

LIFT ANNUAL REPORT 2014



Livelihoods and Food Security Trust Fund



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DISCLAIMER

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ABBREVIATIONS AND ACRONYMS

ACCU	Asia Credit Cooperative Union	MC	Mercy Corps
ACI	Agrifood Consulting International	MCS	Myanmar Ceramic Society
ACIAR	Australian Centre for International Agricultural Research	MEB	Myanmar Economic Bank
ASEAN	Association of Southeast Asian Nations	M&E	Monitoring and evaluation
AYO	Ar Yone Oo	MADB	Myanmar Agriculture Development Bank
CAP	Community action plans	MFI	microfinance institution
CBO	Community-based organisation	MoAI	Ministry of Agriculture and Irrigation
CFM	Community feedback mechanism	MoLFRD	Ministry of Livestock, Fisheries and Rural Development
COP	Community of practice	MMK	Myanmar Kyat
DAR	Department of Agricultural Research	MMSE	Myanmar Microfinance Supervisory Enterprise
DC	Donor Consortium	MSN	Mangrove Service Network
DoA	Department of Agriculture	MSR	Myanmar Survey Research
DoF	Department of Fisheries	NAG	Network Activities Group
DRD	Department for Rural Development	NAPA	National Action Plan for Agriculture
DNH	Do-no-harm	NATALA	Ministry of Border Affairs
DSW	Department of Social Welfare	NLUP	National Land-Use Policy
DPDO	Disabled Peoples Development Organisation	NPAFN	National Plan of Action for Food and Nutrition
ECC	Emergency coordination committee	OVEC	Office of the Vocational Education Commission
FMO	Fund management office	PoVAW	Protection of Violence Against Women
FB	Fund Board	PwD	People with disabilities
FRD	Financial Regulatory Department	PRGF	partial risk guarantee funds
FSWG	Food Security Working Group	PVS	participatory varietal selection
FIND	Financial Inclusion for National Development	QSEM	Qualitative Social and Economic Monitoring (report)
FPE	farmer production enterprises	REVEAL	Reducing Economic Vulnerability through an Equitable/Inclusive Approach to Livelihoods
GIS	geographic information system	SHG	self-help group
GoM	Government of Myanmar	SME	small/medium enterprises
ICAP	integrated community action plan	TdH	Terre Des Hommes
MAFF	management advice for family farms	TVET	technical and vocational education training
MAP	Making Access Possible	UNCDF	United Nations Capital Development Fund
MARC	Myanmar Access to Rural Credit	UNOPS	United Nations Office for Project Services
IEC	information education communication	VAP	village action plan
IFC	International Finance Corporation	VDSC	village development support committees
IGA	income-generation activity	VDC	village development committee
IP	implementing partner	VO	village organisations
IRRI	International Rice Research Institute	VLSA	village Savings and Loan Associations
LAMP	Land Administration and Management Programme	VSAT	Vegetable Sector Acceleration Task
MAHFP	months of adequate household food provisioning	WASH	water, sanitation, and hygiene
MBCU	Myanmar Baptist Churches Union		



NUMBER OF FAMILIES REACHED BY LIFT 2010 – 2014 *cumulative

LIFT IS REDUCING THE NUMBER OF RURAL PEOPLE LIVING IN POVERTY AND HUNGER IN MYANMAR

The Livelihoods and Food Security Trust Fund (LIFT) has been working in Myanmar since 2010 to improve the lives and prospects of smallholder farming families and the landless rural poor. Our projects lead to better harvests and improved access to credit and markets, while making it easier for people to cope with setbacks and change. Incomes have risen, nutrition and food security has improved and LIFT is providing evidence to support the development of inclusive, sustainable policies.

Since 2010, USD 206 million has been committed to support over 90 projects across Myanmar’s four main agro-ecological zones: the Uplands, the Dry Zone, the Ayeyarwady Delta and the Coastal areas. LIFT is active in nearly half of the townships in the country.

So far LIFT support has reached approximately 2.8 million people - or roughly five per cent of the country’s population.

LIFT is governed by a Donor Consortium and a Fund Board, and managed by the United Nations Office for Project Services (UNOPS). Projects are implemented through partners, who are local and international NGOs, research and academic bodies, United Nations agencies and private sector organisations. Originally established as a five-year fund, LIFT has been extended twice, and will continue until the end of 2018.

In 2014, LIFT was supported by twelve donors: Australia, Denmark, the European Union, France, Ireland, Italy, the Netherlands, New Zealand, Switzerland, Sweden, the United Kingdom and the United States of America. The Fund’s first private sector donor, the Mitsubishi Corporation, has recently joined.

CHAPTER 1

A woman in a dark striped shirt and pink top is smiling while carrying a large, round, woven bamboo basket on her head. The basket is overflowing with a mix of white and bright yellow chrysanthemum flowers. She is holding the sides of the basket with both hands. The background shows a blurred outdoor setting with trees and a brick wall.

THIS YEAR, LIFT
FUNDED 64 PROJECTS
THAT HELD ACTIVITIES
IN 157 TOWNSHIPS
ACROSS THE COUNTRY

1. EXECUTIVE SUMMARY

2014 marked the Livelihoods and Food Security Trust Fund's fifth year of operation in Myanmar and its fifth year of growth in terms of the number of active projects (64)¹ and their cumulative geographic coverage.

LIFT is now active in 157 of the country's 330 townships.² Reflecting extensions to earlier grants and LIFT's flexibility to adapt to project needs, there have been 132 grant amendments over the past two years. By the end of the year, 628,000 rural families— or roughly five per cent of Myanmar's population—had received LIFT support.³

Data from implementing partners, cross-referenced with LIFT surveys, shows that LIFT continues to deliver strong results, particularly with improved food security and access to financial services.

A total of 252,000 households, or approximately 1.1 million people, have achieved measurably improved food security,⁴ and 133,000 households have an increase in agricultural productivity. The increase in agricultural productivity is due to the significant increase in households (over 216,000) accessing affordable credit from LIFT-funded microfinance providers. Overall, LIFT has met or exceeded two-thirds of its purpose and output targets (see Chapter 2).

These results are being achieved in a rural economy that is improving almost everywhere.

In 2014, LIFT published the results of its latest household survey,⁵ which documented how the country's economic liberalisation since 2011 is enabling rural people to seize new opportunities. There are three main stories that emerge from the survey. First, households throughout

rural Myanmar are experiencing remarkable improvements in their lives, the most significant of which is in household food security; but improvements are happening in many other areas as well, including asset ownership - for example, mobile phone ownership in rural areas quintupled. Second, these improvements are happening more rapidly in places where LIFT is working; on some important indicators the data shows significantly more improvement in 'LIFT villages' than in 'control villages'. Thirdly, improvements are accruing more quickly to some households, particularly those with land and those with higher incomes. The poorest households, including many landless households, have experienced more modest improvements in their livelihoods.

The pathways to improved livelihoods differ across the agro-ecological zones of the country.

LIFT-funded projects are tailored to the local context, and this Annual Report highlights successful interventions in each of the agro-ecological zones where LIFT operates: the Ayeyarwady Delta, the coastal region of Rakhine State, the central Dry Zone (including Mandalay, Magwe, and southern Sagaing Region), and the Uplands Region of Chin, Kachin, Kayin, and Shan States (see Chapter 3). For example, in the Delta, a simple but highly effective approach has been developed that allows double-cropping in brackish areas. Using saline-tolerant seed varieties and by timing irrigation with the lowest tides, farmers have achieved a second annual crop in areas where it was previously impossible—effectively doubling

2014 marked the Livelihoods and Food Security Trust Fund's fifth year of operations in Myanmar and its fifth year of growth in terms of results, the number of active projects (64) and their cumulative geographic coverage.

1 In 2014, 19 projects closed and 13 new ones were signed.

2 This is an increase of 50 townships since 2013.

3 Based on the 2014 census, which reported a total population of 51 million people. This figure is cumulative 2010-2014.

4 This figure is extrapolated from data from the LIFT Household Tracker Survey and represents the situation as measured in late 2014.

5 Field work for the LIFT Household Survey 2013 was conducted in November 2013. The results were designed to be directly comparable to LIFT's Baseline Survey, the field work for which was conducted in November 2011. Both surveys are published at www.lift-fund.org.

their incomes. Irrigation success also features in the Dry Zone with the introduction of simple, low-cost hydroponic and drip irrigation systems for fruit and vegetable production. These systems have been introduced into the teaching syllabus at Yezin Agricultural University, and nutrition-rich produce is increasingly available to remote Dry Zone communities. In Rakhine State, a pilot project has been providing nutrition education and maternal cash transfers for women in the '1000 days' window - the period from a child's conception to its second birthday. Improvements across 15 villages can already be seen, including evidence that the cash transfers are being used for more and better food, and health care.

Across all four agro-ecological zones, LIFT supported the integration of smallholder farmers and businesses into 'commercial' agriculture value chains.

LIFT's work on inclusive value chains focused on development of private sector partnerships that stimulate direct and indirect investments in smallholder agriculture (see Chapters 3 and 5). This is being done mainly through contract farming models that give smallholder farmers access to quality agricultural inputs, efficient and competitively driven financial services, reliable markets and extension services that increase farmer knowledge. In 2014, LIFT made progress on a number of different investment opportunities, including preparations for: commercialising government seed research in partnership with the private sector and with smallholder farmers; establishing a farmer-owned agribusiness cooperative with direct links to the private sector; contractually linking smallholder farmers with private sector irrigation infrastructure; and upgrading the knowledge and skills of smallholder farmers regarding food safety, improved seed, and good agricultural practices.

LIFT activity in value chains is shown the diagram below:

Access to rural financial services plays a key role for LIFT's target groups. LIFT continued to make significant investments in financial inclusion.

At the end of 2014, LIFT had provided institutional support to 15 microfinance organisations that provide financial services to 728,000 people, or 60 per cent of all microfinance clients in Myanmar. LIFT has provided loans to 216,000 people, or about 18 per cent of the country's total microfinance clients. Women represent 94 per cent of these clients (see Chapter 4).

In addition to results on the ground, LIFT is successfully applying its knowledge and evidence to influence systemic changes that broaden the livelihood choices of smallholders and landless households.⁶

Activities are focused on the policy priorities identified in LIFT's new strategy, namely financial inclusion, inclusive value chains/market systems development, social protection, security of land tenure, nutrition, and climate change adaption. Resilience and gender are themes that cut across all interventions. LIFT's approach involves both direct and partner activity, utilising LIFT's growing evidence-base of reports and studies. For example, the MAP report⁷ supported LIFT's continuing efforts to address the microfinance regulatory issues of increasing loan size, relaxing interest rate restrictions and extending finance opportunities for MFIs. A revised set of microfinance regulations was published by the Ministry of Finance that address some, but not all of the important issues. In terms of land tenure security, LIFT supported the national consultation process on the draft National Land Use Policy by enabling farmers to participate in the process and by conducting a number of important studies related to the policy. LIFT also provided technical support to pilot new land registration processes in two townships (see Chapter 5).

⁶ Systemic change includes: better sector policies, more effective sector organisations, better sector planning and investment, and more effective implementation of agriculture and rural development programmes.

⁷ Making Access Possible – Myanmar Diagnostic Study UNCDF, FinMark Trust, Cenfri, UNDP, LIFT



Policy and technical advice to government has become an increasingly important feature of LIFT's work.

This year, LIFT placed two full-time advisers in the Ministry of Livestock, Fisheries and Rural Development, supporting the ministry's efforts to implement the new National Strategic Framework for Rural Development. This has led to the development of a new capacity development plan for the ministry, as well as a plan to develop a national approach to village-level and township level development planning. LIFT is also supporting the government to establish a National Action Plan for Agriculture.

Partnerships with local civil society organisations also play a crucial role in LIFT's contributions to systemic changes.

In 2014, LIFT-supported civil society organisations made significant contributions to influencing the policy environment in favour of smallholders and landless households. The work of the Food Security Working Group, the Land Core Group, the Gender Equity Network, the Network Activities Group, the Myanmar Environment Rehabilitation-conservation Network and the Social Protection Policy Research Group features in Chapters 4 and 5.

LIFT adapted to the changing context by redefining its strategic direction.

LIFT published a new strategy in 2014, which was developed with input from government and partners. This acknowledges the scale of change in the operating environment, allowing LIFT to support the livelihoods potential of different target groups: LIFT helps smallholder farmers with commercial potential to 'step up' their production and more actively participate in the growing market economy. LIFT also helps rural

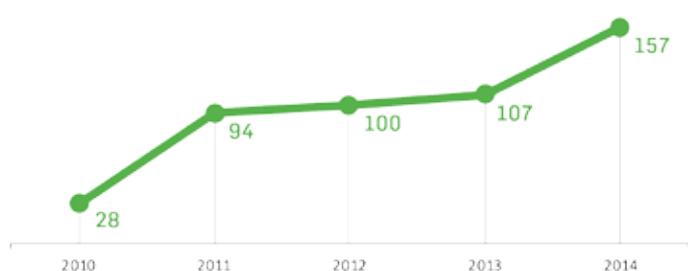
households or household members to productively 'step out' of agriculture over time. This could be a 'local step out', finding better-paid employment in local non-farm activities, or a 'migration step out' to take advantage of opportunities further afield. For households without the commercial potential or ability to 'step out', LIFT helps households 'hang in', using agriculture as a safety net and improving their food security and nutrition outcomes during Myanmar's period of economic transition.

The new strategy underlines resilient growth, with explicit focus on nutrition and climate change adaptation.

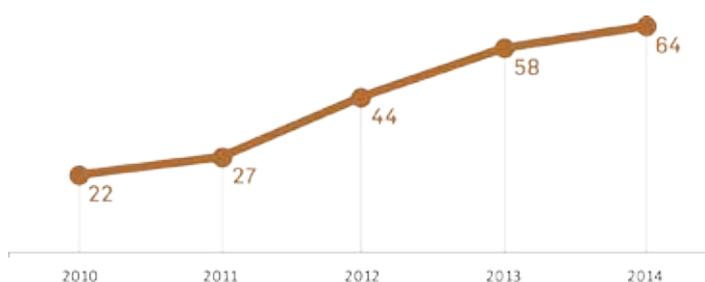
There is increased interest in areas emerging from conflict, and the potential to work with internally displaced persons. These components, along with engagement with the private sector for greater scope, impact and sustainability, are important new elements of the strategy.

The new strategy highlights LIFT's role as a knowledge hub and learning platform.

LIFT advocates for evidence-based policy making, and commissioned 16 new reports in 2014 (see Chapter 5). Studies on farm production economics, on migration and on rice export opportunities were used to inform the design of new programmes. LIFT hosted 40 knowledge-sharing events during the year, culminating with its Annual Forum held in collaboration with the Ministry of Livestock, Fisheries and Rural Development. Over two days, national and international rural development specialists debated the themes, 'The Changing Dynamics of Myanmar's Rural Economy', and 'Supporting Resilience and Growth', with an audience of over 300 development practitioners. The event also showcased lessons from LIFT projects in a walk-through 'marketplace'.



Number of townships where LIFT is active



Number of active projects

In order to implement the new strategy effectively, LIFT improved its internal decision-making and governance.

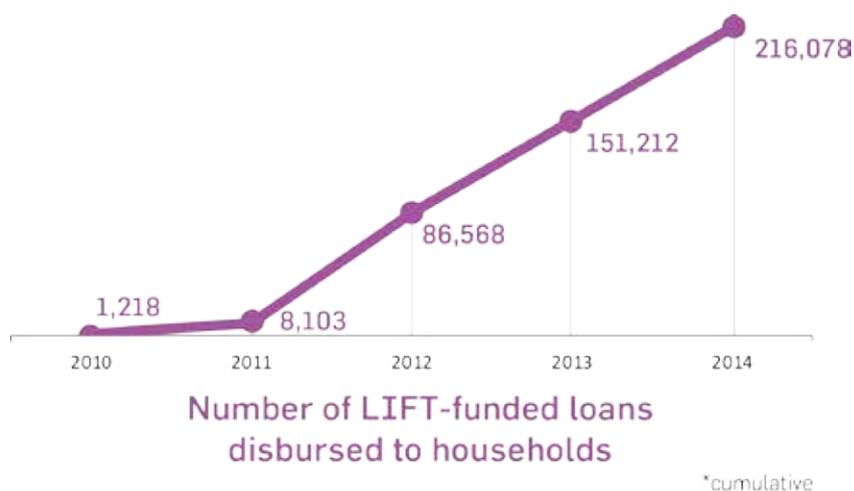
In early 2014, LIFT conducted a review to determine if its governance structures and arrangements were functioning well. The report found that decision-making within LIFT could be improved significantly by redefining the respective roles of the Fund Management Office, the Fund Board and the Donor Consortium and to formalise a role for government and other stakeholders in the governance of LIFT. As a result, in 2015 LIFT will establish a government-chaired Senior Consultation Group, including representatives from various ministries, private enterprises and civil society. The Senior Consultation Group will: advise the Fund Board on strategic priorities; review LIFT implementation and performance; and, advise the Fund Board on risks to LIFT, and appropriate risk mitigation.

LIFT mobilised modest new financial contributions.

Italy joined LIFT in 2014, bringing the total number of donors to twelve. New contributions were also made by a number of existing donors. By the end of the year, total commitments amounted to USD 206 million (see Chapter 6).

Work continued on the development of three major new programmes: for the Dry Zone (USD 53 million), Delta 3 (USD 30 million), and the Uplands (USD 65 million).

Each of these programmes will be designed to operationalise LIFT's new strategy in a way that is adapted to the specific conditions of the respective agro-ecological zones. In 2015, LIFT will also open new financial inclusion and migration funding windows to support these programmes. The new programmes launch in the first half of 2015.



LIFT'S 2014 STRATEGY

NEW PATHS & OPPORTUNITIES



Fine-tuning its own priorities and responding to recent government reforms, LIFT redefined its strategic direction in 2014, in a process that involved both partners and government.

LIFT'S VISION, GOAL & PURPOSE:

LIFT's vision is to be a collective and influential voice for innovation and learning, and to provide a platform for enhanced policy engagement on sustainable agriculture,⁸ food security and rural development. To achieve its aim of improving the incomes and nutrition of poor rural people, LIFT will focus resources on supporting:

1. Rural households with land, labour and/or commercial potential to '*step up*' the value ladder and out of poverty through increases in labour and land productivity, as well as through enhanced capacity to market production.
2. Rural households or household members to productively '*step out*' of agriculture⁹ and into more productive sectors of the

⁸ Agriculture includes crops, fisheries and forest resources.

⁹ Here we mean 'own account' farming, essentially farming using family labour.

The updated strategy articulates LIFT's vision, direction and underlying principles for funding decisions; its relationship with partners and its role in policy advocacy for the rural poor in Myanmar.

The full document is available at www.lift-fund.org.

economy over time. This could be a local 'step out', finding better-paid employment in local non-farm activities; or a migration 'step out', to take advantage of opportunities further afield.

- Households without commercial potential or the ability to 'step out', to 'hang in', using agriculture as a safety net and improve their food security and nutrition outcomes during Myanmar's period of economic transition.

Table 1.1 highlights some of the interventions in each category, which will be developed further during programme implementation.

LIFT AIMS TO:

- Work proactively with government, partners and civil society to help shape programme strategies.
- Using a conflict-sensitive approach, extend activities into areas emerging from conflict.
- Work with private companies that share the same concern of smallholder sustainable development and nutrition improvement.
- Define its role in sharing the extensive knowledge it has generated.
- Employ a variety of strategies to effect

systemic change. Focus will be on financial inclusion, inclusive value chains/market systems development, social protection,¹⁰ nutrition, security of land tenure, climate change adaptation and building resilience.

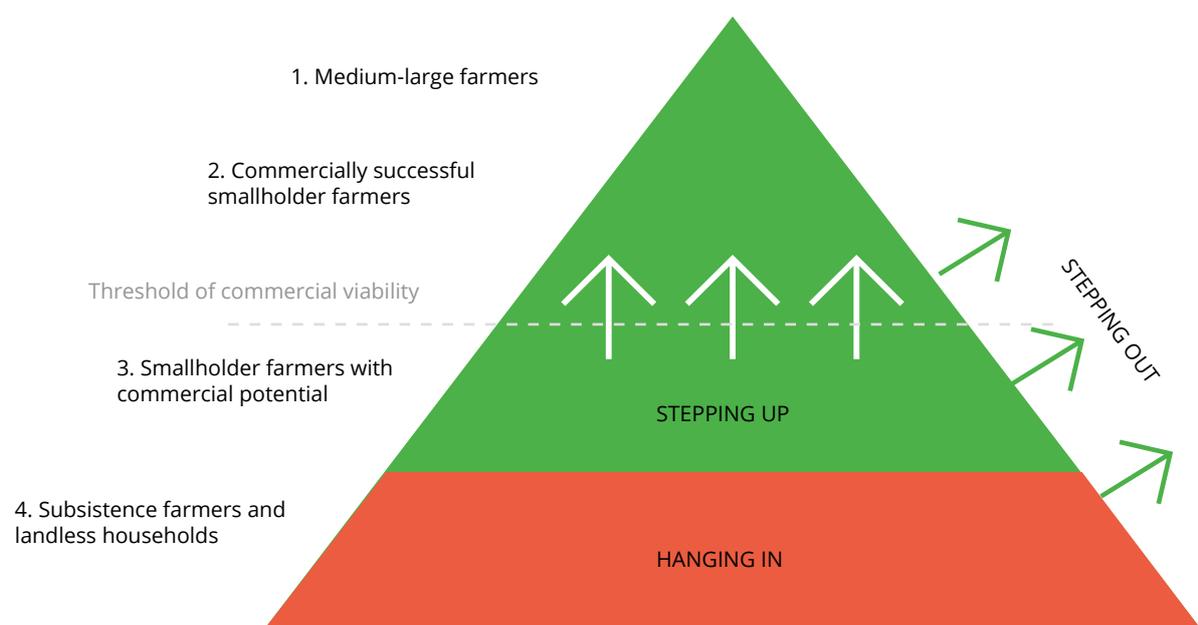
- Mainstream gender and social inclusion in all interventions. Performance will be assessed on the positive impact on women and children.

IMPORTANT NEW ELEMENTS OF THE STRATEGY:

- The increased emphasis on building resilience, with explicit focus on nutrition and climate change adaptation.
- Engagement with the private sector for greater scope, impact and sustainability.
- The possibility to work in areas emerging from conflict, and the potential to work with internally displaced persons.

¹⁰ By social protection we mean policies and activities designed to improve food security, increase livelihood options and reduce vulnerability to shocks. Activities are likely to focus mainly on cash and asset transfers.

DIFFERENTIATED LIVELIHOOD STRATEGIES OF FARMERS AND LANDLESS PEOPLE



LIFT RESULTS FRAMEWORK

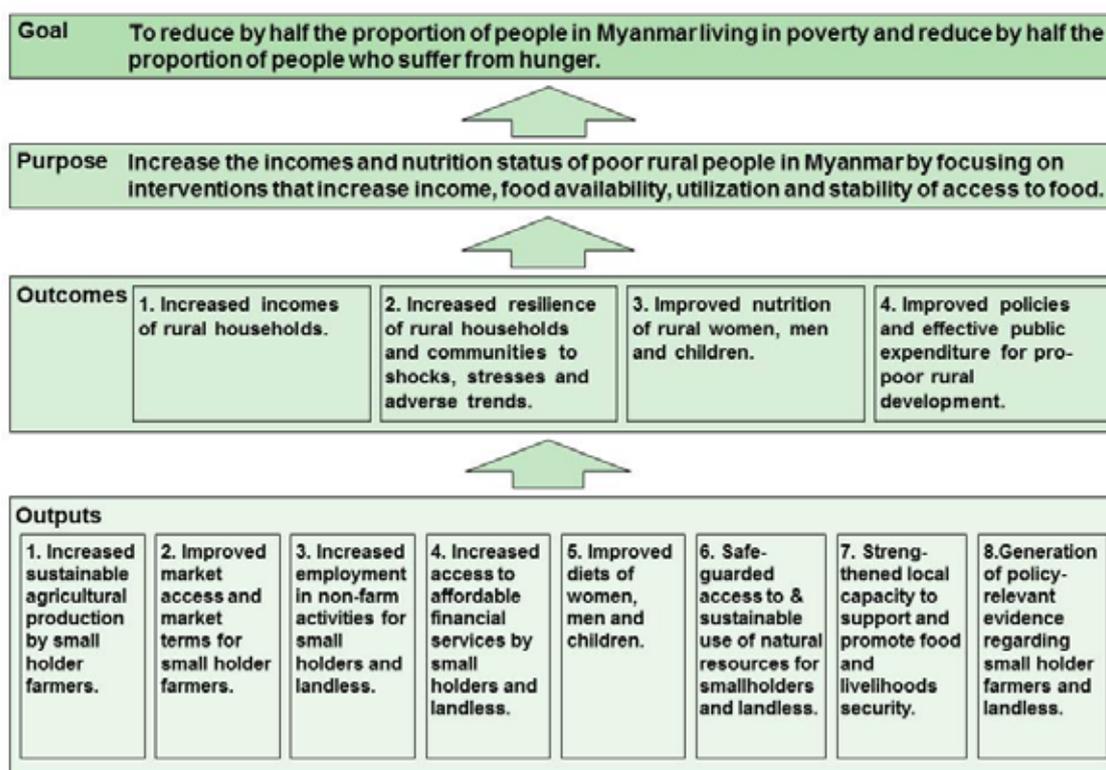


Table 1.1: Interventions Summary (list not exhaustive)

Objective	
Step Up	Promoting value chain efficiency; market development; supporting farmer organisations; contract farming; crop diversification; cash cropping; financial services; financial training; on-farm training; new technologies; mechanisation.
Step Out	Employment opportunities in agrifood value chains; affordable and appropriate financial services; social protection (cash transfers/grants); partnerships on health and safe migration; nutrition support; vocational training.
Hang In	Appropriate technology packages for sustainable agricultural production and extension support, including innovative ICT solutions; on-farm and off-farm diversification; affordable and appropriate financial services for on and off-farm activities; social protection (cash transfers); block grants; targeted nutrition support.

CHAPTER 2



628,500

households were reached by LIFT,

35%

of them received cash-for-work



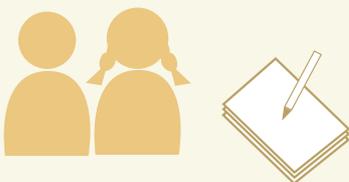
60% of Myanmar's microfinance clients access financial services from MFIs supported by LIFT

94% of those clients are women



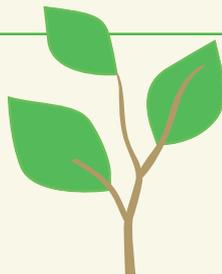
252,000

households increased their food security by more than one month



292,000

people took part in LIFT-funded training



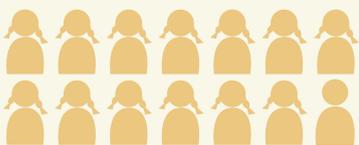
36,000

households took part in improved resource management activities



50,200

households have increased their number of assets



Women represent

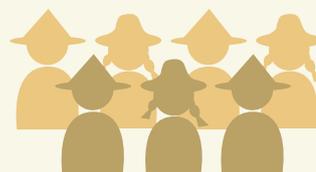
96%

of people who established enterprises after receiving training



138,000

households reported increased incomes



11,000

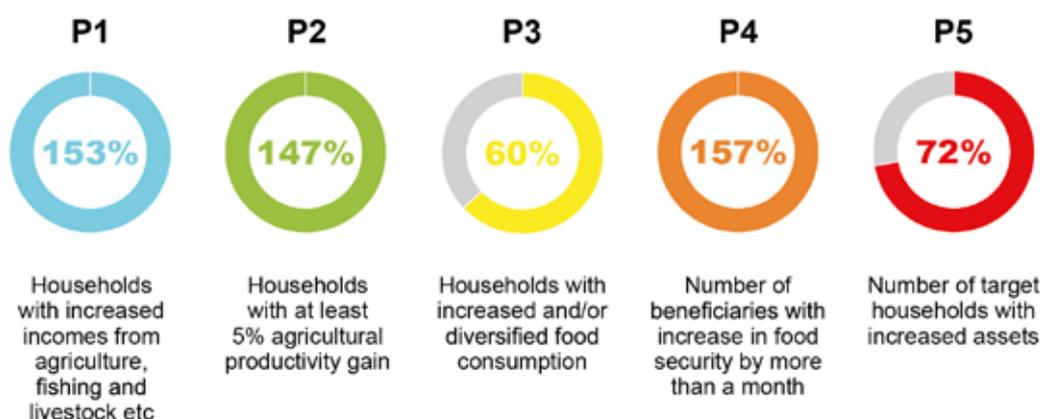
community based organisations have been established or strengthened

2. RESULTS

LIFT continued to perform well against its milestone targets, notably in the areas of food security, access to credit, and training. By the end of 2014, LIFT had reached 628,427 direct beneficiary households (HHs), which is a 19 per cent increase on 2013.

The value of grants increased from \$17 million in 2010 to \$124 million in 2014. The number of grants increased from 13 in 2010 to 93 in 2014 and, reflecting extensions to earlier grants and LIFT's flexibility to adapt to project needs, there have been 132 grant amendments over the past two years.

LIFT's performance against 2014 milestones for Purpose Level Indicators



THE LIFT LOGFRAME AND MEASURING LIFT RESULTS

LIFT assesses its performance against its logical framework (logframe), specifically the logframe goal, purpose and outputs. While LIFT refines its Theory of Change, the logframe remains unchanged and reflects purpose and output indicators from the 2012 Strategy.

LIFT uses two main sources of information: reports from LIFT implementing partners (IPs) and commissioned household surveys. The numbers reported by IPs for achievement against LIFT indicators are recorded every six months and should be treated as estimates.

For 2014, LIFT cross-referenced IP data with data from its statistically representative Household Tracker Survey 2014-15. LIFT commissioned this survey in late 2014 to bridge the gap in comparative data until the next full household survey (HHS), which is expected in 2016.¹¹

Results calculated from IP data can be treated as cumulative. Data from LIFT surveys represent the situation as measured at a specific point in time. Results for 2012, 2013 and 2014 are charted in Annex 2.

A range of external factors including general economic, market and climatic conditions can influence achievements in LIFT's target villages. This report, therefore, does not seek to determine the extent to which the results are attributable to LIFT activities.

¹¹ The Tracker Survey reported data from 51 villages previously covered in the 2013 Household Survey and 2012 Baseline Survey. The villages were randomly selected in the Uplands, Dry Zone, Coastal, Delta and Control areas. Sixteen households were interviewed in each village.

2.1 LIFT LOGFRAME: PURPOSE AND OUTPUT-LEVEL INDICATOR RESULTS

Table 2.1: Purpose Indicators and Estimated Progress Related to 2014 Milestones

	LIFT target 2016	Milestone for 2014	Achieved by end of 2014	% achieved	Data source
P1: No. and % of target HHs with increased incomes (from agriculture, fishing, livestock, etc.)*	130,000	90,000	138,000 (45% of crop-growing HHs in LIFT villages)	153%	LIFT surveys
P2: No. and % of target HHs with at least 5% agricultural productivity gains*	130,000	90,000	133,000 (44% of crop-growing HHs in LIFT villages)	147%	LIFT surveys
P3: No. of target HHs with increased and/or diversified food consumption*	240,000	160,000	97,000 (19% of HH benefiting)	60%	LIFT surveys
P4: No. and % of target beneficiaries with an increase in food security by > one month*	240,000	160,000	252,000* (49% of HH benefiting)	157%	LIFT surveys
P5: No. of target HHs with increased assets*	120,000	70,000	50,217	72%	IP data

* Although the 2014 milestone was surpassed, there were 9% fewer households experiencing an increase in food security from 2013-14

DISCUSSION OF RESULTS:

PURPOSE: TO SUSTAINABLY INCREASE FOOD AVAILABILITY AND INCOMES OF TWO MILLION TARGET BENEFICIARIES

Results in Table 2.1, along with the discussion below, demonstrate that LIFT has significantly surpassed most targets and underachieved on others. Over and under-achievements are primarily due to the way the targets have been adjusted as new donor contributions have been received. The tendency has been to increase the target on the assumption that the new projects LIFT funds would contribute in similar proportions to the targets established for projects LIFT funded in 2011. The reality is somewhat different and new targets will be established in 2015.

Purpose indicator 1: Number and percentage of target households (HHs) with increased incomes

Results from LIFT's 2014-15 Household Tracker Survey show that, of households that grew crops during the previous 12 months,¹² 46 per cent had increased their net incomes in 2014. This compares with 25 per cent in 2013, and 18 per cent in 2011. By extrapolating the results over the households living in villages covered by LIFT's Delta II and Countrywide Programmes, an estimated 138,000

¹² 49 per cent of all households

households would have experienced an increase in agricultural incomes due to LIFT support in 2014.¹³ This excludes households whose incomes may have increased due to cash-for-work (CfW) programmes and LIFT support for non-agricultural vocations and businesses. Data from the 35 projects that reported against this indicator suggest that 306,606 beneficiary households had higher incomes as a result of LIFT's interventions. This is well above what was expected for the 2014 milestone.

Purpose indicator 2: Number and percentage of target households with at least 5 per cent agricultural productivity gains

From the 2014-15 Household Tracker Survey, of the sampled households that grew crops during the previous 12 months, 44 per cent indicated that crop production had increased as a result of LIFT support. Again, extrapolating these results over the households in villages covered by the Delta II and Countrywide Programmes, 133,000 households (44 per cent of all crop-growing households), would have experienced an increase in production due to LIFT support¹⁴.

¹³ 45 per cent of households growing crops

¹⁴ It would be expected that a gain of at least 5% would be required before a respondent would notice an increase in production.

Purpose indicator 3: Number and percentage of target HHs with increased and/or diversified food consumption.

In 2011, 62 per cent of sampled LIFT households had a Household and Individual Dietary Diversity score (HDDS) of five or less, compared to 44 per cent in the 2013 LIFT Household Survey.¹⁵ Extrapolating these results over the households that LIFT has supported, it is estimated that 19 per cent, or nearly 97,000 households, would have graduated to a HDDS of six or more.¹⁶ However, the 2014-15 Household Tracker Survey showed no change in the mean HDDS between 2013 and 2014, indicating that progress towards the indicator may have slowed. In hindsight, however, this target is probably overambitious—and based on the assumption that increased incomes lead to higher dietary diversity. The figure of 97,000 households, or around 426,000 people, with better food diversity is nevertheless commendable.

Purpose indicator 4: Number and percentage of target beneficiaries (HHs) with an increase in food security by at least one month

Comparison between the 2011 LIFT Baseline Survey and 2014-15 Household Tracker Survey shows an improvement in household food

provisioning. In the 2011 Baseline Survey, 65 per cent of households in LIFT villages had a mean months of adequate household food provisioning (MAHFP) score of 10 months or less, meaning that those households did not have enough food during one or two months in the preceding 12 months. In the 2014-15 Household Tracker Survey results, the proportion of households had fallen to 15 per cent. Extrapolating these results over the households that LIFT supported, it could be expected that 49 per cent, or over 252,000 households, would have graduated from a score of 10 months or less to a score of 11 or 12 months.

Purpose indicator 5: Number and percentage of target HHs with increased assets

Twenty-two IPs reported against this indicator and their combined cumulative achievement was 72 per cent of the 2014 milestone. Many IPs reported the number of households that benefited from assets acquired directly as the result of the project, including livestock purchased with the support of revolving funds or kits supplied following vocational training for income-generation. However, the indicator does not specify productive assets and it is likely that many of the thousands of households with higher incomes invested in household assets such as mobile phones, motorbikes, solar panels, engine pumps, etc.

¹⁵ There are no established cut-off points in terms of the number of food groups to indicate adequate or inadequate dietary diversity for the HDDS (Guidelines for Measuring Household and Individual Dietary Diversity, FAO 2011).

¹⁶ Note that the 2014-15 LIFT Household Tracker Survey covers all the households in LIFT villages, not just direct beneficiary households. Extrapolating the HDDS findings over the total number of households would give better results.



OUTPUT-LEVEL INDICATOR RESULTS

DISCUSSION OF RESULTS:

Output 1:

Increased agricultural production and incomes supported through improved production and post-harvest technologies, and improved access to inputs and markets.

O1.1: Number and percentage of target households aware of new/improved agricultural technologies or techniques

This was calculated from the combined achievements of the 27 IPs that reported against this indicator,¹⁷ representing the cumulative achievement of 70,770 households. Significantly, implementing partner, Proximity Designs supported over 16,000 households with agricultural loans, products and services including low-cost, easy-to-use foot pumps, irrigation products and technologies, drip irrigation systems, solar lanterns and farm advisory services.

It should be noted that IPs simply use their training records to assess performance against this indicator which would not capture the spread of information more broadly within the villages where the projects are being implemented.

O1.2: Number and percentage of target households that adopt/use improved agricultural practices (rice growing, horticulture, livestock, etc.)

At least 87,000 households have adopted new practices or changed their practices due to LIFT interventions. Data from the 2014-15 Household Tracker Survey for this indicator was inconclusive. The figure from the 2013 Household Survey, which was reported in the 2013 Annual Report, has therefore been used again here.

O1.3: Number and percentage of households in LIFT-supported villages accessing credit from low-interest microfinance groups, or village savings and loans associations, for agriculture

The combined achievements of the 20 IPs that reported against this indicator exceeded the 2014 milestone, with women representing 70 per cent of borrowers. The significant over-achievement on this indicator (along with indicators O2.1 and O2.2) is as a result of the decision taken by the

Fund Board in 2013 to create a dedicated funding window for financial inclusion; the decision led to an increase in the number of LIFT projects providing affordable financial services in LIFT operating areas.

