



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 19-Jan-2023 | Report No: PIDA34218



BASIC INFORMATION

A. Basic Project Data

Country Myanmar	Project ID P179066	Project Name Myanmar Community Resilience Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 25-Jan-2023	Estimated Board Date 17-Feb-2023	Practice Area (Lead) Social Sustainability and Inclusion
Financing Instrument Investment Project Financing	Borrower(s) World Food Programme, International Committee of the Red Cross	Implementing Agency World Food Programme, International Committee of the Red Cross	

Proposed Development Objective(s)

To improve food security and livelihoods resilience of vulnerable populations in selected areas of Myanmar

Components

- Protect Human Capital
- Improve Nutrition of Vulnerable Groups
- Support Sustainable Livelihoods
- Ensure Access to Basic Services

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	13.20
Total Financing	13.20
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS



Non-World Bank Group Financing

Trust Funds	13.20
Myanmar Strategic Partnership	13.20

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. Myanmar has been severely impacted by COVID-19 and the military takeover of February 2021.** The combined effects of these concurrent crises have had devastating impacts on the economy and society. GDP dropped by 18 percent in FY 2021 and the economy is estimated to be 30 percent smaller now than it would have been without COVID-19 and the takeover. Inflation has risen sharply, driven by sharp increases in the prices of food and fuel. The share of Myanmar’s population below the national poverty line is estimated at 40 percent in 2022, reversing a decade of continuous poverty reduction. Vulnerable households face increasing debt and are resorting to negative coping strategies, including reduced food consumption and sale of assets. Women have disproportionately been affected and borne the burden of these developments. Joint assessments by WFP, FAO, and UNICEF estimate that a total of 15.2 million, or 28 percent of the population, are now either severely or moderately food insecure, of which 1.2 million are severely food insecure. With no political resolution in sight, Myanmar’s crisis is set to deepen. This difficult environment will continue to constrain the livelihoods and coping mechanisms available to the most vulnerable communities to respond to the crisis.
- 2. Conflict levels have escalated sharply since the military takeover with conflict and violence spreading across the country.** In the past, fighting was largely between Ethnic Armed Organizations (EAOs) and the Myanmar Armed Forces (MAF) confined to a limited number of areas inhabited by ethnic minority groups. Since the military takeover, EAO-MAF violence has continued and, in many places, escalated. New armed actors, People’s Defense Forces (PDFs), have emerged across the country, some of which have aligned themselves with the National Unity Government (NUG),¹ resulting in the spread of conflict and violence into new areas. An estimated 15,600 people have died in clashes between the military and PDFs since the military takeover.² Approximately 1,143,000

¹ The “National Unity Government” (NUG) was established as a government in exile formed by the Committee Representing Pyidaungsu Hluttaw (CRPH), a group of elected members of parliament ousted in the 2021 coup.

² Source: Armed Conflict Location and Event Data Project.



people have been displaced due to clashes and insecurity since the takeover, and there are now more than 1.4 million internally displaced persons (IDPs) in Myanmar.³

