

# THE VILLAGE ORGANISATION STUDY



## Livelihoods and Food Security Trust Fund



## ACKNOWLEDGEMENTS

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## DISCLAIMER

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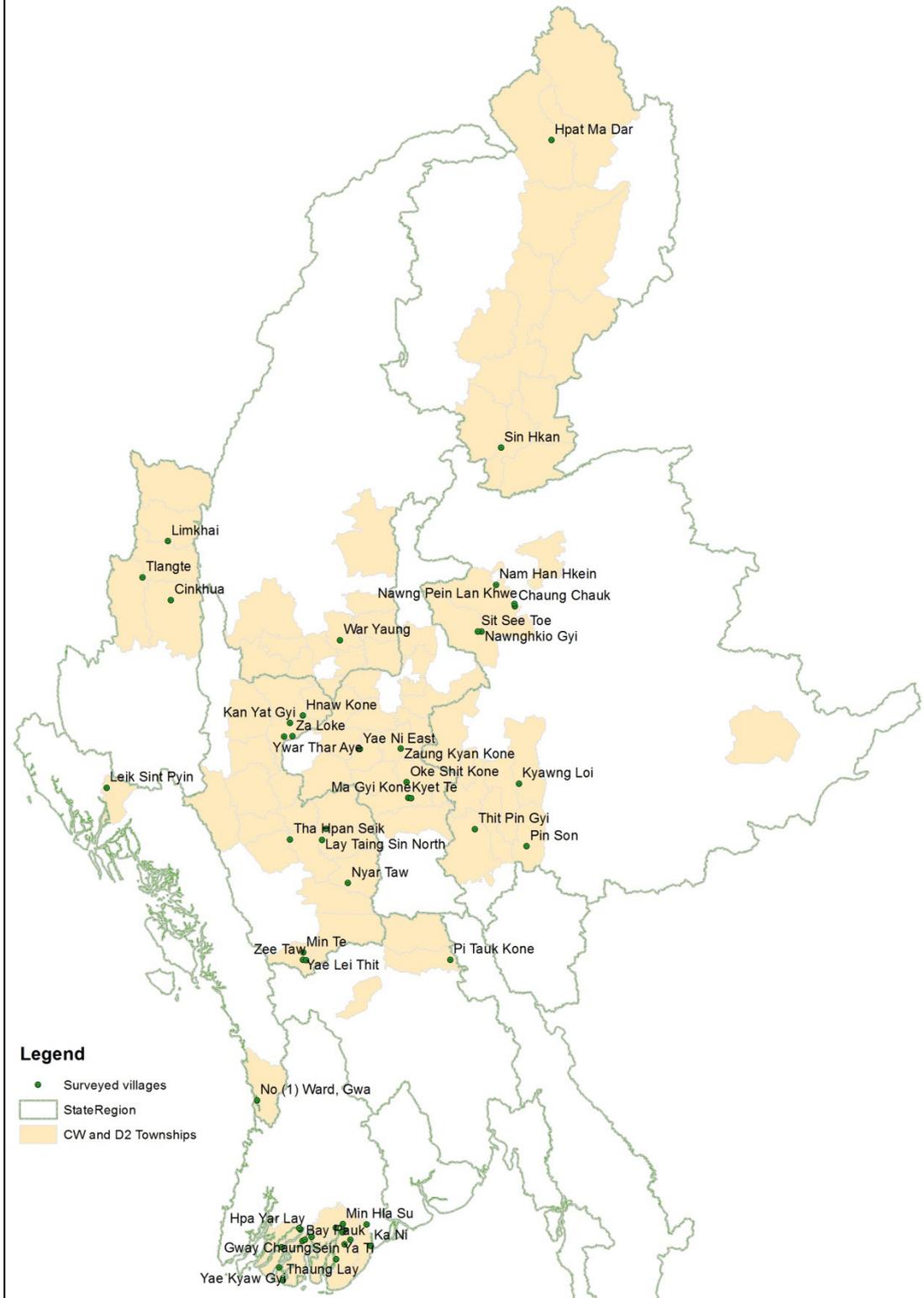
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# ABBREVIATIONS AND ACRONYMS

CfW	Cash for work
EU	European Union
FG	Farmer group
FGD	Focus group discussion
IP	Implementing Partner
LIFT	Livelihoods and Food Security Trust (Fund)
MF	Microfinance
M&E	Monitoring and evaluation
NGO	Non-government organization
UN	United Nations
UNDP	United Nations Development Program
UNOPS	United Nations Office for Project Services
VDC	Village development committee
VO	Village organization

Figure 1: Location of Villages Selected for the Village Organisation Study



# EXECUTIVE SUMMARY

## Introduction<sup>1</sup>

The Livelihoods and Food Security Trust Fund (LIFT) is a multi-donor fund that aims to address food insecurity and income poverty in Myanmar.<sup>2</sup> Working through a trust fund modality, LIFT's purpose is to increase the food availability and incomes of two million target beneficiaries in rural areas in Myanmar. LIFT was established in 2009 and will remain operational until 2018.

LIFT is implemented through a variety of implementing partners (IPs) who by the end of 2014, had supported over 10,000 village organisations (VOs). The vast majority of these VOs were not pre-existing but were established under the IP project. These VOs varied by type and included Village Development Committees (VDCs) representing the whole village community, down to smaller livelihood committees and self-help groups formed around revolving funds and savings and loans interventions. Just as the roles and functions of these VOs varied, so has the support provided by IPs. This support included training in organisational development, training in specific livelihood technical skills, study visits and exchanges, and provision of funds and resources (from simple stationery and strong boxes to seed money, livestock and livelihood-related equipment). By the end of 2014, 109,925 members from the more than 10,000 VOs had received management or technical training. These included 67,677 female members.

In some cases the IP projects supported the VOs primarily as a mechanism to deliver assistance to village beneficiaries. In other cases, the strengthening of the VOs was a major objective and the principle means by which villages could drive their own planning, development, and monitoring and evaluation (M&E).

Where new organisations were established or existing ones empowered through training and resources, there have been ramifications on the social fabric and power structures of village communities. Similarly, the VOs supported by IPs have inevitably mediated the benefits reaching households and individuals particularly in terms of the targeting, timing and distribution of benefits. It was therefore important for LIFT to understand the representativeness of these organisations and the equity of their decision-making in relation to women, the poor and vulnerable, and ethnic and religious minorities.

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1 Many people have contributed to the design and completion of this study. Sincere thanks must go to the LIFT Monitoring and Evaluation Team, particularly Aung Kyaw Kyaw who has been deeply involved in every step along the way; the diligent survey teams, logistical experts and analysts from Myanmar Survey Research; the LIFT implementing partners who provided great assistance to the survey teams in providing background and in village introductions; and the villagers themselves who gave up their valuable time to discuss the many issues covered. George Collett, M&E Consultant, conducted the final analysis and was responsible for documenting the study including the conclusions and recommendations.

2 The Donor Consortium of LIFT comprises Australia, Denmark, the European Union, France, Ireland, Italy, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States and from the private sector, the Mitsubishi Corporation. UNOPS was selected by the donors as the LIFT fund manager and has established a Fund Management Office (FMO) for this purpose.

## Objectives of the study

This study aimed to critically analyse the outcomes of LIFT support to VOs in Myanmar in particular:

- To better understand the generic principles, processes and challenges towards mobilization of effective VOs.
- To better understand the enabling conditions and associated support required for pro-poor, effective, and sustainable VOs.
- To develop recommendations and lessons to guide future livelihood and food security initiatives implemented at the village level through or with the support of VOs.

The study considered a number of research questions including:

- What has been the range of approaches applied by IPs to support VOs?
- What has worked best and least well among these approaches and what have been the factors in success or the constraints faced by each?
- How effective have VOs been in promoting livelihoods and food security?
- What are the advantages and disadvantages of providing support to VOs purely to support project implementation? When is such support appropriate or inappropriate?
- Will the VOs continue after the IP projects end? Are they sustainable? What are the factors that should contribute to their sustainability or lack thereof?
- How representative are these organizations and how equitable have been their decisions in relation to women, the poor and vulnerable?
- What have been the results of support to village groups in relation to social capital and power structures at the village level?

## Methodology

The initial field research phase, described in this report, comprised of visits to 50 LIFT villages. In each village research teams conducted focus group discussions and key informant interviews (KIIs) with VO members and a range of other community representatives. The second and final stage of field research is yet to be conducted. In this stage, research teams will return to the same 50 villages once the IP projects have been completed to assess the evolution and sustainability of the groups.

In all, 50 villages were selected for the VO study from the 3,820 LIFT villages where implementing partners had been working predominantly under LIFT's Delta 2 and Countrywide programs. The objective of the sampling process was to ensure a good range of IP projects were covered while still providing some randomness in selection of villages and IP projects.

Overall there were 19 LIFT IPs that had implemented projects within the 50 village sample. Three of these IPs implemented two projects, the remainder only one. In total there were 22 projects represented in the sample. Some villages had had more than one LIFT project. (Details are provided in the body of the report).

The field research used a combination of quantitative and qualitative methods. In each village, key informant interviews (KIIs) with village leaders and knowledgeable members of the community, including women, used a standard set of questions and collected information on all the VOs that had been active in each village during the past 12 months.

Up to three VOs in each village were then selected for more detailed study by means of FGDs. The number of VOs covered in each village varied and depended on the number of VOs that had received LIFT IP support. In 16 villages three VOs were studied, in 12 villages two VOs were studied and in 22 villages one VO was investigated.

For each of the VOs selected, two FGDs were generally undertaken; one FGD for office holders and members of the VO, and another for non-members with similar livelihoods and socio economic status. In addition to the FGDs related to specific VOs, two FGDs were conducted in each sample village for separate groups of men and women from very poor, disadvantaged households regardless of whether they were members of any VO.

The following types of VOs were represented in the sample of 50 villages:

- Village Development Committees (VDC)/and sub-committees
- Farmer field schools (FFS)/farmer extension groups
- Groups administering revolving funds in kind
- Village Savings and Loans Associations (VSLA)/Self Help Groups (SHG)/Self Reliance Groups (SRG) that provide cash loans to members
- Groups set up to manage cash-for-work (CfW) activities
- Rice bank and seed bank groups, and one
- Forestry group

Altogether 50 KIIs with knowledgeable village community members, 93 KIIs with selected VOs, and 287 focus group discussions (FGDs) were conducted in 50 villages from 28 townships from April 30, 2014 to June 7, 2014. The field work took between 1 and 4 days in each village depending on the number of VOs LIFT IPs had supported.

The field research was greatly facilitated by the field staff of the LIFT IPs working in the selected villages. They forewarned the villages of the study schedule, provided information on the types of VOs they had supported in each village, and introduced the contractor's field team to village and VO leaders.

## **Limitations of the study**

The study, while it went through three rounds of pilot testing and subsequent discussion with the contracted field teams, proved difficult for FGD facilitators to implement. This was in part due to the limited facilitator experience in qualitative research; a common constraint faced by other research commissioned by LIFT. The following were some of the issues affecting the implementation of the study and the quality of its findings:

- In general, the longer FGDs took 2.5 to 3 hours to conduct. This was clearly too long and showed lack of familiarity with the research objectives and a very formal use of the question checklist tool.
- Some facilitators had only limited experience in qualitative research.
- Some field teams were confused on the nature of the VO and frequently misclassified them which resulted in asking them too many questions or questions of little relevance to the study.
- Despite two rounds of training and three pilots where it was stressed that facilitators skip questions that were of little relevance to FGD participants it was apparent that most facilitators used the question checklist as a questionnaire and read questions to participants in order.
- Some facilitators had little understanding of the objectives behind each question, sometimes failing to ask critical questions for a specific group, failing to probe for reasons, or recording answers that were irrelevant.

Despite these issues a vast amount of information was collected from VO members, other village residents who were not members of the VO, and poor male and female villagers in each study location. This provided a rich source of villager perspectives on the motivations behind each VO, the nature of VO work, the inclusiveness of membership and distribution of benefits, VO strengths and limitations, VO effectiveness in village development, and the likely sustainability of the study VO.

Notwithstanding, the study results should not be seen as representative of all LIFT VOs nor of the work of specific LIFT IPs but provides a window into community perceptions of how selected VOs have been established, how they have contributed to village development, who they have benefited and whether they may continue into the future.

## Conclusions from Phase I of the study

LIFT, and the projects it has funded, have made a significant impact on the social and organizational landscapes in the villages that have received support. LIFT IPs had established an average of two new village organizations in each of the sample villages. Rather than work through existing groups (present in 60% of the sample villages), in the vast majority of cases, LIFT IPs have established new organizations. Generally the IP has determined the goals and objectives of the group and often overseen procedures for selection of members (targeting of beneficiaries) and sometimes leaders and management committees. In most cases the IPs have determined the roles of each VO and helped them establish procedures for their operations.

The potential of these thousands of VOs to contribute to ongoing community development in Myanmar is very significant. However evidence from this study suggests that not all LIFT projects had directed sufficient attention to social capital formation.<sup>3</sup> Generally groups have been formed quickly as the necessary vehicles for implementing the short duration LIFT projects. A good proportion of LIFT IPs had projects covering many villages and with limited field staff and tight seasonal windows. The study indicated that many groups despite being newly established had received minimal capacity development support: management committees and members frequently reported the need for further training in financial management and many lacked clear rules and regulations to govern their activities. Few had clear plans of what they would do following the end of the LIFT project.

However, even those VOs not envisaged to have a lasting role seem motivated to be involved in other development efforts for their communities. For example cash-for work (CfW) VOs were not normally capacitated to play a lasting role in community development. However, having successfully accomplished a significant development activity for the community using their local labour, nearly half of the sampled CfW groups were inspired to continue into new ventures.

### Establishing new village organizations

Despite the pre-existence of other VOs in the majority of sampled villages, most LIFT IPs established new VOs. Discussions with VO members indicate that LIFT IPs had invested in these new VOs their own philosophies and practical requirements for project implementation. Given the short duration, output oriented projects with carefully monitored targets, many IPs were very directive in the establishment of VOs that were clearly essential for project implementation in the targeted villages. It was easier and quicker to establish a new VO with very project-specific objectives and responsibilities than to guide and coach an established village group to take on new responsibilities. Many IPs therefore determined the objectives, rules and responsibilities and practices and procedures of their VOs. In such cases, there was little room for VO initiative and group learning. It is argued that this may have had the effect of creating dependency, leaving the VOs poorly prepared for life after LIFT.

### Motivations for establishing VOs and VO roles in project implementation

VOs have played very central roles in LIFT IP project implementation. They have been the vehicles for identifying beneficiaries of whatever form of support provided, they have organized the implementation of many types of activities and have managed funds under the various types of savings and loans schemes including revolving funds-in-kind. In many cases they have also kept records used by IPs in reporting to LIFT and fund contributors. Without the contributions of these VOs, few of the IP projects would have been possible to implement within the time and resources available. It may be argued that VOs have been established to serve the interests of the IP rather than to develop/strengthen authentic, fully representative bodies for village development. In order to rapidly implement their projects to scale across often many villages, some IPs have used a standard, pre-determined approach to VO establishment.

Other IPs have been much more concerned to lay the foundations for broad-based, inclusive village development and have taken a different approach to mobilizing and strengthening VOs. IPs that worked

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3 There isn't an agreed definition of 'social capital'. Francis Fukuyama explains it as shared norms or values that promote social co-operation, represented in actual social relationships. He considers it a necessary precondition for successful development. (Francis Fukuyama "Social Capital and Development: The Coming Agenda," SAIS Review Volume 22, Number 1, Winter-Spring 2002). James Coleman, an American sociologist and one of the earliest users of the term, considers that social capital refers to people's ability to work together in groups. This would include cooperating together towards a common goal on the basis of shared norms and values. Robert Putnam had a similar conception. Social capital 'refers to the collective value of all 'social networks' and the inclinations that arise from these networks to do things for each other.' Robert Putnam (2000), "Bowling Alone: The Collapse and Revival of American Community" (Simon and Schuster). Putnam believes that social capital can be measured by the amount of trust and "reciprocity" in a community or between individuals.

with VDCs generally fall into this latter group.