Output 2:

Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment

O2.1: Number of trained people who establish enterprises (gender-disaggregated)

Eighteen IPs reported that a total of 60,262 people established enterprises following training, far exceeding LIFT's 2014 milestone of 40,000. Most IP projects focused this support on poor rural women, many from landless or land-poor households. Women represented 96 per cent of beneficiaries.

The significant over-achievement on this indicator, along with indicators O1.3 and O2.2, is as a result of the increase in affordable financial services in LIFT areas (see O1.3).

O2.2: Number of households in LIFT-supported villages accessing credit from low-interest microfinance groups or VSLAs (Village Savings and Loan Associations) for non-agricultural livelihoods

Cumulatively, LIFT partners enabled 35,345 households to access low-interest loans for non-agricultural livelihoods. In total, 22 IP projects contributed to this achievement. The largest contributor was PACT, with over 15,000 households receiving credit.

O2.3: Number of targeted households with an increase in income from non-agricultural activities and vocational training

Twenty IPs reported that 17,928 households achieved an increase in incomes from non-agricultural activities. It is likely that the current level of achievement—72 per cent against the indicator—is an underestimate given the number of people who have established enterprises: 60,262 as of 2014 (see Output 2.1).

¹⁷ IPs report only on their projects area of focus. Most IPs do not report against every indicator.

Table 2.2: Output-level Indicators and Estimated Progress Related to 2014 Milestones

	LIFT target 2016	Milestone for 2014	Achieved by end of 2014	% achieved	Data source
Output 1: Increased agricultural production and higher incomes supported through improved production and post-harvest methods, and improved access to inputs and markets.					
O1.1 No. and % of target HHs aware of new/improved agricultural technologies	140,000	110,000	70,770	64%	IP data
O1.2 No. and % of target HHs that adopt/use improved agricultural practices	100,000	70,000	87,000 (29% of HHs in LIFT villages)	124%*	LIFT surveys
O1.3 No. of HHs in LIFT-supported villages accessing low-interest credit for agriculture	110,000	90,000	180,733	200%	IP data
Output 2: Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.					
O2.1: No. of trained people who establish enterprises (gender-disaggregated)	60,000	40,000	60,262 M=2402 F=57860	151%	IP data
O2.2: No. of HHs in LIFT-supported villages accessing low-interest credit for non-agricultural livelihoods	35,000	25,000	35,345	141%	IP data
O2.3: No. of targeted HHs with an increase in income from non-agricultural activities	35,000	25,000	17,928	72%	IP data
Output 3: Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.					
O3.1: No. of HHs participating in improved resource management or rehabilitation activities	40,000	24,000	36,107	150%	IP data
O3.2: No. of participants trained in sustainable resource management who think the training was useful	No target set	No milestone set	16,517 M=8188 F=8329	N/A	IP data
Output 4: Effective social protection measures supported to increase the incomes, enhance the livelihood opportunities or protect the livelihoods assets of chronically poor households.					
O4.1: No. of HHs supported by CfW activities that think the intervention was timely and effective	180,000	100,000	129,389	129%	IP data
O4.2: No. of HHs supported with cash/asset transfers that are able to invest in productive activities/assets	120,000	90,000	28,984	32%	IP data
O4.3: No. of HHs who are able to reduce the number of food insecure months or days	140,000	80,000	252,000 (49% of HH benefiting)	315%	LIFT surveys
Output 5: Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.					
O5.1 No. of local NGOs better skilled in technical issues, and project and financial management	45	35	202	577%	IP data
O5.2: No. of trained CBOs applying training in LIFT-funded activities	10,000	8,000	4,426	55%	IP data
* Data from the 2014-15 Household Tracker Survey for this indicator was inconclusive, so the figure from the 2013 Household Survey, which was reported in the 2013 Annual Report, has been used again here.					

Output 3:

Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods

O3.1: Number of households participating in improved natural resource management or rehabilitation activities

Fourteen IP projects reported their achievements against this indicator. The largest contribution was from the Mangrove Service Network (MSN), which reported that 9,165 households had participated in their natural resource management activities,¹⁸ and Mercy Corps, which reported 6,926 households.

O3.2: Number of participants trained in sustainable natural resource management or rehabilitation topics (gender-disaggregated) who think the training was useful

Twelve IP projects reported their achievements against this indicator, with the largest contribution coming from GRET, with 5,564 participants. The most common form of assessment of the training by participants, when undertaken, was by means of a post-training evaluation form. Women represented 50 per cent of the participants.

Output 4:

Effective social protection measures that increase the incomes, enhance the livelihood opportunities or protect the livelihoods assets of chronically poor households

O4.1: Number of households supported by Cash-for-Work (CfW) activities that think the intervention was timely and effective

Thirteen IPs supported 129,389 households with CfW activities during 2014.¹⁹ However, assessing whether CfW opportunities were offered at the most appropriate time or were effective is more difficult.²⁰

O4.2: Number of households supported with cash/asset transfers that are able to invest in productive activities/assets that increase their income

¹⁸ This result includes households from both MSN's 10 core villages and 119 peripheral villages, which benefit indirectly from project activities including the distribution of tree seedlings from project nurseries.

¹⁹ The number of households receiving CfW payments is readily measured and all projects have reported. The largest contribution came from Proximity Designs, whose project in the Dry Zone supported 72,538 households.

²⁰ Timeliness refers to offering cash-for-work opportunities when demand for casual labour is low. Effectiveness is related to its impact on food security (i.e. enabling households to have enough food to eat when otherwise they may not).

Ten IP projects reported their achievements against this indicator. The largest contribution was from projects focused on village infrastructure development through CfW initiatives, where households that received CfW payments are reported to have invested in productive assets. Ten IPs reported a combined cumulative achievement against this indicator of 28,984 households up to the end of 2014.

O4.3: Number of households that are able to reduce the number of food insecure months or days

Only eight IP projects reported against this indicator. By far the largest was Proximity Designs, whose two projects contributed to 92,998 households out of the combined IP total of 115,000.²¹

As per Purpose Indicator 4 above, the LIFT 2014-15 Household Tracker Survey results suggest that 49 per cent²² of the 511,000 beneficiary households had increased their MAHFP score from 10 months or less to a score of 11 or 12 months over the past year.²³ This is not only a result of CfW interventions, but all forms of LIFT support.

Output 5:

Capacity of civil society strengthened to support and promote food and livelihoods security for the poor

O5.1: Number of local NGOs better skilled in technical issues, and project and financial management

Achievements have far exceeded LIFT's 2014 milestone largely due to the contributions of projects funded under the Learning and Innovation Window. The World Food Programme (WFP) project, Vulnerability, Analysis and Mapping in Myanmar, supported 51 local NGOs in developing their skills in monitoring food security.

O5.2: Number of trained CBOs applying training in LIFT-funded activities

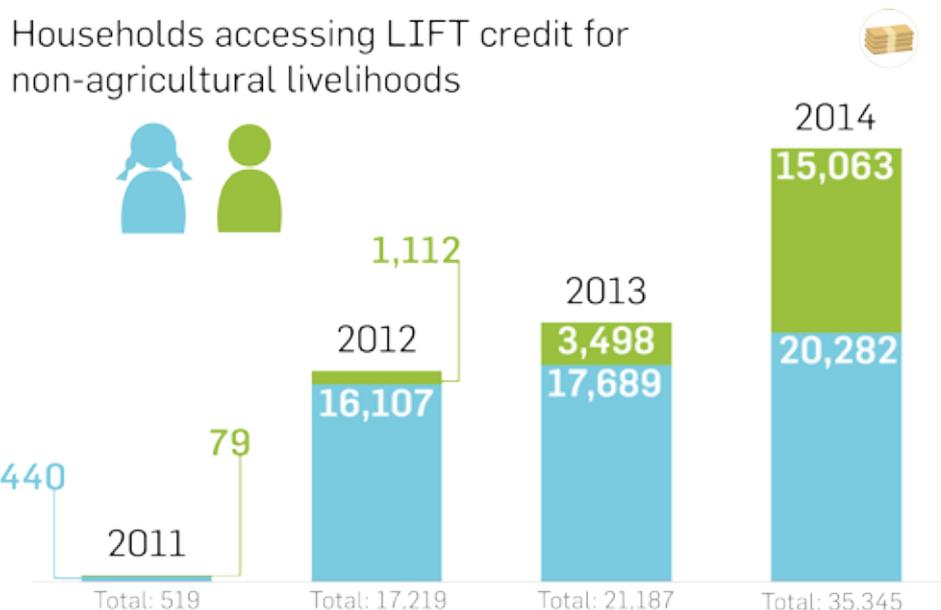
Reported achievements fell short of LIFT's 2014 milestone. The largest contribution was from Proximity Designs, whose work with pond renovation groups accounted for 712 of the total CBOs reported to have applied skills from their

²¹ Proximity's final evaluation in 2014 indicates that 86% of their CfW households took place in the Dry Zone. Other IPs did not conduct such formal surveys to estimate their contribution to household food security from social protection measures.

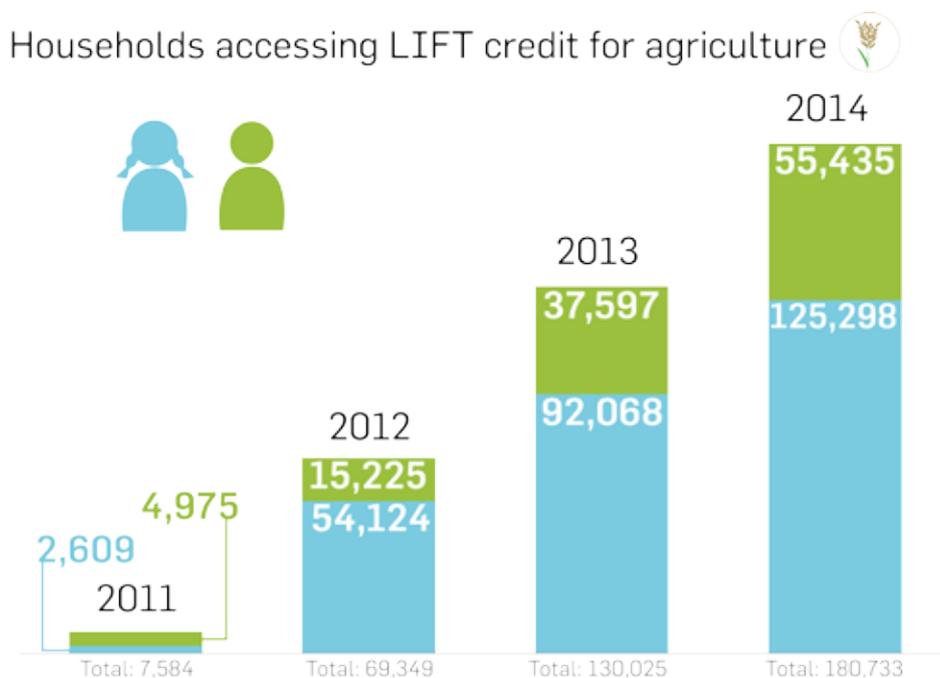
²² 252,000 households

²³ Months of Adequate Household Food Provisioning

training.²⁴ This, and the training conducted by many other IPs working with village-based organisations, was principally related to project and financial management. Given that IPs have reported that they had established or strengthened over 4,426 CBOs, the achievement for this indicator (O5.2) is likely to be an underestimate.



Figures are cumulative



Figures are cumulative

²⁴ Pond renovations groups were trained to manage CfW activities.

2.2 ACTIVITY MONITORING

Every six months, LIFT IPs report their progress against a set of activity-level indicators.* Partners delivered another set of strong results in 2014.

Table 2.3: Summary of Implementation Progress for LIFT-funded Projects to the End of 2014

Descriptions	Achievement in 2014	Cumulative achievement to end 2014
Overall targets (without double counting of beneficiaries)		
Total number of direct beneficiary HHs	116,922	628,427
No. female-headed HHs	14,637	55,001
No. HHs with disabled persons	1,508	8,037
Agricultural production (crops)		
No. HHs supported in agricultural production	20,659	174,978
No. HHs benefiting from market information and linkages	10,691	38,715
Livestock production		
No. HHs supported in livestock production	1,447	21,802
Fishery production		
No. HHs supported in wild capture fishery	1,654	11,586
Other IGA (not agriculture/livestock/fishery)		
No. HHs supported in other IGA	2,636	26,748
Credit		
No. HHs provided credit for agriculture (incl. livestock and aquaculture)	48,434	180,733
No. HHs provided credit for non-agriculture purpose	3,287	35,345
Revolving funds		
No. HHs supported through revolving funds	4,133	31,477
Training		
No. participants trained in total	80,520	292,180
No. trained—agriculture related (including livestock and aquaculture)	37,171	129,742
No. trained—other IGAs (not agriculture/livestock/fish)	1,572	13,486
No. trained—wild capture fishery related	283	599
No. agricultural/livestock/fishery extension workers trained	3,018	16,428
No. trained in environmental protection/conservation/rehabilitation	6,976	23,210
No. trained in skills to strengthen CBO management	31,500	109,925
Cash-for-work (CfW)		
No. person-days of CfW provided	301,957	1,936,048
No. person-days of CfW provided for women	120,281	801,230
Total No. HHs supported through CfW	74,598	221,216
Assets and infrastructure		
No. CBOs established or strengthened	1,613	11,002

* The data has been gathered from all projects in the Countrywide and Delta 2 programmes, as well as from relevant projects funded under the Learning and Innovation and Financial Inclusion windows. These are cumulative figures up to end of year 2014 and include data from the Delta 1 programme, which was closed in 2011. Many of the projects within the Countrywide and Delta 2 programmes completed in 2014.



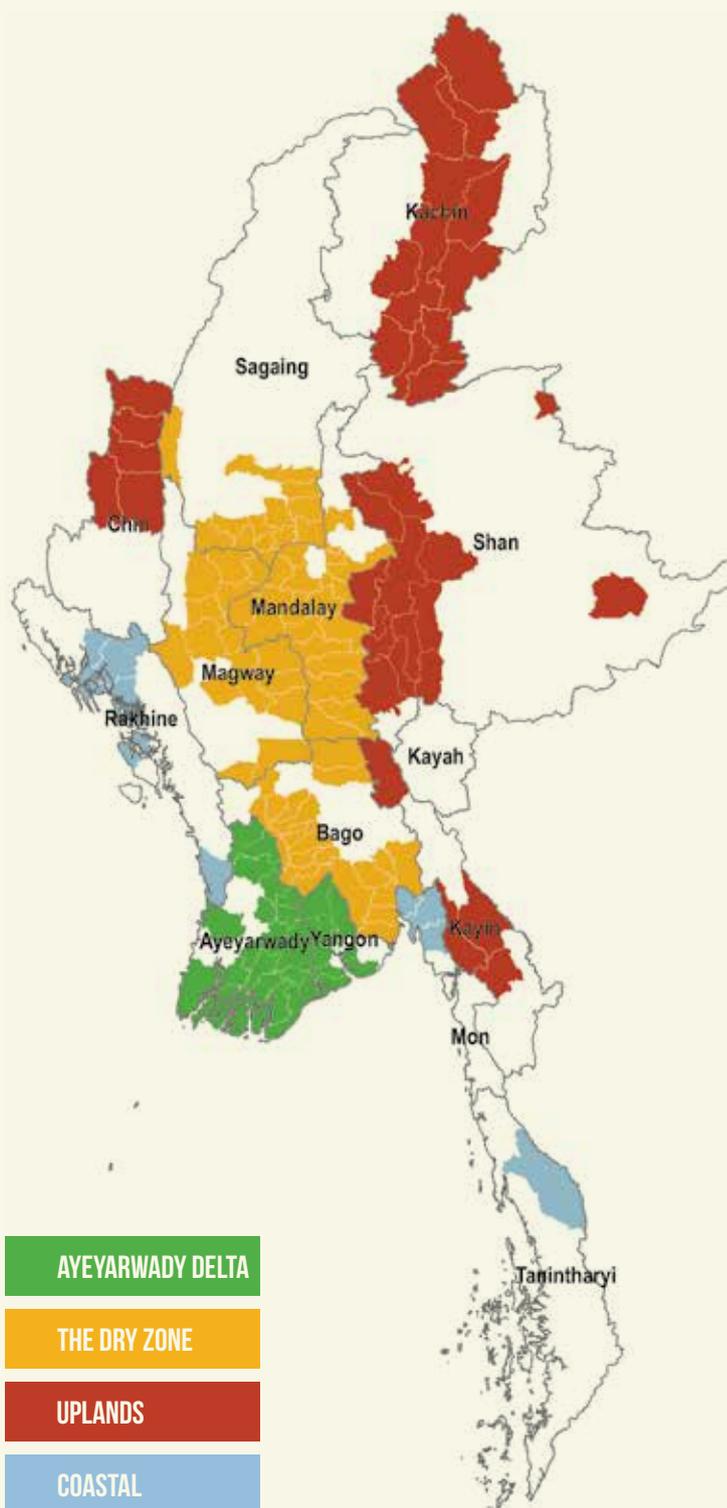
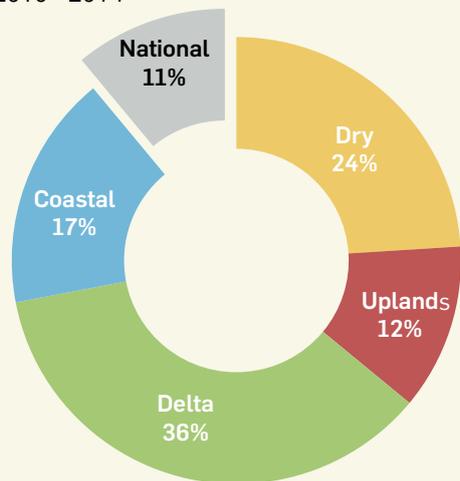
AFTER ADOPTING NEW TECHNIQUES TO CULTIVATE UPLAND RICE AT METTA'S FARMER FIELD SCHOOL, KHUN AUNG SAN HAS GONE FROM MINUS NINE MONTH'S FOOD SECURITY PER YEAR TO HAVING TWO YEARS' RICE IN HIS STORE. HE IS NOW LENDING BAGS OF RICE AT NO INTEREST TO THE POOREST PEOPLE IN HIS VILLAGE.

CHAPTER 3

3.GEOGRAPHIC PROGRAMMES

This chapter presents LIFT's progress in each of the four agro-ecological zones where LIFT operates: the Ayeyarwady Delta, the central Dry Zone (including Mandalay, Magwe, and the southern Sagaing Region), the Uplands Region of Chin, Kachin, Kayin and Shan States and the coastal region of Rakhine State.²⁵ By the end of 2014, LIFT had funded projects in 13 states/regions, 44 districts, and is active in nearly half of the country's townships(157 out of 330). This is a significant expansion since the end of 2013.²⁶ Civil society and financial inclusion initiatives that work across these zones are presented in Chapter 4.

Grant allocation by agro-ecological zone, 2010 - 2014



²⁵ LIFT funded 64 projects in 2014, in both the agro-ecological zones and in pan-Myanmar areas of research, surveys and seminars. Annex I lists all projects opened, closed and on-going during 2014. The maps in this section show areas of LIFT intervention classified by agro-ecological zone 2009-2014.

²⁶ By the end of 2013 LIFT had funded projects in 12 states/regions, 36 districts and 107 townships.

3.1 AYEYARWADY DELTA



Overview:

Rice cultivation forms the backbone of the Delta economy; there is limited crop diversification, especially in the townships where LIFT works: Laputta, Bogale, Mawlamyinyun and Pyapon. Small-scale fishing is still a crucial livelihood activity for landless and vulnerable households. The southern part of the Delta is divided into three broad agro-ecological sub-zones: i) the northern zone, where access to fresh water allows the irrigation of a second crop per year; ii) the southern brackish water zone, where only monsoon rains allow paddy to grow; and iii) the intermediate zone, where a second crop is not guaranteed because water salinity levels increase progressively over the dry season.

The prevalence of poverty is high (26 per cent),²⁷ and as the most populated region of the country, the Delta has a very large number of poor people. Inequality is also a problem; the proportion of landless households in the Delta is much higher than in the rest of the country (66 per cent),²⁸ an issue that is more pronounced in the southern extremes of the Delta. While children's dietary diversity is

²⁷ LIFT Household Survey 2013 and WFP Food Security Assessment (2014).

²⁸ LIFT Household Survey 2013

better than elsewhere in the country, only 43 per cent of children under two consume an adequately diverse diet. Both stunting and wasting rates are higher in the Delta (27 per cent and 9.4 per cent respectively) than in the Uplands, and only slightly better than in the Dry Zone.²⁹

Climate:

The region is vulnerable to extreme weather conditions in the form of storm surges, floods, cyclones and coastal inundation. The average annual rainfall is 2,000-3,000 mm. Water scarcity affects over 50 per cent of the villages, particularly between March and May.³⁰ Climate change will have a major impact, with a rise in seawater levels causing increasing salinity of the region's rivers.

LIFT's work in the Delta:

LIFT started operations in the Delta in 2010 as a one year post-emergency programme after Cyclone Nargis. In 2011, LIFT focused its work on four townships with 13 new three-year projects. The intention was to build more coherence between projects and to promote development activities with a longer-term focus. Most of these projects have now been extended up to mid-2015.

Current context:

The region is still recovering from the destruction caused by Cyclone Nargis in 2008, especially the south. This year, paddy farmers reported higher and better quality yields from the monsoon harvest compared to 2013.³¹ The agriculture sector is dynamic in the Delta with investments in value chain development increasing, large investment in the milling and agricultural input sector, and the development of small and medium enterprises. The main driver of change in the Delta is migration to labour opportunities, particularly in

Yangon.³² Farmers are facing rising labour costs and difficulties in accessing labour at critical times of the year, especially between the monsoon and winter seasons. As a consequence, seasonal wage rates are increasing, mechanisation is growing fast and small agricultural entrepreneurs are developing their businesses.

LIFT Activity in the Delta, 2014



29 LIFT Household Survey 2013 (not representative for the whole Delta, but for areas where LIFT is active).

30 LIFT Household Survey 2013

31 QSEM Round Four Report (World Bank/LIFT 2014)

32 QSEM Round Four Report (World Bank/LIFT 2014)



Table 3.1: Important Updates on 15 Projects during 2014

IP, Timeframe, Budget, Status	Important Updates
<p>ActionAid – Thadar Consortium From 16/09/2011 to 15/09/2014</p> <p>Budget: USD 1,571,360</p> <p>Project extended by seven months to 11/04/2015 and budget increased by USD 426,128 to USD 1,997,488</p> <p>Ongoing</p>	<p><i>Building local capacities for livelihoods systems approaches in the Ayeyarwady Delta</i></p> <ol style="list-style-type: none"> 1. The Myanmar Baptist Church Union (MBCU) has supported 40 vulnerable families to take up flower production, with input from ActionAid Fellows.* The flowers are sold at Yangon’s wholesale market, and money is managed through a village revolving fund. The profits per household in 2014 ranged between USD 38 - 114 per month. The revolving fund was buoyant enough to support an additional 109 households, and the business is now fully self-sustaining. 2. Another Thadar member, the Swanyi Foundation, successfully developed eel-fattening activities in two villages with ten vulnerable households. Their model has been replicated by the Myanmar Ceramic Society (MCS) with six households. Investment per pond is about USD 150, producing a profit of around USD 300. 3. Nineteen landless farmers who rent land for farming are benefiting from a buffalo bank. The farmers save about USD 95 per season on land preparation costs. The project provides food on credit with no interest, twice a year, during the lean periods (April/May and September/November). This social protection activity is managed by the communities themselves and it supports over 1,000 families.
<p>ADRA (Adventist Development & Relief Agency) From 16/06/2011 to 15/06/2014</p> <p>Budget: USD 1,465,680</p> <p>Project extended to 31/07/2014 as a no-cost extension for the final evaluation only, operations closed on 15/06/2014</p> <p>Closed</p>	<p><i>The scale-up project</i></p> <ol style="list-style-type: none"> 1. Eighteen aquaculture product processing and storage groups were formed and 14 were equipped with a storage facility and a grinding machine, mainly for shrimp paste production. During the fishing season, most of the groups generate a regular income. The buildings and equipment are well maintained. 2. Eight forest user groups were established with a total of 300 hectares of protected mangrove. Four groups have successfully registered 196 hectares as community forest with the Forestry Department; others are pending. 3. Only 26 of the target 50 mangrove-friendly aquaculture ponds were built. After their initial failure, eight ponds were rehabilitated. Despite considerable investment and effort, they were not economically viable by the end of the project. 4. Eighteen marketing and aquaculture product development groups were formed, but due to insufficient investment capacity and low profitability of most of the products, membership declined sharply and some have stopped their activities.



IP, Timeframe, Budget, Status	Important Updates
<p>AVSI (The Association of Volunteers in International Service) From 19/05/2011 to 18/05/2014</p> <p>Budget: USD 304,557</p> <p>Project extended by four months to 18/09/2014 as a no-cost extension</p> <p>Closed</p>	<p><i>Promoting small-scale farmer cooperatives in Labutta Township</i></p> <ol style="list-style-type: none"> 1. The 'Kyun Ayeyar' cooperative has 81 members and its financial and operational performances are good with services delivered to farmers and the cooperative making a profit. It was officially registered by the Ministry of Cooperatives, and the township cooperative department provided training on accounting systems to the committee. Loans will be available for future activities from the Ministry of Cooperatives. 2. The cooperative has established a revolving fund from farmer repayments on inputs received from the project. The fund has grown to an approximate capital value of MMK 4 million (USD 3,809) and manages a paddy bank of 28 tonnes. The cooperative also manages a number of significant assets that were provided by the project: one rice mill, one large and two small storage buildings, six threshers, one tractor and 12 pairs of buffaloes. 3. Threshing and renting buffalo generate the highest incomes.
<p>IRRI - Research and Mapping (International Rice Research Institute) From 28/08/2012 to 14/08/2015</p> <p>Budget: USD 2,013,942</p> <p>Ongoing</p>	<p><i>Reducing risks and improving livelihoods in rice environments</i></p> <ol style="list-style-type: none"> 1. The rice atlas for three townships, Bogale, Mawlamyinegyun and Labutta was finalised. The maps of the different cropping patterns were classified into recommendation domains through a series of workshops and meetings with DoA (Department of Agriculture) officers and local farmers. 2. Fact sheets on specific varieties and crop management options recommended for the saline-affected, flood-prone and drought-prone areas were shared with partners. These materials were developed in a two-day workshop on Integrated Management Practices for Rice Production and Post-production in Myanmar, held at the Department of Agriculture Research (DAR).
<p>IRRI (International Rice Research Institute) From 08/02/2012 to 07/02/2015</p> <p>Budget: USD 2,100,000</p> <p>Project extended from 07/02/2015 to 16/09/2015 as a no-cost extension</p> <p>Ongoing</p>	<p><i>Improving livelihoods of rice-based rural households in the lower Delta</i></p> <ol style="list-style-type: none"> 1. The project's main objective was to identify new high-yielding and stress-tolerant rice varieties suitable for the local conditions in the Delta. (See the discussion on page 32, for more detail). 2. IRRI carried out 11 trials on integrated best management practices (IBMP). Results from the combined use of improved farming practices (such as nursery management, balanced fertilisation and weeding practices), together with the use of new high-yielding and stress-tolerant varieties, were compared with those from traditional farming practices. Yields from the IBMP trials increased by 20% (0.7 tonnes per hectare) in non-flooded areas and by over 30% (1.0 t/ha) in flood-prone areas. 3. Within the framework of the Post-Harvest Learning Alliance,* IRRI and partners tested the efficiency of flat-bed dryers, hermetic storage systems and lightweight threshers. <p>* In 2013, IRRI established the Post-Harvest Learning Alliance, which involves representatives from NGOs, civil society organisations, and the public sector. The group aims to tackle specific post-harvest issues such as drying grain, the quality of rice for milling, and the storage of seed.</p>

IP, Timeframe, Budget, Status	Important Updates
<p>Link Emergency Aid Development (LEAD) From 05/07/2011 to 04/07/2014</p> <p>Budget: USD 299,999</p> <p>Project extended by 12 months to 04/07/2015 and budget increased by USD 99,995 to USD 399,995</p> <p>Ongoing</p>	<p><i>Accelerating food security: ensuring food security among farmers and landless labourers by the provision of technical, farming and livestock inputs</i></p> <ol style="list-style-type: none"> 1. The project supported 50 farmers to grow winter crops in brackish areas (watermelon, groundnut, sesame, bocate bean/cowpea and green gram). Watermelon and groundnut provided good incomes (about US\$625/hectare for both crops)—nearly double the previous year— attributed to improved yield, quality and an early season that yielded a premium price. Sesame production was low. The pulses were not successful due to high soil pH and low seed quality. During the project extension period, technical advice and inputs were provided to 100 rice farmers in eight villages. The farmers achieved an average yield of 2 tonnes/ha which is good for salt-prone areas. 2. The project also set up a network of 14 farmers producing seeds for the most common varieties of local paddy to sell to neighbouring farmers. 3. 72 poor households have started small animal husbandry enterprises (chicken and pig breeding). The project supports vaccination and health care and provides advice on more efficient feeding practices.
<p>Mercy Corps (MC) – ArYone Oo From 01/07/2011 to 30/06/2014</p> <p>Budget: USD 3,324,533</p> <p>Project extended by 12 months to 30/06/2015 and budget increased by USD 868,948 to USD 4,287,431</p> <p>Ongoing</p>	<p><i>Beyond recovery: promoting market-led, pro-poor economic growth</i></p> <ol style="list-style-type: none"> 1. Three of the Farmer Production Enterprises (FPE) groups established by the project were officially registered as cooperatives. Nine more have submitted a registration request. As registered cooperatives, they will have access to services from the township cooperative department such as business training, six-monthly operational and financial audits, low-interest loans and credit for the purchase of equipment. 2. Through a new model of contract farming, MC is promoting the role of local millers as intermediaries for quality seed distribution and access to inputs. The project facilitated contracts between the fertiliser company Awba, six millers, and 15 FPEs for supplying fertiliser on credit to 293 farmers at low interest for 2014 monsoon and 2015 dry season rice. In addition, 22 FPEs and eight millers have signed contracts for the bulk sale of paddy, benefiting 835 farmers. 3. For the 2014 monsoon season, five millers received 34 tonnes of quality rice seed produced by Mercy Corps' trained seed producers. The millers distributed the seed to 170 farmers. They also agreed to buy back the 34 tonnes of FPEs harvested quality paddy for onward sale to Yangon end-markets. 4. 358 entrepreneurs (83% women) were trained on business plan development; and received LIFT grants and tailored advisory and mentoring services to help implement their plans. A total of 32 small businesses were created and 327 were expanded. 5. The project has developed a series of radio programmes providing technical advice and market information for rice farmers on 'Pyinsawady FM', broadcast throughout the Ayeyarwady Region.

IP, Timeframe, Budget, Status	Important Updates
<p>MSN (Mangrove Service Network) From 01/07/2011 to 31/06/2014</p> <p>Budget: USD 307,930</p> <p>Project extended by 6 months to 31/12/2014 and budget increased by USD 41,074 USD to USD 349,004</p> <p>Closed</p>	<p><i>Strengthening capacities and market opportunities for locally promising energy-saving stoves and quality tree saplings in the Delta</i></p> <ol style="list-style-type: none"> 1. By the end of the project, two cooperatives producing and marketing baked stoves, and six tree nurseries were operational. 226 individual raw stove makers were working. Strong market linkages are established. 2. The number of households using fuel-efficient stoves increased from 3,092 at baseline to 15,594 by the end of 2014. Households in neighbouring townships also adopted the stoves.
<p>Oxfam International - Network Activities Group (NAG) From 12/04/2011 to 11/04/2014</p> <p>Budget: USD 721,384</p> <p>Project extended with a no-cost extension from 11/04/2014 to 31/08/2014</p> <p>Closed</p>	<p><i>Improving governance in the fishery sector as an entry point for enhanced small-scale livelihood security, and improving the capacity of non-state actors to engage in rights-based advocacy</i></p> <ol style="list-style-type: none"> 1. The project facilitated the creation of the Ayeyarwady Regional Small-Scale Fishery Network with 20 small-scale fishing communities. 2. In February 2015, NAG organised a policy advocacy workshop for fishery co-management at the regional level. 3. In Dedaye Township, the Department of Fisheries (DoF) has allowed ten villages to pilot a fishery co-management mechanism. The Fishery Development Association is now implementing this mechanism with support from MERN (Myanmar Environment Rehabilitation-conservation Network) with funding from other sources.
<p>PACT – Pyapon From 06/07/2011 to 05/07/2014</p> <p>Budget: USD 299,999</p> <p>Closed</p>	<p><i>Pyapon integrated livelihoods development project</i></p> <ol style="list-style-type: none"> 1. The project is now a registered and sustainable microfinance operation committed to providing long-term services. 2. The agricultural loan size was increased for the monsoon season, from MMK 160,000 to 300,000 (USD 152 - 285). 3. The project served 3,342 existing clients from Pyapon Township and now, as a newly registered MFI, plans to serve 4,500 clients by the end of 2016 (also see Chapter 4.1)
<p>PACT (ex-UNDP under Delta 2 funding) From 01/01/2014 to 01/02/2015</p> <p>Budget: USD 440,820</p> <p>Ongoing</p>	<p><i>Sustainable microfinance to improve the livelihoods of cyclone-affected poor in the Delta</i></p> <ol style="list-style-type: none"> 1. The project has provided microfinance services to 21,230 households from 353 villages in three townships in the Delta. It has been extended to May 2015. 2. In 2014, the project disbursed microfinance loans of USD 2.09 million of which 32% was for agriculture, 28% for livestock, and 40% for off-farm expenditure. The project achieved a 100% (PAR>30 = 0%) repayment rate (see Chapter 4.1).

IP, Timeframe, Budget, Status	Important Updates
<p>Proximity Designs From 11/01/2012 to 10/01/2015</p> <p>Budget: USD 2,691,279</p> <p>Ongoing</p>	<p><i>Livelihoods support for vulnerable communities in Bogalay, MawGyun and Laputta</i></p> <ol style="list-style-type: none"> 1. During the 2014 dry season, seven embankments, 56 footpaths, one canal, two dams and two ponds were rehabilitated, providing wages for 112,000 person-days to 4,744 households. 2. 1071 farmers are now able to irrigate summer paddy in brackish areas following the project's identification of a 'safe period' for irrigation when the tides are at their lowest. This is up from 251 trial farmers in the first year of the project, 2012/13 (see page 30). 3. This new dry season paddy crop is providing an important second income for farmers in these vulnerable communities—average net profit of MMK 123,000-370,000 per hectare (USD 116-351).
<p>Proximity Designs From 14/06/13 to 31/12/15</p> <p>Budget: USD 2,300,000</p> <p>Ongoing</p>	<p><i>Catalysing smallholder agricultural finance</i></p> <ol style="list-style-type: none"> 1. By the end of the year, the project had reached 37,098 farming households from 77 townships in Yangon Region, the Dry Zone and the Delta. The average loan size was USD 226. 2. In the Delta, long-term agricultural loans covering two crop cycles were piloted. This allows farmers to more effectively manage their capital and sell crops with more flexibility. 3. The project is funded from three sources: LIFT, Proximity Designs and Nor Fund. LIFT contributes 30% of the total funds (also see Chapter 4.1).
<p>RadanarAyar From 11/01/2012 to 10/01/2015</p> <p>Budget: USD 864,110</p> <p>Project extended by 12 months to 10/01/2016 Budget increased by USD 305,731 to USD 1,169,941</p> <p>Ongoing</p>	<p><i>Socio-economic and environmental development in Bogale Township (SEED)</i></p> <ol style="list-style-type: none"> 1. RadanarAyar is working with farmers to cultivate and supply high quality paddy seed in the Delta. 2. 1,250 tonnes of paddy seed were produced for both the monsoon and dry season. The varieties multiplied during the last monsoon season were tested at the DoA (Department of Agriculture) laboratory. All but one were certified (due to red seed contamination). 3. Before the monsoon season, 434 tonnes of quality seeds from the 2013 harvest were distributed directly by the seed-growers, or through the project's central seed bank. In addition, the project supplied certified seeds to 481 farmers for cultivation during the monsoon season. 4. The project promoted the new high-yielding variety, Hsin-Thwe-Latt, which is in high demand due to its higher milling quality and higher marketing price. One rice miller is now promoting this variety through contract farming with 250 farmers over 120 hectares. 5. Two other rice millers have proposed contract farming arrangements to 50 farmers supported by the project. The millers provide cash and inputs on credit and agree to a guaranteed price (MMK 4000/basket*—USD 3.80/basket). <p>*One basket is around 20kg</p>

IP, Timeframe, Budget, Status	Important Updates
<p>WHH – GRET (WeltHungerhilfe -Groupe de Recherche et d`Echanges Technologiques) From 16/06/2011 to 15/06/2014</p> <p>Budget: USD 4,102,855</p> <p>Project extended by 12 months to 15/06/2015 and budget increased by USD 820,357 to USD 3,903,755</p> <p>Ongoing</p>	<p><i>Value chain development for inclusive economic growth in central Bogale</i></p> <ol style="list-style-type: none"> 1. During the cost extension and following a capacity review, the project focused on the 45 strongest Village Development Committees (VDC) and will develop an exit strategy for the remaining ones. 2. All 16 Community Agro-Economic Development Platforms (CAEDP) are now operational. Six of them are running input retail shops but face competition from local retailers, and boats directly trading inputs from towns. Most CAEDPs are not financially viable; their management costs are too high. GRET is revising their business model to reduce costs. 3. GRET formed two new Inventory Credit (IC) groups in 2014. Five active IC groups provided credit to 87 farmers to store paddy and quality seed produced during the 2014 monsoon. 4. The project organised a workshop between IC group members and four traders in July to explore how to improve market linkages for collective sales of paddy. The traders have now agreed to provide a significantly higher price for the stored paddy from the IC groups. 5. A Paddy and Rice Price Analysis Report covering the period from March 2012 to May 2014 was published, based on the project Market Information Dissemination System. 6. Six village-based rice mills were upgraded. Their milling capacity has increased by 175%. 7. Under the umbrella of the Bogale Agriculture Technical Working Group (BATWG), the project organised a number of events: <ul style="list-style-type: none"> • the third Bogale Agri-Fair in February, with an estimated 2000 visitors • a forum in November on post-harvest technologies for reducing losses and increasing paddy quality • a study tour to Hmawbi seed farm for farmers and NGO staff, to learn about quality seed production

SELECTED DEVELOPMENTS IN 2014

LIFT has invested significant resources in the rice value chain to improve access for smallholder farmers to quality seeds, new technologies, post-harvest equipment and better trading processes.