Sectoral and Institutional Context

- 3. People in Myanmar, and particularly the poor, suffered from difficulties in accessing basic services and infrastructure even before COVID-19 and the military takeover.** Border areas of Kachin, Rakhine, and Shan states affected by conflict had some of the worst measures of access to basic social services and participation in economic activities. Rakhine State had the lowest percentage of population living in households with access to basic sanitation. Shan State had one of the highest percentages of people 15 years and older who reported being illiterate and innumerate. Gross enrollment rates for both middle and high schools were also among the worst in the country in Shan, as were labor force participation rates (for those aged 15 years old and above) in Kachin State. The impacts of the health and economic crises linked to the COVID-19 pandemic and the military takeover have disproportionately affected poorer households that usually suffer from multiple deprivations and tend to have worse initial health conditions and less access to health services and care to begin with. In addition, the poor are particularly vulnerable to the economic disruptions highlighted above, including a reduction in remittances as urban labor markets slow and impacts on local markets from transportation disruptions.
- 4. Human capital losses are creating a “lost generation” because of violence and disruptions in the education and healthcare systems.** A child born today in Myanmar can expect to be only 48 percent as productive as she could be if she enjoyed full health and education (Human Capital Index). This is lower than the average of East Asia and Pacific (EAP) region and other lower middle-income countries. COVID-19 and the interruption of the provision of services and increased conflict and displacement of the population are expected to lead to a further deterioration in the Human capital Index. According to the latest nationally representative survey in Myanmar, undernutrition among women and children is among the highest in the EAP region. Nutritional deprivation at a young age, especially during the first 1,000 days of life, is usually manifested as stunting, whilst also having an immediate impact on individuals’ health. This has a detrimental effect on cognitive development, and on future productivity, learning, and earning potential, therefore negatively impacting the overall human capital of the country. Nutritional levels in rural areas are significantly lower than in urban areas, as are levels in regions/states affected by conflict, with the highest rates of stunting in Chin, Ayeyarwady, Rakhine, Kayin, Shan, and Kayah – all with rates over 35 percent.
- 5. The crisis has created exceptional urgency to support the resilience of conflict-affected communities.** While resilience is important to all, it is particularly critical for poor and marginalized groups who are more exposed to shocks, who lose a larger portion of their wealth to them, and who have fewer support systems to respond. These communities have experienced multiple compounding shocks. Conflict-affected communities that have seen a sharp increase in the number of IDPs since the military takeover are particularly vulnerable both to the health impacts of COVID-19 and to limited access to health, water, and sanitation infrastructure, and to the economic impacts

³ Data as of December 5, 2022. UNHCR (2022). *Myanmar Emergency Update*.



highlighted above including increases in food prices, decreases in remittances, and deterioration of local livelihood opportunities.

6. **Global experiences show the need for holistic approaches to building resilience where communities have experienced severe shocks.** Measures are necessary along the resilience spectrum. At one end, this includes direct cash or in-kind transfers to cover immediate needs. Without these, vulnerable households may be forced to adopt unsustainable coping measures, such as reducing food intake, selling land or assets, or taking children out of school, all of which can have long-term costs and consequences. Many studies have shown that cash transfers can lead to the development of positive coping strategies. At the same time, providing only immediate cash or in-kind support may be insufficient to enable people to develop more sustainable, longer-term “transformative” coping strategies. Moving along the resilience spectrum, support for productive activities, the provision of basic services and support for sustainable livelihoods are key. Such a range of support can ensure that immediate needs are met while helping people to adopt effective longer-run coping strategies.

C. Proposed Development Objective

Development Objective

7. **The Project Development Objective (PDO)** is to improve food security and livelihoods resilience of vulnerable populations in selected areas of Myanmar.

Key Results

8. **The proposed PDO level indicators are:** (a) percentage of households with acceptable food consumption score (FCS) in the target population; and (b) percentage of households relying on crisis and emergency livelihood-based coping strategies (LCS) in the target population.

D. Project Description

9. **The project will address the emergency needs of conflict-affected and other vulnerable populations in specifically identified geographic areas in Myanmar.** In addition to meeting basic food security and nutritional needs, the project will seek to support households at different stages of the resilience spectrum to reduce negative coping strategies brought on by multiple shocks relating to the current crises in the country.
10. **The project will be financed by the World Bank administered Myanmar Partnership Multi-Donor Trust Fund and will be directly implemented by the International Committee of the Red Cross (ICRC) and the World Food Programme (WFP).** WFP and ICRC have decades of experience implementing similar programs in conflict-affected areas of Myanmar and have well-established, and at times unique, access to certain geographic areas and affected populations.
11. **The project will serve as a platform to test a number of approaches to addressing the challenges facing vulnerable groups and strengthening understanding of the linkages between relief, recovery, and development efforts.** These approaches would range from short-term food and cash assistance to longer-



term livelihoods and basic services support. It will also be an opportunity for the World Bank to establish practical working arrangements with two of the most well-established humanitarian organizations working in Myanmar—ICRC and WFP—both of which have an extensive national footprint that can facilitate any further expansion of support.

- 12. The PDO will be achieved through four project components that address different elements of the resilience spectrum.** The proposed interventions will draw on years of work in Myanmar by the two implementing partners, WFP and ICRC, and lessons from previous World Bank-financed operations in community development, health, and cash transfers. The project will adopt a range of targeting approaches, with WFP focusing on areas and populations characterized by prolonged displacement, while ICRC will also work in areas of newly emerging needs and increased internal displacement and insecurity.