This suggests two extremes in a continuum of approaches. At one end were projects implemented to scale across many villages using a blueprint but with simple clear indicators of success (eg numbers of village women taking out livelihood loans, numbers of village ponds rehabilitated cost-effectively). At the other, were projects seeking to strengthen or establish a village institution that would be empowered to determine its own development path long into the future.

### **VO membership and targeting**

Across all VOs, members were predominantly male. Membership numbers were provided during the KII for 167 of the 178 VOs in the 50 villages, including both LIFT supported VOs and other VOs. Overall there were 11,391 VO members of which 7,440 were male (65%) and 3,951 were female (35%) in these 167 VOs. The representation of women among LIFT supported VOs was 31% and among other VOs was marginally better 40%.

The extent of under-representation of women is surprising given that many of the LIFT-supported VOs were exclusively for women (such as the microfinance groups supported by LIFT through PACT). The gender division among members is important given that women generally play different roles in household rural livelihoods and in managing household food security and nutrition.

### **How representative are these organizations and how equitable have been their decisions in relation to women, the poor and vulnerable?**

Results of the study suggest that despite common IP project intentions to support the poor and vulnerable, many of the VOs they established did not represent the interests of these groups. Some VOs clearly excluded the very poor such as the VOs for farmers, several of which even imposed a minimum land holding size for members. Some of the microfinance (MF) groups, as discussed later, discouraged the very poor from joining in order to ensure borrowers could service their loans. Other VOs excluded the poorest households due to the joining or membership fees (in cash or kind).

### **Impacts of VO activities for the most poor and vulnerable**

It is apparent from the responses from VO members and non-members alike that few of the VOs and IP projects have been fully successful in reaching the most poor and vulnerable in a community. Even where targeting the poor and landless has been the ambition, or establishing a social safety-net at times of greatest food insecurity, the VOs and their IP projects have faced difficulties.

In some cases, the projects by their very nature should not be expected to reach the poorest and most vulnerable. For example, CfW activities can only support the able bodied and those with time available to work. CfW offers little benefit for the old, frail, ill, disabled or female-headed households with young children unless specific management or administrative roles are allocated to them. These represent design or conceptual constraints in reaching the poorest and most vulnerable.

There are also issues to do with project implementation. CfW activities must ideally take place at a time of year of most benefit to the poor and vulnerable (when little other work opportunities are available) and be of sufficient duration to make a difference. It is clear from most CfW VOs covered in the study that there was little targeting of the poorest and vulnerable households to undertake the majority of the work. The work was generally available to all in the community who were interested and physically capable. Establishing a VO to support a social safety net role may require more IP investment in village planning and visioning.

However, perhaps one of the most important factors is the reluctance of the most poor and vulnerable to participate in what they perceive to be high risk activities. Borrowing money from a MF organization, or livestock from a revolving fund, where there are strict repayment requirements are examples of what some poor see as high risk activities. In some cases the VO itself discouraged the poorest from participating. The common MF requirement for mutual accountability for loan repayments was a contributing factor. PACT VOs while reportedly designed to support poor women with loans, did not include those who were considered by other members to be unable to make repayments. Other village-managed MF organizations similarly discouraged those who were seen to be a high credit risk. Furthermore, little support has been directed at assisting the poor to identify viable business opportunities or in supporting them develop the required technical skills

Similarly VOs operating MF and revolving funds-in-kind that were dedicated to supporting the landless by providing, for example, opportunities to raise livestock have not always proved successful. In these cases, while the poor have not been directly excluded by other members, the poor have often excluded themselves from taking on the risk of loans in cash or kind. Such fear is exacerbated when they observe the death of animals before loans are repaid.

It seems that credit, in whatever form it is available (cash, livestock or rice), is not always an effective means to support the poorest in village communities.

### **Impacts for VO members generally**

While MF VOs were not necessarily an effective means to support the very poor, they generally provided benefits for the members, particularly small farmers. Most reported that their indebtedness had decreased or was decreasing. Larger farmers were not always of the same opinion given that the MF VO loan amounts were generally quite small and owners of large farms still had to borrow from other sources with high interest rates. In some MF groups, some members reported that their indebtedness had increased due to a failure of their enterprise, especially due to the death of livestock. In these cases, the borrower was still required to repay the loan and was sometimes forced to borrow from other more flexible money lenders to meet the regular repayments of the original loan. Other members indicated that while they could often borrow at low rates from the MF VOs for small investment activities, they were often forced to borrow from outside money lenders at high rates if they had health problems or other emergencies. The strict timing for regular repayments enforced by some VOs was also cited as an issue. Income from agricultural activities only came after harvest and, as a result, many households had to go to outside lenders with high interest rates in order to meet fortnightly repayments during the growing season.

Even if indebtedness was slowly decreasing for many households, the majority of MF VO members believed that the loans had made only a little difference to their livelihoods. Many reported that the loans were small and the impacts were slow to be realized.

However, in some villages it was reported that outside money lenders had been forced to reduce their interest rates to compete with the MF VO. This had potential benefits for the wider community, not just for members.

### **Impacts for the wider community**

In many cases the specific VOs that were sampled in this study were part of a wider program of support provided within an IP project. Individual VOs were not always expected to contribute to wider village development. Rather many VOs targeted their support towards a specific sub-group or livelihood group within the community. In these cases the IP projects often included different strategies for different social groups in order to address the development needs of the wider community.

It could be argued that some of the IP projects that focused their support on farmers were the least equitable. The landless and very poor were generally excluded and even some small farmers with less than two acres of land were not invited to be VO members. Generally the farmer group (FG) members acknowledged that there were no impacts for the wider community from the FG VO's activities.

### **VO independence/self determination, capacities and sustainability**

Various parameters assessed in this study may be related to sustainability however there is no easy predictor.

Diminishing membership was reported among some VOs handling revolving funds and revolving funds in kind. The most common reason members left the VO and were not replaced was reportedly due to the minimal support being offered or too long a time waiting for their turn to receive benefits. In some cases the death of livestock in livestock revolving funds discouraged members. Conversely, an increasing membership is a good sign that the VO and IP project are succeeding but is not always an indicator of sustainability.

Funds in circulation is another parameter associated with sustainability, particularly for the locally 'self-managed' revolving funds. An increase of the value of funds (without further external contributions) is associated with successful repayments, member contributions (eg through joining fees or savings) and generation of interest; this provides opportunities for increasing the number of beneficiaries or providing larger/longer duration loans. It is obvious that diminishing funds threatens the future of a VO. Fortunately

there were no reports of misappropriation but there were VO members in some of the FGDs who reported that their loan funds or revolving funds had decreased. It was the VOs managing revolving funds-in-kind that appeared the most vulnerable to this type of failure. One of the two rice banks in the study faced a similar problem due to the failure of beneficiaries to repay their loans.

The sustainability of farmer groups supported by LIFT IPs highlighted a specific aspect of sustainability. The capacity of farmer groups to experiment and learn for themselves has implications for the longer term sustainability of the VO and the likelihood that farmers will continue to test and adopt new techniques. In the majority of cases, the choice of technologies to test or compare was made by the LIFT IP suggesting that FG research skills needed further support before they could be considered sustainable. The reported need for continued external technical assistance supported this conclusion.

VDCs arguably received more training or capacity building support from the LIFT IP than any other type of VO. In many cases the VDC was envisaged by the IP as an important village institution which would continue to contribute to village planning and development into the future. Despite the training provided, most committee members reported that their VDC organization still needed to develop. Similarly, few VDCs had clear plans for what they would do after LIFT IP projects had ended.

Other factors relate to sustainability but are more difficult to assess in terms of their contributions. Clear rules and regulations to guide activities and members would seem to be important but were frequently missing according to many participants. Common, community-held and clear goals and objectives should also be important, as should be plans for the future especially for the post-LIFT period. Again these were often missing from VOs. The study encouraged members and management to assess their VOs' organizational skills in relation to setting goals and visions, activity planning, budgeting and financial management, leadership, and M&E. The results of this self-assessment were not clear cut, however, nearly all FGDs reported that their VO needed strengthening in several areas.

Finally, VO representatives were asked directly whether they believed their VO would need ongoing technical assistance after the IP project ended. Regardless of the type of VO, most participants indicated that they would. Such responses are likely to be influenced by community members seeking continued support from LIFT and should be interpreted with caution.

### **VO integrity, transparency and accountability to members and the wider village community**

In nearly all VOs there were no major issues of lack of transparency and accountability reported by VO members or non-members. Even where selection of members or VO office holders was mediated by the village authority or village leaders, nearly all FGDs reported that selection processes were fair and that the VO was accountable to its members and generally transparent to the wider community. In only one of the 94 VOs included in the study were concerns raised by members and non-members over VO decisions and fairness in the distribution of benefits.

### **VOs, social capital formation and power structures**

Despite including a range of questions related to how the VO may have interacted with existing institutions and established leaders and power structures, little detailed information was recorded. Similarly the study endeavored to better understand how VOs may have contributed to village social capital formation. Here the responses recorded were more informative. Nevertheless, both topics reflect abstract concepts requiring a good level of qualitative research skill and experience to investigate adequately.

### **Initial recommendations for LIFT**

Not all that may be proposed to strengthen VOs to make them pro-poor, fully representative and accountable, or self-directed learning organizations for long term inclusive development would be appropriate for a dynamic, large-scale program such as the LIFT Fund. LIFT supports innovations, and is focused on results and value-for-money. Many of the participatory procedures to build sustainable social capital, advocated by some international NGOs who devote much time and resources for each community in which they work, may not always fit easily within such a program as LIFT.

Notwithstanding, there are a number of recommendations that are suggested from this study:

- If a suitable VO is present within the community, investigate whether it is appropriate, interested and can be mobilized to support the LIFT IP project (rather than establish a new VO).
- Encourage IPs to have phased VO capacity development plans, whereby IPs take smaller and smaller roles, as well as develop clear exit strategies and sustainability plans for the VOs that they establish.
- Creating community dependence on IPs should be avoided, especially where the community looks to outsiders for village development planning and development initiatives.
- LIFT should aim to build capacity for autonomous, self-directing VOs (not only the capacity of LIFT IPs); VOs that have plans for the future, skills in management and activity implementation, and understanding of alternative avenues of support.
- Encourage networks among VOs and VO umbrella organizations (to harness VO potential, for mutual support and learning, to empower and give voice).
- Explore/pilot approaches to channel support directly to VOs, including farmer groups, not always mediated through IPs (or with minimal roles for IPs).
- Ensure microfinance VOs develop clear rules and regulations and have a minimum training for members: these contribute to microfinance VO success/sustainability and are required for members to clearly understand the risks and their obligations.
- Encourage microfinance VOs to have repayment schedules and terms of loans more appropriate for the agricultural cycle concerned (otherwise the benefits of loans for poor households can be diminished by the requirement to borrow from elsewhere to meet repayments).
- Where possible some safety net or insurance scheme may be required to reduce the risk of enterprise failure and to encourage the poorest in the community to borrow for livelihood investments.
- The landless and land poor need support to identify viable business opportunities and technical and business training in conjunction with loans (or grants).
- More resources should be allocated to investigating/piloting ways to support the poorest and most vulnerable in rural communities.

As mentioned earlier, VO capacity development takes time; LIFT IP projects are short and IPs feel pressured to deliver pre-defined outputs related to livelihoods and food security. Furthermore, not all IP projects place a high emphasis on VO capacity development; and not all IPs are experienced in building capacity. LIFT itself has not always been clear on its priority for capacity development at the village level. At the time of the study, there were no specific LIFT logframe indicators to assess achievement in terms of VO capacity development. These factors all contribute to weak VOs. Is it time to consider new roles for IPs and VOs? Could IPs act as umbrella organizations that would support innovations in village development where villages propose their own projects and manage funds themselves (small grants). Such an approach would clearly support VO capacity development but may also provide value-for-money for LIFT and its contributors.

## **Recommendations for Phase II of the study**

It is clear that the implementation of similar studies in future could be improved. The following are some simple recommendations for LIFT that may improve the quality of the research:

- Simplify and shorten the list of guide questions based on more focussed objectives and the experience from Phase 1.
- Seek to find more experienced qualitative researchers, and test their general skills as well as their abilities to skip irrelevant questions and delve when deeper understanding is required.
- Try to find researchers with a greater understanding of and background in rural development.
- Take a greater role in initial classification of VOs and responses, participating in the initial structuring of tables and spread sheets that will guide collation of responses and analysis.

Phase II of the study could be greatly simplified, and should require less time and fewer resources. The main text of this report proposes the main focal areas for the next phase.

# INTRODUCTION

The Livelihoods and Food Security Trust Fund (LIFT) is a multi-donor fund that aims to address food insecurity and income poverty in Myanmar.<sup>4</sup> The goal of LIFT is to make progress towards the achievement of Millennium Development Goal 1 (the eradication of extreme poverty and hunger) in Myanmar. Working through a trust fund modality, LIFT's purpose is to increase the food availability and incomes of 2 million target beneficiaries in rural areas in Myanmar. LIFT was established in 2009 and will remain operational until 2018.

LIFT is implemented through a variety of implementing partners (IPs) who have been successful in submitting project proposals that support the LIFT purpose in the areas targeted. At the time of the study in 2014, LIFT was funding projects in three different agro-ecological zones of the country: the dry zone, the hilly zone (Kachin State, Chin State and Shan State) and the delta/coastal zone.

By the end of 2014, the IPs that had received LIFT funds to implement a variety of projects reported having supported 11,002 village groups subsequently referred to as village organisations (VOs).<sup>5</sup> These included VOs that the IPs had mobilized that were not formerly in existence, and a much smaller number of existing VOs that IPs aimed to strengthen through their support. VOs varied by type and included Village Development Committees (VDCs), representing the whole village community, down to smaller livelihood committees and self-help groups formed around revolving funds and savings and loans interventions. Just as the roles and functions of these VOs varied, so has the support provided by IPs.

Most of the support can be grouped into the following types:

- Training of VO leaders and members in skills related to organisational development and institutional capacity (eg financial management, book keeping, project planning, M&E, governance and accountability);
- Training of VO members in specific livelihood technical skills;
- Study visits and exchange visits to other groups, projects and government organisations; and
- Provision of funds and resources (from simple stationery and strong boxes to seed money, livestock and livelihood-related equipment).

By the end of 2014, 109,925 members from more than 10,000 VOs had received training in skills to strengthen VO management or technical capacity.<sup>6</sup> This included 67,677 female members of the VOs.<sup>7</sup>

While LIFT routinely receives information from IPs concerning the numbers and types of VOs they have supported, and the numbers of members trained, LIFT had little knowledge of the effectiveness of this support, in particular:

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4 The Donor Consortium of LIFT comprises Australia, Denmark, the European Union, France, Ireland, Italy, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States and from the private sector, the Mitsubishi Corporation. UNOPS was selected by the donors as the LIFT fund manager and has established a Fund Management Office (FMO) for this purpose.

5 LIFT Annual Report 2014

6 LIFT Annual Report 2014

7 LIFT M&E Database.

- the improvements in management or technical skills of VO management and members,
- the changes in capacity as a result of training and other types of capacity development support,
- the effectiveness of these VOs in improving member livelihoods and/or food security,
- the sustainability of the VOs following completion of the IP projects.

In some cases the IP projects supported the VOs primarily as a mechanism to deliver assistance to village beneficiaries. In other cases, the strengthening of the VOs was the major objective and the principle means by which villages could drive their own planning, development, and M&E.