Environmental limitations in the Delta pose a particular challenge to agricultural production in areas frequently affected by floods and saltwater intrusion. Through careful experimentation, LIFT and its partners are bringing locally adapted techniques and quality paddy seed to farmers to improve yields and production. Proximity Designs has proven that double-cropping is possible in brackish areas and IRRI's participatory approach has made the results of years of research in varietal development directly available to farmers. Some new varieties, well adapted to a large range

of environments and often more resistant to stress than the local varieties, are now being made available for extension.

A further challenge is the shortage of labour at peak demand time, which puts pressure on production systems. If farmers want to intensify their production and increase their productivity, they need to invest in machinery (tillers, harvesters, water pumps, etc.). While there are now a number of new options and investment opportunities open to farmers, accessing capital and making informed investment decisions remains difficult, particularly for smallholders. GRET and WHH are piloting a new extension service designed to help farmers work through the decision-making process.

PROXIMITY DESIGNS' INNOVATIVE APPROACH HAS DOUBLED THE INCOME POTENTIAL OF FARMERS THROUGH DRY SEASON PADDY CULTIVATION IN BRACKISH WATER AREAS

Since 1975, attempts have been made to grow dry season paddy (between November and January) in brackish and saline areas of the Delta. Despite the Land-Use Division's mapping of salinity levels across the Delta,³³ farmers were unable to grow dry season paddy because there was not enough time after the first harvest before saline levels in the irrigation streams increased beyond the level of rice crop tolerance.

Proximity Designs has made an important breakthrough in identifying a 'safe period' for irrigation: farmers can now use a lunar calendar (see overleaf) to identify the lowest tides and determine the best times to irrigate their crops.³⁴

Proximity Designs' Farm Advisory Services team has developed a simple, low-cost approach to growing dry season paddy in brackish areas that involves:

- The use of short-matured paddy seed varieties (90-120 days) for the monsoon crop that can be harvested earlier (late October instead of December)
- The use of a very short-matured variety (90-100 days) for the dry season crop that can be sown in early November and harvested by late January, when saline water intrusion begins
- Pumping irrigation water at low tide on half-moon days, when levels of water salinity are still tolerable for paddy
- The construction of embankments along small creeks to protect the fields from saline water intrusion and allow the storage of fresh water

In the 2012/2013 dry season, 251 farmers in 10 villages successfully tested this methodology. It was further expanded in 2013/2014 to 623 additional farmers in 24 villages in Bogale and Mawlamyinegyun, where traditionally dry season paddy cultivation was considered impossible. In the 2014/15 dry season, an additional 448 farmers are cultivating rice with the support of the project.

³³ Carried out in the 1980s

³⁴ Salt concentration in water is lowest at low tide

Most of the farmers are medium to large plot owners, but as the technique becomes more widespread, other farmers with sufficient investment capacity are eager to try it. Twelve landless farmers are using land (about one acre or 0.4 hectare) owned by farmers who are not willing to grow dry season paddy themselves.

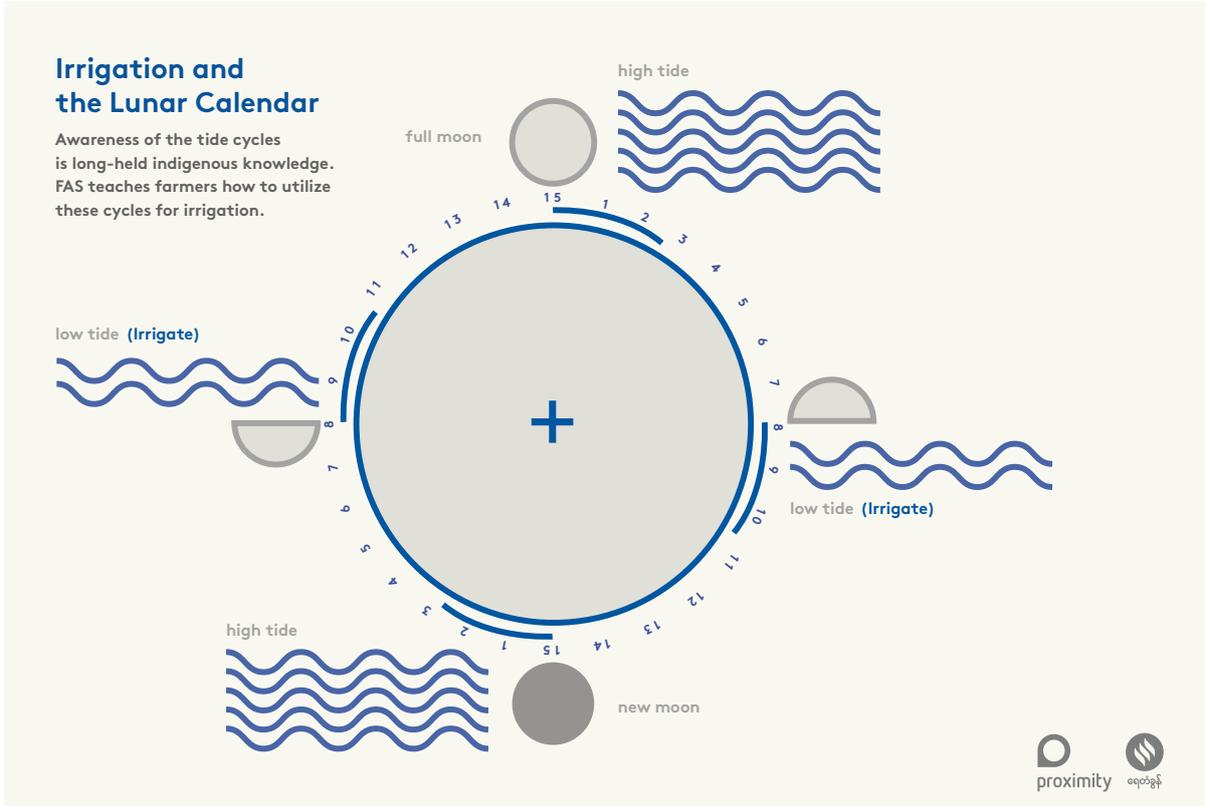
The average yield is around three tonnes per hectare in brackish areas and 2.5 tonnes per hectare in salt intrusion areas (compared to four tonnes per hectare in fresh water areas). This produces an average net profit of between MMK 125,000 and 370,000 per hectare (USD 125-375), providing farmers with a second source of income each year. Dry season paddy also creates additional work for farm labourers.

Some challenges remain. The main risk is a late monsoon (i.e. the rains continuing longer than normal) which would delay harvesting and the start of the dry season crop. In addition, smallholder farmers often do not have access to threshers, tractors, cattle and pumps, which are critical for working to the tight schedule for harvesting, sowing and irrigating two crops.

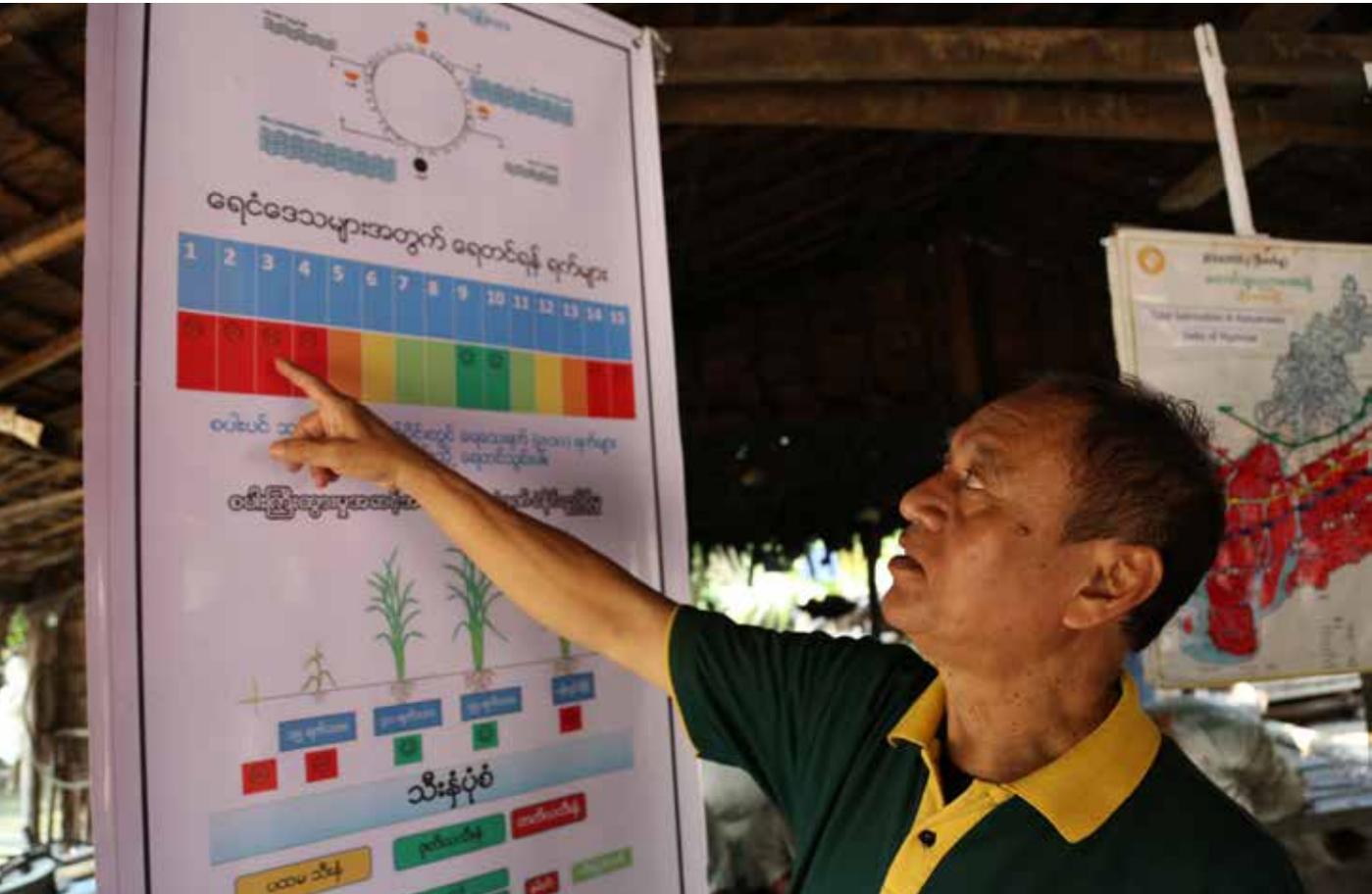
GRET/WHH'S MANAGEMENT ADVICE FOR FAMILY FARMS (MAFF) IS A UNIQUE EXTENSION SERVICE WITH POTENTIAL FOR BIG IMPACT

MAFF, known locally as MaLaSaKa, is an innovative participatory extension service that goes beyond technical advice. It takes farmers through a learning process that enables them to make better management decisions, not only about farm production, but also about a range of other issues such as cash and loan management, and consumption expenditure. Since 2012, WHH and GRET have supported 212 farmers (including 77 women) in 84 villages.

As a first step, an adviser visits a farmer and helps him/her to draw a map of the farm, make a calendar of cropping activities, list assets and fill in an income and expenditures diary. The diary helps to determine farm cash flow, and is used to plan, as well as to evaluate the profit/loss generated from different on and off-farm activities. Normally, a one year cycle is required to generate a complete overview of a farm's economics, after which farmers can work with advisers to look at ways of improving farm management. Trust between farmer and adviser is built over time as



Proximity Design's U Myo Myint explains the Farmer Advisory Services lunar calendar for crop irrigation.



choices are discussed and reasons behind specific decisions are analysed. Regular exchanges take place with other MAFF participants to exchange ideas and consider possible improvements to farm activity. Occasionally, external expertise is brought in to answer specific questions raised by the participants and advisers.

Scale-up of the service takes place in a second phase, when the most active participants are trained to become peer-educators for new participants within their village. A peer educator can work together with about ten other farmers. MAFF experiences are shared at meetings and during exchange visits where Information Education Communication (IEC) material is distributed. 116 villagers have joined the project in this way.

At a workshop in May 2014, MAFF members shared the improvements they had made to their farm management practices:

- A third of the participants had adopted new cultivation practices and technologies: hand transplanting, as opposed to broadcasting; drum seeders to reduce seed use rate; cultivation of new high-yielding rice varieties; and investment in new farming equipment (power tillers).
- Some had also invested in improved storage.
- A better understanding of seasonal cash flow constraints has led to diversification of incomes and investment in activities that provide more regular income. This has reduced the need for expensive short term loans to pay for food. Income generating activities include small-scale livestock breeding (ducks, chickens, pigs), eel-fattening, flower cultivation, mushroom production and battery charging services. Seven WHH participants had even stopped taking credit from either informal or formal sources.
- MAFF also promotes behavioural change and an understanding of the relationship between income and expenditure, and as a result, some participants have reduced their consumption of betel nut and cigarettes.

While MAFF has had a great impact on its participants, so far it has only reached a small number of farm households because of the intensity of the initial coaching required. Over time however, with peer-educators, more farmers will be able to join the programme at a lower cost.

MAFF is unique as an extension service as it is based on developing the decision-making capacity of farmers rather than promoting the adoption of a

particular technology. As such, it brings strong and lasting change for participants. LIFT is considering investing further efforts in advisory services for financial management.

FARMERS HAVE IDENTIFIED NEW HIGH-YIELDING AND STRESS-TOLERANT RICE VARIETIES THROUGH THE PARTICIPATORY VARIETAL SELECTION (PVS) PROCESS, LED BY IRRI

PVS is a methodology that tests new varieties in real conditions in farmer's fields.³⁵ Since 2012, the International Rice Research Institute (IRRI), the Department for Agricultural Research (DAR), the Department of Agriculture (DoA) and seven LIFT partners have worked with farmers on the selection of high-yielding varieties for favourable areas, and stress-tolerant varieties for salt-prone and flood-prone areas.

Grain yield is not the only criteria for selecting rice varieties; other factors include farmer preferences for grain quality, appearance, taste and aroma. PVS follows a two-step approach: the use of 'mother and baby trials' (MT and BT). Mother trials are set up in locations with different environmental conditions to test the adaptability of the new varieties. All varieties are planted side-by-side in fields managed by the researchers, and compared with the most prevalent local variety. Farmers are invited to visit the fields to select their preferred varieties, and later to taste the cooked rice to assess the quality. The seeds of the best varieties are then multiplied at DAR's Yezin Research Centre for use in the baby trials.

In the BTs, five to ten kilograms of seeds from two to three selected new varieties are distributed to each participating farmer to be planted in larger plots in their fields, alongside the variety they currently use. The purpose of the BTs is to confirm the results of the MTs, to assess their adaptability to local farming practices and to determine whether or not farmers are ready to shift from the varieties they currently use to the new varieties. This process has been ongoing since the 2012 monsoon season and the BTs have proved successful in generating an initial demand for the new varieties.

³⁵ In the past, DAR has developed new rice varieties through conventional breeding programmes, which are tested at re-search stations.

Table 3.2: PVS Seasonal Trials carried out by IRRI Projects in the Delta and Dry Zone

Season - PVS step	Number of plots / farmers	Number of varieties tested	Selected varieties
Monsoon season 2012 - MT	6	15	Saltol Sin Thwe Latt, Sin Thu Kha, Shwe PyiHtay, Shwe Ta Soke
Dry season 2012/13 - MT	15	12	IR10T 107, IR10T 108, IR10T 109, IR10T 111 and CSR 36
Monsoon season 2013 - MT	6	15	Shwe Pyi Tan, Sin Thwe Latt, BR-11-Sub1 and IR 81340-B-11-B
Monsoon season 2013 - BT	319	4	Saltol Sin Thwe Latt, Sin Thu Kha, Shwe PyiHtay
Dry Season 2013/14 - MT	9	15	Salina 15, Salina 18, Salina 12 and Salina 11
Dry Season 2013/14 - BT	219	4	IR10T 108 and CSR 36
Monsoon season 2014 - BT	198	4	Still analysing
Dry Season 2014/15 - BT	157	9	Still analysing

Other trials carried out in other parts of the Delta and Central Dry Zone by the IRRI research project

Season - PVS step	Number of plots / farmers	Number of varieties tested	Selected varieties
Monsoon 2013 MT Delta	1	15	GSR IR1-12 D10-S1-D1, STK, Ye Ngan Bo (Local)
Monsoon 2014 MT Delta	2	13	Inpra 3, STSTL, IR 85309-Sub 1-156-1-1-1, PSBRC 18 Sub 1
Monsoon 2013 MT Dry Zone	4	15	IR10T 107 (Sin Shwe Yin), IR 87705-44-4-B, IR 87707-182-B-B-B
Dry season 2014 MT Dry Zone	7	14	IR10T 107, IR 87705-44-4-B, Shwe PyiHtay, IR 87707-446-B-B-B, IR 07A 234
Monsoon 2014 MT Dry Zone	2	13	IR10T 107, IR 87705-446-B-B-B (Ye Ne Lo 4), IR 09 A 152
Monsoon 2013 BT Bago, Yangon and Delta	448	1	Swarna Sub-1 (Ye Myoak Kan Sa Par-1)
Monsoon 2014 BT Dry Zone	342	4	IR10T 107, IR 87705-44-4-B, IR 87707-182-B-B-B, Shwe PyiHtay
Dry season 2015 BT Dry Zone	58	4	IR10T 107, IR 87705-44-4-B, Shwe PyiHtay, IR 87707-446-B-B-B

Varieties adapted to the monsoon season

During the rainy season there is high risk of submergence in lowland areas. Saltwater intrusion is also a risk in the southern coastal areas.

The mother trials in the 2012 monsoon season showed that Saltol Sin Thwe Latt (STL) was the consistent choice of farmers because of its taste, colour, gloss, softness and cohesiveness. STL is a high-yielding, stress-tolerant rice variety that also performs well under non-stress environments. At all sites, it had the highest average yield—3.9 tonnes per hectare.

In the 2013 monsoon season, the results of 319 baby trials further confirmed the value of STL (with a mean grain yield of 4.57 t/ha). Two other selected varieties, Sin Thu Kha and Shwe PyiHtay, also performed well. Shwe PyiHtay is particularly well adapted to low-performance environments.

In general, farmers still prefer the local fragrant variety, Paw San, which fetches a much higher price on the market. The yield difference from STL is not sufficient to compensate for the difference in quality and market price.

However, in areas prone to submergence or salt intrusion, STL and Shwe PyiHtay, show great promise and farmers are requesting more of these seeds. In areas with a higher and longer submergence risk, the local variety, Hnan Gar, remains the preferred choice of risk-averse farmers, despite its poorer quality and lower selling price.

Varieties adapted to the dry season

During the dry season (November to April) there is high risk of saline water intrusion. This increases going south and restricts the adoption of summer rice cultivation in brackish areas.

During the 2012/13 dry season, five rice entries produced the best yield, ranging from 3.3 to 4.1 tonnes per hectare. Four varieties were selected and further tested with 219 farmers in the 2013/14 dry season in environments categorized as favourable, moderately stressed and severely stressed. The highest yielding variety in favourable conditions was IR 10T108, and under stressed conditions was CSR36.

The varieties currently used by farmers (including the most common, Thee Htat Yin), had yields similar to the improved varieties and remain the farmer's preferred choice. The new shorter varieties are therefore recommended mainly for farmers in brackish areas where the cropping season is short due to earlier saline water intrusion.

Trials are continuing. In the 2013/14 dry season, nine new mother trials took place with 14 new high-yielding, salt-tolerant varieties. The seeds of the four most preferred paddy varieties, as well as IR10T 108, have been distributed to farmers for baby trials during the 2014/15 summer season.

Varieties adapted to a broad range of conditions in the Delta and central Dry Zone

As part of a second LIFT-funded project with IRRI and the DoA, additional PVS trials were conducted in the Dry Zone and the Delta. IRRI has identified an additional five new varieties which are suitable for both locations. Among them, the salt-tolerant Sin Shwe Yin variety and the drought-tolerant Yeanelo-4 have been released by the National Seed Committee. In the Dry Zone, two aerobic rice varieties were also selected by farmers and are undergoing seed multiplication for further testing in baby trials. In flood-prone areas of the Ayeyarwady and Bago Region the flood resistant variety, Swarna sub-1, was successfully tested by 448 farmers in 2013—yields were 0.5 t/ha higher than the commonly used varieties when there was less than 4 days of flooding. Subsequently, it was officially released and its name changed to 'Ye MyoakKanSa Par-1' (YMKSP-1). For other selected varieties, DAR has started the process with the National Seed Committee to approve their official release and allocate a local name (replacing the code used by researchers).

PVS has generated a high demand for the new varieties. Farmers who have participated in the baby trials are already multiplying these varieties in their fields and are receiving further training from IRRI on quality seed production. LIFT will continue to work with the MOAI to ensure that the seeds are multiplied and more widely distributed, and that seed quality is guaranteed throughout the process.

NEXT STEPS: DELTA 3 PROGRAMME



In 2014, LIFT prepared the Delta 3 programme for 2015-18, which will build on rice production successes by strengthening the position of smallholder farmers in the rice value chain, to provide new off-farm economic opportunities to landless households, to improve nutrition and address issues of vulnerability. The detailed programme framework is available at www.lift-fund.org/delta

A local consultant identified important lessons from Delta 2, which were agreed at workshops in October.³⁶ A synthesis document will be published in 2015. The programme has been approved by the LIFT Fund Board, anticipating that grant agreements will be signed in August and that partners will launch the new projects during the last quarter of 2015.

³⁶ Partner presentations are published at www.lift-fund.org/best-practices

STEPPING UP

TO COMMERCIAL PRODUCTION: THE FLOWER GROWERS OF MYO CHAUNG VILLAGE



“BEFORE, WE RARELY EVEN VISITED EACH OTHER,” SAYS DAW THEIN SHWE. “NOW WE WORK AS A TEAM.”

 *LIFT targets rural households with land, labour and/or commercial potential to ‘step up’ their production and more actively participate in the growing market economy.*

Action Aid/Thadar Consortium’s *Building Local Capacities for Livelihoods Systems Approaches in the Ayeyarwady* project is helping the small holder farmers to increase their economic potential and ability to link to markets. The community in Myo Chaung village, in particular, is flourishing both economically and socially.

With guidance from the Myanmar Baptist Church Union (MBCU), the villagers developed their own business plan to cultivate and sell the zaw sein plant, which is in high demand across Myanmar as a religious offering. The project provided financial support while land was prepared, along with technical training in cultivation and packing.

Monthly meetings are held to share ideas and experiences, and farmers make trips to the Yangon markets in groups of three or four. The average monthly income in the village is now MMK 90,000 – 100,000 (USD 85– 95). The income has been used for loan repayments, village improvements, for example a concrete bridge and home roof repairs, purchasing land, and medical treatment. The activities have been particularly beneficial for women who previously had little opportunity to earn money, as most of the casual farm work on offer went to men. Jobs have been created, and neighbouring villages are now adopting the same business plan.

Every household contributes 50 cents each month into a welfare fund. Social Protection Group Leader, Daw Thein Swe saw the benefits of this first-hand when her neighbour suffered a breeched birth. The emergency transfer to hospital was paid with a no-interest loan from the fund.

Watch a video of the flower growers at www.youtube.com/liftfundmyanmar

3.2 THE DRY ZONE



Overview: The Dry Zone is Myanmar's principal production area for pulses (chickpea, grams and pigeon pea), oilseeds (sesame, groundnut and some sunflower) and sorghum. Although marketing structures and value chains tend to be quite well developed, agricultural production in the region is restricted by the scarcity and uneven distribution of rainwater, and the limited use of fertilisers, seeds and other relevant inputs. The area is characterised by clay and sandy soils which are at a high risk of water and wind erosion, leading to land degradation and declining agricultural production in some places.³⁷ Draught animals are widely used for land preparation and transport, and are a valuable asset in times of need. Migration out of the area is an important livelihood strategy.

It is one of the most food insecure parts of the country, particularly among landless households and smallholder farmers (<0.8 hectares). It is common practice for households to borrow money to buy food.³⁸ Inadequate food intake and disease due to poor sanitation and hygiene result in a high incidence of stunting and wasting in children (31 per cent and 14 per cent respectively).³⁹

³⁷ Food Security Assessment in the Dry Zone Myanmar: <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp234780.pdf>

³⁸ LIFT 2013, Household Survey.

³⁹ Food Security Assessment in the Dry Zone Myanmar: <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp234780.pdf>.

Gender: In the Dry Zone, unlike many other parts of the country, women spend significantly more days engaged in farm labour than men do,⁴⁰ both in the monsoon season (about 30 per cent more days) and the dry season (50 per cent more). However, as in other parts of the country, women tend to receive lower wages for their farm labour—usually 75 per cent of the daily wage received by men. Women are also generally responsible for small livestock, vegetable cultivation and post-harvest activities such as winnowing, grinding and husking.

Climate: The region has a dry climate and high temperatures in summer, with the lowest levels of rainfall in the country (below 1,000 mm of annual rainfall). The area is vulnerable to drought and flash floods, as well as longer-term trends due to climate change. Climate change projections for the Dry Zone predict general temperature increases, increased rainfall variability, increased risk of flooding due to the late onset and early end of monsoon rains, and an increase in cyclones/strong winds.⁴¹ There has already been a significant reduction in rainfall amounts in June in recent years and higher variability in the onset of the wet season⁴² making farming even more unpredictable and risky.⁴³

LIFT's work in the Dry Zone: LIFT has been funding projects in the Dry Zone since 2011 when it funded a number of three-year projects in response to it's first national call for proposals (known as the Countrywide Programme). Many of these projects have been extended into 2015.

Current Context: Farmers in the Dry Zone experienced a mixed year in 2014. Some villages in Magwe enjoyed a good return on sesame and sugarcane, but this was offset with average or poor returns in other crops such as groundnut. Farmers

planting chickpeas and peanuts in Mandalay⁴⁴ saw poor returns due to lower prices. Over the last two years, migration rates have increased, particularly off-season migration to Shan for agricultural labour and to construction sites in Yangon and Mandalay. There has also been a marked increase in local, non-farm diversification with a noticeable increase in new micro and small-enterprises visible in most villages.⁴⁵

LIFT Activity in the Dry Zone, 2014



40 LIFT 2013, Household Survey.

41 Bates C., DFID, 2014, Climate change resilience – a new emphasis for LIFT

42 International Water Management Institute, 2013.

43 IWMI, 2013, Water Resource Assessment of the Dry Zone of Myanmar

44 QSEM4 (World Bank/LIFT, 2014) estimates that 81 percent of migrants from Mandalay engage in seasonal migration.

45 QSEM4 (World Bank/LIFT, 2014).



Table 3.3: Important Updates on 17 Projects during 2014

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>ActionAid / Thadar Consortium From 12/06/2011 to 11/04/2015</p> <p>Budget: USD 2,457,169</p> <p>Project extended as a cost extension from 06/2014 to 04/2015 Budget increased from USD 1,960,000 to USD 2,450,000</p> <p>Ongoing</p>	<p><i>Civil society-led community-based livelihood resources development in the Dry Zone</i></p> <ol style="list-style-type: none"> 1. After attending Land Law Education training, farmers and Village Development Committee (VDC) members systematically revised their land management systems to ensure that ownership is properly registered with the township Land Records Department. One farmer from Aung Lan Township was able to claim his land back within a month. 2. Initial findings from the final project evaluation indicate that a genuine community-based approach to managing revolving funds (combined with a rice bank) has been effective in supporting household livestock activities, micro and small enterprises and improving food security.
<p>ActionAid – SEDN From 08/03/2013 to 07/03/2017</p> <p>Budget: USD 1,312,936</p> <p>Ongoing</p>	<p><i>Socio -economic development network for regional development</i></p> <ol style="list-style-type: none"> 1. SEDN expanded into a new market, supplying bed sheets and curtains to hotels that are renovating during the off-season (monsoon months). There was dramatic and encouraging increase in sales income in 2014. 2. The project's network referral system supported nearly 3,000 women in 2014, mainly to access health and family support, and to apply for identity cards. The referral system is working well after some adjustments and discussions with government departments last year. 3. Based on demand, new types of easy-to-market products such as jewellery, toys and woven cotton products using organic colours have been developed.
<p>DPDO (Disabled People Development Organisation) From 31/01/2011 to 31/03/2015</p> <p>Budget: USD 334,160</p> <p>Project extended to 31/03/2015 after a two month no-cost extension and a one year cost extension</p> <p>Ongoing</p>	<p><i>Sowing seeds for the future of persons with disability in the Dry Zone</i></p> <ol style="list-style-type: none"> 1. On LIFT visits, women have reported that hygiene and nutrition training has had a positive impact on the behaviour and practice of self-help group (SHG) members. 2. Three township broiler farms and one township pig farm were established with capital from the village funds. They operate successfully, although the profit margins are negligible because of high feed prices. The groups will look into improving the feed production process to increase profit margins. 3. All villages report that the project training and the economic success of group activities has improved cohesion and unity among people with disabilities.

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>GRET (Groupe de Recherche et d'Echanges Technologies) From 01/12/2013 to 30/11/2016</p> <p>Budget: USD 2,582,362</p> <p>Ongoing</p>	<p><i>Creation of a microfinance institution in the Dry Zone</i></p> <ol style="list-style-type: none"> 1. A microfinance branch in Monywa was opened and started disbursement of loans in June 2014. Within six months, the project had disbursed loans to 1,289 clients (78% women) from 55 villages. The average loan size was USD 143. 2. The majority of clients (47%) invested in livestock activities (goats and pigs). After eight months, clients had earned an average net income of USD 200 from an investment of USD 143, i.e. a profit of USD 57. 3. About 40% of clients invested in trading and production processes. Women's longyis (sarongs) were the most common product. A USD 143 loan buys enough raw material for three weeks. The clients earned an average profit of USD 2.5 per day (USD 52 in three weeks). 4. Only 13% of clients invested in agriculture, cultivating green gram, pigeon pea, onion and tomato on land holdings averaging 2.1 hectares. The agricultural loans were used mainly to cover labour costs for seed bed preparation. 5. The project plans to open additional microfinance branches in Yinmabin and Pale in Sagaing Region.
<p>ECODEV (Economically Progressive Ecosystem Development Group) From 14/03/2011 to 30/04/2014</p> <p>Budget: USD 280,890</p> <p>Closed</p>	<p><i>Project for scaling up rural enterprise in the Dry Zone(SURE)</i></p> <ol style="list-style-type: none"> 1. The final evaluation reported that the project was successful in assisting poor rural households to become successful entrepreneurs, producing dried onions and other dried vegetables; however, the annual income increase for target households did not meet project targets. 2. A township marketing committee with representatives from project villages was initiated. This committee continues to take responsibility and ownership of dehydrated onion production and marketing. 3. The One Village - One Product Trade Fair in April 2014, organised by the project, was opened by Union Minister H.E. U Soe Thein, Minister at the President's Office. Project beneficiaries and the private sector gathered to develop business networks. A supermarket chain subsequently contracted EcoDev to supply 32 tonnes of dried onions for the first year.
<p>UNESCAP (United Nations Economic and Social Commission for Asia and the Pacific) From 01/01/2014 to 31/12/2016</p> <p>Budget: USD 1,104,905</p> <p>Ongoing</p>	<p><i>Integrated rural economic and social development programme for livelihoods improvement in the Dry Zone</i></p> <ol style="list-style-type: none"> 1. This project targets partners and policy makers working in the Dry Zone, aiming to improve their ability to formulate relevant agri-policy options, and is based on best practice from the Asia Pacific region. 2. The Memorandum of Agreement was signed in January 2014 but implementation started in the last quarter of 2014 following a restructuring of the activity schedule. 3. Based on suggestions from UNESCAP the project timeframe has been shortened and the sequence of activities intensified. The first training sessions will start in 2015.

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>HelpAge From 15/12/2011 to 31/03/2015</p> <p>Budget: USD 3,413,825</p> <p>Project extended as a no-cost extension from 01/12/2013 to 31/03/2014, and further extended from 01/04/2014 to 01/03/2015 with a budget increase from USD 2,700,000 to USD 3,400,000</p> <p>Ongoing</p>	<p><i>Reducing economic vulnerability through an equitable/inclusive approach to livelihoods (REVEAL)*</i></p> <ol style="list-style-type: none"> 1. There is government interest in the HelpAge/REVEAL Integrated Community Action Plan (ICAP)** model of community development, including at Ministerial level.*** HelpAge has been requested to raise awareness of the model among government staff. With project support, the Kayin State Government submitted a concept note to the European Union to replicate the model. The note was accepted and a full proposal is now being developed. 2. The Ayardaw VDC township consortium has been successfully selling loom weaving products at the wholesale centre in Magway. Both weavers and the township VDC consortium obtained a higher price by entering the value chain, and using the income to expand their businesses. 3. As a result of new-found village cohesion and cooperation, villages participating in the HelpAge project are developing their own new ideas for social protection (e.g. childcare facilities; see pages 46, 83). <p>*REVEAL is implemented in consortium with the national Young Men's Christian Association (YMCA), the Network Action Group (NAG), The Leprosy Mission International (TLMI), and Golden Plains Agricultural Cooperative (GP). ** ICAPs are developed, implemented, regularly monitored and evaluated by the active involvement of both individuals and communities empowering them to take control of their lives. ***Projects were visited by the Deputy Minister for the Ministry of Livestock, Fisheries and Rural Development (Rural Development), the World Bank and the European Union.</p>
<p>IRRI- Research and Mapping (International Rice Research Institute) From 28/08/2012 to 14/08/2015</p> <p>Budget: USD 2,013,942</p> <p>Ongoing</p>	<p><i>Reducing risks and improving livelihoods in rice environments</i></p> <ol style="list-style-type: none"> 1. Fact sheets on variety and crop management options for saline-affected, flood-prone and drought-prone areas were developed and shared with partners: IPs, Department of Agriculture (DoA) and Department of Agricultural Research (DAR). These drew on results from studies in Myanmar and elsewhere. 2. Based on the results of the Participatory Varietal Selection mother and baby trials in the central Dry Zone, the new salt-tolerant rice variety, Sin Shwe Yan, and the drought-tolerant rice variety, Yanelo 4, have been released. Two other drought-tolerant rice varieties have been submitted for release by DAR/DoA. Two aerobic rice varieties were selected by farmers and are undergoing seed multiplication for further testing in baby trials. 3. A new methodology was developed for mapping complex cropping systems in the central Dry Zone that could be applied to each township. The cropping system map legend was developed in an iterative, participatory approach in order to fully capture extensive township staff knowledge on cropping patterns, and also to guide the collection of field data so that all cropping systems were suitably sampled with geo-located field observations. This approach was implemented in November and the resulting maps were developed in December 2014.

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>MBCA (Myanmar Business Coalition on Aid) From 15/06/2011 to 14/06/2014</p> <p>Budget: USD 709,085</p> <p>Closed</p>	<p><i>Improving food security and incomes of poor and vulnerable households in the rural Dry Zone through improved market access</i></p> <ol style="list-style-type: none"> 1. The final evaluation in June 2014 reported that project objectives had been achieved, particularly the dissemination of market information (92% of survey respondents listened to crop price radio broadcasts) and the provision of new livelihood possibilities through the introduction of a new variety of cotton. 2. MBCA successfully conducted educational conferences, knowledge dissemination sessions, coordination meetings, and price fluctuation and market valuation workshops with business communities and farmers to exchange information on how to raise incomes by improving their products and market access. The involvement of SMEs (small/medium enterprises) and local businesses in meetings and workshops with farmers, opened new funding sources for farmers and formed better partnerships with communities and the private sector. 3. The evaluation identified a lack of storage as one of the main reasons why farmers had to sell produce at harvest time rather than wait for the price to increase later in the season.
<p>MCS (Myanmar Ceramics Society) From 25/02/2011 to 30/04/2014</p> <p>Budget: USD 187,323</p> <p>Closed</p>	<p><i>Livelihood assistance for pottery enterprises in non-Delta areas (LAPEN)</i></p> <ol style="list-style-type: none"> 1. The final evaluation reports that 867 households have increased their incomes from pottery activities. Other indicators concerning cash-for-work, community forestry and training of trainers were only partially achieved. 2. More than 800 people (41% women) were trained in new pottery making techniques but only 204 households achieved an increase of more than 5 per cent in their pottery production (some achieved 400-800 pots per month, but most achieved production of about 50-200 pots). 3. The pottery communities introduced innovations to their traditional pottery making techniques, for example, the production of lead-free celadon (food serving glaze) wares, which has good market potential for hotels, restaurants and the export market. 4. Public debates and workshops on (lead-free) ash glaze flux development were conducted in project villages. This included a working manual on ash glaze-ware making.
<p>Mercy Corps From 01/02/2011 to 31/01/2014</p> <p>Budget: USD 3,499,996</p> <p>Closed</p>	<p><i>Building community resilience for food security</i></p> <ol style="list-style-type: none"> 1. Participatory approaches adopted during project implementation have significantly strengthened social capital and cohesion in the target villages. The project was implemented in three different agro-ecological zones. 2. The relationship between MC and local partners in different locations was sometimes challenging. This can largely be attributed to the overly ambitious design of the project. The three sub-projects were too diverse and poorly coordinated. 3. The Organisational Capacity Index (OIC) of the three local NGO partners has improved, particularly in terms of the management of financial and human resources.

