



infrastructure to be financed will be based on eligibility criteria and typically include small roads, foot-paths and small bridges and jetties, village water supply systems, rehabilitation of class rooms and health centers, and small-scale rural electrification such as pico hydro or solar panels. The physical rehabilitation of existing infrastructure will not involve significant structural modifications. New construction of infrastructure that has the potential to cause significant impacts (e.g. degradation of natural habitats, protected forests, or cultural resources) is not eligible for financing under the project. The envisaged investments are typical to similar CDD projects in the region and are not expected to have significant adverse and unprecedented environmental and social impacts. Temporary negative impacts will be related to typical small scale construction activities.

This JSDF grant operation will follow the Environmental and Social Management Framework (ESMF) prepared and adopted for the ongoing NCDDP operation. This document has served as the sole safeguard instrument for all activities financed under the NCDDP, including the original IDA grant, the additional IDA credit financing, parallel co-financing provided by other donors. The ESMF is being updated to reflect lessons learned, include the additional financing components under this JSDF grant, and incorporate procedures for Physical Cultural Resources Management Plans as needed. The ESMF provides (i) the process and procedures for conducting the assessment of environment and social impacts of specific sub-projects and activities during project implementation once investments are proposed; (ii) the requirements and process for screening and assessing sub-project eligibility and potential impacts; and (iii) the identification and implementation of mitigation measures while following relevant World Bank safeguards policies and existing environmental protection laws, regulations and standards in Myanmar. Given the small scale and limited impacts envisaged for the proposed investments, Environmental Codes of Practice (ECoPs) and/or simplified Environmental Management Plans (EMPs) will be the safeguards instruments used to reflect, assess, mitigate and monitor for any possible impacts



		<p>related to subprojects. Any sub-projects larger than 40 million kyats (ca. \$35 ,000) would require notification to the union level DRD office and a prior no objection from the World Bank to screen potential environmental and social risks associated with sub-projects of this size. The original ESMF was disclosed by DRD in Myanmar language and at the World Bank’s Infoshop in English on March 19, 2015.</p>
Natural Habitats OP/BP 4.04	Yes	<p>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, typical for CDD operations, 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 provides for the screening of potential project impacts and how safeguard issues under this policy should be addressed during project implementation.</p>
Forests OP/BP 4.36	No	<p>The Project does not anticipate it will have and will not consider eligible for financing any activities that: (a) have impacts on the health and quality of forests; (b) affect the rights and welfare of people and their level of dependence upon or interaction with forests; and (c) aim to bring about changes in the management, protection, or utilization of natural forests or plantations, whether they are publicly, privately, or communally owned. All sub-projects will be screened accordingly.</p>
Pest Management OP 4.09	No	<p>Project activities are not expected to use pesticides, nor lead to increased usage of pesticides. Any sub-project that would require the use of pesticides or increase their use will not be eligible for financing.</p>
Physical Cultural Resources OP/BP 4.11	No	<p>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 recognized by the borrower. 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 demand-driven community infrastructure; and (ii) investments detrimental to cultural resources is not-eligible under project.</p>





		<p>This policy was not triggered by the original project. Implementation of the AF in year 3 and 4 triggers this policy because it included three townships that cover the nationally registered Cultural Heritage Zones, namely Nyaung-U township (year 3), and Natogyi township (year 4) in Mandalay region and Kyauktan township (year 4) in Yangon region. Since NCDDP is implemented in all villages and village tracts in each participating township, some villages of these three townships are located inside or near the nationally listed cultural heritage zones. This trigger the World bank safeguard policy OP 4.11 – Physical Cultural Heritages (PCR).</p> <p>The ESMF is currently being updated to include guidance on screening, assessing and identifying measures to avoid or mitigate and monitor impacts on PCR as well as to reflect the inclusion of JSDF financing.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>The activities financed using JSDF may include townships where ethnic minorities are present, therefore OP 4.10 is triggered. These activities will continue to support the participatory social assessments (SA) to be conducted by affected community members themselves, including ethnic minorities, with the support of qualified Community Facilitators. The participatory SA will include ethnic screening, and free, prior and informed consultations with affected ethnic minorities aimed at ensuring their broad community support. The Village Tract Development Plans (VTDP), which will be developed based on the result of the participatory SA, will serve as the Indigenous Peoples Plan (IPP) under this project, and will meet the requirements of the OP 4.10 for the IPP. The VTDP will be disclosed in all affected local communities in a language understandable to them. Where broad community support is not ascertained, subprojects will not be implemented.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>Consistent with the original Project design, and the additional finance, no major loss of land or assets is likely to occur under the activities financed by the JSDF. Physical relocation of households is not allowed. However, the possibility of minor losses of private land or assets cannot be excluded, and the AF thus triggers OP 4.12, as was the case in the original Project. The</p>