Where new organisations were established or existing ones empowered through training and resources, there have been ramifications on the social fabric and power structures of village communities. Village tract administrations and established village groups and leaders have sometimes had their influence lessened as a result of a new VO with access to funds and resources. In some villages, LIFT Qualitative and Socio-Economic Monitoring has observed occasional tensions as a result of the multiplicity of village groups and their competing interests.<sup>8</sup>

Perhaps more importantly, the VOs supported by IPs have inevitably mediated the benefits reaching households and individuals particularly in terms of the targeting, timing and distribution of benefits. It is therefore important for LIFT to understand the representativeness of these organisations and the equity of their decision-making in relation to women, the poor and vulnerable, and ethnic and religious minorities.

# OBJECTIVES OF THE STUDY

This study aimed to critically analyse the outcomes of LIFT support to VOs in Myanmar. It endeavoured to understand:

- the major motivations of LIFT IPs for establishing or supporting VOs,
- the different types of support provided and approaches used by IPs,
- the relevance and effectiveness of this IP support, and
- the challenges and opportunities for future development initiatives implemented through, or with the support of VOs in Myanmar.

The general objectives of the study were:

- To better understand the generic principles, processes and challenges towards mobilization of effective VOs.
- To better understand the enabling conditions and associated support required for pro-poor, effective, and sustainable VOs.
- To develop recommendations and lessons to guide future livelihood and food security initiatives implemented at the village level through or with the support of VOs.

The study considered the following specific research questions:

- What has been the range of approaches applied by IPs to support VOs?
- What has worked best and least well among these approaches and what have been the factors in success or the constraints faced by each?
- What represents good practice in supporting VOs for the range of contexts faced in livelihood and food security projects such as LIFT? How effective have VOs been in promoting livelihoods and food security?
- What are the advantages and disadvantages of providing support to VOs purely to support project implementation? When is such support appropriate or inappropriate?
- Will the VOs continue after the IP projects end? Are they sustainable? What are the factors that should contribute to their sustainability or lack thereof?
- How representative are these organizations and how equitable have been their decisions in relation to women, the poor and vulnerable?
- What have been the results of support to village groups in relation to social capital and power structures at the village level?

# METHODOLOGY

The study commenced with a simple questionnaire to LIFT IPs to determine the different types of VOs they had supported, the number of each type of organisation (both newly established and pre-existing), and the nature of the various types of IP support provided to these VOs.<sup>9</sup>

The field work for the study was divided into two phases:

The initial field research phase comprised visits to 50 LIFT villages where research teams conducted focus group discussions and key informant interviews (KIIs) to assess:

- the effectiveness, outcomes and impacts of this support particularly as it related to VO capacity development as well as to the livelihoods and food security of VO members and the community, and
- the representativeness of VOs and their management and equity in their decision making and benefit distributions.

The first phase also involved KIIs with knowledgeable informants from IP organisations based in Yangon to explore IP strategies and motivations related to VO establishment and capacity development support.

The second and final stage of field research is yet to be conducted. In this stage, research teams will return to the same 50 villages once the IP projects have been concluded to assess the sustainability of the groups, the sustainability of benefits that they have received or activities they are undertaking, any changes in VO effectiveness, and any changes in VO representation or the equity of their decisions.

This report covers only the first stage of the research.

In all, 50 villages were selected for the VO study from the 3,820 LIFT villages<sup>10</sup> where implementing partners had been working under LIFT's Delta 2 and Countrywide programs.<sup>11</sup> The objective of the sampling process was to ensure a good range of IP projects were covered while still providing some randomness in selection. As such the selection could not be called strict random sampling.

A summary of the steps taken in the sampling process is as follows:

1. Villages with less than 20 beneficiary households were removed from the sample frame as were villages that were only listed because households had purchased a foot pump from Proximity Designs brokers.<sup>12</sup>
2. From the nearly 700 villages that were only supported by cash-for-work activities, 4 villages were

<sup>9</sup> It should be noted, that not all IPs answered this questionnaire accurately or comprehensively as, in several cases, field work uncovered many more VOs established by IPs than reported in the self-completion questionnaire.

<sup>10</sup> LIFT M&E IP Monitoring Database as at Feb 2014.

<sup>11</sup> Note that one of the 50 projects selected was funded under LIFT's Learning and Innovation window.

<sup>12</sup> It was expected that VOs would not have been supported in such cases.

randomly selected and the remaining cases of these types villages were removed from the sample frame.<sup>13</sup>

3. Similarly it was decided to limit the sample of villages where only UNDP/PACT were operating to 4 (out of nearly 300).<sup>14</sup>
4. Three villages were selected to represent 3 smaller IPs with unusual innovative approaches to VOs.<sup>15</sup>
5. 39 villages were then randomly selected from the remaining sample frame with probability proportional to size (total village populations) using a systematic random sampling approach.

This made up the sample of 50 villages. The following table (Table 1) lists the IPs and the projects represented within the sample of 50 villages (Annex A provides the list of the IPs and their projects in each village, including village tract, township, state or region).

**Table 1: IPs and projects represented in the sample of 50 villages**

LIFT IP	No. villages of 50 where IP was working	Names of projects of the IPs	No. villages of 50 where project implemented
ActionAid/Thadar	5	Building Local Capacities for Livelihoods Systems Approaches in the Ayeyarwaddy Delta	2
		Thadar...Civil Society led Community Based Livelihood Resources Development in the Dry Zone	3
ADRA	1	Community Initiated Livelihood and Poverty Reduction	1
AVSI	1	Promoting an experience of Small-Scale Farmers' Cooperative in Labutta Township in the Delta Region of Myanmar	1
CESVI	3	Livelihood Security in Kyauk Mae and Naung Cho Townships in Northern Shan State	3
DPDO	2	Sowing the seeds for Person with Disability in Dry Zone Area	2
GRET	3	Sustainable Livelihoods and Natural Resource Management in 5 Townships of the Northern Chin State	3
HelpAge	2	Reducing Economic Vulnerability through an Equitable/ Inclusive Approach to Livelihoods Project	2
LEAD	1	Accelerating Food Security: Ensuring Food security among Farmers and landless laborers 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	1
Mercy Corps	7	Beyond Recovery : Promoting Market-led, Pro-poor Economic Growth	4
		Building Communities Resilience for Food Security	3
MERN	1	Coastal Livelihood and Environment Assets Restoration in Rakhine (CLEARR)	1
Metta	4	Farmer Field School to LIFT the Food Security of Small and Marginal Land Holders (LIFT-FFS)	4
Oxfam	1	Building Resilience in the Dry Zone	1
PACT/Pyapon	2	Pyapone Integrated Livelihoods Development	2
Proximity Designs	10	Livelihoods Support for Vulnerable Dry Zone Communities	5
		Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta	5

<sup>13</sup> VOs established for cash-for-work activities by Proximity Designs while very numerous were predominantly organized as temporary bodies to organize and pay village labor. It was decided (subjectively) that including four such villages in our sample of 50 would be sufficient to cover these types of VO.

<sup>14</sup> Four such villages were randomly selected and then the remaining cases of these types of villages were removed from the sample frame.

<sup>15</sup> One village each was randomly selected from the villages supported by each of DPDO, AVSI and LEAD.

LIFT IP	No. villages of 50 where IP was working	Names of projects of the IPs	No. villages of 50 where project implemented
Radanar Ayar	3	Socio-Economic and Environmental Development in Bogalay (SEED)	3
SWISSAID	1	Improving Livelihoods through Civil Society Strengthening	1
UNDP/PACT	11	Sustainable Microfinance to improve Livelihoods of the Poor in Myanmar	11
UNDP/SC	3	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar	3
WHH/GRET	3	Value Chain Development for Inclusive Economic Growth in Central Bogale/Mawlamyinegyun Townships	3

Overall there were 19 LIFT IPs that had implemented projects within the 50 village sample. Three of these IPs implemented two projects, the remainder only one. In total there were 22 projects represented in the sample.<sup>16</sup>

Some villages had had more than one LIFT project:

- 2 village had 3 LIFT projects
- 11 villages had 2 LIFT projects
- 37 villages had only 1 LIFT project.<sup>17</sup>

Annex B describes the objectives and key outputs of each project to assist in understanding the context around responses by FGD participants to the VOs that were studied.

The field research used a combination of quantitative and qualitative methods. In each village, key informant interviews (KIIs) with village leaders and knowledgeable members of the community, including women, used a standard set of questions and collected information on all the VOs that had been active in each village during the past 12 months. These KIIs included information on: the nature of the VOs; membership (m/f); date of establishment; nature of IP support received (if any); and the types of activities with which the VOs had been involved.

Up to three VOs in each village were then selected for more detailed study by means of FGDs. The number of VOs covered in each village varied and depended on the number of VOs that had received LIFT IP support. In 16 villages three VOs were studied, in 12 villages two VOs were studied and in 22 villages only one VO that had received IP support was able to be investigated.

For each of the VOs selected, two FGDs were generally undertaken; one FGD for office holders and members of the VO, and another for non-members with similar livelihoods and socio economic status. In addition to the FGDs related to specific VOs, two FGDs were conducted in each sample village for separate groups of men and women from very poor, disadvantaged households regardless of whether they were members of any VO. Thus even in villages with only one VO, four FGDs were generally conducted.<sup>18</sup>

The selection of VO to study in each village, when there were more than 3 VOs active, was guided by the following criteria given to the field research teams.

Criteria for selecting up to three VOs in each village:

- All three VOs must have been supported by a LIFT IP (established by the IP, a focus of capacity building or a vehicle for other support)
- Select the VDC first but, if there is no VDC, select the VO with the largest membership (this VO does not need to be currently active)
- Randomly choose two other VOs that have received support from a LIFT IP (these need not still be active)

<sup>16</sup> One project under a LIFT contract with UNDP was implemented separately by PACT (UNDP/PACT) and SC (UNDP/SC). These are recorded in Table 1 as separate projects as each was run very differently.

<sup>17</sup> Based on LIFT's project database.

<sup>18</sup> However in some villages the VO covered all of the households and there were no non-members.

Approximately half of the FGDs were conducted late in the evening or at night because participants were unavailable during the day due to farming activities. The field work took between 1 and 4 days in each village depending on the number of VOs LIFT IPs had supported.

Broadly the FGDs covered the following groups:

- Village Development Committees (VDC)/and sub-committees (mixed men and women, members and non-members)
- Farmer field schools (FFS)/farmer extension groups (mixed men and women, members and non-members)
- Groups administering revolving funds in kind (mixed men and women, members and non-members)
- Village Savings and Loans Associations (VSLA)/Self Help Groups (SHG)/Self Reliance Groups (SRG) that provide cash loans to members (mixed men and women, members and non-members)
- Forestry groups (mixed men and women, members and non-members)
- Groups set up to manage Cash for Work (CfW) activities (mixed men and women, participants and non-participants)
- Rice bank and seed bank groups (mixed men and women, members and non-members)
- Representatives from the poorest and most vulnerable households (separate groups of women and men) irrespective of their membership of VOs.

**Table 2: Types of VO, nature of FGD participants and number of FGDs conducted**

Type of VO or FGD group	# FGDs with VO members (Long FGDs)	# FGDs with non-members (Short FGDs)
Village Development Committee (VDC)	17	17
Microfinance (including village savings and loans association, revolving funds using cash (not in kind), micro credit)	36	36
Revolving fund in kind (mainly livestock)	5	5
Farmer groups/ Farmer field schools	23	22
Cash for Work	8	8
Rice/ Seed Bank	4	4
Forestry group	1	1
Total FGDs with VOs	94	93
Total Vulnerable Male (Short FGD)	50	
Total Vulnerable Female (Short FGD)	50	

The study design and analysis was undertaken and managed directly by the LIFT Monitoring and Evaluation Team (M&E Team). The field work was contracted to a local research organization. The LIFT M&E Team drafted the KII list of questions and the FGD checklists for testing and used by the successful contractor. LIFT also selected the sample of 50 villages. M&E Team staff participated in the training of the survey teams, and the three pilot tests. The field research contractor undertook all tasks associated with organizing, conducting and supervising the field research and provided simple English language summaries of each of the FGDs undertaken. Full Myanmar language transcripts were also made for each FGD. Illustrative quotations from the participants were also selected from these transcripts and translated.

Altogether 50 KIIs with knowledgeable village community members, 93 KIIs with selected VOs, and 287 focus group discussions (FGDs) were conducted in 50 villages from 28 townships from April 30, 2014 to June 7, 2014.

The local contractor assigned 15 field staff (5 main moderators, 5 facilitators and 5 note takers) for field data collection.<sup>19</sup> The main FGD moderators were generally full-time employees of the contractor with

<sup>19</sup> Eleven of the 15 field staff were female.

some experience in qualitative research and facilitating FGDs. These main moderators were selected by LIFT M&E staff and the contractor's management team based on their performance in the three pilot tests.

Three pilot tests were conducted not only to test and refine the survey tools and field operational approach, but to train contract field staff in use of the tools and in conducting qualitative research by means of FGDs. The KII questionnaire and FGD checklists of questions are provided in Annex C. Note generally only a small part of the checklist was applicable to any one FGD.

Finally, the field research was greatly facilitated by the field staff of the LIFT IPs working in the selected villages. They forewarned the villages of the study schedule, provided information on the types of VOs they had supported in each village, and introduced the contractor's field team to village and VO leaders.

# LIMITATIONS OF THE STUDY

The study, while it went through three rounds of pilot testing and subsequent discussion with the contracted field teams, proved difficult for FGD facilitators to implement. This was in part due to the limited facilitator experience in qualitative research; a common constraint faced by other research commissioned by LIFT. LIFT and the contractor endeavored to address this through two rounds of field team training, but contractor progress reports still indicated issues that evidenced lack of field team experience with the FGD methodology. The following were some of the issues affecting the implementation of the study and the quality of its findings as reported by the contractor in its field progress reports or evident in the analysis of the FGD summaries:

## Issues reported affecting the study implementation

- In general, long FGDs took 2.5 to 3 hours to conduct. This depended on the type of VO and the level of participation. This was clearly too long and showed lack of familiarity with the research objectives and a very formal use of the question checklist tool.
- No clear written instructions were developed for using the tools, however guidance was given throughout the rounds of training and pilot testing.
- Some facilitators had only limited experience in qualitative research.
- Some field teams were confused on the nature of the VO and frequently misclassified them which resulted in asking them too many questions or questions of little relevance to the study.
- Despite two rounds of training and three pilots where it was stressed that facilitators skip questions that were of little relevance to FGD participants it was apparent that most facilitators used the question checklist as a questionnaire and read questions to participants in order.<sup>20</sup>
- Some facilitators had little understanding of the objectives behind each question, sometimes failing to ask critical questions for a specific group, failing to probe for reasons, or recording answers that were irrelevant.
- Participants were busy with their farming activities for early monsoon in Ayeyarwady and for harvesting seasonal crops and preparing cultivation for next season in upper Myanmar. Similarly poor males and females were not available during the day as they were working to earn a daily wage. Therefore in many cases FGDs were conducted at night.
- It was difficult to find male participants in Kachin State and Northern Shan State as they worked as migrant workers.
- In two cases there were no VOs in the selected villages and replacement villages were selected by LIFT in the nearby locality.
- FGD with Kayin (Taungoo), Kachin, Shan, PaO and Chin participants were conducted through a translator. The time taken was longer than expected and participants were not interested in the later part of discussion. Poor participation by females in some areas.<sup>21</sup>

<sup>20</sup> The first field progress report from the contractor stated: Written usage is a bit formal and it is not easy to understand by village people. Similarly the contractor reported that many VOs representatives had difficulty answering the series of questions related to institutional capacities. Yet these questions were asked to all groups rather than being skipped when not relevant or productive.