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>(Oxfam/Network Activities Group) From 02/05/2011 to 01/07/2014</p> <p>Budget: USD 2,133,585</p> <p>Closed</p>	<p><i>Building resilient livelihoods in Dry Zone</i></p> <ol style="list-style-type: none"> 1. Indicators show that all 64 membership organisations (MO) from 64 project villages now have the capacity to organise their members, network and coordinate with other MOs, and engage and negotiate with line departments, private suppliers and traders. 2. Nine MOs in Thazi submitted proposals to the Township Development Support Committee for village infrastructure construction and/or renovation of schools, clinics, roads and bridges. The local government approved these projects for a total of MMK 171,600,000 (USD 163,428). 3. Project activities were completed in the project villages and handed over to beneficiaries.
<p>PGMF (PACT Global Microfinance) From 01/01/2014 to 30/06/2014</p> <p>Budget: USD 45,299</p> <p>Closed</p>	<p><i>Sustainable microfinance to improve livelihoods of the poor in Myanmar-countrywide</i></p> <ol style="list-style-type: none"> 1. The project covered townships in the Dry Zone and Shan State. The project operations are financially self-sufficient and continue providing microfinance services. 2. In the Dry Zone, microfinance services were provided to 26,619 clients from 203 villages within 14 townships. 94% of clients invested their loan in agriculture. The loan size has increased from MMK 240,000 (USD 228) in 2012 to MMK 400,000 (USD 380) in 2015. Clients invested mainly in maize, paddy, sesame, groundnut, onion, beans and pulses. The loans were used to buy fertilisers and cover late payments of the MADB loans. 3. The small business loan size has increased from MMK 80,000 (USD 76) in 2012 to MMK 200,000 (USD 190) in 2015. A maximum loan of MMK 500,000 (USD 476) will be made available at the end of 2015.
<p>PACT From 16/07/2012 to 15/07/2015</p> <p>Budget: USD 5,499,143</p> <p>Ongoing</p>	<p><i>Myanmar access to rural credit through microfinance institutional strengthening (MARC)</i></p> <ol style="list-style-type: none"> 1. Nine local MFIs are providing microfinance services in the Dry Zone, Bago, Nay Pyi Taw, the Delta and Rakhine. ArYone Oo (AYO) and the Border Development Association (BDA) are active in Sagaing Region. The nine MFIs service 10,779 clients. 2. AYO promotes value chain development for Chin weaving products. Their small business loan increased from MMK 80,000 (USD 76) in 2012 to MMK 120,000 (USD 114) in 2014. Most of the clients invested in weaving businesses from which they can earn MMK 2,500 (USD 2.38) a day. 3. The BDA helped to address changes in the agricultural market. Last year, farmers in Monywa (Sagaing Region) started growing hybrid corn introduced by the Thai Charoen Pokphand (CP) company. Nearly all BDAs clients now grow this variety, despite higher irrigation costs, which require higher loans. Farmers consider this variety to be more weather resistant and profitable. To better serve the needs of its clients, BDA increased its agricultural lump sum loan from MMK 100,000 to MMK 250,000 (USD 95–238). It has also disbursed small business loans to CP corn farmers to cover any shortfall. Farmers can now get a maximum loan of MMK 500,000 (USD 476) as per current microfinance regulations.

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>Proximity Designs From 14/01/2011 to 31/10/2014 Budget: USD 5,940,489</p> <p>No-cost project extension from Dec 2013 to Jun 2014 to achieve their targets. Cost extension to Oct 2014 to finalise end of project evaluation.</p> <p>Closed</p>	<p><i>Livelihoods support of vulnerable Dry Zone communities</i></p> <ol style="list-style-type: none"> 1. The final evaluation confirmed an increase in the duration of water availability in renovated ponds from one to two months. The increase in water availability will reduce hardship by decreasing the time spent by households carrying water from outside sources. 2. Product loans were provided in 58 townships (1,724 villages) to 11,057 high-risk target group farmers (this includes 1,165 customers from outside the Dry Zone).
<p>TdH (Terre Des Hommes) From 01/02/2014 to 31/01/2017</p> <p>Budget: USD 1,318,519</p> <p>Ongoing</p>	<p><i>Soilless horticulture and other water-saving innovative technologies for landless and marginal farmers</i></p> <ol style="list-style-type: none"> 1. 389 households have been trained to use hydroponic systems and 142 households trained in drip irrigation. 62 greenhouses, 139 low-cost greenhouses and 91 drip irrigation systems were established in 14 villages, supported by trained village extension officers. (See discussion, page 46). 2. More than 50% of the green houses are run by women. 3. Following pond rehabilitation, water committees are trained in the management, operation and maintenance of water facilities. The aim is to minimise water scarcity in the villages and prevent social tension. 4. Nearly 62,000 fruit and vegetable plants (mainly leafy vegetables) were produced in hydroponic green houses and over 1,000 kg of vegetables were produced using drip irrigation. 5. The total added-value of all systems in the project villages is now up to between MMK 50,700 to MMK 101,000 (USD 48 – 96) per day.* 6. Drip irrigation and hydroponics have now been introduced into the teaching syllabus at Yezin Agriculture University's Magway Campus. Students conducted research, producing manuals to share among different communities.
<p>UNCDF – MicroLead (United Nations Capital Development Fund-MicroLead) From 10/2012 to 12/2017</p> <p>Budget: USD 7,006,262</p> <p>Ongoing</p>	<p><i>Support to savings-led microfinance market leaders to enter Myanmar (Microlead Expansion Programme*)</i></p> <ol style="list-style-type: none"> 1. The project selected three international microfinance institutions: BASIX, ASA (Association of Social Advancement) International, and ACCU (Asia Credit Cooperative Union). 2. BAXIS started providing microfinance services in August 2014 and reached 628 clients in Mandalay Region. Loans range from MMK 80,000 to 300,000 (76 – 285). 60% of clients invested loans in manual and motorised weaving machines, cloth dying or manual thread reeling. Chin women's designs and traditional costumes are in high demand. 3. Clients with manual weaving machines requested higher loan amounts—up to MMK 2 million (USD 1904) to buy a motorised machine. The project will consider this in the next loan cycle.



FARMER U AUNG MYINT IS USING DRIP IRRIGATION TO GROW HEALTHY VEGETABLES DURING THE DRY SEASON. "ALL OF MY NEIGHBOURS WANT TO KNOW THE SECRET," HE SAYS.

SELECTED DEVELOPMENTS IN 2014

All but one of the projects that started in 2010/11 were still active in 2014.⁴⁶ The range of outputs covered the full spectrum of the LIFT logframe, working in agriculture, vocational training, microfinance, off-farm income generation, support to SMEs, access to markets, social protection, nutrition and integrated community development. These interventions have successfully achieved increases in incomes, improved livelihoods and enhanced the capacity of villages to manage their own development. However, the original call for proposals was project-oriented and as a result LIFT interventions have so far had little impact on livelihoods beyond the participating project villages. This highlights the need for the new 2015 Dry Zone programme to plan for replication and sustainability to leverage the potential scale of impact from LIFT investment.

Experience and lessons from past/current projects have been used in the design of the new programme. For example, LIFTs experience in supporting market access through market information systems and commodity exchanges showed that the value chains for pulses and oil crops are well developed and effectively managed by the private sector. LIFT has identified private sector engagement as a key driver for growing market access in the Dry Zone and the new programme will therefore focus on increasing private sector involvement.

⁴⁶ Including projects approved under the Learning and Innovation Window

Cash-for-work engagement has been widely employed by LIFT partners, often as a social protection measure for poor households. However, results show that the one-off, short term benefit of cash injections to poor households (even if carefully targeted) does not provide much social protection. Measures need to supplement poor household income during food and income deficit periods, not just on an ad hoc basis. This is not always provided by the rural infrastructure works that employ cash-for-work labour. The new Dry Zone programme will therefore focus on following up village-based social protection systems that function over a longer period.

Lack of access to finance and poor access to water for agriculture are regularly cited by farmers and government officials as major obstacles to development. While previous projects, especially those in microfinance, have achieved significant results at improving access at the village level, results for the wider Dry Zone are limited.

The new Dry Zone programme will build on experience from LIFT's projects and seek to replicate existing interventions that have proven successful. The introduction of efficient irrigation systems as supported by Terre Des Hommes Italy (TdH) is one example. New ideas, such as supporting government and private sector engagement in seed development and multiplication, will also be rolled out alongside interventions in areas LIFT has had only limited outreach, such as livestock.

LOW-TECH IRRIGATION TECHNIQUES ARE PROVING EFFICIENT IN AREAS OF WATER STRESS

Villages across the Dry Zone face ongoing problems accessing sufficient water for domestic and agricultural purposes. The majority of farmers practice dry-land agriculture and only a few have the opportunity to work on irrigated land. Larger irrigation systems are developed and managed by the government. Private, farmer-owned irrigation systems are small, and cash crops are cultivated mainly to enable farmers to repay the loans taken to establish these systems.

LIFT and its IPs work with smallholder farmers to establish their own irrigated plots to produce vegetables and other cash crops for the market:

- TdH trains farmers on drip irrigation schemes using water from existing sources, mainly village ponds. There is competition for water for domestic and irrigation use, so the TdH drip systems have been fine-tuned for greater efficiency.⁴⁷ Some farmers prefer TdH's hydroponic systems, which recycles water through the system. Based on experience with 118 households in 19 villages, TdH found that drip-irrigated plots generate vegetables with a value of 300 to 700 MMK per day. Families consume some of the produce, saving money they would otherwise spend on food, and sell the rest in the village. In 2014, drip irrigation in 14 villages produced 2.3 tonnes of vegetables (mostly eggplant, okra, cucumber, carrot and beans) on plots averaging 56m. With access to finance and the development of additional water sources, such as tube wells, the systems could easily be replicated throughout the area and supply local markets almost all year round.
- Proximity Designs supports farmers with one-off product based loans (MMK 50,000-100,000 or USD 47-95) to purchase Proximity's treadle pumps or other equipment, develop water sources (wells), and purchase fertiliser. Farmers mainly used the pumps to practice inefficient furrow irrigation, and only 20 per cent of the loans were used for water efficient drip irrigation systems. The final evaluation

⁴⁷ Hydroponic systems require on average 16.6 gallons per 10m², while drip irrigation requires only 9 gallons per 10m². Furthermore, hydroponic systems run continuously, while drip irrigation systems are only turned on twice a day. Hydroponic systems grow leafy vegetables with high evaporation rates.

was not able to measure the impact of the drip irrigation loans on farmers' incomes,⁴⁸ but 62 per cent of farmers receiving Proximity loans reported increased incomes despite an average 41 per cent of users reporting that they had problems with pump durability.

The upcoming Dry Zone programme will build on this sort of experience. LIFT will support privately owned water sources and irrigation systems that are water efficient and produce cash crops for the market. Additional support to farmers in the form of access to finance and agricultural advisory services will be provided by LIFT partners.

VILLAGERS ARE DEVELOPING THEIR OWN NEW IDEAS FOR SOCIAL PROTECTION AS A RESULT OF NEW-FOUND VILLAGE COHESION AND COOPERATION

HelpAge's successful village development approach is based on inclusiveness, and enhancing capacity and confidence within communities. At the end of the project the villagers demonstrated a greater capacity for organising themselves. For example, in Mahlaing Township, three villages recruited women to provide early childcare development (ECCD) for children with working mothers. Technical support is provided by the Department of Social Welfare (DSW), with financial support, including the ECCD worker's monthly salary (about MMK 20,000 or USD 19), provided by each Village Development Committee (VDC).

In the township, all VDC annual plans include funds to support travel expenses to hospital for the elderly and people with disabilities (PwD). In two villages, the VDCs have set up nursery plantations to provide PwDs, the elderly and female-headed households with fresh fruit and vegetables. Communities are significantly more united than before, and have shown that they can identify community needs and address them together. Attitudes towards older people, women and PwDs have changed significantly and most people now contribute to actions that will support the inclusion and well-being of these groups.

Project beneficiaries cited the following lessons:

- Democratically formed community organisations can promote greater unity,

⁴⁸ An income increase is implied through the cash crops grown, such as onion, chilli, potato, tomato, betel, flowers and other vegetables.

an increased role for women and a shift in traditional power balances.

- It is more beneficial if all VDC members participate in training, when it is provided. This increases group cohesion and a greater understanding of project plans.
- Young people are motivated and determined to participate in project activities despite limited experience and low levels of education.

Through the Community Led Action for Social Protection (CLASP) pilot, SPPRG is helping village organisations to develop new ideas for social protection, resulting in greater community social cohesion and household resilience. The pilot currently works in five villages in Sagaing Region, with expansion into further villages in Sagaing and southern Shan State planned for 2015.

NEXT STEPS: PROGRAMME DEVELOPMENT IN THE DRY ZONE

The Food and Agriculture Organisation Investment Centre (FAO IC) inception mission in October/November 2013 provided LIFT with a first overview for potential interventions for the LIFT Dry Zone programme. The FAO IC scoping mission in early 2014 and subsequent field analyses in selected villages of the six target townships provided further insight into the constraints and opportunities in the Dry Zone.⁴⁹ LIFT also worked

⁴⁹ The six target townships are: Myingyan, Natogyi, Taungtha and Mahlaing in Mandalay Region and Pakokku and Yesagyo in Magwe Region.

with a range of Dry Zone stakeholders (LIFT IPs and other local and international organisations) to establish a proposed results framework for the new programme. This is being further developed into a programme framework that will become the basis of the new programme and its implementation (2015 to 2018).

Developing the results framework involved the identification of proposed programme outcomes and outputs for a range of possible interventions that had been identified by the FAO IC. The structure of the results framework for the Dry Zone programme was then developed based on the agreed target populations and designed to support households to 'step up', 'step out' and 'hang in' as per LIFT's updated strategy. There will be a strong emphasis on mother and child nutrition, water and sanitation interventions and social protection activities for the most vulnerable families.

Access to finance will play a pivotal role in programmes supporting all three target population groups.

Some projects are already operational, following on from LIFT's former Learning & Innovation Window. Others have already been approved. The majority of the programme interventions will be based on competitive calls for proposals in the first half of 2015.



STEPPING OUT

HELPING PEOPLE TO 'STEP OUT' OF CASUAL AGRICULTURAL LABOUR



“I ‘M MAKING MORE MONEY THAN BEFORE, AND I CAN WORK IN THE PEACE AND SHADE OF MY OWN HOME”

 *LIFT helps rural households or household members to productively 'step out' of marginalised agriculture over time. This could be a local 'step out', finding better-paid employment in local non-farm activities. It can also be a 'migration step out' to take advantage of opportunities further afield.*

As a child, U Maung Tun sat at his mother's knee while she sewed, hoping that one day he too would be a tailor. However, his parents died before he was 10 and he had to take whatever work was available. Until his mid-40's he worked as a casual farm labourer, earning around 90 cents a day. For U Maung Tun, who lives with a disability, the work was particularly arduous.

When the Disabled Peoples Development Organisation (DPDO) arrived in his village, he applied for a MMK 80,000 loan (about USD 76) to buy a second-hand sewing machine. U Maung Tun worked hard to learn the craft and build up a client base. His reputation spread to surrounding villages and he was able to pay back the loan in only eight months. He now earns a regular income of around USD 2 a day, in the comfort and shade of his own home.

DPDO works with families with disabled people to set up tailor-made livelihood activities for them, such as home gardens and animal husbandry. They also provide training in book keeping, craft making and agricultural practices. Later, the households form their own savings self-help groups. Start-up capital is provided by the project and members pay back loans ranging from MMK 30 to 100,000 (around USD 28 - 95) at the end of three or eight month terms. The two per cent monthly interest rate is much more affordable than the village moneylenders' rate of over eight per cent.

DPDO works with other LIFT partners - HelpAge, ActionAid and SPPRG - to promote social protection at local and national levels. With LIFT-funding, these partners have now reached 8,000 families with disabled people.

3.3 UPLANDS



Overview: Myanmar's Uplands represent a considerable area, covering over 55 per cent of Myanmar's territory and containing 23 per cent of the population. The area is complex and diverse with significant operational challenges: high ethnic and ecological diversity, five decades of conflict with resulting population displacements, pervasiveness of the opium economy, porous national borders and high rates of internal and cross-border migration. There are areas of both emigration (cross-country) and immigration (from lower Myanmar).

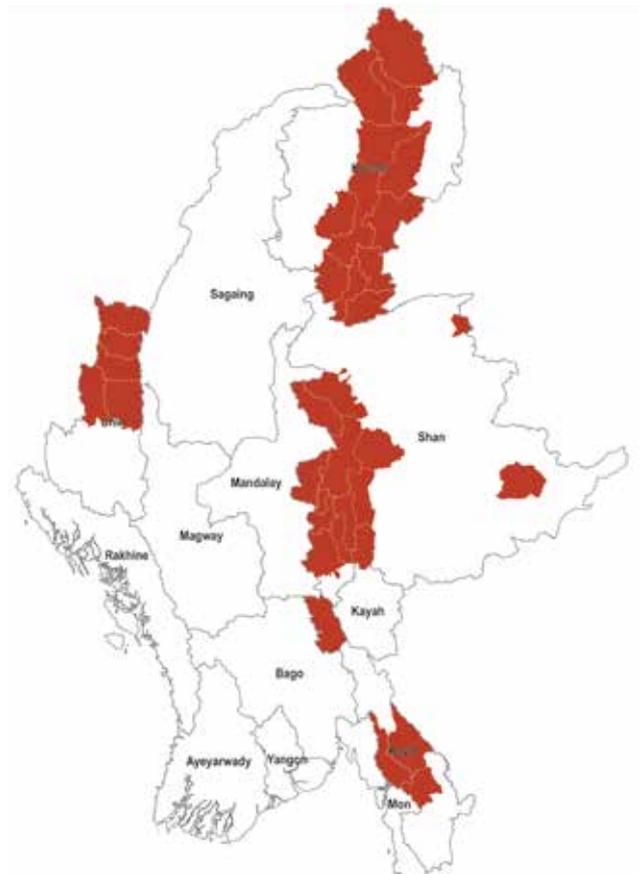
Main Crops: There is a large diversity of crops, which include rice (usually cultivated in rotational fallow or taungya systems), maize, wheat, potatoes, soya beans, fruit and vegetables. Some production systems, such as shifting cultivation, are used for local consumption while cash crops are expanding fast in economic corridors to supply the demand for temperate fruits and vegetables in the major towns. The Chinese market is feeding the development of a number of agricultural and forest commodities, including corn, rubber and sugar cane.

Climate: Generally characterised by hot summers, rainy monsoons and cold winters. The climate varies considerably from warm and humid in the lowlands to below freezing in the highlands.

Current context: The 2012 LIFT Baseline Study found that 25 per cent of households were landless. Armed conflict has plagued the region—some areas have been living under ceasefire agreements for many years. A ceasefire was recently signed in 2012 in Kayah State. There are an estimated half a million internally displaced people living in and outside camps.

Current situation: For the Uplands area where LIFT works, 2014 was generally a good year for farmers, either because of relatively good harvests or because of increased agricultural commodity prices, or a combination of the two.⁵⁰ For example, higher prices for corn in Shan (both northern and southern) persuaded farmers to plant more corn and less groundnut and sesame, and to plant on previously uncultivated land. In Chin State, farmers benefited from broader structural changes in the agricultural economy, including a noticeable move away from shifting cultivation towards permanent cultivation, aided by recent investments in road infrastructure.⁵¹ In many villages, an estimated 50-70 per cent of households had progressively moved from practicing shifting cultivation towards farming terraced plots, primarily to grow vegetables; or towards garden cultivation of fruits such as oranges, mango and avocado.

LIFT Activity in the Uplands, 2014



⁵⁰ QSEM4 (World Bank/LIFT, 2014)
⁵¹ QSEM4 (World Bank/LIFT, 2014)



Table 3.4: Important Updates on 10 Projects during 2014

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>ADRA (Adventist Development and Relief Agency)</p> <p>From 11/04/2014 to 10/04/2015</p> <p>Budget: USD 100,000</p> <p>Ongoing</p>	<p><i>Vocational training to support livelihoods project (VTSL)</i></p> <ol style="list-style-type: none"> 1. Six teachers from Hpa-An Technical High School (THS) (women) and three ADRA staff went to the Office of the Vocational Education Commission (OVEC) in Thailand for refresher training in short modular Technical and Vocational Education and Training (TEVT) courses. A study visit to Thailand took place for two teachers and the Principal of Hpa-An Technical University. 2. Three classrooms at Hpa-An THS were repaired and refurbished for training courses. 3. Training sessions started in July 2014 and by December, 113 trainees had been trained, with 70% either finding work or starting their own business—with monthly incomes ranging from USD 25–200 (see discussion on page 56).
<p>CARE International in Myanmar (Cooperative for Assistance and Relief Everywhere)</p> <p>From 10/07/2012 to 31/12/2015</p> <p>Budget: USD 768,199</p> <p>No-cost project extension for four months from 01/07/2014 to 31/12/2014, and a cost extension from 01/01/2015 to 31/12/2015</p> <p>Ongoing</p>	<p><i>Tea bee for the ex-opium farmers of Kokang</i></p> <ol style="list-style-type: none"> 1. The project's tea producing groups increased in membership by over 150% in 2014. 2. The methods introduced for dry tea processing have led to higher yields and prices for farmers. The estimated average annual income in January 2013 was USD 230 and in December 2014 was USD 924. 3. The project established a Market Information System and this has helped tea producer group members make informed decisions about when, where and how much of their tea should be sold to obtain higher profit margins. 4. A tea dryer designed and built by the project for dry tea storage has worked well. 5. 902 tea farmers (483 men and 419 women) took part in training.
<p>ICRAF (World Agroforestry Centre)</p> <p>From 22/10/2014 to 21/10/2018</p> <p>Budget: USD 599,896</p> <p>Ongoing</p>	<p><i>Agroforestry alternatives to shifting cultivation in Myanmar</i></p> <ol style="list-style-type: none"> 1. During the inception period, one study site was identified in Pinlaung Township, southern Shan State. 2. A baseline survey was carried out in two villages close to the study site.



IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>GRET (Groupe de Recherche et d'Echanges Technologies)</p> <p>From 04 /11/2010 to 03/03/2014</p> <p>Budget: USD 2,776,965</p> <p>Project extended to 03/07/2015 and budget increased to USD 3,471,205</p> <p>Ongoing</p>	<p><i>Sustainable livelihood and natural resources management in five townships in northern Chin State</i></p> <ol style="list-style-type: none"> 1. CORAD (Chin Organisation for Rural and Agricultural Development) applied for registration in 2014, obtaining a temporary registration document from the Chin Government while registering at Union level. 2. CORAD provides a range of training and technical support to 105 village-based groups comprising 3,499 members (1,277 women). These groups have developed Community Action Plans (see page 56). 3. The average adoption rate for agricultural techniques promoted by the project was 46%.^[1] This figure hides large variations between areas and techniques. Adoption of the system of rice intensification (SRI) was high in villages with terraced rice cultivation. Composting and natural plant pesticides were more widely used in the vegetable growing areas of Falam and Tedim. 4. The Chin Livelihood and Food Security Working Group expanded to 23 members, including four new local organisations.
<p>GRET (Ex-UNDP under countrywide)</p> <p>From 01/01/14 to 30/06/14</p> <p>Budget: USD 53,539</p> <p>Closed</p>	<p><i>Wholesale microfinance to self-reliant groups (SRGs) in Chin State</i></p> <ol style="list-style-type: none"> 1. The project provided access to wholesale loans for 718 households in 43 SRGs. 2. Most SRG members invested their loans (MMK 100,000-300,000 or USD 95-285) to extend their cropping options, e.g. corn and vegetables. Loans from MADB for non-paddy crops were insufficient (MMK 49,400/USD 47 per hectare). 3. The Chin Microfinance Institution (Chin MFI) took over the financial services when the project closed, and continues to provide services to the project's clients, including loans for small business and agricultural activities, in addition to the wholesale loans established by the project.



IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>CESVI (Cooperazione e SvuluppoOnlus)</p> <p>From 14/10/ 2010 to 31/03/ 2014</p> <p>Budget: USD 1,830,948</p> <p>Project extended till 31/06/2015 and budget increased to USD 2,288,242</p> <p>Ongoing</p>	<p><i>Livelihood security in Kyauk Mae and Naung Cho townships in northern Shan State</i></p> <ol style="list-style-type: none"> 1. During the extension period, the project focused its support on the 70 villages (out of 101) with the best performing Village Development Committees; these were determined by a participatory evaluation carried out by the project team. All 70 villages developed a revised Village Action Plan (VAP). 2. The project established seed banks in 87 villages, supporting access for 1,623 farmers to quality groundnut, rice, wheat, soybean, niger and pigeon pea seeds. Some seed banks generated extra cash that was used for a revolving fund to provide loans to 512 households. 3. 277 people, or 60% of the villagers who underwent vocational training, have strengthened their business and increased their incomes. 4. 896 households were able to breed pigs with assistance from the livestock bank. 5. The project supported 31 school gardens where children grew and consumed a wide variety of nutrition-rich vegetables and fruit.
<p>Mercy Corps, Swisscontact, and East-West Seed International</p> <p>From 11/06/14 to 10/06/17</p> <p>Budget: USD 4,000,000</p> <p>Ongoing</p>	<p><i>Making vegetable markets work for smallholder farmers— southern Shan and Chin State</i></p> <ol style="list-style-type: none"> 1. The project brought together farmers in southern Shan State into working groups, which received technical training and quality input services from East-West Seeds. By the end of the year, 431 farmers were working in 19 groups. 2. Together with East-West Seeds, the project provided support to the Vegetable Sector Round-Table, co-sponsored by the Dutch Economic Mission and Ministry of Agriculture and Irrigation. This event brought together government, domestic and multinational business partners, and development partners to prioritise actions at both the regulatory and market level. 3. Terms of reference for a proposed Vegetable Sector Acceleration Task Force (VSAT) were drafted with collaboration from the Dutch Economic Mission. The VSAT will be the multi-stakeholder platform that brings together expertise and leadership from government, the private sector, civil society, and development/resource partners to formulate, guide and champion the development of the vegetable sector. This will contribute to improving rural farm incomes, employment and the nutrition and welfare of the wider population.
<p>Metta Development Foundation</p> <p>From 01/12/10 to 30/03/15</p> <p>Budget: USD 1,582,103</p> <p>Ongoing</p>	<p><i>Farmer field school to lift the food security of small and marginal landholders</i></p> <ol style="list-style-type: none"> 1. In southern Shan State, 2481 people (1567 men and 914 women) took part in the Farmer Field School. Farmers report strong increases in upland rice yields, with one farmer experiencing an increase from minus nine months food security per year to plus 24 months after one harvest. Farmers have created their own drum seeders using locally available materials. 2. 100 study plots were used for trials of different crop varieties and farming practices. 3. In Kachin, rice banks were set up in 20 villages, managed by village committees, benefitting 535 farmers (313 men, 222 women). Management training was provided to 140 villagers. 4. An integrated pest management training curriculum was developed, and a two-day training workshop took place, with 500 flyers distributed.

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>SWISSAID (Swiss Foundation for Development Cooperation)</p> <p>From 01/03/2011 to 28/02/2014</p> <p>Budget: USD 1,073,311</p> <p>Project extended to 31/03/2015 and budget increased by USD 187,633 to USD 1,260,945</p> <p>Ongoing</p>	<p><i>Improving livelihoods through civil society strengthening</i></p> <ol style="list-style-type: none"> 1. The project provides organisational and technical support to six local development organisations (LDOs) in Kachin and Shan states. During the extension period, support focused on Banmaw and southern Shan LDOs. 2. Workshops were held at township and village level to share ideas and approaches to establishing strong management committees and achieving a community vision. 3. In collaboration with the Settlement and Land Record Department (SLRD), the project provided information on land tenure and land registration to 452 villagers. The training encouraged participants to apply for a Land-Use Certificate for the land they cultivate. Afterwards, some villages collectively asked SLRD to conduct additional surveys. Other villages also started the process of registering their forest as community forest land. 4. The project organised a native seed exhibition and competition in collaboration with ten Kachin CSOs from 18 villages, the Department of Agriculture and NaTaLa. The exhibition promoted the conservation of native seeds and increased awareness of the importance of diversified crop systems, including traditional varieties adapted to local conditions. 5. Ten village committees were able to invest in rice storage facilities by mobilising village funds raised from the repayment of project asset transfers—buffalo, cattle and agricultural inputs. There are now 17 rice banks providing rice for consumption on credit to 343 households. 6. 151 animal health workers were trained in basic and intensive animal husbandry. Eighty per cent of the trainees provide services and half of these generate income—an average of MMK 130,000 (USD 123) per year. Vaccines are supplied by the township Livestock, Breeding and Veterinary Department. 7. 51 people attended vocational training in 2014. Sixty per cent (163) of the project's total trainees have gone on to establish small businesses.
<p>TAG International Development</p> <p>From 23/10/2013 to 22/10/2015.</p> <p>Project extended to 31/03/16.</p> <p>Budget: USD 716, 341</p> <p>Ongoing</p>	<p><i>Plan Bee: introduction and expansion of modern beekeeping and honey production in Shan State</i></p> <ol style="list-style-type: none"> 1. Awareness-raising sessions on beekeeping were conducted in 29 villages (958 participants) with assistance from two implementing partners, Danu Literature Culture and Development Association and Parami Development Network. 2. Two demonstration farms were established for pollination of corn and sunflower with assistance from the Ministry of Agriculture and Irrigation. 3. Nineteen community-based enterprises (CBEs) received 700 beehives, honey extractors and other equipment., CBE members took part in mentor training and hands-on honey extraction demonstrations. 4. Fourteen of the 19 CBEs extracted honey during 2014. A total of 2,160.81 kg (3.08 kg per hive) was collected. 5. Training on disease and artificial insemination of queen bees took place in December 2014. The project collaborated with GIZ* to access 1620 hectares of mango plantation for pollination, and with the Aythaya winery to use their facilities to bottle and market the honey. <p>*Deutsche Gesellschaft für Internationale Zusammenarbeit</p>

DAW SANDAR WINN (PICTURED HERE WITH HER MOTHER) HAS TAKEN ON FIVE INTERNS FROM ADRA'S VOCATIONAL TRAINING COURSE TO WORK IN HER TAILORING SHOP. " IT'S A WIN-WIN SITUATION," SHE SAYS.



SELECTED DEVELOPMENTS IN 2014

LIFT's work in the Upland areas covered a diverse region from Shan State in the east to Chin State in the west. The range of farming systems and crops used in the Uplands is equally diverse. With the exception of some areas, such as southern Shan, etching out a viable livelihood is challenging. North Chin State for example, is typified by its remoteness, steep slopes and altitude. While the cooler climate makes it ideal for crops such as upland rice, ginger, maize, potatoes, sunflower, cotton, tea and coffee, the steep slopes make cultivation and access to water difficult. Shifting cultivation practices remain widespread.

Terracing and irrigation are the two main priorities identified by the Chin State government and local farmers. CORAD and GRET's efforts to extend terracing and simple irrigation applications have been gratefully received. The practice is not cheap, but the potential production and income gain from terraces in terms of yield increases,

crop diversification and double-cropping are considerable.

While LIFT has also been supporting microfinance in the Uplands, including Chin State, through Chin MFI, microfinance coverage needs to be extended and finance products need to be tailored to support terracing, irrigation work and alternative cropping options suited to the local context.

Another feature of the Upland areas is seasonal and long-term migration in search of employment. LIFT has done little skills training in the past but over 2014 has supported pilot Technical and Vocational Education Training (TVET) courses with ADRA in Hpa-An, Kayin State. The courses have proven popular and participants are graduating with more employable skills. The project also provides useful early experience on what might be possible in support of skills training as part of LIFT's new strategy.

TERRACING AND IMPROVED IRRIGATION INITIATIVES HELP POOR FARMERS IN CHIN STATE TO RAISE INCOME

Developing terraces in upland areas requires significant capital investment and is arduous, labour intensive work. While most upland farmers are aware that terrace cultivation is more productive than shifting cultivation, and has the potential to significantly increase their household income, they are often unable to afford the initial investment required or lack sufficient family labour to build the terraces. Access to water is also crucial for terrace productivity, particularly for intensifying production to produce several crops a year. Water sources are sometimes far from the plots, requiring a collective effort and investment to divert streams towards the terraced areas.

In Chin State, GRET and its local partner, CORAD, have developed or extended terraced farming with simple automated irrigation systems. This has been done through the development of community action plans (CAP) which provide villagers with the opportunity to plan and build agricultural structures collectively. The project has provided 105 village-based farmer groups with investment and training.

In 2014, the CAPs helped over 1,038 farmer families:

	Number of villages	Area	Families benefiting
Terracing	9	52 hectares	189
Irrigation	27	186 hectares	849

PVC pipes and sprinklers provided by the project facilitate the work of the farmers, reducing their labour requirements. Farmers are trained in water management to avoid water related conflicts.

The average cost of developing terraces is about USD 741 per hectare and the average cost for irrigation is USD 990 per hectare. There are significant differences in cost between locations, depending on the steepness of the slopes and local labour costs. Most farmers input their own resources in order to complete the work, extend terraces and develop irrigation networks on their plots.

The investment in terraces has contributed to a reduction in shifting cultivation in the Chin project villages. Irrigated terraces are more productive and require less labour than shifting cultivation plots, increasing significantly household productivity and food security. In lowland areas, paddy yields are about three tonnes per hectare, most of which is used for domestic consumption. This represents a net income (or a reduced expenditure for purchasing rice) of about USD 375 per hectare per year. Cash crops, such as garlic, cauliflower or turmeric and other vegetables, require more investment, but on the irrigated terraces provide much higher returns—between USD 750 and 2500 a year per hectare.

While the adoption of terracing and irrigation has been successful, the project has shown variances in use between villages. Some villages cultivate multiple crops a year, while others have held to their traditional single paddy crop. The availability of water and finance is in part responsible, as are variances in knowledge of farming system options.

SHORT MODULAR TVET COURSES BUILD SKILLS TO HELP LESS EDUCATED AND UN/UNDER-EMPLOYED YOUTH AND YOUNG ADULTS FIND WORK

Built on the success of ADRA Thailand projects in refugee camps along the Thai-Myanmar border, ADRA's project in Hpa-An engages both the Myanmar and Thai governments in supporting the delivery of short modular Technical and Vocational Education Training (TVET) courses. The curriculum was developed by the Office of Vocational Education Commission (OVEC) in Thailand and adapted by ADRA.

The project aims to increase livelihood opportunities for youth or young adults in Kayin State by providing vocational skills training to meet the needs of emerging markets.⁵² It is implemented in collaboration with the Department of Vocational and Technical Education, under the Ministry of Science and Technology. The facilities at the Technical High School (THS) in Hpa-An were upgraded and now three short TVET training courses are available.

Teachers from Hpa-An THS participated in a Training of Trainers programme at OVEC TVET colleges in Thailand to develop the skills and

⁵² The project is jointly funded by LIFT and ADRA Switzerland

methodology for teaching short courses, including components on complementary life skills, pre-employment training and small business skills. The 150-hour course combines instruction with practical sessions. Trainees are linked to relevant businesses in a compulsory two-week internship at the end of the course and teachers provide follow-up assessment of trainee employment prospects.

By December 2014, 113 trainees had been trained.⁵³ Graduates were able to find work quickly and their regular monthly income ranged from USD 25-200.

Target students come from a range of backgrounds including former conflict-affected communities and poor families in Kayin State. Students were provided with a small living expense stipend for the duration of the course and internship period, which was paid in bulk on graduation. Some students used this towards setting up their own businesses. This approach was found to exclude potential students from poorer households as they could not afford the accommodation needed to attend the training.

NEXT STEPS: PROGRAMME DEVELOPMENT IN THE UPLANDS PROGRAMME

LIFT is preparing a new programme dedicated to the Upland areas of Myanmar. This programme will cover a wider geographical area than LIFT's previous Upland projects, to include areas of the southeast (Kayah, Kayin and Mon States, and Tanintharyi Region), but excluding Rakhine State which is considered in a programme of its own. LIFT undertook a scoping mission for the proposed programme design from September to December 2014. The scoping team visited Shan and Kayin States and met with government officials, non-state groups, local CSOs and partners active in the

field. A workshop discussed programme priorities. LIFT is now preparing an Upland Programme framework based on the scoping report and the learning it and the earlier LIFT projects have generated.

While it is impossible to include the extent of the Upland diversity in a single programme, the proposed programme will target three different community types. These differ in terms of access and economic development and consequently require specific operational modalities:

1. Displaced people
2. Remote upland communities with low food security and poor access to services
3. Productive communities with potential for engagement in value chain development

While three of LIFT's existing projects, implemented by Cesvi, SwissAID and Metta Foundation, include townships in Kachin and northern Shan that are currently experiencing armed conflict, LIFT has not previously looked to target conflict-affected areas. As progress to a national ceasefire advances, the opportunities for working in these areas have increased. LIFT is committed to identifying these opportunities where possible. In particular LIFT will look at how it can engage with displaced people and offer development opportunities beyond current humanitarian aid. The Uplands are home to a large diversity of ethnic, political and armed groups with different territorial claims. LIFT adheres to international best practices relating to 'Do-No-Harm' and has developed a number of conflict-sensitive principles to guide LIFT engagement in these complex environments.

The Uplands programme design process will continue throughout the first half of 2015, with a first call for proposals expected by mid-year.