		<p>Project seeks to minimize losses of land or assets in the first instance through sub-project selection and design. In those cases where minor losses of land or assets are unavoidable, it is expected that these will be primarily based on voluntary donations by the affected people and those voluntary donations will be fully documented. If their informed consent to donating assets is not obtained, an abbreviated Resettlement Action Plan (RAP) will be developed and compensation would be provided at replacement value as per the policies and procedures laid out in the ESMF. In exceptional cases where project impact is significant, a full RAP will be developed.</p>
Safety of Dams OP/BP 4.37	No	<p>The JSDF financing, as the original NCDDP and additional financing, will not finance the construction of any new dams or the rehabilitation of existing dams including structural and or operational changes.</p>
Projects on International Waterways OP/BP 7.50	Yes	<p>The Ayeyarwaddy rises in the Himalayas, bisects Myanmar from north to south and empties through a nine-armed delta into the Bay of Bengal. A portion of the catchment areas that feed two of the tributaries of the river (the Maykha which is referred to as the Daying in China, and the Malikha which is referred to as the Jiang in China) are located in China. The Malikha tributary in turn is fed by a sub-tributary originating within India. This meets the definition of an International Waterway as stipulated in paragraph 1 of the World Bank’s Operational Policy 7.50 on International Waterways, although the combined flow outside of Myanmar is estimated to be less than 1%.</p> <p>OP 7.50 applies since the NCDDP will finance the construction, rehabilitation and improvement of small scale village-based rural water supply and sanitation systems (e.g., tube wells, latrines) as well as the rehabilitation and construction of modest new village based small scale irrigation schemes (less than 25 hectares) and pico-hydro facilities. For the JSDF financing , the project will not finance sub-projects that may use water from international waterways including activities such as community water supply, small scale irrigation or pico-hydropower generations facilities on the mainstream of the Ayeyarwaddy River. The Project also will not finance community water supply and small scale irrigation on or along the the</p>



Maykha and Malikha tributaries of the Ayeyarwaddy River. The Project will however finance community water supply systems, small scale irrigation and/or pico-hydropower investments that would draw water from tributaries of the Ayeyarwady which run exclusively within the territory of Myanmar. These tributaries include the following: the Chindwin, the Mu, the Chaungmagyi Chaung, the Myitnge, the Mon Chaung and the Nawin Chaung. The project is not expected to adversely affect the quality or quantity of water flows to other riparians and will not be adversely affected by other riparians' possible water use. On this basis, the Bank has determined that the proposed project does not require riparian notification in accordance with paragraph 7(c) of OP 7.50.

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

Jul 13, 2017

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

The existing ESMF for the NCDDP will be revised (as noted in section D) and will be subject to public disclosure and consultations

### **CONTACT POINT**

#### **World Bank**

Ingo Wiederhofer, Nikolas Myint  
Lead Social Development Specialist

#### **Borrower/Client/Recipient**

Ministry of Planning and Finance



**Implementing Agencies**

Department of Rural Development, 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):	Ingo Wiederhofer, Nikolas Myint
----------------------	---------------------------------

**Approved By**

Practice Manager/Manager:	Susan S. Shen	29-Jun-2017
Country Director:	Gevorg Sargsyan	05-Jul-2017

**Note to Task Teams:** End of system generated content, document is editable from here.