<sup>21</sup> Based on the field experience, a future study with the same sampling will require translators for seven ethnic or minority groups/languages including: Tedim Chin, Hakha Chin, Kayin, Shan, PaO, Lisu and Kachin. The team should hire qualified translators from the township and

- In some villages, it was difficult to recruit participants without support from IP. In a few cases it was difficult to contact IPs or gain their cooperation especially when they had finished their projects.

Despite these issues a vast amount of information was collected from VO members, other village residents who were not members of the VO, and poor male and female villagers in each study location. This provided a rich source of villager perspectives on the motivations behind each VO, the nature of VO work, the inclusiveness of membership and distribution of benefits, VO strengths and limitations, VO effectiveness in village development, and the likely sustainability of the study VO.

The study results should not be seen as representative of all LIFT VOs nor of the work of specific LIFT IPs but provides a window into community perceptions of how selected VOs have been established, how they have contributed to village development, who they have benefited and whether they may continue into the future.

# FINDINGS

## General findings from KIIs and FGDs

### The context

LIFT VOs were not the only VOs working in the study villages. In 20 of the 50 villages the only VOs were those that had received support from LIFT IPs, the remaining 30 villages had other VOs that had not received support through LIFT.<sup>22</sup> In the 50 villages there were a total of 178 VOs recorded of which 101 had been supported by LIFT IPs and 77 had not.

Despite the pre-existence of other VOs in the majority of sampled villages, LIFT IPs have established new VOs. Of the 93 VOs supported by LIFT for which KIIs were conducted, the overwhelming majority had been established by the LIFT IPs. Only 2 of the VOs supported by LIFT were pre-existing.

In all VOs members were predominantly male. Membership numbers were provided during the KII for 167 of the 178 VOs in the 50 villages. Overall there were 11,391 VO members of which 7,440 were male (65%) and 3,951 were female (35%) in these 167 VOs.

LIFT IP supported?	Sum of male members	Sum of female members	Ave # male members	Ave # female members
No	2750	1816	40	29
Yes	4665	2110	48	23
Grand Total	7440	3951	45	25

““The representation of **WOMEN** among LIFT supported VOs was **31%** and among other VOs was **40%**.””

In 18 of the 50 villages the LIFT IPs that had implemented the projects had completed the work and were no longer working in the village.

### Microfinance groups

In all, 36 microfinance FGDs were covered in the sample. These were from 30 different villages. Note that in 4 villages the survey team conducted FGDs with more than one village savings and loans group in the same village even though they had been established by the same LIFT IP.<sup>23</sup>

<sup>22</sup> Calculated from the survey contractor's Final Completion Report, Annex 2.

<sup>23</sup> In one village the field team interviewed three separate village savings and loan groups. These were the only VOs established by a LIFT IP that were present in that village and so the survey team undertook to expand the number of FGDs with VOs to the maximum of three per

All microfinance (MF) VO groups were established by a LIFT IP. These MF VO FGDs covered 12 separate LIFT projects. FGDs in 12 of the 30 villages covered MF VOs related to PACT projects, in the other 18 villages the FGDs covered MF VOs related to the following IPs: UNDP/Save the Children (SC), WHH/GRET, Proximity Designs, Action Aid (AA)/Thadar, Mercy Corps, LEAD, HelpAge, and DPDO.

PACT MF VOs followed a formal, institutional model while the others were forms of self-help groups (SHGs) or saving and loans groups with more village-level management responsibility, and flexibility over membership, rules, terms and conditions.

## **PACT MF VOs:**

FGD participants reported a variety rules regarding VO establishment, membership and operations.<sup>24</sup> Membership of the PACT MF VOs was reserved for women less than 60 years old. Participants indicated that the VO was supposedly for poor women but members included some comparatively wealthy villagers. Most participants reported that membership was open and fair: “(PACT) allows any females who have different ethnicity, religion or social class can become a member”. However, one FGD participant reported: “Since those who cannot make repayments are unable to join I think the process is unfair”.

In terms of selection of VO leaders and office holders, all groups considered the selection to be fair. VO leaders and office holders were chosen by VO members.

In most cases the numbers of members had reportedly increased. This required the establishment of more of the PACT five-women groups.

VO participants had various expectations concerning what they hoped to achieve by the end of the IP project. Three FGDs indicated that they wanted to set up their own savings and loan schemes for themselves. Other responses were more general concerning better livelihoods from their investments (6 cases). However one indicated that the amount of loan was insufficient to establish a business. One participant hoped for “a reduction in interest rates and an increase in the amount that can be borrowed”.

When asked whether their PACT VO had introduced any changes since it was established most participants reported that the VO had not changed its activities. One however stated: “In the past, the VO urged the villagers to do pig farming but now the VO let the villagers breed chickens, ducks, buffaloes or cows.”

Concerning the impacts of PACT VO activities, the most common response related to the ability to access low cost loans and particularly for farming. A variety of interesting responses were recorded:

- Members can invest more money in their farming.
- It has allowed poor people to improve their standard of living by obtaining loans for such activities as the breeding of livestock. Something they were unable to do in the past due to a lack of loans/funding.
- The microfinance program is the most useful program because the interest rate is low. If the villagers have to borrow money from the money lenders in the village, the interest rate is 10%-12%.
- Pregnant mothers can get a 30,000 kyats loan for ordinary birth, 50,000 for a hospital birth and 100,000 if they need to have a Caesarean. In regard to the community, there hasn't been any impact on them yet.

Most FGDs indicated that the impacts for the wider community were limited, but a few reported that there were some benefits to the community given the more money in circulation. One reported that VO members were more able to afford payments for the pagoda festival. In one village late payment fines were used for village development and social activities.

More generally the FGD participants did not consider their PACT VOs to be a means for village development. Similarly, these PACT VOs were not considered to be the most important VOs in the sample

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village.

<sup>24</sup> Note that the following reflects the rules as reported by FGD participants and may not accurately reflect the rules and guidance provided by PACT itself.

villages for development.

When asked about the distribution of benefits, not surprisingly, PACT VO members reportedly benefited the most; that is the women who had formed groups. Some indicated that there were equal benefits for all members, others were not so sure:

- At first, two or three members could get loans. Farmers were the most advantaged people and non-farmers who did small business were the least advantaged.

This suggests that the benefits of the PACT VO depended not only on membership and when loans became available, but also on the business opportunities available to borrowers. Those with land could invest in agriculture. The landless had more difficulty finding viable business opportunities that were of low/acceptable risk.

The mutual accountability of the PACT VO groups was not always liked:

- The group formation rules are not fair because if one person fails to make the repayment, the rest of the group have to pay for that person.

There were several similar reports from FGDs. Other participants had more favorable perspectives of this system:

- One of the group members was not able to pay interest during the 14 days period and the rest of the group paid for that member. But later on, that person repaid the other members.

All FGDs asked about the VO's strengths. Several members of the PACT MF VOs emphasized that a key strength of the VO was the unity among the group members:

- Members listen and follow the organization leaders. Members repay the exact amount and on time. Everyone participates in meetings actively and is united. Promises are kept and work is really implemented and carried out.

In terms of challenges, most FGDs talked of the challenges associated with loans rather than challenges facing the organization itself. These included limitations on loan size:

- One thing that was challenging was money. The amount of loans did not meet our need.

Several others indicated their preference for larger loans for larger scale activities.

Difficulties in repayment were commonly mentioned:

- If members don't invest their loans then they will face problems in the future when it comes to repaying them.
- Unfortunately, we were not able to repay if we took both sorts of loans (investment and social loans).
- I had trouble repaying money but borrowed from other people and made the repayment.
- One of the members of a group did not take loans because she worried about that she could not pay the interest every 14 days and she was not a trader. She was just doing her own business.
- The challenge of the VO is the repayment period which is 14 days and it should be extended to once a month or more

Only one talked about an organisational challenge: the main challenge is having to form five-member groups.

When asked about the regularity of VO meetings held over the past 12 months, one FGD reported that meetings were held: once every two weeks - 25 times approx. They are only called when PACT comes. We still do not call our own meetings. These meetings were primarily for repayments.

With regards to record keeping: the VO chair or secretary keeps the membership records and financial records. These records are generally shared among the VO members but not the wider community. However one FGD reported that the records were not shared among members:

- The members do not know about these records and nobody is interested to know them.

Members must also maintain their own financial record book and bring it with them each time they make a repayment. All VO members were also asked about the rules and regulations for the VO: Our VO does not (have rules and regulations) but Pact Myanmar does. One FGD participant reported: we had to arrive the meeting in time and if not we were fined. If one of the group members was absent to pay the debt (interest), the rest had to pay on behalf of her. If one of 25 did not arrive at the meetings, (new) loans were not given out.

Others stated:

- All the rules and regulations are shared with all the members and they agreed and accepted them.
- All the rules and regulations were set up by Pact Myanmar and the members have to follow them.

All PACT MF FGDs reported that PACT provided members standard training:

- All members received equal training and were educated on how to successfully invest our money for personal business activities and how such an investment system would be beneficial.
- Yes, we got trainings how to run a business. There were booklets distributed when trainings were conducted but I could not remember them.
- Anybody who wanted to enter the VO could only do so after 5 days of compulsory training.
- The training was for individual members on savings and loans activities, no training was provided for the VO members and leaders in accounting and management of the loan portfolio. There was no technical training including for agricultural investments.

In terms of the effectiveness of this training:

- Effectiveness depended on what kind of business we ran.
- The training given was effective because the members learnt to follow the guidelines and it motivated the members to use the loans effectively.
- Yes it is effective because villagers learnt about the interest rate, repayment period, and when the principal money has to be paid back.
- The training was effective because the members learnt how to save money and use money efficiently.
- We gained the habit of saving.

When asked whether additional training was still required, the large majority of FGD participants indicated that their VO needed further training. However, they wanted technical training in business related vocations:

- We need vocational trainings such as sewing, agricultural training, livestock breeding training, and obstetric trainings.
- Yes, we need vocational trainings such as sewing and baking.
- Agriculture training, fertilizer usage training and insecticide usage training should be provided
- We need accounting/book keeping training and general training.

Beyond requesting further support from PACT, most VO members did not know who they could turn to for additional training once the project ended.

In most cases PACT and leaders of the VO reportedly monitored members' investments:

- Yes we monitor the progress and performance of activities. We monitor whether people have bought the livestock they requested the loan for.
- PACT staff checked each and every member whether they grew what they had proposed or not.
- Yes each group leader has to monitor the progress and performance of one's group members

But in one case it was reported that the VO did not monitor the group members progress or performance and in other discussions it was reported that borrowers did not always use their loans according to plan.

In terms of credit procedures, the PACT loans required little or no savings before members were allowed to borrow:

- We borrow money and then pay it back. We don't need to save money in advance of borrowing it from PACT.
- Loans are offered for education, fly proof latrines, health and farmers. Savings are not required before hand. Don't have to give any collateral, just a signature is needed.
- Member fees were 100 KS. We had to save 1000 KS for a loan of 100000 KS. That saving money was used to support the members who passed away and who were victims of natural disasters.
- We don't give any security or guarantee. We must save just 1%.
- The repayment of is spread out over a 1 year period with repayments every two weeks for 52 weeks. There are 6 different types of loans: normal loans (including for livestock breeding), small loans, agricultural, educational, health and comfort loans (household items, TV, etc). However, not everyone is entitled to all 6 types of loans, only 2 types for 1 person.
- Members can only take an agricultural loan after they have taken and repaid a normal loan.
- New members are not able to get agricultural loans in their first year.
- First time agricultural loan = 300,000 kyats max. Second time loan = 500,000 kyats, however, you need to cultivate a lot of acres to secure such a loan. The cultivation of 1 acre can only get a 100,000 kyat loan. For small loans, in the beginning the max was 300,000 kyats. Now one can borrow, 500,000 or 1,000,000 or 1,500,000 kyats, with a monthly interest rate of 1.2%. For loans of 1,000,000 kyats or more, 2 people from outside the group are required to act as guarantors.
- Anyone of our members can borrow money. For agricultural loans, the amount that can be borrowed ranges from 1,100,000 kyats to 5,100,000 kyats. The interest rate is 3% and if all the interest is repaid in 12 repayments then it is required that the original sum be repaid.

Interestingly, FGD participants reported various interest rates for agricultural loans (1.2%, 2%, 2.5% and 3% per month) under their PACT projects.

In general there was little or no flexibility regarding lending terms and conditions. These were set by PACT: There is no flexibility in regards to how the credit system works because we have to make the payments on time and fines were charged for late payments.

When questioned about how the credit offered by PACT compared with what was available before, VO members quickly mentioned the interest rate benefits. But there were also other differences:

- The interest rate of PACT loans are low compare with other money lenders in the village.
- The interest rate of loans from money lenders ...weren't regulated, interest rates would fluctuate.
- Interest is much less from PACT than from previous outside money brokers. However, if you couldn't pay back at the agreed time then you could pay back later. With PACT you have to pay back exactly on time.
- Before when we used to take loans for outside money lenders, interest rates would be as high as 8 - 10%. However, we did not have to pay back exactly on the same day every two weeks like the current organization. We also didn't have to sign to say we received or repaid money, but we had to give possessions as guarantee (collateral) which is something we don't have to give in our VO.
- Before, poor people found it difficult to borrow money from the money lenders but in this VO group, poor people can borrow money if they can follow the rules and regulations
- There is a limit on the amount we can borrow from our organization but from outside money lenders we could go and ask to borrow as much as we wanted.
- Outside money lenders will pressure you and take away your house if you can't pay back the loan. This is not a practice the VO carries out.

Members were asked whether PACT credit was making a difference for the households involved. There were some very positive responses:

- We don't have to pay back our loan in one lump sum anymore - we can pay it back in instalments. We had to live with debt hanging over us in the past but not anymore.

- We became different from year to year. We had now confidence and there was unity among family members.
- People's debts are reduced - people can earn profits from their work and pay back their loans in time as a result.
- Livelihoods have improved. (Note, there were several similar answers to this)
- Members were able to save money and were able to repair their houses.

Members were also asked whether the availability of PACT credit had brought about any problems for some households, and whether household indebtedness was increasing or decreasing. Most FGDs reported that there were no problems and that indebtedness was decreasing:

- Indebtedness is decreasing - households don't need to borrow money with high interest rates anymore from outside lenders.
- Debts have decreased because of low interest rates and because of the nature of a circular savings group.

However not everyone was of the same opinion. Those households that needed to borrow larger amounts of money could not rely purely on PACT credit:

- The household indebtedness has decreased (only) a little because the loan amount is not enough for the households and they have to take out loans from other places and the interest rate is high from those other places.

All PACT MF VO FGDs reported that the number of members and of loans is increasing: More and more numbers of people have become interested in our organization after seeing the effect of the loans on people's lives.<sup>25</sup>

All FGDs asked participants how the LIFT VO had influenced social capital in the village and local power structures. In general the VO members reported that the VO had not influenced the how the community worked together. PACT MF VOs had very much a single focus on providing loans to members and ensuring their successfully repayment. These VOs reportedly had not altered village power structures or decision-making processes.

- No pre-existing village leaders are members of our VO. We have a normal relationship with other village organizations and government structures - nothing is strange or unusual.
- The pre-existing village leaders are mostly rich and over the age of 60 years old so they are not members of the VO
- The money lenders lend money based on the household economic situation but PACT lends money to the poor people
- No the VO has not influenced on how the community works together or the power structures in the village
- No the VO has not influenced on how decisions are made in this village and relations with the village tract administrator, village authority, 100 hh rep, 10 hh rep, village leaders.