Component 1. Protect Human Capital

- 13. Component 1 will finance the delivery of cash and in-kind support to vulnerable populations in Rakhine State.** The component will be implemented by WFP. The component aims to reduce the vulnerability of the target population to food consumption insecurity and to mitigate against the risk of lasting impacts of negative coping strategies, such as asset sales, dilution of savings, removal of children from school, and reduced consumption. An estimated 26,000 beneficiaries will be assisted under the component.
- 14. The monthly cash and in-kind transfer amounts are designed to meet the basic food and nutritional requirements.** Current cash transfers range from US\$ 10-17 per person per month depending on geographic area. These amounts will be subject to regular adjustments to reflect changes in the prices of local food items.⁴ Both cash and food transfers are designed to provide 2,100 Kcal/person/day based on WHO norms. The determination of the composition, type, and quality of the food items is done in close collaboration with other agencies active in the country, and relevant technical staff.

Component 2: Improve Nutrition of Vulnerable Groups

- 15. Component 2 will finance the provision of specialized nutritious foods to at-risk children under the age of five and pregnant and lactating women and girls** and will invest in improved knowledge on positive nutrition behaviors in Rakhine State. The component will be implemented by WFP.
- 16. Component 2 aims to prevent acute malnutrition (wasting) and ensure that the nutritional status of the most vulnerable girls, boys, and women is protected and improved.** Improved nutritional status is expected to have both short-term and long-run benefits for cognitive development, child and adult health, and later labor market outcomes. Specialized Nutritious Foods (SNFs) include Fortified Blended Foods.⁵ Given the state's high vulnerability to wasting, support will be geographically focused on IDPs in central and northern Rakhine, covering around 5,000 children and 2,000 pregnant and lactating women and girls. There will be a focus on raising awareness, increasing knowledge, and mobilizing communities

⁴ WFP conducts and shares with partners a monthly market price monitoring on main food commodities and fuel from over 70 townships, 110 markets, and over 240 traders/shops in 12 states and regions.

⁵ Fortified Blended Foods are blends of partially precooked and milled cereals, soya, beans, and pulses fortified with micronutrients (vitamins and minerals).



and families to support women in adopting nutrition-promoting behaviors, especially among pregnant and lactating women/girls and women with children under the age of two.

Component 3 – Support Sustainable Livelihoods

17. **Component 3 will finance the provision of basic livelihoods support to reduce negative coping strategies by displaced and conflict-affected populations.** The component will specifically support (i) unconditional cash transfers to assist households recover from the loss of livelihoods due to displacement, (ii) cash-for-work wage transfers to cover critical needs of vulnerable households that would also help to maintain or repair community infrastructure, and (iii) inputs and technical assistance to increase household agricultural production to improve food security. This component will be implemented by ICRC.
18. **This component includes two types of cash transfers depending on the context and environment of the displaced groups: cash-for-work and unconditional cash grants.** Participating households will be selected based on socio-economic vulnerabilities and in consultation with local communities, following ICRC's Accountability to Affected Population approach, which promotes direct engagement with people and communities and their inclusion in designing, planning, implementing, and evaluating its activities. Cash-for-work activities will finance labor-intensive works to construct or repair small-scale communal infrastructure, such as drainage canals or irrigation systems, that would also have a positive impact on local livelihoods. Cash grants will be provided to a wide range of vulnerable beneficiaries to cover critical needs as defined by the beneficiaries themselves.
19. **Component 3 will also finance inputs to increase agricultural production among displaced households with access to land to increase the production of vegetables, rice, and other crops.** Beneficiaries will be provided with agricultural inputs including seeds, tools, and fertilizer in line with the planting season/schedule of the given geographic area. Assistance will be customized for the monsoon and winter seasons. ICRC is currently identifying target beneficiary groups and estimating the requirements for different varieties of rice seed to initiate procurement in January 2023 for planting in late May/early June.