Table 3.5: Results from ADRA's first TVET training, July to September 2014

Courses	Internships	Outcomes
Agricultural machinery	Mechanic workshops	50% of trainees established their own businesses or worked for wages in a related business. 9% continued to work at their place of internship, 18% continued their education at school or university, 11% worked in an unrelated field. 12% have yet to apply their skills and are continuing their previous work.
Computer operation	Desktop publishing, hotels	
Tailoring	Tailoring shops	

⁵³ Sewing: 44, computer: 40 and agriculture equipment and small engines: 29

HANGING IN

AGRICULTURAL SUPPORT TO ASSIST THE MOST VULNERABLE



“WITH SUPPORT FROM THE PROJECT, I CAN NOW SAVE SOME MONEY TO BUY MY OWN LAND.”

▲ For households without commercial potential or the ability to ‘step out’, LIFT helps households ‘hang in’, using agriculture as a safety net and improving their food security and nutrition outcomes during Myanmar’s period of economic transition.

Before taking part in MERN’s Coastal Livelihood and Environmental Assets Restoration project in southern Rakhine State, Ma Khin Yamon Kyaw and her husband were the poorest couple in their village. As landless farm labourers, they could earn around USD 1 a day, but only when there was work available.

Their lives changed when the project set up a vegetable demonstration plot in the village, which promoted alternatives to paddy cultivation since the amount of water required for paddy was draining village resources. The villagers elected Ma Khin to work on the tomato demonstration plot, and she took part in training in plantation methods and the proper use of fertiliser. Before long, her plot became a model for the village. Encouraged by her example, and seeing that Ma Khin now had a steady income, others got involved.

With her new income, Ma Khin started growing betel and bought a cow and a pig. After fattening the pig, she sold it for USD 250 and bought two more piglets.

“We lent our cow to a farm for monsoon rice cultivation and received 20 bags of rice in return,” she says. “The land where I grow betel vines isn’t mine, but the village committee lets us use it for allotted amounts of time. With support from the project, I can now save money to buy my own land.”

Watch a video featuring Ma Khin Yamon Kyaw at www.youtube.com/liftfundmyanmar

3.4 COASTAL AREAS



Overview: Rakhine State in the Coastal region remains one of the least developed areas in the country. It faces serious challenges including malnutrition, poverty, conflict, poor infrastructure and extreme weather conditions. Communities rely on fishing, smallholder farming and forest resources, including mangroves, for their basic needs. Over 62 percent of households work as casual labourers in agriculture, fisheries and forestry. The region suffers from poor-quality soil and a lack of agricultural inputs. Additionally, on the coast, much of the land lies fallow in the dry season due to chronic fresh water shortages, saltwater contamination of groundwater and a lack of water storage facilities.

Migration out of Rakhine is a significant livelihood strategy. Unusually (vis-à-vis other parts of Myanmar), very little of this migration is seasonal and it is predominantly men who migrate (approximately 80%).⁵⁴ Female migration from Rakhine is equally distributed across all wealth groups.

Climate: Strongly affected by a heavy monsoon (the annual rainfall is 3,700-5,000mm). During the rest of the year there is little rainfall, resulting in poor agricultural outputs.

LIFT Activity in Coastal Areas, 2014



⁵⁴ QSEM4 (World Bank/LIFT, 2014)

Main Crop: Rice. Eighty-five percent of agricultural land is used for rice cultivation, but yields are among the lowest in the country.

Current context: The central townships where LIFT works are recovering from the long-term effects of Cyclone Giri in October 2010, which left 70,000 people homeless. In 2013 and 2014, the area was also affected by widespread ethnic violence. However, the last two years have generally been reasonably good for farmers, with some increased returns on paddy production.⁵⁵ Fishing, on the other hand, appears to be on the decline. Over the last year peak season wages rose, generally by about MMK 500 per day from the previous year. However, wage increases did not appear to have a significant impact on living standards for casual labourers because wages only increased in the peak season, which only accounted for between a half and one-third of the overall number of work days. For households that did experience an increase in income in 2014, paying off debt was a priority.

"Our outstanding debts to our creditors are much reduced in this year. We have extra money and we are able to buy more gold as savings. We can also raise pigs."
Casual labourer, Rakhine State⁵⁶

Table 3.6: Important Updates on two Projects during 2014

IP, TIMEFRAME, BUDGET, STATUS	IMPORTANT UPDATES
<p>Myanmar Environment Rehabilitation-conservation Network (MERN)</p> <p>30th June, 2011 to 29th June, 2014</p> <p>Budget: USD 2,999,816</p> <p>No-cost project extension by six months to 31st December 2014</p>	<p><i>Project for coastal livelihood and environmental assets restoration in Rakhine (CLEARR)</i></p> <ol style="list-style-type: none"> 1. Conservation results complement the livelihood results reported in 2013. 2. 535 hectares of community forest were registered in February 2014 by the Rakhine State Forest Department. 3. There is increased village interest in establishing registered community forests for mangrove and upland forest land (see page 61).
<p>The Tat Lan Programme. Implemented by a consortium led by IRC (International Rescue Committee), Save the Children, Oxfam, Better Life Organisation</p> <p>From 03/2013 to 02/2017</p> <p>Budget: USD 22,188,065</p> <p>Ongoing</p>	<p><i>Tat Lan sustainable food security and livelihoods programme</i></p> <ol style="list-style-type: none"> 1. Unrest in Sittwe during March 2014 targeted INGOs and UN Agencies, requiring the evacuation of most project staff from Rakhine. All project activity ceased for one month. Staff progressively returned as of early May. While the hiatus of implementation was kept to six weeks, the security situation remained poor and presented challenges to programme management. A high staff turnover rate resulted for all consortium members. A review of year two milestones will be necessary. 2. Despite the set backs, 2014 saw better than expected progress in some of the programme sectors: embankments (44%, or 4,429 hectares, of the Tat Lan targeted protected paddy has been achieved) and 162 VSLAs were set up (in 84 villages with 88% female membership and savings of USD 67,038). 3. CARE undertook an Outcome Monitoring and Community Level Quality Review in the last quarter of 2014. 4. Coordination and collaboration with the state government and the state parliament in Sittwe is much stronger than before. A legislative site visit was organised in Sittwe by Tat Lan in close collaboration with the state parliament. 5. A two-day Tat Lan programme review workshop was organised in Yangon in June. This was followed by proposed revisions to the programme, submitted to the Fund Board in October. This also included options for extending the programme scope and the time frame to 2018. 6. Coordination and relationship building with local authorities and relevant line department staff progressed well given the circumstances.

⁵⁵ QSEM4 (World Bank/LIFT, 2014).

⁵⁶ QSEM4 (World Bank/LIFT, 2014).

SELECTED DEVELOPMENTS IN 2014

THE MERN PROJECT DEMONSTRATED THE POTENTIAL FOR INTEGRATING LIVELIHOOD AND CONSERVATION INITIATIVES

In Gwa, the Myanmar Environment Rehabilitation-Conservation Network (MERN) project focused on mangrove protection and rehabilitation, and livelihood activities. The project supported nurseries, mangrove regeneration, improved seeds and fertiliser for monsoon paddy and winter crops, home gardens, livestock, fuel-efficient stoves, non-farm income generating activities and cash transfers.

The project closed with the establishment of 3,172 hectares of certified community forest in 44 villages - a significant achievement. This included two locations for biodiversity conservation comprising 2,159 hectares of mangroves, and 1,000 hectares of upland forest. These forest groups have 2,102 members.

The forest certificates are an important achievement for the project given the sense of ownership they provide the local communities, and the pride they engender in conserving village lands. MERN reports that others in the project area have asked to convert their mangroves and upland forests into registered community forests.

The project has also established two biodiversity 'hotspots' to protect and conserve endangered species. One is for the loggerhead sea turtle. This comprises 48 hectares of beach situated between Kyaukhaungkwin Village and Zedekwin Village. A biodiversity conservation group with members from both villages carried out awareness-raising activities that involved relocating turtle eggs to safe areas. Village Conservation Committees were established, each with its own revolving fund system; the interest paid on loans is used towards making the project sustainable. Turtle hatching successfully took place 20 times in the first half of the year, with an 80 per cent egg survival rate. The MERN project has also drawn international attention to the endangered mangrove, making contact with the International Union for Conservation of Nature.

The FMO final evaluation of the project notes the challenges they encountered as a network of local NGOs implementing the project. They discovered that implementation was best focused through the network partners themselves, with MERN playing a coordinating role. The project's achievement in establishing community forestry as an accepted management model, and winning village support for sea turtle conservation, demonstrates that social responsibility initiatives can go hand in hand with meeting livelihoods needs. Institutional sustainability also looks promising. The project has won the support of the township, district and state governments who are now committed to follow up on the project achievements in village development and mangrove protection.



THE TAT LAN PROGRAMME

NOTEWORTHY PROGRESS DESPITE CIVIL UNREST AND PROGRAMME INTERRUPTION

The unrest in Sittwe and surrounding areas in March 2014 included targeted attacks on INGOs and UN Agencies and had a considerable impact on the Tat Lan programme. All staff in Kyaukpyu, Pauktaw and Myebon were evacuated to Yangon and activities were suspended for over a month.

The impact of this suspension was compounded by seasonal constraints on the Tat Lan programme, with some interrupted activities not resumed until the following season. The violence also resulted in a high rate of staff turnover for all consortium members and the continuing insecurity increased familial pressure on national staff to find alternative employment away from Rakhine State. The unrest and targeting of INGOs and UN offices and staff houses has put an additional strain on programme staff living in Sittwe.

Significantly, the unrest has complicated Tat Lan's efforts to build a solid working relationship with state and township authorities. The recruitment of a Sittwe based Project Coordinator in December 2013 proved instrumental in managing the fallout from the March unrest and had much to do with the relatively quick (early May) return of staff to Sittwe.

RELATIONSHIP WITH THE GOVERNMENT

Coordination and collaboration with the state government and the state parliament developed significantly over the year. A visit to the project by members of the regional parliament was a notable success. Project staff worked with the state government, state parliament, CSOs, and other stakeholders, and regularly briefed the Emergency Coordination Committee (ECC) established after the unrest. These

Table 3.7: Selected Tat Lan programme achievements in 2014

Task	To end 2013	To end 2014	% targets achieved	% women involved
Village Development Committees established	80	151	63%	30%
Miles of embankment constructed	0	30	44%	52%
Cash-for-work for village pond renovations	0	41 ponds renovated 10 wells constructed	55%	53%
Cash-for-work for embankment, pond and sluice gate renovation	0	6,765 people		53%
Participants trained in improved production practices and technologies	201	7,753	72%	23%
Cash grants to households with pregnant women and children < 2 years	0	697 cash grants to 253 HHs	32%	55%
In-kind support to enhance household production/fish catch	637	6,092	55%	21%
Village Saving and Lending Associations established	11 VSLAs in 3 villages	162 VSLAs in 84 villages, 3,151 saving members	53%	88% of members, 93% of borrowers

briefings helped build rapport and bring in a better understanding of what Tat Lan hopes to achieve and its non-discriminatory approach to development in the context of Rakhine's ethnic divisions.

Government engagement has also grown at township and village level through monthly coordination meetings between NGOs and government officials in Kyaukpyu, and monthly reports to the relevant government departments, Township Development Support Committee (TDSC), town hall, and ECC (Myebon, Minbya and Pauktaw). The participation of township staff in village-level training, such as the Farmer Field School training, also helped to establish good working relationships with township staff.

GENDER

The importance of women's participation in all aspects of the programme, from design to implementation, is stressed in all interactions with government officials. For example, a workshop organised with the Rakhine State Hluttaw to discuss the new fisheries law, provided an opportunity to raise issues regarding the role of women in local fisheries.

Gender and governance training courses have created space for meaningful dialogue, engagement and participation, and provided an opportunity to promote an understanding of the importance of women participating in the decisions affecting their lives. The need to elevate women to positions of influence in Village Development Support Committees (VDSC), Village Development Committees (VDC) and Village Savings and Loan Associations (VSLA), and to raise awareness among local government officials, particularly in Kyaukpyu, has been stressed.

LESSONS FROM TAT LAN'S FIRST DRY SEASON

Village Development Committee (VDC) formation:

VDC development is on track with 151 now in place. An external consultant facilitated a review of the VDC formation process and developed a guidance manual for Tat Lan staff. The review drew on staff knowledge of village development practices and VDC formation, and made recommendations for integrating a more community-driven approach into parts of the Tat Lan technical assistance programme. The following findings are of note:

- The implementation of Tat Lan technical assistance tended to be in direct competition with the priorities of the VDC formation process. It takes several months to set up a VDC, but waiting to ensure active leadership of Tat Lan activities by the VDCs would have meant that crucial infrastructure and rice cultivation activities would not have been completed in time for the 2014 wet and dry seasons.
- The timeframe for establishing VDCs did not allow enough time to identify suitable village members, or for the selected members to gain an understanding of their role and a sense of ownership of the Tat Lan development process. Consequently, leadership of the VDCs remains weak and focused on shorter-term objectives typical of the humanitarian assistance they are more familiar with.
- A longer-term approach has also been a challenge for many programme staff, who are also more familiar with humanitarian assistance programmes. More training and guidance for Tat Lan staff is needed to ensure they have the capacity to build the institutional strength of the VDCs, particularly training on empowerment, village planning, and negotiating with the government.
- Tat Lan needs to ensure the institutional arrangements for the VDCs (and the model/ approach used) are appropriate to the context and that their focus is on directing and managing the technical assistance provided by the Tat Lan programme. This needs to be done with an appreciation of longer-term village needs in mind to ensure sustainability and integration into the government's new village planning processes.
- An average 30 per cent participation rate for women has been achieved but in most cases their levels of participation in VDC discussions and decision-making processes remain low.

It is noted that the Tat Lan VDCs should be focused on providing technical assistance on specific, pre-determined livelihoods and food security applications. This requires a specific shift in mindset for some of the Tat Lan partners who come from different development backgrounds (e.g., community-driven development). IRC proposes to redress this in 2015 with the recruitment of a dedicated VDC manager.

Equally important is the need to determine how the Tat Lan VDCs will relate to the new Township Development Support Committees (TDSC) and Village Tract (or Ward) Development Support

Committees (VT/WDSC) now being established by the Rakhine State government (as of March 2013). These new government institutional arrangements suggest the Tat Lan VDCs should be limited to Tat Lan implementation and building village institutional capacity.

VILLAGE SAVING AND LOAN ASSOCIATIONS (VSLAS)

VSLAs were the main focus in 2014, increasing in number to 162 in 84 villages (from 11 in 3 villages at the end of 2013). In contrast to the VDCs, the active participation of women has been an important feature—women make up 88 per cent of their membership and 93 per cent of borrowers. The initial focus was on savings, to ensure that members developed saving habits before borrowing started.

Some of the early VSLAs have progressed to the next phase of the programme, the Tat Lan 'share out', which allows VSLA capital to be distributed among members after each cycle. Tat Lan reports an increase in membership over the first year because of the perceived benefits of the programme. Women attending a 'share out' celebration event noted that they now participate more actively in household financial decisions. Members also reported a greater understanding of the importance and use of social funds for community social protection. As the VSLA social funds grow, members are increasingly borrowing for social purposes such as funerals and medical costs.

Questions have been raised, however, by a review commissioned by Save the Children in late 2014 on the merit of the proposed capital injection to VSLAs. A clearer understanding of the sustainability aspirations of the VSLAs is needed before deciding how to proceed in 2015.

INCREASED INFRASTRUCTURE COSTS

The cost of embankment and sluice gate construction has been considerably higher than originally estimated. This has been mitigated to some extent by a focus on embankment rehabilitation that maximises the total area of protected paddy land per mile of constructed embankment. While this means that although the rehabilitation of paddy will not be achieved in some of the higher cost locations originally selected, Tat

Lan is on track to achieving the total target area of rehabilitated paddy land (10,120 ha) with 4,429 ha of paddy land so far returned to production.

CASH-FOR-WORK (CFW) INITIATIVES

Tat Lan teams report that many villagers have benefited from the additional income which would have been difficult to attain without the opportunities provided by the CfW programmes. The embankments, built with CfW assistance, also provide walk-ways between villages which facilitate access to schools, hospitals and markets. Local village traders benefit from an increase in trade when CfW payments are made. Communities also report a reduction in migration for casual employment beyond the village. In some cases, children, who would have previously migrated with their parents, were able to stay in their communities and remain in school.

While CfW helps to lower construction costs and ensures that direct financial investment benefits the local community, it has its limitations. The following is noted:

- The best time for construction does not always coincide with local labour availability.
- The length of embankments determine the amount of labour required. This does not always tally with the number of eligible households wanting work.
- Pre-defined infrastructure targets are not flexible and cannot be lengthened or shortened to accommodate labour availability or community needs.
- Employment generated by CfW embankment construction varies from village to village depending on the scale of infrastructure construction. In the first year, this varied between 46 to 81 days of work per village.
- The intensity of the heat during the dry season means communities have to work shorter hours.
- CfW does not provide an effective form of social protection for poor rural households unless the work coincides with their income and/or food deficit periods. CfW is better considered as a means to augment household income for a short period.

To address some of these issues, the VDCs, with Tat Lan guidance, agreed an eligibility criteria that supported the active participation of women and poor households. The wage was raised from MMK

2,500 to 3,000/day, men and women were paid the same rate, and work was limited to six hours a day. Flexible working hours were also adopted to allow women to breastfeed.

Embankment maintenance is important for new paddy production to be sustainable. Tat Lan is supporting farmers to form groups that will be responsible for monitoring and maintaining embankments over the long-term. Farmers are encouraged to monitor their respective parts of the embankment so that any issues can be dealt with quickly.

CONSORTIUM MANAGEMENT

Tat Lan has been implemented by a consortium of three international NGOs and one national NGO.⁵⁷ This has sometimes made achieving a coherent and coordinated approach to implementation difficult and revealed itself when coordinating programme wide activities, agreeing budget allocations, and executing field operations. The International Rescue Committee (IRC) is the consortium lead and is responsible for the Tat Lan Programme Manager, but must negotiate with each consortium member on the work programme and budget allocations provided. At the end of 2014 the consortium members and LIFT agreed to move to separate partner contracts for the agreed extension of Tat Lan to 2018, including a more active role for LIFT in coordination of the programme.

NEXT STEPS FOR THE TAT LAN PROGRAMME

Revision for sustainable impact

Based on learning from the first full year of implementation and the finalisation of LIFT's new strategy in 2014, LIFT and the Tat Lan consortium partners discussed possible revisions to the programme. The following are some of the main proposals for increased and/or new support:

- **Nutrition support.** The nutrition status in Rakhine is among the worst in Myanmar. The incidence of stunting (49.9 per cent) is second only to Chin and the incidence of wasting (11 per cent) is the highest in the country (WHO 2009-10).
- **WASH.** Water, sanitation and hygiene (WASH) is critical for addressing malnutrition and improving nutrition outcomes. Recent analysis

in The Lancet stated that a quarter of stunting can be attributed to the occurrence of five or more episodes of diarrhoea before two years of age. WASH promotion will be added to TatLan under the proposed revisions.

- **Landless and marginal households.** CfW activities only provide additional income for a single season. Other options need to be identified to help marginalised farmers and the landless achieve more viable livelihoods. This may mean a wider application of maternal cash transfers currently applied as a pilot in 15 villages and the introduction of skills development to support seasonal migration to improved employment opportunities for some household members.
- **Addressing cross-cutting activities.** This will require improving staff knowledge and skills in the areas of community-based planning, nutrition, governance and gender. A greater investment in staff training and improving working conditions is required, as well as a willingness to hire, train and support less experienced staff.
- **Mainstreaming gender.** Tat Lan's gender response needs to be more effectively mainstreamed in programme activities, including village-based planning, and Monitoring, Evaluation and Learning processes. This will require increased gender awareness among Tat Lan programme staff and communities, and an improved understanding of how women can participate beyond the role of beneficiaries.
- **Strengthening the communication of Tat Lan's programmes.** This is particularly important in light of the complexities of the Rakhine conflict and Tat Lan's role as a development programme working across the ethnic divide. This needs to be closely coordinated with the communications of other agencies in Rakhine, especially the UN and the UN Resident Coordinator.
- **Governance support.** This is necessary to strengthen the effectiveness of services provided by township authorities to village and farm development. There is scope to provide more technical training to relevant agencies at the township level (e.g. departments of agriculture, fisheries, rural development).

At the October 2014 Fund Board meeting, the above revisions were agreed to in principle as was the prospect of increased investment in Rakhine through Tat Lan. The increased scope and investment is dependent on satisfactory design proposals from each of Tat Lan's partners and a mid-term review in the first half on 2015.

⁵⁷ Tat Lan is implemented by the International Rescue Committee (IRC) in a consortium with Save the Children, Oxfam, Better Life Organisation and Care

TAT LAN PARTNERS SUPPORTED THE DEVELOPMENT OF THE 2014 RAKHINE STATE FRESHWATER FISHERIES LAW. COMMUNITY-BASED FISHERIES MANAGEMENT WAS ADOPTED IN THE LAW AFTER PARTNERS PROMOTED THE VALUE OF LOCAL KNOWLEDGE, TO MAKE FISHING PRACTICES MORE SUSTAINABLE.



CHAPTER 4



4. SUPPORT TO GEOGRAPHIC PROGRAMMES

LIFT provides cross-cutting support to the geographic programmes, particularly in the areas of financial inclusion and strengthening civil society. For policy developments in these areas, please see Chapter 5.

4.1 ACCESS TO FINANCE

The enormous gap in access to financial services remains one of Myanmar's most pressing development challenges. Improving access to finance for unserved and underserved market segments is critical to expanding economic opportunities for rural households, while generating positive social and economic benefits for the Myanmar economy more widely. At present, 83 per cent of the country's 33 million adults are unbanked and outstanding credit and deposits are equivalent to five per cent and 13 per cent of GDP, respectively⁵⁸. This compares unfavourably to Cambodia (34 per cent and 40 per cent), and the Lao PDR (25 and 31 per cent).

LIFT has made significant investments in financial inclusion, dedicating a specific funding window to it in 2013. In 2014, LIFT extended the reach of microfinance providers it supports and assisted in the development of a microfinance regulatory framework that would enable rural households to access affordable financial services (see policy developments, Chapter 5).

At the end of 2014, LIFT had provided institutional support to 15 microfinance organisations that provide financial services to 728,000 people, or 60 per cent of all microfinance clients in Myanmar.⁵⁹ LIFT has provided loans to 216,000 people, or about 18 per cent of the country's total microfinance clients. Women represent 94 per cent of these clients.⁶⁰

Since the Microfinance Law was passed in 2011, the number of licensed microfinance organisations (MFIs and MFOs) has grown to 215.⁶¹ While licensed MFO outreach is approximately 1.2 million clients with a total loan portfolio in excess of USD 150 million, there is only one institutionally and financially sustainable MFO in Myanmar: PACT Global Microfinance (PGMF). PGMF serves close to three-quarters of total active clients.

Performance of LIFT partners is charted in Table 4.1.

⁵⁸ World Bank, 2013

⁵⁹ The Myanmar Financial Regulations Department of the Myanmar Central Bank reported there are a total of 215 microfinance organizations and institutions (7 International NGOs, 21 Local NGO, 77 Cooperatives, 14 foreign companies, 95 local companies and 1 joint venture) that received a microfinance license. Microfinance provides financial services to more than 1.2 million clients.

⁶⁰ Figures for LIFT's provision of credit in 2014 are available in Annex 4.

⁶¹ MFO refers to those microfinance organisations associated with NGOs. Micro Finance Institution (MFI) is commonly used to denote those microfinance organisations that seek a separate identity through company law.

Table 4.1: List of LIFT Microfinance Partners and Achievements by end of 2014

No	LIFT microfinance partners	Total No. of clients	per cent women	Savings (USD)	Outstanding loans (USD)	Total assets (USD)
1	PACT Global Microfinance	630,398	98%	37,800,692	117,674,440	165,228,021
2	Proximity Finance	36,929	37%	0	6,891,834	7,435,469
3	GRET/Chin Microfinance	10,150	98%	0	1,700,000	2,075,087
4	GRET/Dry Zone	1,289	87%	0	161,569	245,209
5	BASIX	628	83%	8,612	61,190	171,648
6	ASA	6,295	51%	18,885	367,933	605,220
7	ACCU	5,160	51%	49,828	69,934	91,796
8	ArYone Oo (AYO)	5,254	99%	83,165	536,218	619,125
9	Ratana Metta (RMO)	5,360	99%	95,700	548,877	586,974
10	ECLOF	6,783	99%	113,748	593,713	632,509
11	Border Development Association (BDA)	5,525	99%	111,604	538,897	606,939
12	Social Vision Service	4,135	98%	31,932	310,101	347,970
13	Myanmar Heart Development Organisation	4,709	97%	39,414	364,239	432,003
14	Wun Lark	1,525	98%	4,114	60,777	80,000
15	The SUN Institute	1,220	98%	1,965	21,532	48,469
16	YMCA	2,715	99%	14,122	300,544	335,764
Total		728,075	94%	38,373,781	130,201,798	179,552,342

PARTNER PERFORMANCE

PACT Global Microfinance (PGMF)

PACT, more recently working under the name PGMF, has been providing services such as small business loans, agricultural loans, social loans and a savings and beneficiary welfare fund since 1997. With the enactment of the Microfinance Law, it reduced the monthly interest rate it charges from three per cent (calculated using the flat method) to 2.5 per cent (calculated on declining balance). Its practice is to lend to individuals in guarantee groups of five members (mostly women). PGMF also provides a beneficiary welfare fund, with a MMK 50,000 (USD 47) cash grant, and writes off outstanding loans in the case of client death, or economic loss caused by natural disaster.

LIFT has funded PGMF microfinance projects in the Ayeyarwady Delta, Dry Zone and Shan State since 2010. Two projects finished in June 2014:

- 1. PGMF countrywide microfinance project:** The project reached 63,400 clients from 507 villages within ten townships in the Dry Zone and four townships in Shan State. In response to demand, the small business loan size increased with each loan cycle from MMK 80,000 in 2011 to MMK 240,000 in 2014 (from USD 76 to USD 228). Similarly, the agricultural loan size increased from MMK 240,000 to MMK 400,000 (from USD 228 to USD 380).
- 2. PGMF Pyapon microfinance project:** The project reached 3,342 clients from 32 villages. The loan size also increased over time: the small business loan from MMK 80,000 to 200,000 (from USD 76 to USD 190) and the agricultural loan size from MMK 160,000 to 300,000 (from USD 152 to USD 285). Upon project closure, the branch offices were operationally self-sufficient and PGMF continues to provide financial services to project clients.

In 2014, PGMF acquired the UNDP microfinance programme. The portfolio increased from 184,257 clients at the end of 2013 to 630,398 clients by the end 2014. The project covers 8,316 villages in 50 townships achieving a 173 per cent operational self-sufficiency rate and a financial self-sufficiency rate of 105 per cent.⁶² In other words, total revenue covers the total cost of the organisation (operation costs and financial costs, including inflation). PGMF's portfolio at risk was zero per cent, meaning that all the clients paid back their principle loan and interest within 30 days of it being due.

LIFT also funds nine local microfinance organisations through the PGMF-run project, Myanmar Access to Rural Credit (MARC). See the section on MARC below for details.

Proximity Finance (under Proximity Designs)

Proximity Finance has provided agricultural microfinance loans since 2012 in the Delta, the Dry Zone and Yangon Regions. It has reached 36,929 clients with outstanding loans of USD 6.8 million, and achieved 99.8 per cent operational self-sufficiency. However, Proximity Finance has experienced high operation costs, with a 20 per cent operation cost to total asset ratio. Proximity Finance targets all farmers in selected villages and disburses individual loans. As with PGMF, clients are required to form a group of five to guarantee repayment.

Table 4.2: Analysis of PGMF, Proximity Finance and Chin MFI's performance

	Financial self-sufficiency	Operational self-sufficiency	Portfolio at risk (>30 days)	Return on assets	Capital adequacy ratio	Outstanding loans/total assets	Operational cost to total assets
PGMF	105%	173%	0	9%	44%	71%	9%
Proximity Finance	87%	99.80%	2.3%*	1%	47%	93%	20%
Chin MFI	104%	146%	0	24%	100%	82%	16%

* This is due mainly to some delayed repayments in the Delta. Proximity Finance has increased the frequency of field monitoring in the Delta in an effort to reduce the PAR to a target of 1.5%.

PARTNER PERFORMANCE DEFINITIONS

Financial Self Sufficiency: Ratio of business revenue to total expenses (incl. financial costs and inflation rates): It measures the extent to which an MFI's business revenue—mainly interest received—covers the MFI's costs. If FSS <100%, then the MFI has not yet achieved financial breakeven.

Operational Self Sufficiency: Ratio of business revenue to total expenses excluding financing costs and inflation rates.

Interest paid to savings/average total savings: In Myanmar, deposit taking MFIs are required to pay 15% on the savings. Therefore, this indicator should be close to 15%.

Capital adequacy ratio: Ratio of total capital to total assets: This can be used as a proxy to understand an MFI's capacity to expand.

Operational cost to total assets: Ratio to measure the extent of the costs associated with management of the loan funds: This indicator can be used as a proxy to monitor the operational efficiency of an MFI.

GRET/Chin Microfinance Institution (Chin MFI)

LIFT funds GRET for its wholesale loan project. The project conducted an institutional assessment of existing groups and selected 43 self-reliant groups (SRGs) with 718 client households in four townships in northern Chin State. The project provided a group loan to each SRG of MMK 1 million to a maximum of MMK 2 million (USD 952–1904).

At the end of the project, GRET handed over the wholesale loan management to Chin Microfinance Institution (Chin MFI). GRET has supported Chin MFI since 1997 and it is currently the only MFI providing microfinance services in Chin State. They provided small business loans and wholesale loans. LIFT funds the wholesale loans, which represents five per cent of Chin MFI's portfolio. Chin MFI has achieved 133 per cent financial self-sufficiency, meaning total revenue covers total organisational costs. The portfolio at risk was zero per cent.

LOCAL MICROFINANCE ORGANISATIONS:

PGMF's MARC project

PACT Global Microfinance (PGMF) has been implementing the Myanmar Access to Rural Credit (MARC) project to develop the institutional strength of nine local microfinance organisations (MFOs).⁶³ Starting in 2012, the nine MFOs received business training, after which they began loan disbursement to clients: subsistence farmers, smallholder farmers and landless farmers who rent land. Cumulatively, the nine MFOs have reached 37,226 households from rural areas and disbursed a total loan amount of US\$ 7.6 million, of which 53 per cent is for crop loans and 47 per cent for non-agricultural loans. In response to a high demand for farming winter crops in the dry season, a loan for 32 types of winter crops was disbursed. This helped to cover the shortfall in MADB loans for non-paddy crops.



63 A MFO is licensed under the 'Association Registration Law' and cannot secure debt financing. An MFI is licensed under the Myanmar Company Act and approved by FRD to be a financial services provider. LIFT is currently supporting only two MFIs—ASA and BASIX.

Table 4.3: Analysis of MARC MFOs Operational Performance

	Financial self-sufficiency	Operational self-sufficiency	Interest paid to savings/ avg total savings	Total savings/ total asset	Return on assets	Capital adequacy ratio	Outstanding loans / total assets	Operational cost to total asset
AYO	87%	152%	14%	23%	9%	44%	71%	9%
RMO	85%	146%	13%	13%	11%	60%	87%	13%
ECLOF	88%	150%	14%	16%	10%	64%	94%	2%
BDA	83%	139%	14%	18%	11%	61%	94%	2%
SVS	33%	47%	14%	18%	9%	61%	89%	3%
MHDO	40%	57%	3%	9%	-2%	82%	89%	3%
Wun Lark	3%	3%	9%	9%	-2%	78%	84%	3%
SUN Inst.	2%	2%	1%	5%	-14%	77%	76%	5%
YMCA	20%	30%	0%	4%	-14%	74%	44%	7%

The MFOs operated in different townships and opened branches in areas of the Dry Zone, Delta and Rakhine State where no other MFIs operate.

The MFOs established in 2013, such as AYO, RMO, ECLOF and BDA are now operationally self-sufficient, with low rates of operational costs to total assets ratios. After less than a year of operation, the remaining five MFOs are not yet operationally self-sufficient. Each MFO has set a target of 5,000 clients by mid-2015. Four of them, AYO, RMO, ECLOF and BDA have achieved this target. All of the MFOs had a portfolio at risk of zero per cent.

UNCDF MicroLead Partners

In order to diversify microfinance services, the UNCDF MicroLead programme has brought in three regional microfinance market leaders to set up operations in Myanmar. BASIX from India, the Association of Social Advancement (ASA) from Bangladesh, and the Association of Asian Confederation of Credit Unions (ACCU), have introduced a savings-led microfinance model, addressing the demand from people with low incomes for opportunities to save, through safe, convenient and flexible products that are provided alongside loans.

ACCU has been promoting village-level credit cooperative unions in the Delta and Bago Regions since January 2014. The results and performance represent the achievements of 17 credit unions. Average savings are around USD 10 per member. The unions were formed with members from poor households, so mobilising savings for loan capital has been challenging. LIFT has recommended that the project should open to other members of the community to mobilise more savings.

ASA targeted urban poor households within ten townships in Yangon Region. The project reached 3,717 clients with an average loan size per client of USD 99. Clients invested in small businesses from which they earned a daily income (making snacks, trishaw services, small restaurants and small grocery shops). In four months of operation, total revenue did not cover the operational cost and financial and operational self-sufficiency remains low.

Table 4.4: Analysis of MicroLead Partner's Operational Performance

	Financial self-sufficiency	Operational self-sufficiency	Interest paid to savings / avg. total savings	Total savings / total asset	Return on assets	Capital adequacy ratio	Outstanding loans / total assets	Operational cost to total asset
ACCU	189%	221%	0%	54%	2%	47%	76%	2%
ASA	3.20%	3.30%	1%	3%	-9%	87%	61%	43%
BASIX	0.59%	10.10%	3%	5%	-114%	95%	36%	19%

BAXIS targeted urban entrepreneurs in five townships in tourist areas in Mandalay Region. They started providing services in August 2014 and reached 628 clients with loans of between MMK 80,000 and 300,000 (USD 76–285). Sixty per cent of the clients invested their loans in weaving businesses; others invested in selling paintings and religious statues, and small restaurants. In four months of operation, project revenue does not yet cover the operational costs.

PGMF's Delta 2 microfinance project

This aims to complement the livelihoods activities of other LIFT partners in the Delta by providing microfinance services. The project has covered 353 villages in Labutta, Mawlamyinegyun and Bogalay townships, with 72 per cent of the villages being served by other LIFT partners.

CONCLUSION ON LIFT PARTNER PERFORMANCE

Nearly all LIFT microfinance partners have achieved a zero delinquency ratio. In other words, all the clients paid back their principle loan and interest within 30 days.

Within the existing legal constraints, mobilising savings has been challenging for microfinance partners.

LOAN PRODUCTS SHOULD BE DEMAND RATHER THAN SUPPLY DRIVEN, AND TIMED ACCORDING TO THE CROP CYCLE.

In the Delta, agricultural loans are in high demand and are disbursed at the beginning of the crop cycle. PGMF and Proximity Designs reacted to the demand for increased loan size and repayment terms that align better with the crop cycle and seasonal fluctuations in market prices.

PGMF increased its regular loan from MMK 120,000 to 200,000 (USD 114–190) and its agricultural loan from MMK 300,000 to 400,000 (USD 285–380). This was in response to requests from other LIFT partners—WHH, GRET and Mercy Corps—to provide both a long-term loan and a crop storage loan to manage the lack of cash between the two crop cycles, despite concerns that this would increase the burden of debt (many clients received loans from both PGMF and the Myanmar Agricultural Development Bank).

Agricultural microfinance is different from other types of microfinance in that it is linked to risks that may affect crops such as changes in climate and weather. Most agricultural microfinance models are designed to collect repayment at harvest time on the assumption that farmers have earned an income from selling produce. However, crop prices are lowest at this time due to the high influx of produce on to the market. Until 2013, agricultural loans provided by all MFOs/MFIs were short term — 5 or 6 months.

After consulting with their microfinance clients, Proximity Designs introduced a longer-term agricultural loan. In 2014, Proximity Finance disbursed agricultural loans to 29,686 farmers at an average loan size of USD 226 in the Delta. Repayment was required within 11 months, with interest payments every two months. Feedback suggests that:

- Clients were able to avoid selling at low prices during harvest
- They sold small amounts of produce when they needed cash, which allowed them to save the rest of their produce and sell when the market price had risen
- They were able to prepare land in time for the second (post-monsoon) crop as they had cash available to pay labour costs
- They were able to pay back loans on time after the second crop cycle

The savings to total assets ratio is low - less than 25 per cent for all MFIs. This is largely due to two reasons: i) the legal requirement for maintaining a minimum 30 per cent liquidity ratio,⁶⁴ and ii) a minimum interest rate for savings of 15 per cent per annum.

All MFOs/MFIs with more than one year of operation have a positive return on assets. All of them reached more than 4,000 clients. The higher the percentage return on assets, the sooner they reached financial self-sufficiency.

NEXT STEPS: LIFT'S UPDATED FINANCIAL INCLUSION STRATEGY

LIFT's strategy has, to date, focused on growing and expanding the scope of microfinance services in order to help develop a more robust, inclusive rural financial market that is essential for a growing and equitable rural economy. In 2014, LIFT developed a new financial inclusion strategy that emphasises a rural finance approach that includes, but is not limited to, microfinance.