### **Capacities and sustainability of the MF VO:**

A series of questions were asked of the MF VO members to explore issues of VO sustainability. Members were first asked if their VO needed to develop further in order to be a strong organization. A variety of responses were recorded, the majority around the need for more funding and great unity among members. The more interesting responses were as follows:

- The VO should let all the villagers who want to join the membership to be able to join.
- We needed more money in circulation and leadership trainings.
- We need more funding and more coordination. We need more capacity - more members. We need more technical expertise and skills.
- The members need to have unity and the VO leaders should have unbiased decisions then the

<sup>25</sup> PACT doesn't operate like a village savings and loans group where the savings and interest earned by the village group expands over time leading to a larger fund for lending. PACT Myanmar is a registered microfinance organisation that holds its funds centrally.

VO will be stronger in the future.

- Extension on repayment periods and reduction in interest rates.

When asked about future plans to develop the VO and the VO's capacity, none of the FGD participants could report any, and believed that if they did have plans they would need to ask PACT for support:

- We don't have any plans in place yet. We also don't yet receive assistance from other organizations.
- No plan had made till now. It would be nice if we had a proper trainer.
- We don't have any plans for the future but if we were to stop being supported by PACT then we would continue with our organization as best we could.

This raises the questions of sustainability of the VOs. PACT VOs only need to have limited capacity. The rules and regulations are fully developed by PACT and PACT visits every 2 weeks. PACT does not require savings to generate or grow the fund as such it is quick to make an impact. It allows poor women with no collateral to progressively borrow more money and for a range of different purposes. However, if PACT support were to cease then the VOs would appear to have limited capacity to continue.

### **Lessons learned:**

Finally PACT MF VO members were asked what lessons they had learned that could help others if they were to set up a similar VO in another village.

- Repaying loans collectively eases the burden of having to repay by oneself. Rules and regulations help to regulate repayments and ease minds.
- The members should abide by the guidelines and there should be good coordination between the members and the leaders. (Note that there were several similar responses.)
- The VO leaders should often do monitoring and evaluation of the activities

### **Other microfinance VOs**

Among the other 18 MF VOs that were not formed by PACT, only one FGD indicated that the idea for the VO originated within the community, all others were established upon the initiative of the IP. Most FGDs indicated that the VO was established to reduce the level of poverty in the village. Two VOs established by UNDP/SC were reportedly to improve the livelihoods of poor women.

The VOs in the 18 villages supported by VOs other than PACT varied considerably in scope and operation. As classified by FGD participants the MF VOs were as follows:

- Revolving loans fund (x5)
- Saving and loans group (x4)
- Revolving fund for livestock breeding group (x3)
- Microfinance group (x2), and
- Revolving fund for livelihoods (agriculture and livestock).<sup>26</sup>

How these worked in practice varied. A few required members to save before they could borrow, others had no such requirement:

- No savings required before money can be borrowed - collective responsibility.
- Collective savings group. If one member cannot pay back a loan then the remaining members share the repayment between them.
- We don't have a revolving savings fund. The credit comes from SC. We don't need any savings or security before credit can be provided.
- We take the financial support given by SC and use it to give loans to VO members. The interest of the loan must be paid back once every two weeks and then the full original sum of the loan must be paid back in full at one time after 4 months.
- VO members can take loans individually from the VDC. The leaders of the VO then collect the interest once every 3 months from the members who have borrowed money. They then take

26 Not all FGDs recorded a response.

responsibility for giving it to the VDC.

- Each member can borrow 30,000 kyats, has to pay back 4000 kyats each month and save 200 kyats - 4200 in total.
- The members have to save money first before credit can be provided.
- Each month loans of 5,000 kyats are given to VO members for crops. The interest rate is 5%. No down payment/security is needed before hand, just a group signature.

Selection of VO leaders/office holders was in some cases by the whole community and in others by the members of the VO. This depended on the nature of the VO:

- One villager from each household came to the meeting and elected the management committee.
- At first, we selected 20 poor farmers who had few lands to be a member. And then there were farmers and casual workers from over 150 households.
- We gathered the villagers who would like to join the membership and asked for the majority's consensus to nominate the management committee members
- A meeting was organized to elect the office holders. Members were asked which areas, or tasks they have experience and they can do. People who were competent and approved by members were selected for the management committee.

In some cases the office holders were all men. In other cases, they were all women (UNDP/SC) where the focus was on improving the livelihoods of poor women.

Membership of the VOs varied according to the objectives of the IP. In some cases membership was open to the whole community, however in the majority of cases the membership was restricted to selected disadvantaged groups. FGDs variously reported that the VO was intended to benefit:

- The whole community
- Females
- Poor females
- Poor female farmers
- Poor farmers (x2)
- Farmers because the VO gave out loans only to the farmers
- Disabled people are given preference
- The poor people are given first priority. And then followed by disabled people, the elderly, and female-headed households
- The poor and casual labourers,
- The poor (x5)
- Casual labourers
- Poor people and landless, and
- Landless.

Most FGDs thought the selection of VO members was fair, however two participants had reservations. Not everyone could join: one "because the VDC only choose poor people", and another "LEAD could only support 38 members and we had 50 - 60 who wanted to join".

The majority of VO members were from poor, disadvantaged and landless households. Unlike PACT VOs where agricultural loans were a large part of the portfolio, these other VOs generally intended to support rural households with fewer business options.

In contrast to PACT VOs where membership has generally increased, the membership of these other VOs has been quite fluid and has sometimes fallen:

- When our VO was first established there were 15 members. 5 left because they had to travel far to work and so were unable to commit time to VO meetings.
- 4 members have left. They went to Yangon. We don't have any new members yet.
- Some of the original members left the membership
- Not all original members continued
- At first there were 25 members. 4 left but then 3 new members joined. Currently there are 24

members.

- Not all original members continued.
- We don't have directives for new membership.
- 28 out of 50 original members have continued
- Some have left. Originally we had 50 members, now we have just 26, 24 for left because they were not interested in the VO anymore and/or couldn't attend meetings.

Note that in 6 of the 18 FGDs the participants indicated that membership had increased

Some of the problems and challenges reported by participants cast light on possible reasons for this loss of members:

- The loans were limited and we could not do as we wished.
- We had problems while we settled the debt. There were some who could not repay on time.
- The loan period is the challenge for the members.
- There are more people who want to take loans but only limited amount of funds available.
- Investment is a challenge because of the lack of funds.<sup>27</sup>
- Unpaid loans cause a financial burden.
- Weak in cooperation among the members.
- There are no proper procedures and rules how the credit system works, who is eligible and how much can be borrowed, terms and conditions.

Similar to PACT MF VOs, the other MF VOs noted a number of important benefits compared with the situation before the VO began operating:

- (It) is different from other money lenders in the village because the interest rate is lower and no collateral is needed to borrow money.
- The interest rate in our organization is better than from outside money lenders. We are all equal. We don't have to suffer our possessions being repossessed if we can't pay back our loan, whereas that will happen if we can't pay back a loan from outside.
- Poor people cannot borrow as much money from outside money lenders as richer people.
- If you own gold you can borrow a substantial amount more than someone who does not own gold.
- If you cannot pay back a loan obtained from an outside money lender then the police will arrest you.
- In the VO, if you can't pay back an instalment then you sign a document to say you will pay back within a month. Outside money lenders will come to your home and cause trouble.
- If outside money lenders don't have confidence in you then they won't lend you credit - not equal opportunity to access loan unlike the VO.

However a few participants noted some disadvantages compared with money lenders:

- You can pay back outside loans whenever you like but in the VO there are strict repayment deadlines.
- If you borrow a loan from outside money lenders you can get a better rate of interest (3.00%) if you have gold. In fact it's the best rate of interest you can get, but only if you have gold.
- More flexible repayment process with outside money lenders.

When asked whether the new source of credit was making a difference for the households involved, the responses were divided. Many thought it had made little or no difference. A slight majority believed that the low interest loans available to the poor had made a difference to the member households but stressed that the benefits were slow in coming:

- I think this new savings and loans group is not making a difference for the households involved because the capital fund is low.
- I don't think so. The amount of money borrowed cannot improve/advance the household's

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27 Lack of funds available to the VO was mentioned several times.

standard of living.

- Yes – slowly.
- Yes, we could reduce our debt because interest rate was low (7 other similar responses).
- It provides some support but not much big difference since these are still small loans.
- Not really. Slowly.
- A small difference. Households can use the money borrowed to buy a pig or chicken which they can then slowly raise up and sell on for a higher price later. But it's a slow process.
- No. because of slow repayments and defaults, the fund has stopped and can't continue operating.
- No - because all we can do it livestock breeding. Not much difference yet.
- There is no measureable success yet but in the long run, it will make a difference for the households involved.

However the large majority of VO members were clear that indebtedness was decreasing due to the lower interest rates and that the new form of credit was not creating new problems. However a few participants thought that indebtedness had remained much the same. One participant indicated that this was because of limited business opportunities in the village. Another noted that families still had to borrow from outside money lenders at high interest rates (10% - 15%) if they had health problems.

Exploring this further, members were asked to consider if the new source of MF available through the VO was making an impact, including for the larger community. The large majority believed that the credit was making a positive impact but mainly for VO members with little wider benefit.

- It has no effect on the community because non-members cannot borrow money from the VO
- It can't benefit those households who are not members because the loans system doesn't apply to them.

Several participants gave detailed responses:

- Positive impact for members only - as a casual labourer I can pay back the interest of my general loan with my income. I can use the loan to buy a piglet and then sell the piglet when it has matured and gain a profit. I can then pay back the original loan with this money and still have profit remaining.
- Negative impact for members - it's not easy to find the money to pay the interest every two weeks. I rely on my crops for my income. If I could pay back the interest and original loan sum all at one time after 4 months then it would be more suitable for my situation.

Several VO other members also indicated that it was not always easy to make repayments and that at times they had to find other sources of credit to meet their obligations:

- VO members do have to worry about having to find a source of credit for making repayments.
- If the crops cannot be harvested in time then there are problems. If we can't sell our crops in time to make a repayment then we must borrow money from an outside lender with high interest rates in order to meet the VO's repayment.

While most participants believed that there were few benefits for the larger community, two participants pointed to indirect impacts with wider implications:

- There is positive impact on the community. The VO provide low interest loan with 2% interest, consequently, the informal money lender reduced their interest rate from 10% to 6-8 %. Community people are benefiting from it.
- Outside money lenders have had to drop their interest rates from the previous 10% to 5 – 8% to compete with the VO.

### **Capacities and sustainability of the VO:**

The VOs that manage village funds for loans were asked whether the fund available to the village was increasing or decreasing. Most reported that the total funds had grown due to new members being

admitted, ongoing savings and interest payments. Only two reported that the funds had decreased, reportedly due to diminishing membership.

Nearly all FGDs reported that their MF VO needed to develop further to ensure its sustainability. Many reported that the VO needed to increase the funds in circulation. Some also reported that the members needed more technical expertise in agriculture and animal husbandry. However, many also reported that management and financial expertise was still required, including the establishment of rules and procedures. Examples of interesting responses concerning areas for further VO strengthening included:

- We need to develop further in planning, financial management, monitoring and evaluating
- Better repayment plans, to make sure the possibility of repayments, to have specific rules and procedures
- We need to be more systematic with handling our accounts. To have rules and to follow them.
- The VO committees should keep the records and the financial records systematically
- We need to work together, united and coordinated (several similar responses)
- Our VO still needs to develop in the areas of livestock production and agriculture, defining goals and objectives, planning, accounting/book keeping, implementation, monitoring, coordination with other groups.

When asked about future plans to develop their VO and the VO's capacity, a little over half of the FGD groups could not report any. They believed that their VO would continue what it was already doing. (We will just continue the way as directed by SC. We can't do anything more - we don't have the capacity).

However many others were more ambitious and had obviously been thinking about the future beyond the end of LIFT support:

- We have plans to sustain this VO, and have set up rules to further support farmers with agriculture loans
- We plan to expand the funds and loans. Maybe in 2016, we will no longer need the IP.
- We plan to expand our activities as much as possible. We will be trying to generate more loans based on repayments and interests earned. Maybe in 3 years, we can run this VO our own without the support from the IP.
- We don't just need livestock breeding, we also need to work to support small businesses and enterprises. VO activities will expand.
- We would like to expand our activities to improve the livelihoods of more people in the next 5 or 10 years.
- VO plans to expand the activities in the future. We don't know when will we no longer need the VO. I think it will take 3-5 years for the VO to fulfill its role and no longer be necessary
- To increase the saving fund of the VO. We have negotiated with PACT Myanmar but PACT could not agree as their program would hold meetings every 2 weeks which wouldn't work well with our community. In the next 5 years we won't need this VO anymore we estimate.
- We would like to attempt to make this group sustainable. We would like to extend livestock enterprises mainly. We have our plans to increase the financial capital of our organization.

These responses suggests that some of these other MF VOs may have greater capacity to plan and evolve than the PACT VOs. (The PACT MF system is effective and easy to roll out quickly and is obviously very successful, but only as long as PACT officers are there to manage and support it.) Nevertheless it seems likely that a percent of these other MF VOs will not be able to sustain their operations after their LIFT IP support has ended. Many have no plans for the future, some have been losing members, others have no clear rules and procedures. Moreover, they require savings to grow their funds combined with low levels of delinquency and default to make significant impacts for their communities.

#### **Lessons learned:**

Finally the MF VO members were asked what lessons they had learned that could help others if they were to set up a similar VO in another village. It is apparent from the below examples of their responses

that the VO members have indeed learned from their experiences.<sup>28</sup>

- We can help others by explaining the nature of making repayments on time and how to borrow money. Also how to save money and how it can benefit casual workers.
- We have learned some leadership skills, and how to save money and manage money efficiently.
- You need and must follow rules and regulations if you want your organization to be successful.
- The nature of a group savings and loans organization provides security on repayments. Members are free from worry.
- Low interest rates are beneficial. The security system of other members paying on behalf of another member if they cannot make a payment in time.
- There are benefits for the members if the loans are made available to the members with low interest and without needing to give collateral
- Leaders should be selfless and there should be unity among members and community. Financial records should be shared among community.
- To promote transparency. To set up proper rules and regulations. To share any problems and potential conflicts. To have good collaboration. to be united. To share health knowledge. To share difficulties in your businesses.
- Use solidarity groups to ensure the loan repayments. Provide leadership roles for women and have them involved in community activities. Provide livelihood trainings and technical assistance
- Solidarity and unity are important. Good leadership is a must. People who can really carry out plans need to hold management roles.
- Have rules and regulations and consult with the entire village and village authorities.
- To carry out activities properly and systematically. To form implementing groups to carry out activities and projects. To adhere to rules and regulations of the VO. To provide equal/equitable opportunities to all community members. To have good organizational morale. To select good leaders
- Giving training to new members of the VO in VO related activities will enable to VO to grow and be more successful.

## MF VOs in general

When asked “Does your VO contribute to the development of your village?” responses were divided. Some talked about the general economic benefits to the community. Others indicated that the benefits were restricted to members:

- It was contributing very much by giving loans and building capacity of the members and community.
- VO is important organization for development of the village but it's not contributing much yet.
- It is slowly contributing the community development

Most MF VOs and their members were provided training. The members of PACT supported VOs had to attend compulsory training prior to receiving loans – the training sessions related to PACT rules and regulations, how to manage finances and how to save. The training provided by other IPs was more varied. Some reportedly did not provide any training. Some provided training on how to run a savings and loans group. However many of these other IPs, unlike PACT, focused on technical training associated with the operation of the income generating businesses to be supported by the loans. Such training related to agricultural and livestock production, shampoo and soap making, using sewing machines, making snacks etc. Some of these other IPs also used the VO as a vehicle to introduce training unrelated to financial, management or technical skills, providing training on health and nutrition, disaster preparedness and climate change. Most FGD participants reported that the training they received was effective regardless of type.