Component 4 – Ensure Access to Basic Services

20. **Component 4 will finance construction materials, basic equipment, contractor costs, labor and technical oversight for small-scale infrastructure that supports basic services** such as shelter, water, sanitation, and electricity. This component will benefit households displaced by conflict, as well as residents, returnees, and resettled communities. The component will be implemented by ICRC.
21. The component will finance small-scale basic infrastructure such as shelters, latrines, showers, and wash basins at IDP sites and return villages; improvements to access to drinking water (including tap stands, boreholes, reservoir improvements, pipelines, handpumps) that would also include, where required, necessary safety and access infrastructure (fencing, pathways, small jetties, bridges, and access roads); solid waste management in peri-urban areas where displaced populations have resettled; and solar lighting for security. The reach of these projects will enable an estimated 136,000 people to maintain adequate living conditions and access to essential services that this population would not otherwise have. Such investments will be either at the household level (shelter, individual latrines) or for wider community use (in the case of drinking water, showers, lighting, etc.). Where IDPs have moved to an existing village or settlement, the component would finance the expansion of existing structures (for instance



improvement of water catchment ponds, expansion of water distribution systems, etc.) to accommodate the newly displaced populations.

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Areas OP 7.60

No

Summary of Assessment of Environmental and Social Risks and Impacts

- 22. **The overall environmental and social risk classification is *Substantial***, and all the Environmental and Social Standards (ESSs) are considered as relevant, with the exception of ESS9 on Financial Intermediaries.
- 23. **The environmental risk rating is *Substantial***. The inherent environmental risks from the nature and scale of activities are considered low to moderate. The nature and magnitude of the direct environmental impacts and risks during project implementation, including construction, are moderate, temporary, site specific, predictable, and reversible if relevant readily available mitigation measures, including Occupational Health and Safety (OHS) guidelines, are properly implemented. The current operating environment may hamper implementation of mitigation measures; the potential mismatch between project the implementation period and the time required to implement larger civil works, as well as the seasonality of civil works elevates the risks.
- 24. **The direct environmental risks and impacts include the following:** (a) risks with procurement and maintaining a contingency stock of food; (b) solid waste generated from used and damaged NFIs, the disposal of specialized nutritious foods /fortified blended foods packaging, and disposed end-of-life solar panels; (c) health and safety issues and pollution arising from inappropriate use and handling of agrochemicals associated with sustainable livelihood assistance activities; (d) potential direct risks and impacts associated with construction works that may include disposal of construction waste, management of storm water, workers' health and safety, community health risks caused by improper construction practices, lack of drainage in the immediate surrounding of water distribution points, soil erosion from earth works, and risk of fuel and lubricant spillage; (e) risks to natural resources, including extraction of water for water supply systems; (f) risks to forest resources due to potential extraction and use of bamboo and wood for repair and upgrade of temporary and semi-permanent shelters; and (g) an accidental introduction of non-native invasive species associated with provision of seeds for staple crops or vegetables.



25. **The social risk rating is *Substantial*.** While the project's impacts are expected to be small to medium in scale, as well as temporary and predictable, they will take place in sensitive locations characterized by a volatile security situation. Potential social risks include the exclusion of vulnerable beneficiaries from project activities (including members of ethnic minority groups), risks to project workers (health and safety, security, Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH), risks to beneficiaries when collecting assistance financed by the project (security, discrimination, SEA/SH), risks related to land donation (for infrastructure activities), and the risk of limited or poorly executed stakeholder engagement.
26. **The risk of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) in the context of project activities is considered *Substantial*.** Project workers and beneficiaries face SEA/SH risks due to the intensifying conflict environment, especially when travelling to project locations and in the process of delivering and collecting assistance. However, the institutional capacity and track record of both ICRC and WFP to prevent such risks from manifesting is strong, with both organizations having a long track record of working with vulnerable conflict-affected populations in Myanmar, and in applying international and industry good practice on preventing and responding to SEA/SH, which are consistent with applicable Bank SEA/SH standards. Both organizations also have robust protocols and response mechanisms in place should incidents occur.
27. **WFP and ICRC have prepared, disclosed and undertaken consultations on a set of documents and instruments that will be used to address these environmental and social risks.** These are: (a) an Environmental and Social Management Framework (ESMF); (b) a Stakeholder Engagement Plan (SEP); and (c) an Environmental and Social Commitment Plan (ESCP). These instruments complement the existing environmental and social management systems of ICRC and WFP. Local contractors and local and international NGOs which work in partnership with ICRC and WFP for this project will be required to comply with the project's E&S risk management plans and procedures, including the ESMP, ECOP, LMP, and local legislation. Consultations have been carried out by both implementing agencies in August and September in Rakhine, Northern Shan and Kachin states with selected community members, IDP representatives, humanitarian and development partners, contractors, and other stakeholders. Details of the issues discussed during the community consultation meetings are presented in the Stakeholder Engagement Plans for WFP and ICRC available on their respective websites. Revised versions of the environmental and social risk instruments will be re-disclosed on the websites of both agencies, as well as the World Bank's website, following their review and clearance, as per the World Bank's requirements.