The new financial inclusion strategy encourages LIFT to support financial institutions—FMIs, banks and cooperatives—to achieve sustainability, and increase their supply of a broad array of demand-driven financial services that serve diversified market segments: deposit services, lines-of-credit, leasing, term-finance, financing for seasonal crops (beans/pulses, oilseeds), debt consolidation loans and investments in agricultural cooperative businesses. In order to achieve this LIFT will launch a call for proposals for financial inclusion in early 2015 that supports the development of the financial inclusion market by:

- Expanding existing pro-poor financial services: LIFT will support the expansion of basic credit technology—group lending, primarily to women— but, also new services for seasonal crops and debt consolidation loans. This will include incentives for MFIs to mobilise more savings.
- Providing investment financing for agricultural and off-farm small businesses: LIFT will increase access to finance for investments in off-farm small businesses, including small-scale appropriate technologies (e.g., small-scale mechanization, hire/purchase of equipment and tools paid for in affordable installments). This could include providing risk capital that encourages MFIs and commercial banks to expand financing to rural small businesses that they currently do not serve.
- Providing market development assistance for institutional sustainability of MFIs and downscaling the financial services of commercial banks: This could include downscaling or upscaling of services through transfers of technology (small business financing), technical assistance services, training of the staff of MFIs and commercial banks, other non-financial services (sustainable business development services) and establishing business units with a focus on small business lending.



⁶⁴ Ratio of total savings by cash balance (in hand + in bank)

4.2. WORKING WITH CIVIL SOCIETY

Working with civil society is an essential part of LIFT's strategy. Civil society actors play a key role in encouraging an economic and political context that is conducive to rural poverty reduction and equitable economic growth. Following are some notable examples of how LIFT-supported CSOs made significant contributions in 2014:

- The Food Security Working Group (FSWG) continued to be active in policy dialogue and research related to key livelihoods topics, and was actively engaged in the national *Farmer Protection and Welfare Enhancement Act, the Seed Law, the National Rice Law, the Agricultural Investment Law*, as well as the *National Plan of Action for Food and Nutrition*. The FSWG also organised a National Dialogue on Climate Change, which included members of parliament, relevant community leaders, universities, the private sector and other CSOs.
- The Land Core Group (LCG), which became independent of the FSWG in 2014, played an important role in supporting the consultation process on the *National Land-Use Policy*. The LCG is leading a number of land studies, in particular, a study of upland customary communal tenure in Chin and Shan States and a study about land and gender. The LCG also supported 40 farmers to participate and share their experience of land grabbing at the ASEAN Peoples Forum in Yangon in March 2014. The LCG is managing an online document repository, MyLAFF, used for sharing information on land, agribusiness and forestry issues in Myanmar.
- The Gender Equality Network (GEN) continued to be involved in policy dialogue related to gender issues in Myanmar. GEN's study, *Behind the Silence: Violence Against Women and their Resilience, Myanmar*, provided valuable evidence to support the drafting of the *Protection of Violence Against Women Law*, which was submitted to the Attorney General's Department for approval in 2015. GEN also helped prepare a comprehensive report on gender equality for inclusion in a draft of the *National Land-Use Policy (NLUP)* and provided technical input into the government's *Convention to Eliminate All Forms of Discrimination Against Women (CEDAW)*.
- The Network Activities Group (NAG) conducted a policy workshop on fishery co-management in Ayeyarwady Region, after which the regional government agreed to pilot a fishery co-management mechanism in one area of Dedaye Township with NAG support.
- The Social Protection Policy Research Group (SPPRG) helped develop the national social protection strategy that incorporates social protection as a key component of poverty reduction. The strategy was presented in December, 2014. SPPRG also assisted the Sagaing Regional Government in developing a regional social protection plan, which the Department of Social Welfare plans to support in other states and regions.
- The Myanmar Environment Rehabilitation-conservation Network (MERN) helped to certify more than 1,700 hectares of community forest in south Rakhine. The certification helps to create a sense of ownership for the local communities and provides the opportunity to use non-endangered and regenerating species for income-generation.

Table 4.5: Training for CSOs funded by LIFT, 2014

Training	Training participants			
	Male	Female	Disabled	Total
Advocacy and networking	22,305	12,721	91	35,026
Business development	125	124	-	249
Capacity-building for CBOs	45,208	72,685	6,859	117,893
Capacity-building for government staff	84	3	-	87
Capacity-building for LNGOs	81	43	-	124
Capacity-building for implementing partner staff	3,084	2,531	13	5,615
Health & nutrition	2,272	5,395	274	7,667
Participatory village planning	30,559	55,955	957	86,514
Water management	9	5	-	14
Gender	594	259	1	853
Total	104,321	149,721	8,195	254,042

In 2014, after five years of implementation, LIFT support has established or strengthened 11,000 community-based organisations (CBOs). LIFT has provided training to nearly 300,000 people, mostly from local NGOs and civil society. LIFT's main approach to strengthening civil society is through building skills.⁶⁵ LIFT is exploring ways of increasing the effectiveness of this through partnerships.

INVESTING IN SKILLS AND CAPABILITIES

LIFT supported civil society capacity-building in 2014 with training provided to 202 organisations. Two main approaches were used:

- Specific initiatives that include workshops, seminars, learning and exchange visits, mentoring and networking.
- On-the-job learning with direct grant support from international and/or UN organisations. Examples include collaborations between Action Aid and the Thadar Consortium, Oxfam and the Network Advisory Group, and Mercy Corps and ArYone Oo (AYO).

Partners used various means to assess the effectiveness of this training.⁶⁶ Examples include:

- Pre and post-test results: LEARN nutrition training, for example, showed a 34 percent increase in nutrition knowledge.
- Proof of developed capacities: SPPRG has increased the research capabilities of LIFT and other partners. Partners were able to conduct research on disability, gender-based violence, workplace gender harassment, local elections and governance, and disability and participation.
- Innovative ways to develop skills: Farmers from CARE's 'Tea Business Enabling Environment Project for the ex-Opium Farmers of Kokang,' are able to make better, more informed decisions following exchange visits, regular meetings, and through the use market information systems.

Between February and August, the FMO organised a series of accountability training sessions for partner organisations on:

- good governance and accountability
- community feedback mechanisms (CFM)
- accountability and self-assessment tools
- financial accountability
- Do-No-Harm (DNH)⁶⁷

Feedback showed that the 45 participants, who came from 26 organisations, felt that the training was applicable to their current work. Information from the DNH training, for example, was shared among field staff in Rakhine State to help avoid exacerbating ethnic sensitivities in the local community.

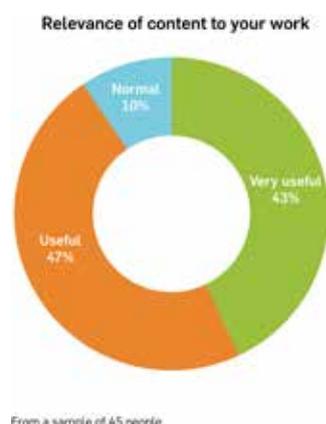


Figure 4.1: participant response to community feedback mechanism (CFM) training

Following the training, action plans were drawn up to pilot or strengthen community feedback mechanisms (CFM):

- Local partner, Metta Development Foundation, conducted a two-day orientation workshop in August. CFMs were piloted in 15 of Metta Development Foundation's 100 project villages in Taunggyi, with suggestion boxes in each village. Metta also accepts feedback by telephone, in person and by email.
- Partners from the Tat Lan project in Rakhine now include CFMs in their cash-for-work activities.
- All nine MFIs supported by the PGMF MARC Project agreed to set up CFMs in their respective areas and draft complaint handling procedures. The procedures assure that every borrower has the contact details of their local field office.

⁶⁵ The FMO plays an important knowledge sharing and networking role.

⁶⁶ In 2013, LIFT carried out a study to assess the effectiveness of LIFT support to civil society. The report *LIFT's Support to Strengthening Civil Society* can be found at www.lift-fund.org/publications

⁶⁷ More detail is available in Annex 3.

BUILDING SKILLS THROUGH PARTNERSHIPS: RECOMMENDATIONS FROM CIVIL SOCIETY

"I see partnership as protection for a nursery plant to grow healthily without any disturbances for a certain period of time. Once a certain period has passed, you need to let the sapling grow as big as it can without being too protective as too much shade hinders its growth ..."

Director of a LIFT-funded local NGO

In 2014, approximately 36 per cent of LIFT-funded projects were directly or indirectly implemented by civil society. Partnerships, often with an established partner taking the lead or acting as a mentor, begin at the proposal development stage and carry on through the life of the project. Organisations often work in partnerships of two or even three parties to implement a project. When there are more than three partners a consortium is formed.⁶⁸

In 2014, local groups provided feedback to the FMO on partnerships and how these could be improved. The quotation above reflects a local partner's view on partnerships: while LNGOs can be protected from risk by a more established partner, they may not always be given the opportunity to develop in the way they would like to. Senior LNGO staff members stated that they felt excluded at important partnership meetings. On the positive side, they acknowledged the essential technical support they had received through the partnerships, particularly with proposal writing. The local partners agreed that there are both pros and cons to the consortium approach. They provided the following recommendations for strengthening the capacity of local partners and monitoring their development:

- **Institutional Development:** Building the institutional capacity of local CSOs through Organisational Development (OD) support provided by a third party subcontracted by LIFT. This would also make it easier to assess capacity increase through the use of OD measurement tools.
- **Financial management capacity of local CSOs:** This can be strengthened by allowing them to manage their own budgets, provided through a small grant funding window. This would also provide another way for LIFT to monitor the project management capacity of local organisations.
- **Reputation:** Measuring a local organisation's reputation using feedback from local authorities, communities and other concerned stakeholders.
- **Develop LIFT Partnership Principles:** Citing DFID's guidance notes on partnership principles, and the EU's partnership guidelines, local partners suggested that LIFT adopt specific partnership principles, guidelines and minimum standards that both national and international organisations adhere to. These should provide a balance of power between international and local partners ensuring the rights of local partners in all stages of project cycle management.

NEXT STEPS: GETTING MORE LIFT FUNDS TO CIVIL SOCIETY

With three new geographic programmes being launched in 2015, it is very important for LIFT to allocate specific resources for CSOs. Local CSOs are often more likely to understand the local context and act on behalf of local constituents than international organisations, making them more effective partners for achieving mutual goals. In the short and medium term, LIFT wants to work with CSOs that share the goals espoused by LIFT's new strategy. For the longer-term, LIFT wants to work with civil society partners because of the key role they play in encouraging a wider economic and political context that is conducive to rural poverty reduction and equitable economic growth.

The potential for a small grants funding window dedicated to local CSOs will be the subject of a LIFT study in early 2015. The purpose of the study will be to formulate a plan of action which will enable LIFT to allocate appropriate sums of funds to CSOs as part of LIFT's new programmes in the Dry Zone, the Ayeyarwady Delta and the Uplands. The study will identify the parameters for an effective small grants fund (e.g., grant-size range, proposal/grant process, degree of fit required with the Dry Zone programme framework, legal and organisational requirements for civil society partners).

⁶⁸ Different partnership models and indicators of effective partnership were analysed in the study, 'Progressing through Partnerships: How National and International Organisations work together in Myanmar', conducted by the Local Resource Centre and Oxfam.



CSO FEEDBACK ON LIFT SUPPORT

" LIFT LISTENS CAREFULLY TO THE CONCERNS OF LOCAL PARTNERS AND RESPONDS TO THEM ACTIVELY. FOR EXAMPLE, THE LIFT OPERATIONAL GUIDELINES WERE AMENDED TO INCLUDE A SENTENCE ON SHARING ADMINISTRATIVE COSTS PROPORTIONATELY BETWEEN LOCAL AND INTERNATIONAL PARTNERS"

CHAPTER 5



BASED ON KNOWLEDGE GAINED AT FARMER FIELD SCHOOL, KHUN MAUNG LA HAS DESIGNED FARM TOOLS THAT ARE BETTER ADAPTED TO THE LAND IN HIS VILLAGE.

5. SYSTEMIC CHANGE

LIFT uses its programme knowledge and evidence to influence systemic change in areas that benefit the rural poor, with a particular focus on policies that broaden the livelihood choices of smallholders and landless households, and improve their nutritional status. Systemic change includes: better sector policies, more effective sector organisations, better sector planning and investment, and more effective implementation of agriculture and rural development programmes.

For this reason, in recent years, the Annual Report has highlighted significant changes in the political, legislative and economic environment in which LIFT works. In 2014 peace talks continued, with cautious steps towards a national ceasefire, but the pace of legislative reform slowed, at least with respect to legislation affecting rural livelihoods. Nonetheless, LIFT and its partners continued to engage constructively in pro-poor policy development. A table charting the main efforts of LIFT engagement in policy issues is available in Annex 5.

WORKING WITH GOVERNMENT

LIFT continued to support the government's National Strategic Framework for Rural Development and the ministry responsible for implementing it, the Ministry of Livestock, Fisheries and Rural Development (MoLFRD). In 2014, LIFT placed two advisers in the ministry's Department of Rural Development (DRD) with the aim of supporting DRD to develop and implement an operational plan for the strategic framework. The advisers worked in four main areas:

1. Technical support for the socialisation of the framework with regional and state governments, and across ministries in Nay Pyi Taw.
2. Capacity development plan for the DRD. LIFT helped DRD to identify its capacity requirements and to develop a three-year comprehensive capacity development plan for all levels including township, district, region/state and union.
3. Developing a national approach or model for participatory village planning. DRD initiated the process of developing a national approach to village planning, which in 2015 will be piloted in 170 villages across all states and regions in Myanmar. DRD's eventual aim is to roll out the village planning model across all 64,917 villages in the 305 rural townships.
4. Monitoring of DRD's ongoing programme. LIFT provided technical support to measure progress in the flow of financial support given to villages under the DRD's Mya Sein Yaung (MSY) programme (or the Evergreen Village Development Project), which was launched in May 2014 with government funding. The project support covers 1,550 villages in 130 rural townships. LIFT helped develop a monitoring framework for the MSY programme and prepared a training plan for DRD staff in townships and headquarters.

LIFT also supported the MoLFRD to commission a planning process for a National Action Plan for Agriculture (NAPA). The NAPA supports the agricultural component (one of eight strategic priority areas) of the government's 2011 National Strategy on Poverty Alleviation and Rural Development, which the MoLFRD has lead responsibility for. The Food and Agriculture Organisation, with LIFT funding, is leading the analyses and consultations, and by the end of 2014 the formulation of the first draft of the NAPA was well advanced.

Other systemic change activities focused on the policy priorities identified in LIFT's new strategy, namely financial inclusion, inclusive value chains/market systems development, social protection, security of land tenure, nutrition and climate change adaptation.⁶⁹ These areas of policy priority are addressed in turn below. Resilience is a high level outcome for LIFT and, with gender, cuts across all LIFT activity.

⁶⁹ LIFT works to include resilience measures, gender and nutrition in all interventions.

5.1 FINANCIAL INCLUSION

In view of the opportunities presented by the National Strategy for Poverty Alleviation and Rural Development and Microfinance Law 2011, LIFT continued its support for the development of a microfinance regulatory framework that would enable rural households to access affordable financial services, which are crucial for broad-based poverty alleviation. In 2014, LIFT worked with four partners to provide targeted technical input and recommendations.⁷⁰ The most important contributions in 2014 came from the UNCDF MAP (Making Access Possible) project and the World Bank's FIND (Financial Inclusion for National Development) project—both LIFT-funded.

UNCDF MAP study

The UNCDF MAP study is nationally representative and arguably the most extensive assessment of financial inclusion in Myanmar.⁷¹ Research was conducted using household surveys, with a sample size of 5,100 households: 76 per cent in rural areas, 24 per cent in urban areas. The main findings were as follows:

- 32.6 per cent of adults make use of unregulated financial services, showing a very high level of informal financial transactions dominating the broader Myanmar economy.
- The enabling legal framework plays a crucial role in promoting financial inclusion and access to formal financial services.
- The regulated retail credit market is restricted by limited capital for on-lending. This is particularly acute for MFIs who are not permitted to raise voluntary deposits and experience difficulties in bringing foreign capital into the country. Currently, only commercial banks and the Myanmar Economic Bank are able to attract voluntary deposits.

The research outlined the following priorities for financial inclusion:

- increase the availability of electronic payment systems
- promote low-cost and short term-saving facilities
- promote agricultural input credit
- increase the availability of lending to financial service providers
- develop insurance products to meet risk mitigation needs

⁷⁰ More details on the 2014 activities of the four projects is available in Annex 4.

⁷¹ Available at <http://www.lift-fund.org/making-access-possible-map-myanmar-demand-supply-policy-and-regulatory>

The project complemented the development of a financial sector roadmap to address these priorities. The government endorsed the roadmap at the first ASEAN Financial Inclusion Conference in October, 2014.

World Bank's FIND project

The FIND project provided capacity development training to enhance the Financial Regulatory Department's (FRD)⁷² understanding of the microfinance sector. In a series of advocacy meetings with the Ministry of Finance, the project provided technical advice for the development of an effective microfinance legal framework, with the following recommendations:

- provide instructions to MFIs for calculating interest rates
- remove or increase single loan limits
- require MFIs to use a standard chart of accounts
- issue minimum liquidity and solvency ratios
- issue requirements for classifying delinquency and loan loss provision, and mandatory internal audits

The FRD accepted and adopted all of the recommendations.

Remaining challenges for microfinance providers

Lack of interest rate flexibility. The Myanmar Microfinance Law aims to reduce poverty at the grassroots level by imposing an interest rate cap on loans and an interest rate floor on deposits, protecting clients from being charged high interest rates. The Myanmar Agricultural Development Bank (MADB)⁷³ and the Ministry of Cooperative's annual interest rate dropped from 12 per cent in 2006 to 8.5 per cent in 2012, and to 5 per cent in May 2014.

However, microfinance institutions need to build up capital to become self-sustaining and can only do this by charging higher interest rates. They argue for greater flexibility in setting interest rates, dependent on the context. The Financial Regulatory Department has received requests from MFOs and MFIs to remove restrictions on the annual interest rate. However, as yet, there has been no change—the annual rate remains at a minimum of 15 per

⁷² Formerly known as Myanmar Microfinance Supervisory Enterprise (MMSE) under the Ministry of Finance

⁷³ Under the Ministry of Agriculture and Irrigation

UPDATES TO THE MICROFINANCE LEGAL FRAMEWORK IN 2014

- The single loan size cap has increased from MMK 500,000 to MMK 5 million.
- MFIs/MFOs are required to have at least 50% of their portfolio in rural areas.
- MFIs/MFOs are required to maintain their solvency ratios at ($\geq 15\%$), liquidity ratios at ($\geq 30\%$), and debt to equity ratios at ($\leq 5:1$).
- New financial reporting guidelines were issued that include requirements for loan loss provisions and detailed instructions for financial statements using standard chart of accounts.
- Local MFIs/MFOs are allowed to borrow money from the Myanmar Economic Bank for investment funds.
- International MFOs/MFIs are allowed to borrow money from foreign financial institutions with a maximum loan size limit of USD 3 million.
- Equity financing is allowed for all MFOs/MFIs.
- Use of payment systems via mobile phones is permitted for all MFOs/MFIs.
- MFOs/MFIs are allowed to charge a maximum annual interest rate of 30% for loans.
- MFOs/MFIs are required to pay a minimum annual interest rate of 15% for deposits/savings.

cent on savings and a maximum of 30 per cent on loans.

Credit access for local microfinance institutions: Local MFIs require funds for debt financing to attract clients. Government regulation states that local MFIs can only borrow from the Myanmar Economic Bank (MEB), but the MEB has, as yet, no specific product developed to service MFIs. The only product available is a general loan, but most MFIs do not have the collateral required. This presents a major barrier to their expansion.

Credit access for international microfinance institutions: International MFIs are not permitted to borrow from local financial institutions but can borrow from overseas to a maximum of USD 3 million. This requires approval from the Central Bank of Myanmar.⁷⁴ The market interest rate for overseas borrowing ranges from 13 to 17 per cent. This includes a nine per cent hedging cost for currency exchange risk.⁷⁵

5.2 INCLUSIVE VALUE CHAINS AND MARKET SYSTEMS DEVELOPMENT

Inclusive market development promotes economic growth and poverty reduction by facilitating the integration of smallholder farmers and businesses into 'commercial' agriculture value chains. This

promotes a structural transformation in rural agricultural economies that increases productivity, incomes and food security, and this requires access to market opportunities in commercial value chains, financial services to procure modern production technologies (improved seed, fertiliser, irrigation, small-scale mechanisation) and technical knowledge on good agricultural practices.

LIFT's work on inclusive value chains is focused on the development of private sector partnerships that stimulate direct and indirect investments in smallholder agriculture to increase opportunities for smallholder farmers. LIFT's emerging private sector engagement strategy is based largely on a contract farming model. This approach has considerable potential in Myanmar where smallholder agriculture is widespread. Smallholder success in contract farming requires access to quality agricultural inputs, to efficient and competitively driven agricultural financial services, to agricultural infrastructure that provides irrigation, to stable prices for production, to reliable markets, and to technical/extension services that increase smallholder farmer knowledge. Contract farming, when it is well-designed and well-organised, provides many of the value chain linkages currently lacking in Myanmar. It also can help smallholder farmers commercialise their production, and build resilience to unforeseen shocks such as weather and market fluctuations.

Investment in contract farming encourages the development of 'agricultural zones', where a critical mass of common agricultural activity creates a demand for support services. This

⁷⁴ Though there is no formal regulation governing the lending interest rate of overseas investors, the CBM has set an "informal" ceiling on borrowed funds at 10 per cent per annum.

⁷⁵ Internationally, borrowers are used to buying a hedge to protect currency exchange risk at the market rates, e.g., 5% in Vietnam and 7% in Cambodia

creates significant off-farm small business opportunities, including for the landless and non-productive subsistence farmers. Small businesses that lower costs of production, increase yields and improve the quality of production are integral to the commercialisation of smallholder agriculture. There are a wide range of approaches to contract farming, both in terms of the products contracted (cash crops—both annuals and perennials—livestock, fish, etc.), and the contractual or verbal agreements involved. The choice of contract farming model is dependent upon the product, the resources of the agribusiness, the social and physical environment, the needs of smallholder farmers, and local farming systems.

In 2014, LIFT made considerable progress on a number of different investment opportunities:

- Commercialising government seed research in partnership with the private sector, and with smallholder farmers supported by LIFT.
- Establishing a farmer-owned agribusiness cooperative/business model with direct links to the private sector.
- Contractually linking smallholder farmers with private sector infrastructure—integrating agriculture and food platform/supply chains.
- Using Partial Risk Guarantee Funds that serve as risk capital to support microfinance providers and commercial banks to expand financing relevant to agriculture technology and infrastructure developments for smallholders. This may involve leasing (hire-purchase) to rural small businesses that currently cannot access commercial bank finance.
- Upgrading the knowledge and skills of smallholder farmers regarding food safety, improved seed, good agricultural practices and irrigation, which adds value by improving

efficiency and achieving the product quality required in contracts with the private sector.

5.3 SOCIAL PROTECTION

Activities around social protection are fragmented due to the lack of a social protection policy framework in Myanmar. LIFT partners SPPRG and HelpAge have worked to assist the development of a more effective framework:

- The Social Protection Policy Research Group (SPPRG) has engaged with the government, especially the Department of Social Welfare (DSW), to develop a national social protection strategy that incorporates social protection as a key component of poverty reduction.⁷⁶ The strategy was presented in December, 2014. The policy outcome is likely to be consistent with international models suggested by key Social Protection Technical Support Group (SPTSG) members such as the ILO, the World Bank, UNICEF and HelpAge.
- SPPRG also works at the state/regional level. The Community-Led Action for Social Protection project, conducted in five villages in Sagaing Region, has been successful in linking community organisations providing services with resources from the Sagaing Regional Government. DSW requested that planning be conducted in other states and regions.
- HelpAge has provided technical assistance to the Ministry of Social Welfare, Relief and Resettlement to develop a framework for the National Social Protection Policy and Strategy which the ministry subsequently developed in consultation with relevant ministries, development partners, INGOs and NGOs, and was approved by the Cabinet and the President. HelpAge has an office at the ministry, creating

NATIONAL SOCIAL PROTECTION STRATEGIC PLAN FLAGSHIP PROGRAMMES:

- Cash allowance for pregnant mothers and children up to the age of two
- Cash allowance for children aged 3-15
- Disability allowance (until age 65)
- School feeding programme for all school children
- Public employment, vocational education and training
- Social pension for individuals aged 65 and above
- Older people's Self-Help Groups
- Integrated social protection services

⁷⁶ The MoLFRD's Department of Rural Development has also consulted with SPPRG to integrate social protection into their current poverty reduction programmes.

the opportunity to develop mutual trust and close working relationships.

- A medium term National Social Protection Strategic Plan was endorsed by the Social Protection Working Committee in November, approved by the Cabinet and the President, and launched in December.
- At local level, HelpAge and its partners in the REVEAL project⁷⁷ modelled a community-based approach to strengthening community capacity, which is based on the Village Development Committees' (VCD) use of integrated community action plans that include many of the poorest people in the target villages. The VDCs also obtained further funding from relevant government departments as project funds do not cover all activities identified in their action plans.

development and private land ownership over the social role of land and the need for equitable access. They have requested more reference to international guidelines, especially regarding prior consultation and compensation for affected communities in cases of forced land acquisition. The subject of customary land tenure and gender, made explicit in the draft policy, has also raised a number of concerns.

LIFT has three projects that directly link to land issues. Despite its limitations, LIFT hopes that the future NLUP, when endorsed, will open new opportunities for engagement. LIFT is considering ways to provide technical support to the government—to make land access more inclusive, fair and secure, to reduce conflict and to better protect resources in the years to come.

5.4 LAND TENURE SECURITY

Land tenure continues to be a highly contested issue in Myanmar. In October 2014, the Government released its draft *National Land-Use Policy* (NLUP), which is envisioned to (i) harmonise the many existing land-related laws in Myanmar, and (ii) guide the development of a new Land-Use Law during 2015. The policy is under review, through public consultations around the country.

The discussions and debates have had a mixed response. On the one hand, they have provided new opportunities to engage in the land sector for the benefit of smallholder farmers. On the other, some CSOs and international organisations have contested the apparent priority given to economic

GRET study offers insights for wider policy implications

The initial results of GRET's study, Understanding rural land issues to engage in comprehensive policy dialogue in Myanmar, shows significant geographical differences in the historical roots of land issues between the surveyed areas in the Dry Zone and the Delta. GRET used an innovative methodology involving three distinct phases: i) a context analysis, involving documentation of the social and agro-ecological conditions, and local history at village level; ii) a qualitative analysis of land right transfers and agrarian arrangements through in-depth household interviews; and iii) a statistical analysis of the relations between land access and household livelihoods, based on hypotheses generated during the qualitative phase.



⁷⁷ See page 43 above

Table 5.1: Land-related Challenges and LIFT Contributions during 2014

Challenge to land tenure in Myanmar	Examples of LIFT-funded contributions
The cadastral (land mapping) system is outdated	UN-HABITAT Land Administration and Management Programme (LAMP) is providing technical support to the Settlement and Land Records Department (SLRD) to pilot new land registration processes in two townships. It has successfully tested a new mapping methodology for two rural kwin (map units) in Thayarwaddy Township (Bago region). Practical and efficient methods of surveying and mapping have been tested, including combining GIS with satellite imagery. A similar process will soon follow in a second township, Myingyan (Mandalay Region).
Land tenure, regulation and land grabbing	<p>The Land Core Group (LCG, which became independent from the Food Security Working Group at the end of 2014) has played an important role in supporting the NLUP consultation process. The LCG is leading a number of land studies, in particular, a study of upland customary communal tenure in Chin and Shan States and a study about land and gender (conducted by Trocaire).</p> <p>The LCG is engaged in a long-term research programme, the Mosaic Collaborative Research, led by the International Institute of Social Studies (Erasmus University), which aims at understanding the interplay between climate mitigation policies, land grabbing and conflict. The field research is being undertaken in northern Shan together with Metta Foundation and in Thanintaryi with Paungku.</p> <p>The LCG supported 40 farmers to participate and share their experience of land grabbing at the ASEAN Peoples Forum in Yangon in March 2014. Information, Education and Communication (IEC) materials on land registration processes and related legislation have been translated into six ethnic languages (Chin, Shan, Mon, Kayah, Kachin and Karen).</p> <p>The LCG is also managing an online document repository, MyLAFF, used for sharing information on land, agribusiness and forestry issues in Myanmar.</p>

The survey offers some preliminary insights that have wider policy implications, in particular:

- The current land administration system is embedded in a multiplicity of land tenure systems with various levels of legality and legitimacy. Local authorities have been managing land transfers largely outside the legal and official system, with considerable discretionary powers.
- One of the main historical sources of dispossession was the paddy compulsory procurement procedure, which was managed with little flexibility and allowed certain people to acquire confiscated lands. Local authorities played an important role, and sometimes benefited from these procedures. While the government claimed to have resolved 'illegal confiscation' cases, the definition of 'illegal' remains unclear—the compulsory procurement of paddy, for example, was at the time a 'legal' process.
- The village tract administrator and local authorities are the key actors in resource management. The newly-established Village Land Management Committees are headed by the village tract administrator and supported by SLRD staff. These stakeholders are rarely impartial and often directly involved in the disputes that they are supposed to settle. This creates mistrust and an imbalance in the current conflict resolution mechanism.
- There is limited understanding among farmers of the current registration processes and the need to register their land. Some farmers actively avoid registering for fear of additional taxation, or they are cultivating areas registered as forest land. This creates new risks of land dispossession.

LIFT has now extended the study to survey new sites in the Uplands and other areas in the Dry Zone to further explore the diversity of the country's land dynamics and better inform policymakers.

Table 5.2: Preliminary Results from the GRET Study: Contrasting Land Tenure Issues between the Southern Delta and the Dry Zone

Southern Delta	Dry Zone
Recently populated (i.e. in the last 50 to 100 years).	Old settlements
The informal land market is very active with the involvement of external stakeholders, urban investors, etc.	Land transactions are limited (one or two over a 2-3 year period) with no transactions with outsiders except in peri-urban areas.
<ul style="list-style-type: none"> • Many historical issues relate to land grabs which occurred during the period of forced paddy procurement (until 2003). • The land lease system between villagers (Le Pyan Ngwe Pyan) plays an important role: the loan provider can use the land until he is reimbursed (without interest). Many pending issues relate to unsettled debts. • The share cropping system (Thi Zar Khyar) provides access to land for small farmers. • Powerful farmer and political movements are active and promote 'ploughing demonstrations'*. 	<ul style="list-style-type: none"> • Most transactions are related to inheritance and conflicts are mostly within families. • Forced procurement has had less effect on land ownership. • Land value has increased considerably.
*A ploughing demonstration is when land that has been confiscated is tilled.	

5.5 NUTRITION

Myanmar is listed as one of the world's 36 high-burden countries for chronic malnutrition and stunting⁷⁸ and the rate of child stunting among the poorest quintile of the population is nearly 50 per cent.⁷⁹ Under-nutrition during the first 1000 days of life, from the time a child is conceived until it reaches its second birthday, is particularly dangerous and limits a child's future growth and development.⁸⁰ Conversely, good nutrition helps children learn more at school, helps adults perform better at work, and enables people to cope better with shocks and setbacks.

In 2014, Myanmar joined the Scaling Up Nutrition (SUN) movement and the Zero Hunger Challenge, two global efforts to address under-nutrition. The government's new *National Social Protection Policy and Strategy* includes a special nutrition cash transfer for pregnant women and mothers of young children as one of its eight flagship programmes—although public funds for the programme have not yet been allocated.

LIFT also increased its focus on nutrition in 2014, agreeing to increase expenditure on nutrition specific⁸¹ and nutrition-sensitive⁸² programming. Improved nutrition was also formally prioritised in the new LIFT strategy as one of LIFT's four major desired outcomes. At its strategy workshop in February, the Fund Board agreed to:

- Explicitly address 'food utilisation' in LIFT's purpose statement, in addition to food availability and incomes.
- Include pregnant and breastfeeding women, and households with children under five years (who are the most nutritionally vulnerable) in vulnerable target groups.
- Change the goal-level malnutrition indicator to 'stunting'. This is a strong indicator of poverty and easier to interpret than 'underweight'.
- Add an indicator to measure food utilisation in the logframe, such as individual dietary diversity

78 Save the Children, Global stunting reduction target: focus on the poorest or leave millions behind, May 2012

79 MICS 2009-2010, UNICEF

80 Save the Children, Nutrition in the First 1,000 Days—State of the World's Mothers, 2012

81 Nutrition specific interventions are identified in a series of articles published in The Lancet in 2008. Examples are micronutrient supplementation, deworming, promotion of breastfeeding and complementary feeding, and maternal dietary supplementation. These interventions directly address dietary intake and disease.

82 Nutrition sensitive interventions aim to address the underlying causes of malnutrition such as inadequate food access, unhealthy environments, inadequate health services, and poor care practices. Examples include promotion of nutrient-dense foods in agriculture, cash transfers to enable families to buy better food and access health care, and improving access to water and sanitation.



SPREADING THE WORD

LIFT and partner LEARN, together with the National Nutrition Centre, developed a short video to promote the importance of good nutrition during the 1000 day window, from a child's conception through to its second birthday. This is being promoted by LIFT partners and through national TV and radio broadcasts.

www.youtube.com/liftfundmyanmar

Table 5.3: Examples of challenges to Nutrition and LIFT-funded contributions in 2014

Challenges to good nutrition	Examples of LIFT-funded contributions
Insufficient knowledge of good nutrition practices	<ul style="list-style-type: none"> ADRA and Action Aid include a nutrition awareness component in their vocational training courses. CESVI supports nutrition education and school gardening in northern Shan. The Better Life Organisation works with fishing and aquaculture communities in Rakhine to challenge traditional barriers to fish consumption for pregnant and breastfeeding women.
Inability to afford a nutritious diet and maternal/child health care	<ul style="list-style-type: none"> In Rakhine, where a baseline survey found stunting rates of 39 per cent, the Tat Lan programme is conducting a pilot to provide nutrition education and maternity cash transfers to improve the health and nutrition of mothers and children during the 1000 day window. Mothers receive a monthly stipend of MMK 13,000 (USD 12), as well as intensive behaviour change communication, including formation of mother-to-mother support groups, interpersonal counselling and support from community volunteers. Early monitoring shows that the cash transfers are used mainly for more and better food, and healthcare.
Difficult access to nutrient rich food	<ul style="list-style-type: none"> AVSI and Metta have expanded their staple crop production activities to integrate nutrition education and home gardening activities. Terre Des Hommes Italy supports the cultivation of nutrient rich vegetables using hydroponic and drip irrigation systems in remote areas of the Dry Zone. Nutrition education, cooking demonstrations and distribution of healthy food also takes place.
There is little food security and nutrition-sensitive information and evidence in Myanmar to mobilise resources and political support for nutrition programmes and policies.	<ul style="list-style-type: none"> The World Food Programme-led Food Security Information System is conducting surveys in all Myanmar's States/Regions, the results of which will be published in a national food security and nutrition atlas. The surveys are all conducted with the Department of Rural Development. The surveys contain a range of modules, which collect relevant information on: income sources (crops produced, areas cultivated, constraints, fishing, non-farm, etc.); dietary diversity (including Household Dietary Diversity Score, which is a good proxy indicator for dietary quality and nutrition); consumption of vitamin A, iron and protein rich foods; and, access to water and sanitation services. The atlas will improve the understanding of the relative causes of stunting in different parts of the country. By actively participating in Myanmar Nutrition Technical Network meetings, LEARN continued to advocate for the need for nutrition-sensitive programming in implementing the National Plan of Action for Food and Nutrition, particularly in food security and livelihoods sectors. (LIFT seeks to deliver a comprehensive approach to food security that includes all three food security pillars: availability, access and utilisation.)

for children under two or five years and/or pregnant and breastfeeding women.

Mainstreaming nutrition through LIFT projects

By the end of 2014, LIFT-funded projects had assisted nearly 100,000 households to increase and/or diversify their food consumption. LIFT follows a two-pronged approach:

- LIFT funds the Leveraging Actions to Reduce Malnutrition (LEARN) project⁸³ to ensure that all LIFT-funded projects are nutrition-sensitive. LEARN provides LIFT partners with nutrition-sensitive training, technical support and input for project design, as well as awareness-raising activities. LEARN promotes a comprehensive approach to the three food security pillars: food availability, access and utilisation.
- Nutrition is improved through direct project interventions.

5.6 CLIMATE CHANGE ADAPTATION AND RESILIENCE

Myanmar ranks second globally in terms of the threat posed by the loss of agricultural productivity due to climate change.⁸⁴ A third of the population lives in areas at risk of flooding and around 10 per cent of the country is likely to be affected by a sea level rise of more than one metre.⁸⁵ Other countries may have higher absolute figures for this, but only Honduras tops Myanmar in terms of vulnerability.⁸⁶

In 2012, the Government of Myanmar published its *National Climate Change Adaptation Programme of Action* covering eight themes (and prioritising 32 projects). It provides a good framework for LIFT's resilience work. In 2014, LIFT prioritised resilience in its new strategy, articulating an explicit outcome on increased resilience of poor rural households and communities to shocks, stresses and adverse trends. LIFT also began mainstreaming climate change adaptation by directly supporting farmers to build resilient agriculture systems, helping diversify household income through non-farm businesses, and increasing disaster risk reduction investments.

The activities and outputs of the Tat Lan programme in Rakhine Coastal area and the new

Dry Zone programme are designed to reduce the negative effects of climate shocks on resources and livelihoods. In 2014, LIFT increased its budget allocation to the Tat Lan programme to support the building of 460kms of embankments and 228 sluice gates through cash-for-work initiatives. The embankments will protect paddy fields from saline intrusion, bringing an additional 10,000 hectares into production for local communities. This will increase food availability by one month for another 60,000 people.

LIFT is supporting the trials of rice varieties that are adapted to conditions that will become more common as a result of climate change. A LIFT-funded project implemented by IRRI, in collaboration with the Ministry of Agriculture and Irrigation, focuses on the seed multiplication of new stress-tolerant, high-yield rice varieties that produce grain quality preferred by local farmers. The work is being done in the Delta and the Dry Zone. The project also provides agricultural extension training to farmers and extension staff in post-harvest management of rice seed and grain, participatory varietal selection, best management practices, quality seed production and data analyses.