When asked if additional training was required most VOs, including those supported by PACT and other IPs, indicated a preference for vocational trainings associated with improving the productivity of their chosen businesses or for starting new small enterprises. Only four of the 36 MF groups indicated that they

<sup>28</sup> The experiences from the other MF VOs appeared to provide more learning opportunities than PACT VOs. The problems experienced by these other VOs required them to develop their own solutions; as a result providing greater opportunity for organisational development.

needed more training in financial management, accounting and book-keeping. Participants in six FGDs said that they did not need any more training.<sup>29</sup>

Beyond training a number of the VOs supported by the variety of IPs listed a variety of weaknesses, constraints and areas where further support would be helpful. Several indicated that further funds as capital for loans were needed. Many reported that the interest rate (2.5%) was too high. Several suggested changing the repayment intervals and/or extending the duration of the loan. A number of other groups suggested increasing the size of loans available. Examples of the responses include the following:

- Too few members.
- Increase the total funds and the amount that can be borrowed.
- Need good leadership.
- The leaders need to be given salary so that they can give more time.
- We want more loans for schooling. At the moment we can only get 50,000 kyats.
- Instead of having to make repayments every two weeks, it would be better if we could make repayments once every 6 months based on the weather.
- Should increase the agricultural loan amount because the current loan amount is not enough to buy all the required agricultural materials such as fertilizer, seeds and not enough to pay labour costs.
- 2.50% interest rate is high. Another month to pay back loans would also be better. Also the day for repayment is not the most suitable for us.
- We need to be able to borrow larger amounts of credit. For example 50,000 kyats is not enough, we require around 150,000 kyats.

### **FGDs with non-members of the MF VO**

All focus groups of non-members of the MF VO were aware of the MF VO. All 29 thought that the MF VO was doing a good job and helping its members.<sup>30</sup> When asked if the MF VO was also helping the larger community, the large majority of groups (20) thought that the VO was only helping its members.

When non-members were asked if they had ever been interested in being a member of this VO most FGD participants indicated that they were interested. However responses varied among participants. Overall 37 individuals responded that they were interested in joining, and 34 were not. All FGs were asked to explain why there or weren't interested. Most were interested to get low interest loans, for example, to provide capital to start a business or to generally improve their lives. Several stated that they felt envious of members. For those that did not want to join the answers were more varied. Many felt that they were too poor to borrow and repay money. Many others thought it too risky and were worried about the pressure to repay every 14 days.

- No [I was not interested], because I was too poor.
- No, too poor to repay the debt
- No, because we were daily waged earners and we were worry about that we could not settle our debts regularly.
- No, I was not interested in because I was worry that I could not repay the money every 14 days.
- No, I was not interested in because I had no work to earn money and I feel worry that I could not settle the debt.
- No, because we were worry about that we could not settle the debts.
- No, because it was not OK if we could not pay the interest in 14 days.
- Even if we raised ducks, they did not lay eggs every day and we had to borrow the money from the others. So I was not interested in it.
- No. too poor to join.
- No, I was not interested because I had to repay the interest once every 14 days. That made a burden for me.
- No, I was not interest because there was a fine of 500 Kyat if the interest was not repaid in time.
- No, I was not interested because I was worry about that I could not settle the debt.

29 In some of these groups there was a diversity of opinions, some participants disagreed and stated that yes they needed more training.

30 Twenty-nine FGDs with non-members were conducted in the 30 villages where the 36 VOs were located.

- No, because I could not afford to be in.
- I had no space to grow [vegetables] and therefore I did not join.

Others claimed to be too busy, that they were not eligible or were confused with the rules and procedures.

Most but not all non-members had some idea how the VO members were selected. Of these, most believed that the selection process was fair. Nevertheless seven responses indicated some dissatisfaction with the process. In many cases this was due to the pro-poor orientation and pro-women targeting of the VO where preference was variously given to women, the poor, disadvantaged or disabled. While many FG participants recognized the value of supporting women and the poor, some would have liked the VO to support all members in the community (7 responses).

- It was fair because it is considerate towards poor people.
- No man was allowed to join, so it was not fair.
- It was fair because the members were elected by community
- Not all farmers are members, though it is said to be fair.
- It was fair because I was glad to have such a group that stood for underprivileged people.
- No, it should provide loans to everyone in the community.
- No, they should invite one person per household to the meetings and ask those who can be involved and who cannot. Currently, those who are late for meetings cannot be a member because it did not save a seat after 25 people had arrived.
- All the elderly and handicapped people can join if they are interested.

Membership was further investigated, non-members were asked: Was everyone in the community given the chance to be included (poor, vulnerable, women, disabled, ethnic/religious minorities)? The responses varied depending on the type of MF VO established by the IP. Many of the MF VOs were exclusively for women and this was clearly reported by the FGD participants. But more interestingly, based on the responses provided, many MF VOs were not open to the most poor and vulnerable in the communities as these were seen to have little chance to repay their loans:

- An important fact was that a member must be able to settle the debt.
- Those who lived from hand-to-mouth and the disabled were not allowed to be involved because they were not supposed to be able to repay money they had borrowed.
- No disabled members.

Other MF VOs reportedly only targeted farmers as the members who were able to borrow money:

- Only farmers who have few acres of land.
- Only farmers could join.
- Only farmers were involved.

Non-members were asked whether, from their perspectives, they thought that the MF VO activities were effective and relevant for the members. Most reported that they thought that the low-interest loans had improved the lives of members. A few however reported that the amount lent was insufficient to make a big difference, for example:

- No, the amount of agricultural loan is not enough for farmers.
- How could it be effective? Because the money lent was only 90,000-100,000 KS.
- The capital that farmers needed was much more than the money lent by groups.

Participants in two focus groups indicated that the VO had not always been effective for all members. Those members unable to meet the fortnightly repayment schedule imposed by the MF VO had to borrow from other people and as a result ‘..had to pay interest to the group and the other creditor’.

Despite the concerns over membership discussed above, the participants taking part in FGDs for non-members of the MF VO reported no issues in the community between members and non-members. They were unanimous that there were no such problems when asked whether the MF VO had created any problems or disunity in the community (With some groups or people? With other village leaders/institutions in the village?).

At the same time, only four of the 29 FGDs with non-members thought that the VO had improved how the community worked together or made decisions. The majority thought that this was clearly not the case.

Non-member participants were divided when asked if they thought that the MF VO in their village would continue into the future without the support of the IP project. Twelve participants who expressed opinions indicated that they believed the VO would continue but the majority, 18 participants, believed that ongoing IP support was necessary. Other participants did not know. When asked why, those that thought the VO would continue reported that:

- The number of borrowers has increased.
- The IP has built capacity of the community.
- Because they adhere to the rules.
- Because the VO has saved some money and it can continue operating the activities

Those who thought that the VO would not continue believed further funding was necessary; that there were not enough funds in circulation to assure the VO's success.

### **Farmer groups and farmer field schools<sup>31</sup>**

The classification of farmer-relate VOs by the contractor's field survey teams was not always clear cut. While FFSs are a clearly defined group, other types of farmer groups can also be supported through seed banks and microfinance/revolving funds making classification of a multi-function VO quite subjective.

The following types of farmer groups (FGs) were represented in the 23 farmer groups sampled in the study:

- Seven of the 23 farmer groups were clearly oriented to farmer education and training mainly as farmer field schools (5) but also more broadly addressing farmer education and training (2 groups)
- The remaining farmer groups had varied objectives and were involved in a range of activities including:
  - Drilling water wells
  - Making organic fertilizer and field exchange visits
  - Sharing equipment for weeding, sickles for harvesting rice and harrows
  - Providing seed to farmers.
  - Providing agricultural inputs/practices, draught cattle and agricultural loans
  - Providing agricultural machinery to members (power tillers etc)
  - Providing draught cattle.
  - Promoting paddy seed production and providing fertilizers, seeders, pesticide sprayers and winnowing equipment for seed production.
  - Operating paddy thresher machine as an income generating activity. The income received from the machine was used for a revolving fund.
  - Constructing embankments.
  - Providing agricultural loans.
  - Providing free agricultural inputs for the VO members in turns
  - Fish farming.
  - Extending irrigation systems.
  - Seed storage and seed drying.
  - Managing revolving funds for members.
  - Constructing a rice mill.

All of these farmer VOs were established upon the initiative of the LIFT IP not the villagers themselves. None were pre-existing.

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31 The IPs included in this sample were as follows: Mercy Corps, AVSI, Metta, Radanar Ayar, LEAD, WHH/GRET, and Action Aid/Thadar.

Management committees (MCs) of the FGs were sometimes elected and sometimes appointed. Less than half of the MCs were elected through an open process. In those cases when the MC was appointed it was by the VDC head, the village committee, the village authority, or local leaders. Sometimes this was with the involvement of the IP. At times the IP or village leadership specified the criteria. Reported examples of the selection process (when not an open election) are as follows:

- The VDC head and their organization selected the suitable person [as leader of the VO].
- There was a meeting with village authority, community leaders, IP representatives and members of the group to select the management committee.
- There were no election processes. Office holders were nominated. Their nomination were announced at the notice board
- Villagers and village elders elected the management committee with majority's agreement. Village elders proposed the names for office holders and the villagers had to vote for the person they liked
- The bookkeeper is the same bookkeeper from VDC. The VDC manages the activities of agriculture group.

Regardless of the specific process, all the FGDs reported that the selection of the MC was fair.

When asked whether the VO members were typical farmers from the village and whether everyone had the chance to be involved there were, as would be expected, a variety of responses.<sup>32</sup> Some farmer VOs were set up for poorer farmers, some for any type of farmer (large or small landowners), some farmer VOs admitted anyone interested even members of landless households.<sup>33</sup> Examples of responses from VO members included:

- The people who have farms are asked to become members.
- The whole village can become a member. We don't have any restriction.
- Three types of farmers based on their possession of land [larger, medium, small] are members of the group.
- The members should be farmers from the poorest class.
- Members include paddy field farmers, hilly field farmers and landless farmers.
- There is no criteria for membership
- Every farmer can participate in this group. The main things are interest to grow the pedigree seed and use correct planting technology.
- The casual workers are not eligible to be involved - it is just for farmers to improve crop yield.
- All farmers who did not have paddy thresher machine were invited to attend meeting. Among over 40 farmers, 14 became members. Most farmers did not attend the meeting.
- Any person, male or female, a farmer of any social class, or any level of education, as long as he or she is keen, can be involved
- Farmers who own less than 10 acres of farmland and people who are interested can join the membership
- There would be more female members than male. The people who are interested can become members.
- As the support is limited, if the support is available for 8 people, the farmers have to nominate 8 farmers from them to receive the support.
- Every farmer, who own farming land less than 15 acres is eligible to participate.
- Yes, those who from minorities, disabled, the most needy, women, youth or aging persons can also participate.
- Landless farmers are not entitled to join.
- Farmers who rent the farmland and do the farming can also join the membership

All FGDs with FG VO members believed the selection of members was fair. However reasons given varied.

<sup>32</sup> The FGD question checklist asked facilitators to explore this in greater detail – not only the wealth status of members but whether members were predominantly men, younger, more educated and whether the most disadvantaged, minority group households, disabled persons and women were represented. Unfortunately few of recorded responses addressed these issues in much detail.

<sup>33</sup> Normally it was the IP that determined the objectives of the farmer VO.

Roughly half of the responses indicated that the selection was fair as every member of the community was given the opportunity to become a member. In contrast other participants indicated that the VO was oriented to supporting the poorest farmers or those with smaller landholdings:

- I think the selection process for members was fair because any farmer who owns less than 10 acres of farmland can join the membership.

There were no responses concerning how those households who did not own land were sometimes excluded.

FGDs with non-members of the FG VO expressed quite different perspectives. When asked if they or anyone in the community could have become a member the responses included:

- Farmers with less than 3 acres of land cannot be members.
- Farmers who have 5 to 10 acres of land can be members. But it excluded people who are in need.
- Small farmers are poor and they do not have time for the organization as big farmers who are rich and they [the big farmers] do not need support from the FG.
- The IP recognize the person who own at least 5 acre of land as the farmer, small farmers with 1 or 2 acre of land and landless farmers are neglected and excluded.
- To become a member, someone had to contribute two baskets of paddy and maize each to the VO.
- Landless farmers, the poor and farmers own more than 10 acres did not have chance to be a member.
- I don't like the system of distribution of support. If I am strong [relatively well off] I get the chance to receive support while others in weaker position are left behind and do not get any support.
- The membership fee is high, to become a member, it is required to pay 500 kyat, one paddy basket and two baskets of corn to the group. If it is reduced, we want to be a member.

Members were asked what had been the main achievements of the FG VO in the village. Answers varied enormously and included:

- We have completed drilling water wells.
- Making organic fertilizer and field exchange visit training for cultivating paddy, bean and other income-generating crops. .
- We have received equipment for clearing weeds, sickles for harvesting rice and we also received a harrow.
- The VO provided training in paddy growing techniques, using organic fertilizer, making organic fertilizer and pest and disease control. The VO also provided seed.
- The VO provides experimental agriculture plots and gives trainings about choosing the quality paddy seeds and making organic fertilizers.
- The VO provides agricultural inputs/practices, draught cattle and agricultural loans.
- Providing loans with low interest rate to the farmers - these have eased the burden of financial difficulties of the farmers
- The IP asked us to grow the paddy in row, we grow it in row and we choose the pedigree seed. The IP provides us fertilizers, a seeder, pesticide sprayers and winnowing equipment.
- We received the paddy thresher machine and we operated it as income generating activity. The income received from the machine was used for a revolving fund.
- Farmers can now build embankments by themselves.
- The main achievement would be having paddy seed bank. The IP provided some initial money for building the seed bank. 22 members from the VO shared other cost of building paddy seed bank.
- The VO disseminates agricultural technologies to the members. The VO provides agricultural inputs for the members for free in turns. The VO also provides agricultural loans to members.
- We are now growing Elephant foot yam tuber, bamboo, doing fish farming and making natural fertilizers.

- We have developed a small scale irrigation scheme that brings benefits to members as well as non members. We have also made fertilizers.
- We provide support for the farmers who are poor and share technologies.
- The thing that we do is use pedigree seeds, natural fertilizers and soil modification to produce better rice quality. We store rice properly and also use dryers.
- It built a rice mill for the farmers.
- The experts from the township came and gave us agricultural training on growing aromatic “Paw San” paddy. We elect one member to grow paddy, this member has to share the seed with low price to everybody who wants.

Most FG VOs also received training. This was mainly provided by the IP that promoted the establishment of the VO. In some cases the VO also received training from local Department of Agriculture representatives. Trainings were generally for members of the VO, but VO members reported that in many cases all interested farmers were allowed to attend.

In nearly all cases the VO members indicated that the activities of the VO had been valuable:

- The FFS informs us of what to cultivate and directs us where to get quality seeds. The harvests have increased.
- Making “Do Chat Kin” organic fertilizer was quite useful.
- Farmers substitute the human labour with agricultural machines so the paddy output has increased.
- Farmers can borrow agricultural machines to use in farming activities and they were more effective.
- Interest collected from loans were used in giving support to students who cannot afford to attend school, and in providing support for the VO members to attend classes at Myittar group and in village development activities.
- The thresher machine was useful for both members and non members. Fees from using machine were collected and increase the loans fund.
- The construction of embankments has been very useful.
- The agricultural machinery, such as threshers, have been very useful; machinery can be rented. Draught animals can also be rented
- Quality seeds are distributed at a lower price compared to the market.
- Members lives have improved. There has not been much impact for the wider community.
- The water pump provided can be used by the village.
- All the villagers can rent the agricultural tools and equipment from the VO.
- Before the irrigation canal there were many farmlands that could not be farmed. But I think this year, these lands could be cultivated.
- The usefulness would be that the rice has increased in productivity and the farms are getting better. There would be less soil erosion. We used to use 4 bags of urea but now we use 2 bags and humus/compost.
- The revolving fund has been useful for the VO members.
- We receive information about pesticide and quality seed, it makes us improve. We share these technologies with other farmers in the village and they are also happy with that.
- The agriculture practices have increased the crop output so it creates sufficient food supply for the village.