E. Implementation

Institutional and Implementation Arrangements

28. **The project will be implemented by ICRC and WFP, building on their long-standing presence in-country and implementation capacity in the proposed project areas.** Project funds will be disbursed directly to ICRC and WFP for the purposes of project implementation through direct grant agreements with each agency. WFP will be responsible for Component 1 (Protect Human Capital) and Component 2 (Improve Nutrition of Vulnerable Groups). ICRC will be responsible for



Component 3 (Support Sustainable Livelihoods) and Component 4 (Ensure Access to Basic Services). These two agencies combined have more than 65 years of experience implementing similar programs in conflict-affected areas of Myanmar and have well-established, and at times unique, access to certain geographic areas and affected populations. In-country departments and units of both organizations will directly manage all technical, administrative and support functions necessary for project implementation. Both organizations have agreements and operational arrangements in place that allow them to operate in Myanmar and to access beneficiary groups and communities. Interactions with the administration at national (Union) level in Naypyidaw, and at local (State/Region and township) level focus on humanitarian consequences of conflicts and violence, questions of humanitarian access and movement, as well as international standards such as international humanitarian law. Technical and beneficiary targeting decisions are retained by both agencies and are based on the needs assessed by the agencies.

29. **WFP will both implement directly and work closely with and through a pool of local and international NGOs in implementing and monitoring its program.** WFP will directly implement Component 1 activities in Northern and Central Rakhine State (Buthidaung, Maungdaw, Kyauktaw, Minbya, and Mrauk U townships). Component 2 will be implemented through cooperating partners, such as Save the Children, *Action Contre La Faim*, and the Myanmar Health Assistant Association. WFP's activities will be overseen by the Deputy Country Director (Programme) and will be directly managed by the Head of Programme. The Operations Support unit of the national WFP office (overseen by a second Deputy Country Director) will be responsible for all fiduciary matters including financial management, accounting, procurement, and logistics for distribution of food. Existing units that are responsible for Research, Assessment, and Mapping, Protection, Gender, and Accountability to Affected Populations, and Field Support will manage the different implementation responsibilities under the project. The Cash-Based Transfers unit under the Programme division is directly responsible for managing this element of the project for WFP. At the sub-national level WFP has area and field offices in Sittwe and Maungdaw (in Rakhine State) from which the specific activities under the project will be managed. Field offices have functional focal points for program and logistics, administration and finance, M&E, etc., which would be responsible for their relevant areas in the respective geographic sites.
30. **The ICRC office in Yangon and sub-offices in relevant states and regions will be responsible for managing the implementation of the ICRC-led components.** ICRC has its national office in Yangon, with sub-delegations in Rakhine, Shan, Kachin, and Kayin states from where it will directly oversee implementation of the project. ICRC-led interventions will be managed through the existing systems and structures of the organization, with principal technical responsibilities for project implementation falling to the Economic Security department for Component 3 and Water and Habitat department for Component 4. Administration, finance, and logistics matters are managed by departments dedicated to those functions. At sub-delegation level, overall responsibility for implementing the ICRC components rests with the Head of the Sub-delegation. The Support Section of the Yangon delegation will oversee all aspects of financial management and procurement. Day-to-day financial transactions and administrative matters are managed at sub-delegation level by the Finance and Administration Manager and team. ICRC implements



projects directly, working in cooperation with the Myanmar Red Cross Society in some cases of monitoring the delivery and implementation of project support under Component 3.

31. **Project supervision, monitoring, and evaluation.** Both ICRC and WFP have well-established systems and structures to supervise the implementation of field activities, regularly monitor progress of programs, and evaluate outcomes of the same. Both organizations will provide quarterly progress reports and interim financial reports to facilitate World Bank supervision and implementation support. The World Bank will separately carry out quarterly implementation support missions and will work with an independent agency to undertake participatory monitoring and evaluation, and to draw lessons from project implementation.

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APPROVAL

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