LIFT also supports civil society dialogue on climate change: in March 2014, LIFT supported the FSWG-organised event, *National Dialogue on Climate Change Mediated Water Resource Management with Community Participation*. Members of parliament, ministries, regional governments, relevant community leaders, universities, private sector groups and CSOs all participated.

5.7 GENDER

Women are the most affected by food insecurity—the majority of people who are malnourished are women and girls.⁸⁷ Myanmar's women have less access to technology, land and markets than men,⁸⁸ and can be subject to gender stereotypes, in particular the belief that women lack the essential capacities to be effective leaders.⁸⁹ The participation of women in politics and decision-making is particularly low. Only six per cent of seats in parliament are held by women.⁹⁰

In Myanmar, women spend nearly as much time as men engaged in agricultural labour, and in some parts of the Dry Zone women spend significantly

83 The project is implemented by a consortium of Action Contre La Faim, Helen Keller and Save the Children.

84 Wheeler, D. Quantifying Vulnerability to Climate Change: Implications for Adaption Assistance, Washington DC: Center for Global Development, Working paper 240, January 2011

85 Africa Development Bank (ADB), Addressing Climate Change and Migration in Asia and the Pacific—Final Report, 2012

86 Sven Harmeling and David Eckstein, Global Climate Risk Index 2013/ Global Climate Risk Index 2015, Germanwatch

87 Gender Equality And Food Security, FAO 2013

88 FAO Policy on Gender Equality, FAO 2013

89 Women & Leadership, Oxfam, CARE, Trócaire, ActionAid

90 Inter-parliamentary Union, <http://www.ipu.org/parline/reports/2388.htm>

longer working in agriculture than men do,⁹¹ both in the monsoon season (about 30 per cent more days) and the dry season (50 per cent more). This is particularly true for tasks such as weeding, pest control and harvesting. However, across the country, women tend to receive lower wages for their farm labour—usually 75 per cent of the daily wage received by men. In addition, women are generally responsible for small livestock, vegetable cultivation and post-harvest activities such as winnowing, grinding and husking. They are also primarily responsible for collecting water, fuelwood and forest products. Women's use of poor-quality technology and equipment presents further difficulties; more valuable productive assets are usually controlled by men, making access to collateralized credit more difficult.

91 LIFT, Household Survey 2013.

LIFT's gender strategy (2012) aims to promote and integrate gender equality through all LIFT-funded projects, while being sensitive to Myanmar's cultural and ethnic diversity. LIFT is committed to ensure fair access to technology, credit and training. Gender-sensitive language is encouraged in all activities, and gender-disaggregated data is a requirement for all programmes. In 2015, the gender strategy will be updated.

At national level, LIFT works with the Gender Equality Network (GEN) to promote the position of women:

- Following the success of GEN's advocacy efforts with the Ministry of Social Welfare, Relief and Resettlement Department, the GEN PoVAW Law Working Group successfully

WOMEN'S ENGAGEMENT BY THE NUMBERS

Women continue to benefit from LIFT-funded activities, representing

- 96% of trainees who established businesses after training
- 94% of microfinance clients
- 49% of the people who have participated in LIFT-funded training
- 41% of cash for work labourers



drafted the *Protection of Violence Against Women (PoVAW)* law. Submission to the Attorney General's Department will take place in early 2015.

- GEN developed a policy brief based on the study, *Behind the Silence: Violence Against Women and their Resilience, Myanmar*, which provided valuable evidence supporting discussion around the PoVAW Law.
- The Gender and Environment Working Group submitted a comprehensive report on gender equality for inclusion in a draft of the *National Land-Use Policy (NLUP)* to the government's Land-Use Allocation and Scrutinizing Committee. This includes gender-specific legal analysis of the NLUP, with primary research on the barriers that rural Myanmar women face in accessing, controlling and benefiting from land.
- At the request of the government, GEN conducted training on the *National Action Plan for the Advancement of Women (NSPAW)* to MoLFRD. GEN also provided technical input into the government's *Convention to Eliminate All Forms of Discrimination Against Women (CEDAW)*.

Table 5.4: Examples of Gender challenges and LIFT-funded contributions in 2014

Challenges for women	Examples of LIFT-funded contributions
The lack of representation of women in leadership roles	<ul style="list-style-type: none"> • GEN conducted leadership training for 721 people around Myanmar, some of them in ethnic languages. Most participants were young women aged between 25-40 years old. According to follow-up coaching sessions and evaluations, participants said that their confidence had grown and they could now engage more constructively in discussions and dialogue. • ActionAid trains young community change-makers, called Fellows, empowering them to help steer community development. Around 65% of Fellows are women. • ActionAid and the Thadar Consortium has developed village profiles or village books in collaboration with communities. A record of women's status in villages is recorded, providing a useful benchmark for development activities.
Managing the demands of parenting, household, farm and community work	<ul style="list-style-type: none"> • ActionAid's Socio-Economic Development Network for Regional Development (SEDN) offers childcare during women's vocational training. SEDN also promotes women's rights through a referral system that allows women to apply for national identity cards, to access health services, and to learn about a variety of gender-related issues, from nutrition to anti-trafficking. • Breastfeeding women were able to participate in the Tat Lan cash-for-work programmes when organisers arranged for them to have flexible working hours. • The Tat Lan projects ensure that wells are constructed no further than 30 minutes' walk from the village to reduce the burden on primary household water fetchers – usually women and children.
Women lack access to affordable credit	<p>LIFT microfinance projects show a majority of women beneficiaries:</p> <ul style="list-style-type: none"> • 99% of PACT MARC project clients are women. • 20% of Proximity Designs loan contracts were signed by women. A Proximity customer survey shows that women and men made joint decisions on taking loans in about 66% of farming households.
Women have low monetary responsibility	<ul style="list-style-type: none"> • After vocational training run by ADRA in Hpa-An, 75% of female graduates found employment and started earning their own regular income. • Care's Tea Business Enabling Environment Project empowered women who sold tea from their family farm by giving them control over household budgets.

5.8 STUDIES AND SURVEYS

LIFT is increasingly using the evidence it gathers on agriculture, food security and rural development to support advocacy efforts. In 2014 LIFT commissioned 16 studies to improve understanding of the different sectors.⁹² The material is available at www.lift-fund.org/publications.

Two of these studies led directly to strategic decisions being taken by the Fund Board. First, the QSEM 3 report provided strong evidence of the vulnerability of poor households to weather-related shocks. Over half of the villages surveyed reported weather-related shocks, including excessive or irregular rainfall and, in Shan State, hail stones. This provided additional evidence to support LIFT's increasing focus on climate change and resilience. Secondly, the FMO governance review (see page 94), identified a number of recommendations that the FB adopted, including significant changes to the Terms of Reference for the DC the FB and the FMO.

The new strategy highlights LIFT's growing potential as a knowledge repository and 'learning platform' as articulated in the original vision for LIFT.⁹³ LIFT has gathered a significant body of evidence, built over five years of implementation, to guide its own programming, to enhance the evidence base for programming by other donors in the sector, and to inform government policy formulation. However, more sophisticated and

⁹² 15 were published in 2013

⁹³ LIFT's vision is to be a collective and influential voice, promoting programme coherence, innovation, and learning, and to provide a platform for enhanced policy engagement on agriculture, food security, and rural development in Myanmar.

systematic generation, use and dissemination of LIFT's learning is required.

Discussion of how to develop this took place at the Annual Forum in November, with a commitment to improving the management and reach of LIFT's knowledge base. There was a consensus that this will require greater clarity about the types of policies and investments LIFT wants to influence, as well as improvements in how LIFT captures the learning from projects implemented by LIFT partners. Recognising that partner M&E capacity is mixed, in 2015 LIFT will emphasise the need for embedding evaluation in some of its new projects from the outset, focusing on projects that align most strongly with LIFT's policy agenda. LIFT will also need to work more closely with government to generate and use evidence, which will require better understanding of the political economy and drivers of change.

Selected studies are summarised in Annex 6:

- LIFT's Household Survey (HHS) 2013
- LIFT 2014-15 Household Tracker Survey
- Qualitative Social and Economic Monitoring Survey (QSEM) Round 3
- Myanmar: capitalising on rice export opportunities
- Study of the Economics of Farm Production
- Migration Study
- Village Organisations (VO) Study
- Value for Money (VFM) Study



SUPPORTING MIGRATION OPPORTUNITIES

While agriculture (defined broadly) accounts for 40 per cent of Myanmar's GDP,⁹⁴ experience from Asia and elsewhere suggests that this will need to fall in order for Myanmar's economy to grow.⁹⁵ For example, agriculture's share of GDP in Thailand is only eight per cent (it was 45 per cent in 1960). This is why LIFT's new strategy includes a significant focus on supporting people to 'step out' of agriculture and into jobs that are more productive and earn higher wages.

For most people, 'stepping out' will mean finding jobs or starting businesses in the local non-farm sector. These people will maintain close links with their home, travelling daily or returning at weekends. For others, 'stepping out' is likely to mean migration to more distant urban centres, main cities or even abroad. Many of these moves are likely to be temporary and circular, particularly in the Delta and the Dry Zone from where migration is rarely international.

LIFT research highlights the fact that the proportion of the population migrating is increasing all over Myanmar, but with significant geographical differences.⁹⁶ In southern Shan only four percent of households reported migrating while this figure was 12 per cent for the Mandalay Region, and much higher for the southeast of the country. Migrants are more frequently men (80 per cent in Chin and Rakhine), leaving many female-headed households behind. Migrants tend to move to locations where they have existing social networks. Obtaining a passport has become easier and improvements in communications mean that people have more opportunities for creating networks and searching for job opportunities.

Three-quarters of Myanmar's migrants to Thailand come from Shan, Mon, Kayin and Tanintharyi States; as a result, 78 per cent of the remittances which are sent back to Myanmar (estimated at USD 4 billion/year) go to these four States.⁹⁷ Another study estimates that in the Dry Zone, remittances make up over ten percent of household income and constitute the main source of income for six percent of all households.⁹⁸ While people from all wealth groups migrate, destinations tend to vary by socio-economic status; wealthier households tend to migrate more internationally, where salaries are higher, while the poorest households, who often lack the resources and contacts for international migration, tend to migrate less further afield and for lower-paying jobs.

LIFT's approach to supporting migration is based on making it safer and more remunerative, as well as supporting members of the household left behind - often women and children. The programme framework for all three of LIFT's upcoming geographic programmes (Dry Zone, Delta, Uplands) considers migration, helping to increase the developmental outcomes of migration. The Fund Board has also decided to start a dedicated migration programme in 2015. The first step will be to engage a lead partner to provide technical assistance to LIFT, followed by the opening of a migration window to which partners can apply for funding to implement activities.

It is likely that LIFT's support for migration will include interventions at all stages of the migration cycle. Examples include:

- Pre-migration: increasing access to information on migration options; supporting people to make informed decisions on migration; reducing the risks of trafficking and; providing skills training
- During migration: improving remittance channels and lowering the transaction costs and risks; providing protection and support measures for children, the elderly and other vulnerable people left in the villages
- Post-migration: increasing access to financial services that enable financial investments to create local businesses

Research

LIFT is interested in understanding the dynamics of migration patterns and is supporting a migration study, based in Magwe and the Ayeyarwady Region. The qualitative study was conducted by Myanmar Survey Research (MSR) and the quantitative study by IndoChina Research, with support and technical guidance from the World Bank. Results are expected in mid 2015.

94 Toshihiro Kudo, Satoru Kumagai and Hikari Ishido, *Agriculture Plus Plus: Growth Strategy for Myanmar Agriculture*, Institute of Developing Economics, 2013

95 *Multi-dimensional Review of Myanmar. Volume 2, In-Depth Analysis and Policy Recommendations*, OECD 2014

96 *Qualitative Social and Economic Monitoring Report 4 (QSEM4)*, 2014

97 IOM/ Asian Research Center for Migration, *Assessing Potential Changes in the Migration Patterns of Myanmar Migrants and their Impacts on Thailand*, December 2013

98 SPPRG Household Survey 2013-2014

CHAPTER 6



6. FUND MANAGEMENT

6.1 GOVERNANCE REVIEW

In 2014, LIFT conducted a review of its governance structures and arrangements. The report found that decision-making within LIFT could be improved significantly by redefining the respective roles of the Fund Management Office (FMO), the Fund Board (FB) and the Donor Consortium (DC). The DC acted on recommendations as follows:

- The FB's Terms of Reference were adapted to provide a clearer focus on strategic decisions, policy decisions, donor coordination, building GoM relations, thought leadership and overall FMO performance management.
- The DC meeting became an annual event focused on reviewing LIFT's main achievements and challenges.
- The FMO was provided with increased latitude for operational decisions.
- The role of government and other stakeholders in the governance of LIFT was formalised in the establishment of a government-chaired Senior Consultation Group, including representatives from various ministries, private enterprise and civil society. The Senior Consultation Group will be established in 2015.

6.2 ALLOCATION OF LIFT FUNDS

As seen in the table below, the FMO continues to have robust financial and management controls in place and is implementing them consistently. The 2013 FMO audit report had only one observation of medium priority which has already been addressed.

In 2014, 13 new projects were signed compared with 16 new projects in 2013. In 2014, 19 projects were completed, leaving 45 ongoing projects at the end of the year. The closing and opening of projects puts a significant workload on the FMO, which was exacerbated by the 45 contract amendments that were negotiated and signed in 2014.

Table 6.1: 2014 Results for Output 7 (allocation of LIFT funds)

Indicator	LIFT target at 2016	Milestone for 2014	Achieved in 2014	per cent achieved
07.1: Percentage of clear FB recommendations implemented by FM within given deadlines	100%	100%	88%[1]	88%
07.2: % and number of audit areas (both FM and IPs) rated 'high priority' by the auditors	0 for all parties	0 for all parties	1 for all parties*	

*There were 64 FB recommended actions for the FM arising from the three FB meetings in 2014, 56 of which were implemented within the given deadlines.
 **There was only one 'high priority' audit observation for the IPs and none for the FMO in the respective audits of 2013 expenditure. The audits of 2014 expenditure will take place in 2015.

Table 6.2: Project Status by Funding Window

Funding Windows	Contracts signed		Projects finished	Ongoing projects	Contract amendments	
	Up to end 2013	end of Dec 2014			As of Dec 2013	as of Dec 2014
	B	C	D	E=C-D	G	H
Delta 1	22	22	22	0	31	31
Countrywide	16	19	11	8	24	43
Delta 2	9	10	5	5	13	22
Other (Direct Grants & QSEM)	3	3	1	2	3	5
Learning and Innovation	19	25	2	23	10	15
Financial Inclusion	7	8	3	5	3	5
Rakhine	2	4	3	1	2	5
Dry Zone	2	2	1	1	1	2
Grand Total	80	93	48	45	87	132

LIFT Expenditure in USD (millions) 2010-2014 (cumulative)

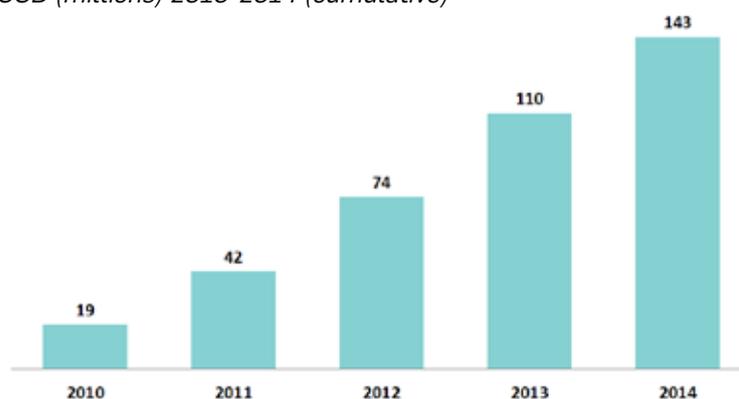


Table 6.3: Grants Signed in 2014 (USD)

SN	Name of IP	Funding mechanism	Amount
1	ADRA	Learning & Innovation	\$100,000
2	FAO	Learning & Innovation	\$42,612
3	GRET	Countrywide	\$53,539
4	HelpAge	Learning & Innovation	\$2,094,862
5	IFC (International Finance Corp)	Financial Inclusion	\$3,619,552
6	Inya Institute	Learning & Innovation	\$105,088
7	Mercy Corps (w Swiss Contact)	Learning & Innovation	\$4,000,000
8	PACT	Countrywide	\$45,299
9	PACT	Delta 2	\$440,820
10	Terre des Hommes	Learning & Innovation	\$1,318,519
11	UNESCAP	Countrywide	\$1,104,905
12	ICRAF	Learning & Innovation	\$599,896
13	UNESCO	Learning & Innovation	\$1,500,000
			\$15,025,092

6.3 FUND FLOW AND PARTNER PERFORMANCE

Table 6.4: Results for Fund Flow and IP Performance, 2014

Indicator	LIFT target at 2016	Milestone for 2014	Achieved at end 2014	% achieved
O8.1: % of funds released by FB is in line with IP contracts	87%	87%	*99%	114%
O8.2: % of IPs for whom the FM completes an M&E system review	100%	100%	**86%	86%
O8.3: % of IPs for whom the FM completes a financial system review	100%	100%	100%	100%

*This is based on the amount of IP expenditure deemed ineligible as a proportion of total IP expenditure, based on the audit of 2013 expenditure. From the audits of IPs, a total of US\$220,009 was identified as ineligible expenditure, which represents 1.1% of total expenditure incurred by the IPs.

**Of the on-going projects in 2014 that required M&E systems.

In 2014, the FMO conducted 177 field monitoring trips to 366 villages, compared with 169 trips to 446 villages in 2013.

In 2012, LIFT introduced a system to systematically monitor the project management performance of all implementing partners. The results for the projects active in 2014 are summarised in Table 6.5.

Table 6.5: Summary of Risk Assessment against Project Management Process Indicators by 'Traffic Light' Category for 2014

	Indicator	Low risk (green)		Medium risk (yellow)		High risk (red)	
		Threshold	% of grants	Threshold	% of grants	Threshold	% of grants
1	Implementation rate	> 90% on track	41%	71 - 90% on track	20%	≤70% on track	39%
2	Annual expenditure	>90% spent	27%	71 - 90% spent	39%	≤70% spent	34%
3	Reporting timeliness	0 days late	78%	1 - 7 days late	20%	>8 days late	2%
4	Report completeness	100% complete	88%	71 - 99% complete	0%	≤70% complete	12%
5	Management controls	0 open observations	85%	1-3 open observations	15%	>3 open observations	0%
Overall rating*	2014	51%		44%		5%	
	2013	48%		41%		11%	
	2012	32%		41%		32%	

*The overall rating is assigned through a weighting of the risk assessment on each of the five indicators.

Table 6.5 shows an increase in overall 'green' ratings and a reduction in high-risk ratings compared to 2013 and 2012. Implementing partners demonstrated particular improvements in reporting timeliness, budgetary planning, and in dealing with audit observations more quickly.

6.4 MONITORING, EVALUATION AND LEARNING

LIFT's new strategy emphasises the commitment to monitoring, evaluation and learning at all levels within LIFT, from the FMO through to implementing partners. The aim is to increase the capacity of LIFT and its partners to generate and use robust evidence both to measure and improve performance and to influence rural development policy and practice in Myanmar. This involves a significant upgrading of systems, and capacities and practices, both within the FMO and for implementation partners. Central to the new approach is:

- The creation of a multi-level monitoring, evaluation and learning framework that defines the scope and function of monitoring, evaluation and learning at (i) the overall LIFT level, (ii) at the level of LIFT's geographic programmes, and (iii) at the level of the projects it funds
- The systematic use of theories of change at each level to generate consensus on the envisioned change process and assist a systematic approach to learning
- The formulation of clear evaluation and learning plans at each level to ensure that there is clarity, from the outset, on the questions for which LIFT and its partners seek to generate evidence through their interventions and monitoring, evaluation and learning activities
- The separation of M&E for LIFT at the national level (as set out in the LIFT logframe) from the M&E for projects. Project M&E will

be more closely linked to regional theories of change and the specific outputs, outcomes and questions that are relevant to implementing partners

- A more intensive, hands-on and learning-oriented approach to monitoring, evaluation and learning with implementing partners so that they are better equipped to generate and use robust evidence

The LIFT strategy sets out the LIFT results framework with a purpose, goal, four higher level outcomes and eight intermediate outcomes that define the core areas of change that LIFT seeks to contribute to through its regional programmes. LIFT's overall performance at the national level will be assessed on the basis of the impact it has achieved in terms of the results framework.

Given the contextual diversity across regions within Myanmar, LIFT will develop region-specific theories of change for each geographic region where it operates. The regional theories of change are actor-centred and clearly set out the expected pathways through which each regional programme, through its implementing partners' projects, will contribute to the higher level outcomes set out in the LIFT results framework. Implementing partners will develop their own theories of change, learning plans and measurement frameworks based on their specific projects. LIFT will provide additional capacity strengthening support to IPs



In 2014, the FMO conducted 177 field monitoring visits to 366 villages

6.5 COMMUNICATIONS

to ensure that they are able to support learning and generate robust evidence about project performance.

In 2014, the FMO reviewed the M&E plans of 28 projects. The FMO also visited all projects to assess monitoring systems in the field with a special focus on assessing partners' data quality and data management systems.

LIFT requires a mid-term and final evaluation of all projects. In 2014, final evaluations of projects were managed by the IPs, using independent consultants. To the end of December, ten final reports and five draft evaluation reports had been received, and another five evaluations were in progress. However, there is a perception that the project evaluations done to date are neither rigorous enough nor sufficiently independent of implementing partners. Another concern is that the independent evaluators usually do not have sufficient time to gather enough information to balance the views of field level actors and stakeholders, partner staff, and the FMO, and to appreciate the evolution of project interventions.

Starting in February 2015, final evaluations will be managed by the FMO. A more consistent, quality focused approach to project evaluation can happen when the reports are managed centrally.

LIFT Communications were revitalised in 2014 with new staff and a new approach to communicating the fund.

UPDATING THE COMMUNICATIONS INFRASTRUCTURE

Staffing: A new Communications Officer joined the Fund in April and at the end of the year the unit was re-structured to include positions for a national Communications Analyst and Communications Assistant, with a revolving window for international interns.

Website: During 2014, the website was re-designed. While this took place, the existing site was refreshed with LIFT news and events, averaging two new stories a week and around 3,000 visits a month. The new site launched in January 2015, with an interactive project database map. A Myanmar language version is in development.

Social media: The Fund's Facebook account www.facebook.com/liftfund was refreshed and linked to donor and partner pages. By the end of the year, it had attracted over 1,000 new followers— most are local partners and development workers. Facebook has also proven to be a good link to local press. LIFT's Twitter account, @lift-fund, was reactivated and linked to donor accounts. A YouTube channel was launched, www.youtube.com.



com/user/liftfund, to house LIFT press coverage, in-house productions and IP videos for embedding on the website. LIFT also increased its profile within UNOPS communications.

An updated strategy and workplan was developed for implementation in 2015.

Media coverage: LIFT activities had regular coverage in local and international print and television. LIFT was featured on international development knowledge-sharing websites (capacity4dev.eu and devex.org).

LIFT photo and video library: To refresh LIFT's look, the FMO generated a library of high quality photos from Chin, Kachin and Kayin States, Magwe and the Delta region. Three in-house videos were produced, profiling PACT, ActionAid and ADRA beneficiaries.

Visibility Guidelines: The Visibility Guidelines were updated with more prescriptive directions and examples, to address regular queries about LIFT branding and visibility.⁹⁹

⁹⁹ These form a part of the updated Operational Guidelines.

Government relations: A photo book explaining the work of the Fund was presented to government Ministers, and a set of LIFT publications were supplied to the MoLFRD and MoAI libraries.

SHARING KNOWLEDGE

LIFT communicated changes to its strategy and launched new publications, such as the Household Survey and QSEM 3, at events in Yangon and Nay Pyi Taw. Fourteen local libraries, including the Local Resource Centre and Yezin Agricultural University, received a set of LIFT studies.

An ambitious agenda was set for the 2014 Annual Forum, held once again in collaboration with the Ministry of Livestock, Fisheries and Rural Development in Nay Pyi Taw. Over two days, national and international rural development specialists debated the theme, *The Changing Dynamics of Myanmar's Rural Economy and Supporting Resilience and Growth*, with an audience of over 300 development practitioners. The event proved to be a good PR initiative and worked well as a team-building exercise for the FMO. Videos of the sessions are available at www.youtube.com/liftfundmyanmar in both English and Myanmar language.



6.6 FINANCE

As of 31 December 2014, the cumulative donor contributions to LIFT were as follows:

Table 6.6: Cumulative Donor Contributions up to 31 December 2014 (USD)

Donor	Signed Commitments*	%
Australia	18,568,374	8.90%
Denmark	9,991,566	4.80%
European Union	69,756,934	33.30%
France	1,319,800	0.60%
Ireland	518,580	0.20%
Italy	852,040	0.40%
Netherlands	2,950,000	1.40%
New Zealand	809,650	0.40%
Sweden	2,725,776	1.30%
Switzerland	15,165,275	7.20%
United Kingdom	81,679,550	39.00%
United States	5,000,000	2.40%
<i>Interest earned</i>	<i>855,987</i>	
Total	210,193,533	

*Commitments may vary slightly from 2013 figures due to changes in exchange rates.

LIFT expenditure in 2014 totalled USD 32.98 million against a budget of USD 48.28 million. Expenditure was lower than expected in 2014 due to delays in the studies and grants for new funding windows.

Table 6.7: LIFT Expenditure for the Year 2014

Activity	Budget (USD)	Actual (USD)	Under / (Over)	%
Grants to implementing partners	42,192,686	27,677,602	-14,515,084	-34%
Research	1,359,458	748,571	-610,887	-45%
Operation of the Fund Manager's office	3,845,254	3,830,773	-14,481	0%
Support to the Fund Board	117,300	133,418	16,118	14%
Facilities and administration	769,153	589,229	-179,924	-23%
Total	48,283,851	32,979,593	-15,304,258	-32%

CHAPTER 7



7. ANNEXES

ANNEX 1: PROJECTS SIGNED, PROJECTS CLOSED AND ONGOING PROJECTS

Table 7.1 Grants signed January – December 2014 (13 projects)

	Name of IP	Funding Mechanism	Project Period	Project Title
1	ADRA	Learning and Innovation	11 Apr 2014 ~ 10 Apr 2015	Vocational Training to Support Livelihoods (VTSL)
2	FAO	Learning and Innovation	1 Jan 2014 ~ 15 Feb 2014	Formulation of a Project Proposal on Improved Farmer Livelihoods through Improved Animal Health And Production Services
3	GRET	Country Wide	1 Jan 2014 ~ 30 Jun 2014	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
4	HelpAge	Learning and Innovation	1 Apr 2014 ~ 31 Mar 2017	Strengthening the Ministry of Social Welfare to Fulfil its Role in Expanding Social Protection
5	IFC (International Finance Corporation)	Financial Inclusion	1 July 2014 ~ 30 June 2018	Capacity Building for Inclusive Financial Sector
6	Inya Institute	Learning and Innovation	7 May 2014 ~ 30 June 2015	Burmese-English Manual for Social Research methods
7	Mercy Corps (in partnership with Swiss Contact)	Learning and Innovation	11 Jun 2014 ~ 10 Jun 2017	Making Vegetable Markets Work for Smallholder Farmers in Southern Shan and Chin States
8	Pact - CW	Country Wide	1 Jan 2014 ~ 30 Jun 2014	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar-Countrywide
9	Pact - Delta II	Delta-2	1 Jan 2014 ~ 31 May 2015	Sustainable Microfinance To Improve the Livelihoods of Cyclone Affected Poor in Delta
10	Terre des Hommes	Learning and Innovation	1 Feb 2014 ~ 31 Jan 2017	Soilless Horticulture and Other Water-saving Innovative Technologies for Landless and Marginal Farmers
11	UNESCAP	Country Wide	1 Jan 2014 ~ 31 Dec 2016	Integrated Rural Economic and Social Development Programme for Livelihoods Improvement in the Dry Zone of Myanmar
12	UNESCO	Learning and Innovation	21 Nov 2014 ~ 20 Nov 2016	Communication for Sustained Livelihood and Food Security
13	ICRAF (World Agroforestry Centre)	Learning and Innovation	22 Oct 2014 ~ 21 Oct 2018	Agroforestry Alternatives to Shifting Cultivation in Myanmar

Table 7.2 Grants closed January – December 2014 (19 projects)

	Name of IP	Funding Mechanism	Project Title
1	ADRA	Country Wide	Community Initiated Livelihoods and Poverty Reduction
2	ADRA	Delta - 2	SCALE UP (Sustainable Community Alternative Livelihood Enhancement to Undermine Poverty)
3	AVSI	Delta - 2	Promoting an Experience of Small-Scale Farmers' Cooperative in Labutta Township in the Delta Region of Myanmar
4	Economically Progressive Ecosystem Development (ECODEV)	Country Wide	Scaling Up Rural Enterprise in Dry Zone (SURE)
5	EdM	Financial Inclusion	Responsible Microfinance Seminar
6	FAO	Learning and Innovation	Formulation of a Project Proposal on Improved Farmer Livelihoods through Improved Animal Health and Production Services
7	GRET	Country Wide	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
8	Mangrove Service Network (MSN)	Delta - 2	Strengthening Capacities and Market Opportunities for Locally Promising Energy-Saving Stoves and Quality Tree Saplings in Delta, Myanmar
9	MBCA	Country Wide	Improving Food Security and Incomes of Poor and Vulnerable Households in Rural Dry Zone through Improved Market Access
10	Mercy Corps	Country Wide	Building Communities Resilience for Food Security
11	Myanmar Ceramic Society (MCS)	Country Wide	Livelihood Assistance for Pottery Enterprise in Non-Delta (LAPEN)
12	Myanmar Environment Rehabilitation-conservation Network (MERN)	Country Wide	Coastal Livelihood and Environment Assets Restoration in Rakhine (CLEAR)
13	Oxfam GB (Fishery)	Direct Grant	Improving Governance in the Fishery Sector as an Entry Point for Enhanced Small-Scale Livelihood Security and the Capacity of Non-State Actors to Engage in Rights-Based Advocacy
14	Oxfam GB	Country Wide	Building Resilience in the Dry Zone
15	PACT (Pyapon)	Delta - 2	Pyapon Integrated Livelihoods Development
16	Pact - CW	Country Wide	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar-Countrywide
17	Proximity Designs - IDE	Country Wide	Livelihoods Support for Vulnerable Dry Zone Communities
18	UNCDF - MAP	Financial Inclusion	Making Access to Finance Possible in Myanmar (MAP)
19	World Bank (IBRD)	Financial Inclusion	Financial Inclusion for National Development in Republic of the Union of Myanmar (FIND)

Table 7.3 Grants ongoing as of 31 December 2014 (45 projects)

	Name of IP	Funding Mechanism	Project Title
1	ActionAid	Direct Grant	Building Local Capacities for Livelihoods Systems Approaches in the Ayeyarwady Delta
2	ActionAid - Social Economic Development Network for Regional Development (SEDN)	Learning and Innovation	Social Economic Development Network for Regional Development
3	ActionAid	Country Wide	Civil Society led Community Based Livelihood Resources Development in the Dry Zone
4	ActionAid -Social Policy and Poverty Research Group (SPPRG)	Learning and Innovation	Inclusive Livelihoods and Social Protection Research Project
5	ActionAid-GEN (Gender Equality Network)	Learning and Innovation	Mobilising Action for the Advancement of Women in Myanmar
6	ADRA	Learning and Innovation	Vocational Training to Support Livelihoods (VTSL)
7	CARE	Learning and Innovation	Tea Business Enabling Environment for the Ex-Opium Farmers' of Kokang
8	CESVI	Country Wide	Livelihood Security in Kyauk Mae and Naung Cho Townships in Northern Shan State
9	Disabled People's Development Organization (DPDO)	Country Wide	Sowing Seeds for Person with Disability in Dry Zone Area
10	Entrepreneurship & Innovation Research Group (IERG) - University of Sydney	Learning and Innovation	Grass-roots Entrepreneurship Education and Pro-Poor Enterprise Development
11	FAO	DryZone Programme	Dry Zone Programme Development and Formulation
12	FAO-NAPA	Learning and Innovation	Formulation and Operationalisation of a National Action Plan for Poverty Alleviation and Rural Development through Agriculture (NAPA)
13	Food Security Working Group (FSWG)	Learning and Innovation	Harnessing Resources and Partnerships to Achieve Food Security in Myanmar
14	GRET	Country Wide	Sustainable Livelihoods and Natural Resource Management in 5 Townships of the Northern Chin State
15	GRET	Financial Inclusion	Creation of a Microfinance Institution in the Dry Zone, Myanmar
16	GRET	Learning and Innovation	Understanding Rural Land Issues to Engage Comprehensive Policy Dialogue in Myanmar
17	HelpAge	Country Wide	Reducing Economic Vulnerability through an Equitable/ Inclusive Approach to Livelihoods Project
18	HelpAge	Learning and Innovation	Strengthening the Ministry of Social Welfare to fulfil its Role in Expanding Social Protection
19	ICRAF (World Agroforestry Centre)	Learning and Innovation	Agroforestry Alternatives to Shifting Cultivation in Myanmar
20	IFC	Financial Inclusion	Capacity Building for Inclusive Financial Sector
21	Inya Institute	Learning and Innovation	Burmese-English Manual for Social Research methods
22	IRC (Tat Lan Project)	Rakhine	Tat Lan Sustainable Livelihoods and Food Security Programme
23	IRRI	Learning and Innovation	Improving Livelihoods of Rice-Based Rural Households in the Lower Region of the Ayeyarwady Delta

Table 7.3 Continued

	Name of IP	Funding Mechanism	Project Title
24	IRRI	Learning and Innovation	Reducing Risks and Raising Resources in the Rice Environments of Myanmar through Improved Knowledge of Environments and Management
25	Link Emergency Aid & Development (LEAD)	Delta-2	Accelerating Food Security : Ensuring Food Security among Farmers and Landless Labourers by Provision of Technical, Faming And Livestock Inputs in Kone Gyi and Tei Pin Khaing Village Tracts of Pyinsalu Sub-township in Labutta District in Ayeyarwady Division
26	Mercy Corps	Delta-2	Beyond Recovery : Promoting Market-led, Pro-poor Economic Growth
27	Mercy Corps (in partnership with Swiss Contact)	Learning and Innovation	Making Vegetable Markets Work for Smallholder Farmers in Southern Shan and Chin States
28	METTA	Country Wide	Farmer Field School to Lift the Food Security of Small and Marginal Land Holders (LIFT-FFS)
29	Pact - Delta II	Delta-2	Sustainable Microfinance to Improve the Livelihoods of Cyclone Affected Poor in Delta
30	Pact (MARC)	Financial Inclusion	Myanmar Access to Rural Credit through Institutional Strengthening (MARC)
31	PATH	Learning and Innovation	Introduction of Fortified Rice in Myanmar Project
32	Proximity Designs	Delta-2	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta
33	Proximity Designs - IDE	Financial Inclusion	Catalysing Smallholder Agriculture Finance
34	Radanar Ayar	Learning and Innovation	Socio-Economic and Environmental Development in Bogalay (SEED)
35	Save the Children	Learning and Innovation	Leveraging Essential Nutrition Actions to Reduce Malnutrition (LEARN)
36	SwissAid	Country Wide	Improving Livelihoods through Civil Society Strengthening
37	TAG	Learning and Innovation	Plan Bee: Introduction and Expansion of Modern Beekeeping and Honey Production in Shan State
38	Terre des Hommes	Learning and Innovation	Soilless Horticulture and Other Water-saving Innovative Technologies for Landless and Marginal Farmers
39	UNCDF-MicroLead	Financial Inclusion	Support to Savings-Led Microfinance Market Leaders to Enter Myanmar (MicroLead Expansion Programme)
40	UNESCAP	Country wide	Integrated Rural Economic and Social Development Programme for Livelihoods Improvement in the Dry Zone of Myanmar
41	UNESCO	Learning and Innovation	Communication for Sustained Livelihood and Food Security
42	UN-HABITAT	Learning and Innovation	Land Administration and Management Programme (LAMP), Myanmar
43	Welthungerhilfe	Delta-2	Value Chain Development for Inclusive Economic Growth in Central Bogale/Mawlamyinegyun Townships
44	WFP	Learning and Innovation	Vulnerability, Analysis and Mapping in Myanmar
45	World Bank	QSEM	Qualitative Social and Economic Monitoring Advisory Services

ANNEX 2: COMPARISON OF RESULTS - 2012, 2013 AND 2014

N.B. 2013 results were based on both IP data and extrapolations from the LIFT 2013 Household Survey. Results in 2014 were based on both IP data and extrapolations from the Household Tracker Survey.

Results calculated from IP data can be treated as cumulative. Data from LIFT surveys represent the situation as measured at a specific point in time.