There were only a few misgivings expressed by participants over the appropriateness of the support: Some of the equipment for weeding is not so effective on uneven land. In the cases where agricultural machinery was provided by the IP to the VO there were also some concerns over maintenance and repair for example: The power tillers provided by the VO were useful for about 2 years.

The FGDs also considered the broader impact of these various VO activities. Similar responses were reported:

- We save time weeding since we began to use the equipment. We also rent the weeder to non-members.
- The seeder machine helps us to finish the job quickly and reduces the cost of buying seed.
- The whole community learned of the new farming techniques.
- Farmers learned how to choose quality seeds and how to make organic fertilizers.
- Farmers learned good agricultural practices and output has increased.
- Non-member farmers in the community learned the agricultural practices from the members
- The members can use the draught cattle received from the VO in their farming activities.
- The interest collected from loans was used for village development activities.
- Technology, winnowing machine and sprayers are most useful. Sometimes the seeder is not useful if the soil has a problem.
- Members have chance to use the thresher machine before it is rented out. They can also get a loan from revolving fund. Any members can get a loan for six months with 5% interest rate.
- Members can now grow quality rice after the construction of an embankment that prevents salt water from entering the paddy fields.
- The community members now know how to identify pests and detect crop diseases, and how to use chemical fertilizers properly.
- The community members now know how deep water should be in the paddy fields at certain periods.
- Non-members did not have a chance to attend trainings from the IP; some benefits were limited to its members only.
- The VO activities create food security, increase the crop output, improve the agricultural practices/technologies used by the farmers and increase the income for the members
- The farmer group has donated 50,000 kyat for establishing a hydro electricity system. Farmer group also has provided 500,000 kyat per year for local schools.
- It has impacts for the farmers but not much if the people are not farmers. The productivities of rice has increased and farmers use less seed and fertilizers so the costs are also less.
- There would also be more impacts for the village in the next 2 or 3 years as the funds would increase more. We have not use any funds yet. And the funds that we get would be from selling pedigree seeds and fertilizers. We can use the funds for village development.
- There was no school at the village. Now there is a school. We can say it is because of our organization.
- Before the IP came to village, we scattered the paddy seed using the traditional method, it used about 4 and half baskets in an acre. Now we only use one and half baskets ... reducing the cost. The yield is the same.

When asked specifically if the FG VO contributed to the wider development of the village or community, responses were divided. Some VOs reportedly concentrated on agriculture and worked only with the VO members. Others indicated that they aimed to improve agricultural livelihoods for all villagers (not just members). A smaller number of other FG VOs were very focused on the wider development of the village, with the FG VO providing funds for a school, a village access road, and an irrigation scheme. They were proud of their achievements in these areas. This depended in part, on how the VO was originally set up by the IP. For example:

- The IP donated 30% of value of equipment to the village development fund. This money was used for village road. If the price is 100,000 kyat, we [the VO members] only have to pay 30,000 kyat. This 30,000 kyat goes to the village development fund.

Despite the benefits accruing to VO members in most villages sampled, there were reportedly no conflicts or disputes with the wider community, nor among members.

When asked about the strengths of their VO, most members indicated that their VO was unified and very motivated to work together to promote improved agricultural practices and knowledge:

- Unity is the strength of our VO. All members consult with each other and work together.
- The strength of the VO is providing knowledge to our members about advanced agricultural practices and veterinary care.
- Having paddy thresher machine is the strength of the farmer group VO. We are able to finish the paddy harvesting faster than before and store paddy without it getting wet.
- We provide technical support and agricultural inputs
- We have been able to support agricultural inputs such as draught cattle to our members
- Agricultural loan activities and providing agricultural machines are the strengths of the VO
- There is unity in our farmer group. When we are called for meetings, everyone would gather up without anyone absent. Everyone one would also get to participate in the group discussion.
- The leaders would also encourage us. I think the leaders also have good leadership skills.
- Our VO contributes to the development of our village.

The challenges and problems faced by each VO varied with the nature of its activities. Those that supplied inputs and loans to members raised the constraint of limited funds. A few of those VOs focused on extension had problems with lack of interest and poor attendance to training sessions. Those sharing agricultural machinery had problems with maintenance and repair. Those growing new perishable crops faced marketing problems for their members.

- We still lack technologies and some farmers have lack of interest in the technologies.
- We have limited funds, we can disseminate our new agricultural inputs to only limited number of farmers.
- Major challenges is lack of capital to cultivate on time.
- Lack of maintenance of the power tillers
- Difficult to organize people to attend the trainings.
- Because there was only one threshing machine, we faced difficulty in transferring from place to place. We had to cross the road and it was dangerous. To repair the machine, all members had to pay 4,000 kyat each. Another challenge was it would not run when we received it. We had to repair it first. Later, we charged 3 baskets for threshing 100 baskets of paddy. Then, after selling the paddy received as the threshing charge, this money became the fund for the VO.
- Our rice mill does not do very well. If more investment can be made, it will produce better quality rice. We have put 2.5 million kyat in the bank. With it we'll make investment in improving the rice mill.
- Some farmers are not familiar with new techniques. They aren't quite convinced that the new techniques are beneficial.
- They have to be trained more. If the entire villages can practice our new techniques, their lives will be improved.
- Limited funds to support our members.
- We need good transportation because we need to get the crops into the market on time.
- We need financial and technological support for expanding our production. During rainy seasons, the transportation is high because the roads are not good.

### **Capacities and sustainability of the VO:**

Many of the farmer groups VOs supported by the LIFT IPs undertook field experimentation and extension of new practices. Responses were varied with regards to who makes decisions on what agricultural practices/technologies to test or promote. The capacity of farmer groups to experiment and learn for themselves has implications for the longer term sustainability of the VOs and capacity of farmers to test and adopt new techniques. In the majority of cases the choice of technologies to test or compare was made by the LIFT IP:

- The LIFT IP makes the decisions on what agricultural practices/technologies to test or promote [plus 6 other very similar responses].
- The LIFT IP would come and give us the technology and if it was not successful then they ask us to try another technology.

- The IP decided what agricultural machine will be used and which agricultural practices will be tested or promoted
- The IP team from the township and our VO together decide where to test the technology. Generally the VO together decides about the where to grow what and the IP decides about the technology.
- The decision would be decided by the farmers, the committee and the staff of the IP.
- We usually decided based on agreement of most members. All the members decided together to test the farming technique.
- The 22 members make decisions on what agricultural practices/technologies to test or promote.
- The committee would have a meeting and try to find ideas to promote.
- The decisions of agriculture activities would be made by the head of VO and VDC.
- The head of VO would decide on what to grow and which agriculture technology to use.
- VO members can give opinions on which agricultural practices/inputs will be more effective

Only in a minority of cases were the VOs empowered to choose the technologies to test.

Similarly, few of the FGDs with FG VOs reported that they had clearly articulated goals and objectives formally agreed among members. One had a clear and documented objective of purchasing a new rice threshing machine. Another aimed “to improve the livelihoods of the members” specifically, “to improve the output of crops by 20%, to increase nutrition by 1% and to increase family income by 10%.” Many FGDs nevertheless indicated that members had their own personal hopes and expectations for the VO generally related to increased agricultural production and incomes.

Depending on the nature of the VO there are different issues associated with sustainability. Some farmer field schools indicated that they would try to find other IPs to provide technical support. Those working as farmer cooperatives indicated that they may seek support from the Ministry of Cooperatives. Those sharing agricultural machinery and renting it to gain income were faced with issues of maintenance and repair. Those with funds for savings and loans seemed most confident that they could continue.

Nearly all VO members who responded, believed that the VO would continue after the IP project ended. The reasons varied. Some had well thought out plans, while others responded with simple statements that the group intended to continue:

- We have to continue to work together for the developments of the coming generation.
- We would like to continue because we would like to find agricultural technologies.
- If [the current IP] stops providing technologies to us, we will find another IP and we will attend their trainings. Then we will share this technology at the village.
- We will continue to work together. We will maintain the thresher machine and will try to have more farming machinery owned by the group.
- It is expected that our organization will be expanded significantly in the next 3-4 years. We will make investments in our rice mill. We will strengthen links with the Ministry of Cooperatives. We will mobilize more members, our membership will be expanded to other villages, beyond the existing 7 villages.
- We core members, comprising 22 farmers, have determined to make this project sustainable.
- We plan to provide trainings.
- It will continue to exist because we still need to do the activities for the village and we also have the funds to do so.
- Yes we will continue to work together after the IP project ends. Because we have the agriculture machines and funds to continue the work
- Yes our group will continue to work together after the IP project ends because it helps in village development
- We now have organization, I think we can contact the Cooperative Association to get support.

However, two FGDs with FG members were less positive about the future:

- The group will not continue to work together after the IP project ends because the power tillers are broken
- We need to have an organization that would be observing and supporting us instead of stopping the project.
- We cannot tell what our VO will do.

When asked if their VO will need on-going technical assistance after the IP project ends, nearly all participants indicated that they would.<sup>34</sup> Many however were unsure of where they would find future support.

- Yes we need continued technical support. We don't know where to get assistance yet [many groups reported very similar comments].
- We need on-going technical assistance. I think that [the current IP] will provide us with the support.
- As the FFS, we still require the on-going technical assistance. For technique support, we have to rely on NGO as we are not able to find the assistant ourselves.
- We will go to the organizations such as [names of two local and one international NGO] to get this assistance.
- Yes we need farming techniques and agricultural inputs.
- We need continual capacity building. We also need more agricultural machinery. Threshers have greatly improved our work. We still need on-going technical assistance. We will seek assistance from the Ministry of Cooperatives and the Ministry of Agriculture
- I think there will be many NGO to assist us but can't tell which one yet.
- We need on-going technical assistance and support. We don't have any organization to ask for assistance yet. I have heard of [names of two local NGOs] organizations. But they haven't come to our village yet.
- Yes it needs on-going technical assistance. Members will go to [name of a local NGO] to get this assistance
- Yes, we need on-going technical assistance. If the [the current IP] is not there anymore, we might approach Ministry of Irrigation and Agriculture.
- If [the current IP] doesn't provide support anymore, we have to approach village authority. We will approach the village administrator to get support from NGO because we need village administrator's support to receive help from NGOs.
- Yes, we still need technical assistance. Currently we are meeting with the Farming Cooperation Association.

Surprisingly, non-members from the same villages as the FG were more positive about the continuation of the VO without on-going IP support. The study recorded 18 responses from non-members who believed that FG would continue against 15 who believed it would not.

### **Lessons learned:**

Several of the VO representatives proposed lessons for other villages planning to establish a farmer group. Many related to the selection of leaders and transparency of the VO to the local community:

- We should elect the members by vote if we are going to form this kind of organization.
- Important points for operating the VO are be disciplined, be systematic, and able to manage finance in equitable manner.
- All villagers should be informed about the activity of the group, calling a meeting to get their involvement in the selection of the VO leader and members.
- VO leader and members should evaluate the performance themselves.
- We need to carry out more organizational work among community members.
- We should be more transparent about our activities. Our activities, including financial statements, should be made public, for example, at the community notice boards.

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34 This may be in the context of letting the donors know that they would be interested to receive continued support.

- Members need to elect the leaders who the majority support and propose.
- The office holders need to be accountable and responsible for the position they are taking so that the VO will develop.
- There should be proper skills for the accountant and the treasurer.
- When the VO is established it needs strong financial support and leadership skills.
- Good accounting skills so that financial records could be presented to the community.
- The organization would not last long if the people are not united. There would be issues in the future. The main thing would be the unity.
- Leaders should be representative of all the social classes and have to do the best for the majority.
- VO should keep the records in clear and organized way.
- Activities should be implemented by asking majority's agreement.

## Village Development Committees<sup>35 36</sup>

Seventeen FGDs were conducted with members of a VDC; these participants were predominantly VDC office holders. Seventeen FGDs were also conducted with 'non-members' of the VDC, these were generally still beneficiaries of VDC activities and in many ways represented VDC 'regular members'. However, in some cases these non-member FGD participants did not consider themselves regular VDC members as they did not participate in or benefit from important VDC activities (eg such as village microfinance activities). For example, some villages had microfinance activities supported under PACT and other microfinance activities supported by another IP through the VDC. Beneficiaries of PACT support often did not consider themselves to be 'VDC members'.

VDC's were loosely classified by the FGD facilitators to include village groups established for a variety of purposes.<sup>37</sup>

When asked why the VDC was established most members mentioned general motivations associated with village development. Many also indicated that the VDC aimed to support livelihoods of the vulnerable or alleviate poverty. A selection of member responses are as follows:

- To develop the village community To alleviate poverty To improve living standards
- Community development and poverty alleviation
- To explore the needs of the village and to connect with appropriate organizations to fulfill them. To facilitate communication among villagers. To support vulnerable groups in the village
- To do the community development. To improve lives of disabled.
- To increase food security. To found a leading group for all village development activities.
- To bring about community development. To improve infrastructure.
- To manage a village fund.
- To support the livelihoods of the most vulnerable groups in the village.

In all but one case the VDC was established upon the initiative of the IP. The exception was a the VDC that had been established prior to the current project by another NGO.

The selection of the VDC leaders and office holders was considered fair by the members of the VDC who participated in the FGDs. In most cases they reported that VDC members were elected by the whole community using a simple voting process. However there were some notable variations in this process:

- We first grouped a committee for selection. [It was fair] because it was conducted based on the

<sup>35</sup> While the VDC is technically the committee of the VO, it is generally used in this report to refer to the wider membership within the community. The terms VDC leaders or office holders are used when referring to the actual committee members.

<sup>36</sup> The IPs included in this sample were as follows: Mercy Corps, Oxfam, HelpAge, Proximity Designs, CESVI, WHH/GRET, Action Aid/Thadar, and ADRA.

<sup>37</sup> Ideally greater LIFT guidance could have been provided to the field teams who often struggled to identify and classify village organizations, some of whom were set up under other programs (not only LIFT). VDCs were a particularly problematic type of VO as they could often undertake combined roles of farmer group VOs, microfinance VOs and cash-for-work VOs. During the analysis some VOs originally classified as VDCs have subsequently be grouped under 'cash-for-work' VOs as their primary activity was to organize excavating silted village ponds under LIFT cash-for-work projects and had no other longer-term development objective.

trust of all villagers rather than individual voting.

- Firstly, small groups among the villagers were grouped based on their businesses such as agriculture, livestock, retailers. Two members from each group were selected and were appointed by the village's authority.
- People whom village administration and elderlies considered capable were selected
- The accountant and secretary were appointed by the Chairman.
- A meeting was held by village officers, 100 hh reps and 10 hh reps to select people who can work for development activities. Village officers firstly nominated some suitable persons for each position and then, villagers selected from them.

VDC members believed that the VO represented all social groups in the community. The non-members in separate FGDs also reported that all social groups (poor, vulnerable, women, disabled, ethnic/religious minorities) were given the chance to be included as members. Only one group of non-members indicated a barrier to VDC membership:

- Anyone from the village can be a member. They just need to register at the VO and give 1000 kyat for the village fund.

VDC members were asked whether the VDC aimed to support any particular groups within their communities. In many cases the members indicated that the VDC had a pro-poor orientation in their activities:

- Wealth rankings were done, the most vulnerable were given priority [5 similar responses].
- We divided villagers into 4 groups. Level 1, 2, 3 and 4. Level 4 is the most vulnerable group. So we prioritize them.
- Poor households, households with disabled and elders, woman leaded households are prioritized.
- The poor who are vulnerable.
- Basically we prioritize poor villagers followed by the middle level people.
- Female headed households.
- The most vulnerable groups since improving their life is our main motivation.