Table 7.4: Summary of purpose-level indicators' cumulative achievements: 2012, 2013 and 2014

Indicator	2012	2013	2014	Data Source
P1: No. of target HHs with increased incomes (from agriculture, fishing, livestock, etc.)	25,400	57,000	138,000	LIFT surveys
P2: No. of target HHs with at least 5% agricultural productivity gains	9,400	60,000	133,000	LIFT surveys
P3: No. of target HHs with increased and/or diversified food consumption	13,200	88,000	97,000	LIFT surveys
P4: No. of target beneficiaries with an increase in food security by > one month	14,800	290,000	252,000	LIFT surveys
P5: No. of target HHs with increased assets	26,800	44,132	50,217	IP data

Table 7.5: Summary of output-level indicators' cumulative achievements: 2012, 2013 and 2014

Indicator	2012	2013	2014	Data Source
Output 1: Increased agricultural production and higher incomes supported through improved production and post-harvest methods, and improved access to inputs and markets.				
O1.1 No. of target HHs aware of new/improved agricultural technologies	26,700	51,592	70,770	LIFT surveys
O1.2 No. of target HHs that adopt/use improved agricultural practices	20,600	87,000	87,000	IP data
O1.3 No. of HHs in LIFT-supported villages accessing low-interest credit for agriculture	69,000	130,025	180,733	IP data
Output 2: Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.				
O2.1: No. of trained people who establish enterprises (gender disaggregated)	14,300	29,155	60,262	
	M=800	M=1,653	M=2,402	
	F = 13,500	F = 27,502	F = 57,860	IP data
O2.2: No. of HHs in LIFT-supported villages accessing low-interest credit for non-agricultural livelihoods	17,800	21,187	35,345	IP data
O2.3: No. of targeted HHs with an increase in income from non-agricultural activities and/or vocational training	3,300	17,164	17,928	IP data
Output 3: Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.				
O3.1: No. of HHs participating in improved resource management or rehabilitation activities	24,700	32,854	36,107	IP data
O3.2: No. of participants trained in sustainable resource management or rehabilitation topics (gender disaggregated) who think the training was useful	7,000	14,514	16,517	IP data
	M=3,525	M=7,527	M=8,188	IP data
	F= 3,475	F=6,987	F=8,329	
Output 4: Effective social protection measures supported to increase the incomes, enhance the livelihood opportunities, or protect the livelihoods assets of chronically poor households.				
O4.1: No. of HHs supported by CfW activities that think the intervention was timely and effective	21,600	114,362	129,389	IP data
O4.2: No. of HHs supported with cash/asset transfers that are able to invest in productive activities/assets that increase their income	1,900	27,364	28,984	IP data
O4.3: No. of HHs that are able to reduce the number of food insecure months or days	9,990	290,000	252,000	LIFT surveys
Output 5: Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.				
O5.1: No. of local NGOs better skilled in technical issues, and project and financial management	27	200	202	IP data
O5.2: No. of trained CBOs applying training in LIFT-funded activities	1,300	4,285	4,426	IP data

ANNEX 3: FMO- ORGANISED TRAINING, EVENTS AND WORKSHOPS IN 2014

Table 7.6: Main events that were hosted by LIFT in 2014 (out of a total of 40)

No	Name of Training, Workshops, and Events	Purpose and Objectives	Participants		
			M	F	Total
1	Dry Zone regional meeting and COP [Community of Practices]	<ul style="list-style-type: none"> To share experiences of lessons learned among implementing partners. To discuss IPs' feedback in line with LIFT accountability framework and to listen feedback from IP regarding LIFT's policies and procedures. To gain common understanding on M&E and current LIFT concepts on project evaluation. To widen the understanding of participants for other approaches through project visits. 	13	14	27
2	Regional Learning Alliance re. Livestock in the Dry Zone (in cooperation with ACIAR livestock project)	<ul style="list-style-type: none"> To share livestock related experiences and lessons learned among implementing partners. To widen the understanding of participants for other approaches through project visits. 			
3	Bogale regional meeting and COP [Community of Practices]	<ul style="list-style-type: none"> To share experiences of GIS and time management, and LIFT M&E related topics. To discuss IPs' feedbacks on LIFT current M&E related issues. 	15	49	64
4	Financial Reporting Templates Training (two separate trainings)	<p>Participants will know about:</p> <ul style="list-style-type: none"> Different forms and templates and their use. Steps required to submit them. How and to whom to address problems and difficulties. Operational Guidelines Revision 1. 	18	62	80
5	LIFT Strategy Consultation Meeting	To adapt with the changing context in rural development of Myanmar, LIFT needed to revise its strategy so as to articulate LIFT's vision, direction and underlying principles of funding decisions, its relationship with partners and its role in policy advocacy for the rural poor in Myanmar. This meeting allowed partners to voice their opinions on LIFT's direction.			118
6	LIFT Annual Forum 2014 (25-26 November)	<ul style="list-style-type: none"> To share recent developments and insights on hot topics in Myanmar's rural development through the expertise of national and international speakers. The Forum provides a platform for knowledge sharing and networking. 			320
7	Gender Sensitive M&E Training	<ul style="list-style-type: none"> To build the capacity of partner staff on the importance of gender sensitivity in M & E in rural development projects. To provide ideas for improving the M & E outcomes of the projects. To understand the methods and tools available for gender sensitive monitoring. To improve the monitoring and impact evaluation of gender integration in LIFT development projects. To increase LIFT's prospects to project targets to be achieved. 	24	29	53
8	Lessons and Good Practice of Delta II –Bogalay	To draw on experiences, whether positive or negative, from the field teams and ensure that they are shared between the partners and LIFT. To define future LIFT funding opportunities for the Delta.	40	14	54
9	Lessons and Good Practice of Delta II - Yangon	To draw on the experiences, whether positive or negative from the field teams and ensure that they are shared between the partners and LIFT. To help define future LIFT funding opportunities for the Delta.	48	20	68
10	Future LIFT Upland Programme meeting with partners	<ul style="list-style-type: none"> To assess Needs and Opportunities To exchange and assess initiatives of each sub areas where IPs' currently work To assess gaps in coverage To assess key issues to address To identify the main opportunities to grasp To identify proven effective approaches To assess the priorities for each sub area in upland area 	39	21	60

Table 7.7: Details of the LIFT Accountability Training Series, February-August 2014

Training Series	Training Title	Training Period	Participants			No. of Organisations participating			
			Male	Female	Total	LNGO	INGO	UN	Total
I	Introduction to Good Governance & Accountability Training	26-27 Feb	21	25	46	4	18	4	26
II	Community Feedback Mechanism (CFM) Training	19-21 March	25	20	45	5	17	2	24
III	Accountability & Self-Assessment Tools Training	21-22 May	23	20	43	5	17	3	25
IV	Financial Accountability Training	12-13 Jul	22	21	43	5	18	3	26
V	Do-No-Harm Training	14-15 Aug	25	19	44	5	18	2	25

ANNEX 4: DETAILS ON THE PROVISION OF CREDIT TO THE END OF 2014

Table 7.8: LIFT's Financial Inclusion Logframe Indicators at end 2014

Indicator	LIFT Logframe targets 2016	Milestone 3 2014	Achieved to Date Dec-14
01.3 Number and % of households in LIFT supported villages accessing credit from low interest micro finance groups, or village savings and loans associations, for agriculture	134,930	90,000	180,733
02.2: Number and % of households in LIFT supported villages accessing credit from low interest micro finance groups, or village savings and loans associations, for non-agricultural livelihoods	101,840	25,000	35,345

Table 7.9: Access to all types of credit - to end 2014

* 5,742 households have taken more than one type of loan

Region	Number of villages	Number of households who accessed credit	Total loan disbursement amount (US\$)
Coastal	412	6,200	406,133
Delta	1,587	73,810	26,919,738
Dry	4,336	103,826	62,766,881
Hilly	349	21,245	3,529,727
Yangon	113	5,255	222,376
Grand Total	6,797	210,336	93,844,855

LIFT funded microfinance projects			
IP and Zones	# villages	# of clients (households)	# of female clients
Coastal Total	40	938	781
PGMF/MARC	22	787	779
Proximity Finance	18	151	2
Delta Total	1,261	65,791	40,858
PGMF/MARC	129	7,290	7,215
PGMF/Pyarpon	32	3,342	3,242
IFC/Fullerton Myanmar		945	907
Proximity Finance	674	29,686	6,290
UNCDF/ACCA	8	2,080	1,060
PGMF (2014)	99	5,318	5,318
UNDP/PGMF (2011-2013) Delta-2	254	15,912	15,608
UNDP/PGMF (2010-2011) Delta-1	65	1,218	1,218
Dry Zone Total	1,444	76,178	68,089
GRET	26	2,212	1,924
UNCDF/ACCA	9	3,080	1,571
UNCDF/BASIX		628	520
PACT/MARC	222	17,648	17,559
PGMF (2014)	66	5,057	4,921
Proximity Finance	748	5,554	1,252

Table 7.9 continued

IP and Zones	# villages	# of clients (households)	# of female clients
UNDP/PGMF (2011-2013)	214	39,969	39,829
UNDP/SC (2011-2013)	159	2,030	513
Hilly/UplandsTotal	265	19,261	19,088
GRET (2014)	5	142	142
UNDP/Gret (2011-2013)	29	576	572
Proximity Finance	4	169	-
UNDP/PGMF (2011-2014)	227	18,374	18,374
Yangon	113	5,255	9,908
UNCDF/ASA		3,717	3,717
Proximity Finance	113	1,538	6,191
Microfinance projects total	3,123	167,423	138,724

LIFT-funded projects with village revolving fund and product loans:			
IP and Zones	# villages	#of clients (households)	# of female clients
Coastal	372	5,262	2,678
MercyCorps	54	1,320	177
MERN	289	3,013	1,588
Tat Lan	29	929	913
Delta	326	8,019	5,340
ActionAid	24	1,516	482
LEAD	15	606	372
MercyCorps	153	5,626	4,560
Oxfam	67	1,387	374
Welt Hunger Hilfe	91	400	34
Dry	2,892	27,648	7,400
ActionAid	99	7,589	2,260
ADRA	18	446	171
DPDO	69	1,982	1,181
EcoDev	8	20	2
MCS	18	147	89
MercyCorps	112	3,806	619
Proximity Designs (product loans)	2,568	13,658	3,078
Hilly	84	1,984	473
MCS	12	70	54
MercyCorps	36	1,452	241
SWISSAID	36	462	178
Total	3,674	42,913	3,912

Table 7.10: Contribution of LIFT Partners Towards Strengthening Microfinance Processes and Procedures

IP, timeframe, budget	Important Update
<p>World Bank (FIND – Financial Inclusion for National Development)</p> <p>From 01/10/12 to 01/06/14</p> <p>Budget: USD 430,000</p> <p>Closed</p>	<ol style="list-style-type: none"> 1. The project provided a training series for the Financial Regulatory Department under the Ministry of Finance, with advice on microfinance concepts, supervision and monitoring for senior management in all states and regions. 113 staff members completed the series. 2. The project also provided technical advice for the regulatory framework (see below). 3. The World Bank, the Financial Regulatory Department and LIFT are in discussion on long term technical support to the Ministry of Finance for microfinance market development.
<p>UNCDF – Making Access Possible (MAP): Financial Diagnostic Study</p> <p>From 01/10/12 to 01/10/14</p> <p>Budget: USD 396,472</p> <p>Closed</p>	<ol style="list-style-type: none"> 1. This report was the first national financial sector diagnostic study with analysis of supply and demand, and was conducted with the full support of the Ministry of Finance. 2. The project achieved a commitment from the government to develop a financial sector roadmap based on the findings. Representatives from the Ministry of Finance, the Ministry of National Planning and Economics, the Ministry of Agriculture and the Ministry of Cooperatives participated in the MAP steering committee and in the process of developing the roadmap. 3. The roadmap was endorsed by the government at the 1st ASEAN Financial Inclusion Conference, in Yangon in October.
<p>Entrepreneurs Du Monde (EdM) Responsible Finance Seminar</p> <p>From 01/01/14 to 01/06/14</p> <p>Budget: USD 39,836</p> <p>Closed</p>	<ol style="list-style-type: none"> 1. The two-day seminar, which took place in May 2014, contributed to raising awareness on the need to incorporate basic principles to guide responsible microfinance within the existing legal framework. 2. In particular, the seminar highlighted the responsibilities of government, microfinance institutions, and microfinance associations in promoting responsible microfinance. 3. Follow up discussions took place in a series of financial inclusion seminars.
<p>International Finance Corps (IFC) – Myanmar Microfinance Development</p> <p>From 01/06/14 to 01/06/18</p> <p>Budget: USD 3,619,522</p> <p>Ongoing (the inception phase)</p>	<ol style="list-style-type: none"> 1. The project will provide institutional strengthening for three international MFIs: Pact, World Vision and Proximity Finance. 2. For greenfield financing,[1] the project selected Fullerton Financial Holdings (FHH) from Singapore.
<p>[1] Financing for operational setup costs</p>	

ANNEX 5: POLICY ISSUES IN 2014

Table 7.11: Selected Events in LIFT's Engagement in Policy Issues in 2014

Climate Change	
<p>Issue: Climate Change</p> <p>LIFT IP: FSWG</p> <p>Collaborators: BANCA</p> <p>Policy: Water Management</p>	<p>The 'National Dialogue on Climate Change Mediated Water Resource Management with Community Participation' workshop was organised in March. Participants included representatives from parliament, relevant ministries and community and regional governmental bodies, universities, the private sector, and CSOs from the Dry Zone, Coastal and Hilly regions.</p>
<p>Issue: Climate Change</p> <p>LIFT IP: IRRI</p> <p>Policy: Stress-tolerant rice</p>	<p>The IRRI project supported the implementation of government (MOAI) policies in three Delta townships: i) to promote production and utilisation of high-yielding and good quality seeds; and ii) to conduct training and education activities for farmers and extension staff on advanced agricultural techniques (Myanmar Agriculture in Brief, 2014).</p> <p>In collaboration with DoA & DAR, the project focused on seed multiplication of new stress-tolerant, high-yield rice varieties that generate the grain quality preferred by farmers. It also provided agricultural extension training to farmers and extension staff in the post-harvest management of rice seed and grain, participatory varietal selection, best management practices, quality seed production and data analyses.</p> <p>Another IRRI project carried out a research on Reducing Risks and Improving Livelihoods in the Rice Environments of Myanmar through Better Targeting of Management Options, in the Delta & the Dry Zone. Research findings, including those on climate change-adapted crop production, provided valuable contributions to the implementation of government policy.</p>
Financial Inclusion	
<p>Issue: Financial Inclusion</p> <p>LIFT IP: World Bank</p>	<p>FIND sought to enhance the framework and institutional capacity for the delivery of microfinance in Myanmar through support for the Myanmar Microfinance Supervisory Enterprise (MMSE).</p> <p>It focused on three components: institution-building and frameworks for microfinance supervision; capacity-building for the MMSE; and financial literacy and awareness. Accordingly, regulations and a new MMSE structure were recommended. A Supervisory Manual was written, 113 MMSE staff were trained and 10 MMSE staff undertook a study tour to Cambodia. In addition, following a proposal, the MMSE issued directives for client disclosure in January 2014.</p>
Food Security	
<p>Issue: Food Security</p> <p>LIFT IP: FSWG</p> <p>Policy: Evidence-based policy advocacy</p>	<p>In May 2014, the short briefing papers from two research studies, 'An analytical study on food safety issues in different stages of vegetable production—from the farm to table' and 'Factors affecting the commercialisation of the rural livestock sector in Myanmar', were published and disseminated. The research studies contained relevant recommendations for policymakers. These were presented at Yezin Agricultural University in December 2014.</p>
<p>Issue: Food Security</p> <p>LIFT IP: FSWG / LCG</p> <p>Policy: Evidence-based policy advocacy</p>	<p>Research on maize contract farming was completed and is undergoing an extensive review. A contract farming policy brief has been developed from the research.</p>
<p>Issue: Food Security</p> <p>LIFT IP: FSWG</p> <p>Policy: Food security policy analysis & advocacy based on national legislation & national policy frameworks</p>	<p>Policy analyses carried out by the FSWG throughout 2014 included analysis of:</p> <ul style="list-style-type: none"> • The Farmer's Rights, Protection and Economic Welfare Enhancement Act and its by-laws • The Seed Law and Policy • The National Framework on Rice and the broader regulatory environment for rice production and trade • Agricultural investment related policies <p>Some analytical findings from completed portions of the Farmer Protection and Economic Welfare Enhancement Act and its by-laws were communicated in writing to the Pyithu Hluttaw's (House of Representatives) Agriculture, Livestock and Fishery Development Committee. For advocacy purposes, policy briefs on each of the above legislations will be produced upon completion of the policy analysis.</p> <p>Draft policy recommendations were also formulated for the Strategic Framework for Rural Development and the National Plan of Action for Food and Nutrition. FSWG is still seeking the full endorsement of its members before finalising the drafts.</p>

Table 7.11 continued

<p>Issue: Food Security</p> <p>LIFT IP: FSWG</p> <p>Policy: Global/regional policy initiatives</p>	<p>FSWG jointly organised a workshop with ActionAid on 'Sustainable Livelihoods & Food Security in ASEAN: The Impact of Regional and National Policies on Smallholder and Landless Farmers', in March.</p> <p>It also organised the 'Regional Civil Society Dialogue to Improve Food Security, Agriculture and Rural Development Policies in South-East Asia', in September that produced a joint Civil Society Statement for the 36th Meeting of ASEAN Ministers of Agriculture and Forestry.</p>
Gender	
<p>Issue: Gender</p> <p>LIFT IP: GEN</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: Advancement of women</p>	<p>Engagement in official implementation processes and advocacy to speed up the operationalisation of the National Strategic Plan for the Advancement of Women, 2013-2022.</p>
<p>Issue: Gender</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: Discrimination against women</p>	<p>Technical support to the government's CEDAW* report.</p> <p>* Convention to Eliminate All Forms of Discrimination Against Women</p>
<p>Issue: Gender</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: Violence against women</p>	<p>The Prevention of Violence Against Women (PoVAW) law was drafted.</p> <p>Briefing papers were prepared on issues covered in the law that will be used for advocacy purposes.</p> <p>Local campaigns were organised in Myanmar to support the global 16 Days of Activism Campaign Against Gender-Based Violence.</p>
<p>Issue: Gender</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: Women's land rights</p>	<p>GEN established a Gender and Environment Working Group in 2014. Its key achievement was the provision of gendered analysis and discussion on the draft National Land-Use Policy.</p>
<p>Issue: Gender</p> <p>LIFT IP: FSWG / LCG</p> <p>Policy: Women's land rights</p>	<p>A research study on the relation between gender and land tenure was completed and the report is being finalised.</p>
Land	
<p>Issue: Land</p> <p>LIFT IP: FSWG / LCG</p> <p>Collaborators: Led by the Institute of Social Studies, Erasmus University</p>	<p>The Mosaic Collaborative Research programme aims to understand the interplay between land grabbing, conflict and climate mitigation policies. Research proposals have been developed and field research is being undertaken.</p> <p>As part of the research, two case studies were completed: i) local CSO, Share Mercy, examined so called 'resolved' land disputes as notified by the parliamentary investigation commission, and ii) a Masters student from Holland analysed perceptions of justice in land grabbing cases in Bago Region.</p>
<p>Issue: Land</p> <p>LIFT IP: FSWG / LCG</p>	<p>Myanmar Investment Law: LCG members reviewed the law being drafted by the IFC and offered comments at an IFC consultation.</p> <p>National Land-Use Policy: Facilitating consultations on the draft was a major advocacy target for LCG in 2014. The LCG Chair, as an adviser to the NLUSC, was well placed to lead the facilitation of CSO engagement in the policy development process and has been working from the inside to ensure that the government implements a genuine public consultation process.</p>
<p>Issue: Land</p> <p>Collaborators: FSWG / LCG</p> <p>Policy: Global/regional land policy initiatives</p>	<p>At the ASEAN Peoples Forum in March 2014 the LCG helped to organise two workshops including a very popular land grabbing workshop with 40 Myanmar farmers.</p> <p>The LCG became a major partner of the Mekong Regional Land Governance project.</p>

Table 7.11 continued

<p>Issue: Land</p> <p>LIFT IP: GRET</p>	<p>A research study, Understanding rural land issues to engage comprehensive policy dialogue in Myanmar, was conducted after the 2012 Farmland Law & VFV Law* came into force, and is ongoing. It aims to improve understanding of the links between land tenure and food security, and to provide for enhanced and comprehensive policy dialogue (see page 85).</p> <p>*Vacant, Fellow and Virgin Land Management Law</p>
<p>Issue: Land</p> <p>LIFT IP: UN-Habitat</p> <p>Collaborators: SLRD (MOAI)</p> <p>Policy: National legal / policy framework</p>	<p>UN-Habitat's LAMP project aims to support effective implementation of the 2012 Farmland Law. It seeks to provide technical assistance & capacity-building to SLRD, the key government agency, to establish a land administration and management system with reliable ownership information, including updated land maps. In 2014, the LAMP project was launched following the signing of the LOA, the renovation of its offices, recruitment of UN-Habitat staff, and the start of project activities, including the delivery of nearly all procurement items to SLRD offices.</p>
Nutrition	
<p>Issue: Nutrition</p> <p>LIFT IP: LEARN Consortium</p> <p>Collaborators: National Nutrition Centre, DOH</p> <p>Policy: SUN Global Social Policy initiative</p>	<p>Technical and financial support was provided to the National Nutrition Centre (MOH) to develop a 2-minute public awareness video on the importance of good nutrition during the 1000 Days window (the time from a child's conception to its first birthday). This was first broadcast on TV in August.</p>
<p>Issue: Nutrition</p> <p>LIFT IP: PATH</p> <p>Collaborators: The project's focal agency, the National Nutrition Centre, is mandated to operationalise the NPAFN (see below) under the SUN initiative, which will also contribute to the country's Rural Development and Poverty Reduction programme.</p> <p>Policy: Contributing to national food fortification policy development</p>	<p>The 'Introduction of Fortified Rice in Myanmar Project' contributes to the development of a broader national food fortification policy. It seeks to use fortified rice as an example to demonstrate to the government the essential components of policymaking and helps to test important principles such as standards, quality control and government oversight.</p> <p>The project is directly aligned with the government initiatives espoused in the NPAFN, which identifies several food fortification strategies to address micronutrient deficiencies.</p>
<p>Issue: Nutrition</p> <p>Policy: National Plan of Action for Food and Nutrition (NPAFN)</p>	<p>By actively participating in Myanmar Nutrition Technical Network meetings, LEARN continued to support and advocate for the need for nutrition-sensitive programming in implementing the NPAFN, particularly in food security and livelihoods sectors. (LIFT seeks to deliver a comprehensive approach to food security that includes all three food security pillars: availability, access and utilisation.)</p>
<p>Issue: Nutrition</p> <p>Policy: Food Security Information System (FSIN)</p>	<p>There is little documented food security and nutrition-sensitive information and evidence in Myanmar to mobilise resources for advocacy for political support in all sectors. LIFT funded FSIN to collect sentinel food security information from partner areas. LEARN supported this by including a nutrition module.</p>
Rural Development	
<p>Issue: Rural Development</p> <p>LIFT IP: FAO</p> <p>Collaborators: MLFRD & MOAI</p> <p>Policy: NAPA</p>	<p>Phase I of the formulation and approval of the Interim National Plan of Action for Poverty Alleviation and Rural Development through Agriculture (NAPA) was ongoing. Actual operationalisation/implementation of NAPA will be done only after extensive review and approval by local/regional/national state stakeholders.</p>

Table 7.11 continued

<p>Issue: Rural Development</p> <p>LIFT IP: LIFT</p> <p>Collaborators: MLFRD (DRD)</p> <p>Policy: Operationalising the National Strategic Framework for Rural Development</p>	<p>A Comprehensive Capacity Development Plan (2014-17) has been produced for the DRD, to help it perform and deliver its mandated functions: the implementation of the National Rural Development Strategic Framework and other development, management and coordination activities.</p> <p>Village planning is also being developed to build the capacity of village communities to better define, structure and articulate their development aspirations and priorities, as part of the effective operationalisation of the RDSF.</p>
<p>Issue: Rural Development</p> <p>LIFT IP: NAG</p> <p>Collaborators: Ayeyarwady Regional Government</p> <p>Policy: Fishery</p>	<p>A policy advocacy workshop was organised for fishery co-management at the regional level, and as a result, the regional government has agreed to pilot, with NAG support, a fishery co-management mechanism in one area of Dedaye Township.</p>
<p>Social Protection</p>	
<p>Issue: Social Protection (SP)</p> <p>LIFT IP: HelpAge</p> <p>Collaborators: DSW & MoLFRD; YMCA, NAG, TLMI and Golden Plains Agricultural Cooperative (REVEAL's project in Mandalay Region)</p> <p>Policy: Community-based model for the disadvantaged</p>	<p>REVEAL's* community-based model for marginalised people was developed and has strong potential for replication by the government in other states/regions.</p> <p>*Reducing Economic Vulnerability through an Equitable/Inclusive Approach to Livelihoods (REVEAL) is a project implemented by a group of NGO consortiums that includes HelpAge International, the Network Activities Group, the National Council of YMCAs in Myanmar, the Golden Plain Agricultural Products Cooperative Society Ltd., and the Leprosy Mission International.</p>
<p>Issue: Social Protection (SP)</p> <p>LIFT IP: HelpAge</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: Regional social protection plan</p>	<p>HelpAge successfully conducted an SP orientation workshop for government officers on developing SP state plans in Mon State.</p>
<p>Issue: Social Protection (SP)</p> <p>LIFT IP: HelpAge</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: Strengthening the role of the Ministry of Social Welfare in SP</p>	<p>As a member of the Social Protection Technical Working Group (SP TWG) and the only external organisation sitting at MSWRR, HelpAge was well placed to effectively provide capacity-building, knowledge-sharing and policy advice to the Ministry in support of its policy outcomes.</p>
<p>Issue: Social Protection (SP)</p> <p>LIFT IP: SPPRG</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: National Social Protection Strategy for Poverty Reduction</p>	<p>Through productive policy dialogue with MWSRR, SPPRG successfully advocated for a strategy that incorporates social protection as a key integrated component of poverty reduction.</p>

Table 7.11 continued

<p>Issue: Social Protection (SP)</p> <p>Collaborators: DSW (MSWRR)</p> <p>Policy: Shaping local evidence-based SP plans for state/regional governments</p>	<p>At the request of DSW, social protection planning for the state/regional level took place in Sagaing, Chin and Mandalay.</p>
Migration	
<p>Issue: Migration</p> <p>LIFT IP: SPPRG</p> <p>Collaborators: Social Security Board of Ministry of Labour, Employment and Social Security, & ActionAid</p> <p>Policy: Formal sector internal migration</p>	<p>Research on Formal Sector Internal Migration in Myanmar was conducted, which provides valuable evidence for policy development. To date, there has been no written, publicised policy relating to internal migration, although the Ministry of Labour, Employment and Social Security announced overseas employment policy measures targeting workers migrating abroad.</p> <p>The study finds that nearly half of all formal sector workers have migrated internally for work. A major migration dynamic is the net import of migrant labour, particularly young male migrants, from Ayeyarwady Region to Yangon Region. Migration in the formal sector in the Dry Zone tends to be from one region in the Dry Zone to another, although there is still a net export of migrant labour from the Dry Zone to Yangon. The majority of migrants send back remittances, confirming the crucial role that remittances have on household economies.</p>

ANNEX 6: LIFT PUBLICATIONS, 2014

Table 7.12: LIFT Publications, 2014

	Title	Authors/Commissioners
1	Annual Report 2013	LIFT
2	Capitalising on Rice Export Opportunities	LIFT & World Bank
3	Qualitative Social and Economic Monitoring Round 3 (QSEM 3)	LIFT & World Bank
4	FMO and FB Governance Review	Crown Agents
5	Household Survey 2013	LIFT
6	Tat Lan Baseline	CARE
7	Farm Production Economics Survey	World Bank and Agrifood Consulting International (ACI)
8	Farmer Field School Facilitators Handbook	LIFT & Metta
9	Making Access Possible (MAP) Finscope summary	UNCDF
10	Pumped Irrigation Rehabilitation Project Pyawt Ywa Scheme Sagaing Region, Myanmar: Project Design document	Lewthwaite Consulting
11	Dry Zone Scoping Report	FAO Investment Centre
12	Village Organisation Study	Myanmar Survey Research (MSR) & LIFT
13	Value for Money	Consultant David Toomey
14	Household Tracker Survey 2014-15	MMRD (for publication 2015)
15	Migration Study	MSR and IndoChina Research (RL)
16	Making Access Possible (MAP): Myanmar Demand, Supply, Policy and Regulatory 2014	UNCDF, Cenfri, FinMark Trust, UNDP, LIFT

SELECTED STUDIES ARE SUMMARISED BELOW:

LIFT's Household Survey (HHS) 2013

Authors: ICF International Inc. with Myanmar Survey Research (MSR).

Purpose: To provide updated evidence on the rural situation to compare against LIFT's 2012 Baseline Study.

Methodology: As far as possible, the survey covered the same treatment and control villages as the Baseline Study, including 2,400 LIFT-supported households and 800 control households in 200 villages.

Launches: In Nay Pyi Taw and Yangon, August 2014

Main findings: Research indicates that remarkable changes took place in rural Myanmar, both in and outside areas where LIFT is working. The most significant improvements were in household food security, but improvements occurred in other areas as well, including asset ownership. The data demonstrates that these improvements are happening more rapidly in LIFT target areas. On some important indicators (again, particularly in household food security), the data shows significantly more improvement in 'LIFT villages' than in 'control villages'. The data also shows that improvements are accruing more rapidly in some households, particularly those with land and/or higher incomes.

LIFT 2014-15 Household Tracker Survey

Authors: Myanmar Marketing Research and Development (MMRD)

Purpose: LIFT commissioned the Household Tracker Survey in late 2014 to bridge the gap in comparative data until the next full household survey (HHS), which is expected in late 2016.

Methodology: The research involved a sample of 20 per cent of the 3,200 beneficiary households interviewed in the 2013 HHS. It took place in 36 treatment villages and 15 control villages, surveying 16 households in each, with a total sample of 816 (576 treatment households and 240 control households). Impact is measured by a reduced set of indicators for outcomes, outputs and processes from the LIFT logframe.

Due date: The draft is expected in the second quarter of 2015.

Qualitative Social and Economic Monitoring Survey (QSEM) Round 3

Authors: Enlightened Myanmar Research with support and technical assistance from the World Bank.

Purpose: The QSEM project provides an in-depth analysis of rural life in Myanmar: livelihood strategies and activities, and the wider factors that shape them. The first QSEM took place in 2012. The study series allows the project to monitor changes in the villages over time.

Methodology: QSEM Round 3 covered 36 villages across Ayeyarwady, Chin, Magway, Mandalay, Rakhine and Shan.

Launch: In Yangon, March and July

Main findings: The results highlight how Myanmar's national transition may be playing out at the village level in rural areas. Although the report documented few significant changes in livelihood patterns, aside from an increase in peak season labour in some areas, there were interesting changes in land management, migration, village governance, and local organising:

Land: There were emerging changes around land at the village level as a result of new **land laws:** the Farmland Law and the Vacant, Fallow and Virgin Lands Management Law, 2012. In most village tracts, land management committees had been set up to help implement the new laws. Villagers also reported corruption in the implementation of the land laws, raising issues around political economy at the village and township level as Myanmar's reform process unfolds.

Migration: Farmers continued to report labour shortages at peak season and in some areas reported an increase in the cost of labour. Although there was little hard evidence for the reasons for this, farmers perceived this to be linked to an increase in distress-related outmigration.

Village governance: There were notable changes in village governance, which, like land, were a direct result of changes in government policy—in this case the new Village Ward and Tract law. Three out of the four states and regions had held village tract elections at the time of the study. There was a high degree of competition for the village tract administrator post, fuelled by the potential for private gain. In some cases competition over these elections created local tension.

Local organising: There were several new examples of local organising and collective bargaining. They were linked to a variety of issues, including land, foreign investment and the

upcoming 2014 elections, highlighting the fact that local communities are making use of the opportunities afforded by the transition.

QSEM 4 fieldwork is complete, and its draft findings will be reported in early 2015. The QSEM project will continue into Round 5.

Myanmar: Capitalising on Rice Export Opportunities

Authors: the World Bank in collaboration with LIFT. The report was prepared by the World Bank's Southeast Asia Sustainable Development Unit, East Asia and Pacific Region, as a part of the Reimbursable Advisory Services to LIFT in Myanmar.

Date: February 2014

Main findings: Myanmar's government set the goal of increasing rice exports to 2 million tonnes by 2014/15 and to 4 million tonnes by 2019/20. Actual performance is lagging behind, but there is potential for higher agricultural productivity, leading to an increase in exports, inclusive economic growth and poverty reduction. Paddy accounts for 30 per cent of Myanmar's total planted area, produced mainly by small farms (two hectares on average), and it constitutes 40 per cent of the gross agricultural output, or approximately 13 per cent of the country's GDP. Paddy yields are among the lowest in South-East Asia (with a milling ratio of below 60 per cent) and rice quality is very low due to obsolete processing facilities. Inefficiencies in the milling sector are also the result of costly and slow export logistics and poorly-defined agricultural policy. However, Myanmar and Cambodia are the only countries in South-East Asia with the potential to double paddy yields and improve rice quality. The study also found that crop diversification is more likely only after farmers have produced enough rice to meet their household demands.

Main recommendations proposed in the report:

- Modernise the milling industry with: investments in public goods; private sector-friendly regulations and an open trade policy; access to credit and technical and managerial know-how; and a reliable, low-cost electricity supply
- Review transport and export procedures and costs (especially in Yangon Port)
- Improve water management (small-scale irrigation systems could increase yields from 2.5 to 3.4 tonnes per hectare)
- Identify seed varieties with good export

potential

- Develop a sanitary and phytosanitary agreement with China to allow formal exports at the border
- Invest in farm-to-market logistics (especially in the Ayeyarwaddy Delta, the backbone of rice production) and rural finance
- Reconsider the current practice of limiting the Myanmar Agricultural Development Bank loans to six months
- Remove the clause from the Foreign Direct Investment Law for government approval of joint ventures in the rice milling industry and revise the rules for domestic commercial loans

Study of the Economics of Farm Production

Authors: The study is managed by the World Bank and led by Agrifood Consulting International (ACI).

Purpose:(i) To fill the knowledge gap in farming production costs and profitability in Myanmar (e.g., the use of seeds and fertiliser, the difference in performance of small versus large farms, the difference in profitability of crops produced in monsoon and summer seasons, etc.); (ii) to obtain farmer's views on their crop cultivation methods, production, sources of supply for inputs and markets for outputs.

Launch: Preliminary findings were shared at the LIFT Annual Forum, Nay Pyi Taw, November 2014

Methodology: The first round of the survey was conducted in Ayeyarwady, Bago and Sagaing Regions and in Shan State from November to December 2013. The data was then complemented by a second phase focusing on second season rice and pulses from mid-October to mid-May, 2014. The survey team selected villages close to towns, and which had a sufficient number of farmers practicing double-cropping. In Ayeyarwady, Bago, Sagaing and Taunggyi, village tracts were pre-selected using random sampling methods with multiple substitutes. In Shan State, the random sampling was not possible due to the security situation, so the team relied on information from the Township Administration Office. At the village level, the survey sampled farmers performing double-cropping with at least one of the target products.

Main findings: The selected farmers were mainly rice growers during the main season but also grew a variety of crops during the dry season, including dry season rice. Out of the initial 1,728 selected farms, about 56 per cent provided information on non-rice production, mainly pulses, and about 20 per cent on rice production. On the whole, they represented

the more advanced adopters, using more fertiliser and better seed quality, and with better access to services, credit, equipment and water irrigation. It therefore follows that the survey results are not nationally representative. The final results of the two surveys will be presented in 2015.

Migration Study

Authors: The qualitative component of the study is being conducted by MSR in eight villages, and the quantitative study by IndoChina Research (RL) with support and technical guidance from the World Bank.

Purpose: The study was prompted by the QSEM3, which identified migration-related dynamics that are central to community development in Myanmar.

Specifically:

- i) The important role that remittances play in helping sending-households cope with shocks
- ii) Variations in migration strategies related to household socio-economic status
- iii) Perceptions that migration is resulting in labour shortages in villages

The purpose of the migration study is to understand who migrates and why, migration strategies, the role of social networks and the impact of migration on those left behind, at both household and community levels.

Methodology: The study comprised of a literature review, and both qualitative and quantitative research on migration in Magway and Ayeyarwady Regions.

Due date: Results are expected in the second quarter of 2015.

Village Organisations (VO) Study

Authors: The study was carried out by Myanmar Survey Research (MSR) with support and technical assistance from LIFT.

Purpose: To evaluate the efficacy of LIFT support to Village Organisations and provide recommendations and lessons to guide future LIFT programmes.

Methodology: Fieldwork took place from May to June 2014, covering 50 randomly selected villages (in 28 townships in 10 states and regions) where LIFT is active. Altogether, 143 key informant interviews and 287 focus group discussions were conducted.

Due date: The draft report will be delivered in April 2015.

Value for Money (VFM) Study

Authors: Consultant David Toomey

Purpose: To propose, evaluate, design and trial a range of options for VFM assessment of LIFT programmes.

Methodology: The study consisted of a desk review of published and unpublished LIFT documentation, and a review of VFM approaches adopted by other grant-makers, donors and projects.

Workshops: Yangon, February and October 2014.

Main findings: The VFM approach is based on maximising the impact of all inputs to improve the lives of intended beneficiaries, using an array of measurements that are employed to understand and provide evidence of the economy, efficiency, and effectiveness of the project's implementation processes.

The main recommendations were:

- VFM assessment and quality assurance, including the use of VFM tools, are to be a required part of all LIFT IP project preparation, management, monitoring and reporting
- LIFT to provide VFM training for all IPs
- Consider different levels of rigour for existing and new IPs and/or projects implemented by local NGOs and international NGOs
- Make adjustments to all LIFT documents and reporting templates to include clear VFM instructions
- Strengthen the LIFT M&E office with specific high-level VFM expertise
- Develop and provide detailed VFM 'How-To' manuals to all IPs and FMO staff, and provide a step-by-step VFM capture strategy for each stage of grant-making and project implementation processes

FMO has since identified appropriate and feasible VFM options for LIFT programmes, most of which are already covered by the Operational Guidelines. These steps form the basis of a *Compliance Checker*, to keep track of which actions have been completed throughout the whole management cycle. The FMO has also been investigating which VFM-related indicators can be measured with existing data, and which indicators require additional data. Nine VFM indicators are being pilot tested, with the aim of including some of them in the design of LIFT's calls for proposals in early 2015.

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