However this pro-poor orientation was not always the case in the implementation of VDC activities. Some VDCs prioritized support for some specific wealth or livelihood groups while others worked for the whole village:

- For revolving fund, firstly, we lend to the middle level people because if we lend to the poor, we are worried that they will not able to repay. After lending the middle level people, we lend to the poor.
- Villagers who are involved in livestock production and crop production are supposed to benefit most.
- Farmer groups because we support groundnut seed, paddy seed, fertilizer etc
- Agriculture group because our activities include paddy seed bank.
- Livestock group because we have revolving fund for them at lower interest rate.
- Farmers, pig breeders and casual workers.
- Whole village because we work for all community members [several similar responses].

In some cases the VDCs' goals and objectives were suggested by the LIFT IP, but in most cases the FGD participants indicated that they were decided in meetings and discussions with the whole community. In some cases these goals and objectives were recorded but in most cases they were not written down or displayed.

VDC members reported receiving training in a large variety of topics. The participants commonly reported receiving vocational training in agricultural and livestock production, other non-farm income generating activities, as well as leadership and/or book keeping training to assist in running the VDC. The topics mentioned were as follows:<sup>38</sup>

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38 These are not listed in any order, nor in order of frequency of reporting.

- Training regarding manure, making herbal medicines, making organic pesticide, repairing machines, and agricultural practices.
- The training regarding leadership, building the capacities of females, and plant protection.
- The trainings on book-keeping and mitigating/resolving conflicts.
- Agriculture and livestock businesses, disaster management, and preserving the environment.
- Health care training.
- Sowing and harvesting crops.
- Accounting, auditing, making snacks, livestock breeding, sewing, stove making and fixing motorcycles.
- Making soap, cultivating mushrooms, land laws.
- Terrace plantings, soil protection, and masonry.
- Training on animal health, shampoo making, sewing and measuring paddy yields.
- Nutrition
- Choosing better quality paddy seed
- Planting flowers.
- Creating markets for local products
- First aid training.
- Fire fighting.

In nearly all cases the FGD participants reported that the training was effective.<sup>39</sup>

In many cases the VDC included members from the Village Authority, 100 household representatives or 10 household representatives and as such incorporated some of the existing village leadership. There was no evidence that the establishment of the VDC had threatened or resulted in competition with established power structures. The VDC members reported no conflicts, disputes or tensions with other VOs in the village or established leaders or pre-existing formal or informal governance structures. Even the non-members represented in 17 non-member FGDs reported that the VDCs in their villages had not created any problems, jealousies or disunity.

Given that a major motivation of the VDC was community development, it was expected that the VDC would have improved how the community works together and makes decisions. This was largely borne out by responses from the VDC members participating in the FGDs when asked if the VDC had contributed to such changes. Examples of responses included:

- Yes the VO has improved the coordination between the village authorities and the VO members.
- The VO has improved people's participation in decision making by inviting the villagers to the meeting when making decisions for activities.
- Yes, the VO always asked opinions from the villagers in making decisions so it improves the coordination among the villagers.
- The VO motivates the villagers to participate in village development activities. The VO motivates youth to participate in decision making processes.
- Yes, the community is more accustomed to the practice of helping the poor people and participating in village development activities.

While the majority of FGD groups and participants reported improvements in community decision-making and participation in village development, four FGD groups indicated that the VDC had not affected how the community works together.

### **Capacities and sustainability of the VO:**

A number of questions were asked to explore issues of organizational capacity, organizational development and the likely sustainability of the VDC following the completion of the LIFT supported project. Participants generally reported that their VDC still needed to develop in order to be stronger into the future. However not all groups were clear on the nature of the weakness or the specific area of

<sup>39</sup> This was the common response by participants recorded in almost all FGDs. It is apparent that participants were not asked to critically assess whether they had fully gained the skills and knowledge expected, or whether the training was delivered effectively so that all could understand and practice the skills themselves etc.

capacity to be strengthened. A sample of typical participant responses is as follows:

- The VDC needs to hold regular meetings twice a month.
- We need young people to participate so that we can transfer knowledge and working procedures to next generation.
- We need to improve the participation of the villagers.
- We need to develop skills in many areas: agriculture, livestock, marketing, and financial management.
- To enhance unity among members.
- To work systematically.
- To create a monitoring group.
- We need educated members and management skills.
- We need financial support
- Better planning.
- Unity and trust among members.
- The VO still needs to increase its funds for development.
- Rules and regulations.
- Cooperation and leadership.
- Willingness to work for the community.

When asked whether their VDC had plans to develop its capacity in these areas, and whether they expected any organization to assist, most reported they had no plans in place and no clear expectation of support after LIFT. Several VDC groups however did have plans:

- We need to improve the organizational structure.
- We will ask assistance from government departments with regard to agriculture and livestock.
- Upon completion of the project, we will connect with the 15 Village Committee of this area to get support.

Five of the VDC members reported that they hoped to seek support from national NGOs.

Each FGD with VDCs asked participants about a variety of institutional capacities: setting vision and goals; leadership and governance; planning; financial management/bookkeeping; implementing activities; monitoring; reporting to and communicating with the community; coordinating with government, local authorities; non-government organizations, and other village organizations.

In general, many FGDs rated setting their VDC's vision and goal, leadership and governance, and planning as weak, but financial management as adequate or strong. Implementation and M&E was generally considered adequate, and reporting and communicating to the community was generally considered a strength. Coordinating with government, local authorities and non-government organization, and other village organizations varied from weak to strong with little clear pattern.

### **Lessons learned:**

VDC members were asked what lessons they had learned that might help others if they were to set up a similar VDC in another village. Most responses referred to issues of transparency, decision-making processes, and financial management. In many regards they did not differ significantly from lessons proposed by other types of VO. A selection of the more interesting responses follows (they are not necessarily phrased as lessons):

- The VDC needs to increase the participation of women.
- It needs consensus when making decisions.
- Plans should be transparent.
- Problems should be solved as soon as possible.
- We had problems in deciding to whom we should give loan first (the order). We had to convince the rest why we gave loans to some group first. Defining eligible beneficiaries based on voting system would be better.
- Getting approval from all (community members) before implementing activities.
- Proper election process of committee members is required.

- The VDC leader should be able to mobilize participants well.
- Activity records should be accurately kept for learning lessons.
- The VDC needs to consider villagers' opinions and welfare is also important.
- The VDC needs written rules and regulations.
- We have to define the desire of majority.
- The VDC needs clear objectives.
- Office holders should be people who are really interested in community work and who have lived in the village for a long time.

### **Plans for the future:**

Finally VDC members were asked about VDC plans for the future and whether they anticipated any changes to the current VDC role and activities. Roughly a third of VDCs were reported to have plans for the future. The majority had no plans. Many indicated that for the current time they needed the continued support of the IP. A few however, projected a time in the future when the IP would no longer be necessary.

- We have no plan yet because we can only plan when we have funds in our hands.
- We need [the current IP] for the long term since we have to learn many things from them.
- [The current IP] is essential for our village. After five years, we will not need them.
- We would like [the current IP] to continue in the village.
- We will try to link with other donors.
- After 10 years, we hope this organization will be successful. However, the revolving fund will not stop.
- We have plans regarding education. VO will have to fulfil its role for the next ten years.
- We intend to improve water availability in the village.
- We hope to be an independent organization after 5 years.
- We think that in 3 years we will become an independent group.
- I think by next year we can be independent.
- We hope to be independent by 2017.
- We would like to extend our activities to get electricity, reconstructing roads and bridges.

### **FGDs with non-VDC members**

In many cases the VDC was a VO that was elected by the whole community and as such everyone was considered a VO member. This was not always the case and non-members participated in FGDs and were asked for their perspectives on the VDC. Even where the whole community was technically considered part of the VO, FGDs were still conducted with participants who had little involvement with the VDC.

From among the 17 FGDs with 'non- members' of the VDC in 17 sample villages, all reported that the VDC was doing a good job. Most indicated that as well as assisting members, the VDC was benefiting the wider community. Three FGDs reported that the VDC was only supporting its members, and one considered that the VDC was assisting the wider community only "to a limited extent".

Four of the non-members FGDs indicated that they had no interest in joining the VDC. Various reasons were recorded. Two responded that were busy with their own family businesses, one group did not know much about the VDC and had little interest, and one reported that the VDC didn't allow new members.

All non-member FGDs reported that the VDC had not created any problems or disunity in the community. Similarly it was reported that there were no jealousies between members and non-members.

Related to this, non-members were asked whether the VDC had improved how the community works together or makes decisions. The large majority of non-members believed that this was the case. Only four participants reported that the VDC had made no contribution to social capital within local communities. Examples from the positive responses from non-members include:

- The community has become more united. They share techniques and discuss with each other to solve farming problems.
- Yes the VDC has improved the coordination between the village authorities and the VDC members

- The VDC has improved people's participation in decision making by inviting the villagers to the meeting when making decisions.
- The VDC improves unity among the villagers

Non-members, similar to the VDC members, were asked their opinions about whether the VDC was likely to continue into the future without the support of the IP project. Most non-members were quite positive concerning the future of the VDC. Only three FGDs believed that the VDC would not be able to continue. One group thought it would continue but would be weaker without the support of the IP. However, the majority of groups believed that the VDC would continue to operate.

Those groups that believed that the VDC would be sustainable reasoned it was because of their VDC's strong leadership, its support from the wider community, and the success of the revolving funds it operated.

- The VDC will continue with the strong leadership of the leaders. Being the local people, they always provide suggestions to the community and implement activities effectively.
- I think as long as the village authorities, the VO committee and the villagers have coordination, the capital fund will increase and this VO will continue to the future.
- Because the VO has collected some capital and the activities are running smoothly
- Because loan activities are revolving
- Because the VDC already has funds so, if it works carefully, it can last long.
- Because currently, they have both fund and capacity to run this VO.
- Because it works together with the community and hence, the community can also support it.

In contrast, non-member groups from a few other villages indicated that a lack of funds and absence of ongoing IP financial support would mean that the VDC would be unable to continue.

## Cash-for-work groups

Eight FGDs were conducted with members of cash-for-work (CfW) management committees.<sup>40</sup> Eight FGDs were also conducted with non-members of the CfW management group. All eight groups were established by Proximity Designs; three for the purpose of road development and five for pond rehabilitation. All CfW groups were the idea of the IP.

In all but one case, the CfW management committee members were selected in a mass village meeting. The exception was one village where the committee was selected by the village authority. The participants believed that the selection process was fair.

The FGD facilitators were unable to clearly distinguish between those participants involved in CfW management and those who were engaged as laborers under the CfW scheme. However responses suggest that most 'VO members' participating in discussions were members of the management committee. Similarly facilitators were unable to make clear in their lines of questioning or in recorded responses whether all in the community had the opportunity to work on the schemes or whether the schemes predominantly employed the poorest households. Recorded responses suggest that in all cases while the CfW schemes were theoretically designed to support the poorest in the village, anyone who cared to work (digging or carrying soil etc) was given work: i.e. there were no criteria for selecting the beneficiaries.

One of the FGDs with CfW committee members indicated that there were some disputes caused over payments for work undertaken. The FGD facilitator reported that some in the community doubted that the committee was paying the right amount of money to the workers. However, FGDs with non-members did not report any disputes or jealousies, rather that the whole community generally supported the CfW activity as the pond or road benefited the whole village. The CfW committee was not generally a permanent group and it was reported that it did not create divisions within the community or with other established VOs.

<sup>40</sup> Initially three of these were classified as VDC groups by the field survey teams and the local consultants summarizing the study, however on close examination they were clearly single purpose CfW groups established by Proximity Designs for pond rehabilitation works using a CfW modality.

When asked if the VO would continue into the future, both the CfW committee and non-member FGD participants were divided. Roughly half indicated that, since the CfW project had finished, the VO was no longer operating and needed support from an IP to fund future activities. Others were less clear but reported a variety of plans for the future; some plans were limited to maintaining their works while others hoped to commence new activities:

- We have learned some of the processes and will be able to run the activities on our own.
- We plan to continue existing activities of sustaining this pond.
- We want to extend our activities as much as we can but we have budget limitation.
- There is no ending of these activities.
- We intend to continue maintaining this lake.
- We want to extend our activities if finances and technical knowledge allow us.

From the variety of assessments concerning their VO, it was clear that many FGD participants were proud of the work the community had accomplished with CfW support. Even though the CfW VOs were not necessarily established to become permanent village institutions, and had been given little or no training, many were nevertheless inspired to continue to work for village development. However, when asked about concrete plans for the future, few could indicate more than sustaining their pond or road, or asking other NGO's for support. Many had no plans at all.

The FGDs also discussed issues around organising the CfW activities and making payments to workers. CfW management committees were asked how members decided and how much cash the community should receive and pay rates for workers. Most reported that the decision was made by the IP.

- IDE set the amount of cash, 4,000 Kyat per 100 cubic feet of soil.
- 4,000 KS per 100 cubic feet. It was IP's decision.
- The members asked the IP to increase wages and they then increased the wages by 500 KS per day.
- IDE decided how much cash to pay for how much work that had been done.
- Although the IP paid 2,000 Kyat per day, the community decided how much we should earn for 8 days.

People were generally paid according to the amount of work done (eg the amount of cubic feet of soil dug/carried). Participants were asked whether women received the same amount of money that men received per day and whether the decision on this was influenced by the IP. When responses were recorded, participants reported that women received the same amount of money as men. However, facilitators did not probe deeply recording either 'yes' or recording nothing at all.

Neither CfW committee members nor the non-members reported any problems either in the implementation of the CfW activities or in terms of conflicts or disunity within the village.

### **Capacities and sustainability of the VO:**

Only two of the eight CfW VOs reported receiving training. One received training on how to keep records of payments for CfW labour and technical training on how to maintain the road that the community had constructed. The other VO reported receiving training on pond maintenance. The remaining six received no training even though several of the FGDs indicated that they would have liked to receive training in business management and bookkeeping. This lack of attention to training may be expected if the VO is for the single purpose of organizing labour, keeping records of work undertaken and making payments for construction works.

The VOs had no general development plans other than plans for completing the specific works (ponds and roads). This planning was conducted with the IP concerned. The VOs generally rated themselves as weak in setting visions and goals and financial management supporting the idea that these groups had received only minimal IP support to VO capacity development and that the groups were not established by the LIFT IP with longer term development activities in mind.

## Groups with revolving funds in kind

Five VOs in the sample managed revolving funds in kind. These five VOs had been formed as part of four separate LIFT projects.<sup>41</sup> Their revolving funds did not provide loans rather they provided buffaloes, pigs, pumps and tools, and a tractor. Livestock were generally provided freely and offspring needed to be repaid to the group to allow other households to benefit. In one case, tools were provided with seeds and fertilizer, and new sets of tools had to be purchased upon sale of the crops for other households to use.<sup>42</sup> Water pumps were also lent to these households for irrigation. The tractor group was classified as a revolving fund however it rented the tractor to both members and the wider community and kept a large part of the funds for maintenance and repair.

In all five cases the VO was formed on the suggestion of the LIFT IP concerned. The management committees were generally selected by the community but in one case the committee was appointed by the village authority. Selection procedures were considered fair by the members of the VO but not always by others in the community. In two FGDs, non-members thought that the selection of members was unfair: reportedly because the poor and landless were not considered eligible.

This small sample of VOs with revolving funds included two quite distinct types with very different objectives. One was the VO specifically targeting the landless and the very poor in the community providing, for example, pigs that could be raised without land, or support for vegetable production in backyard gardens and on very small plots. The other was the VO supporting farmers and land owners through, for example, provision of buffaloes and tractors to expand/support their agricultural production. Given that these revolving fund VOs generally had restricted membership it was not surprising that there was some expression of dissatisfaction among non-members.

Generally the better off members of the community were not critical of IP support that targeted the poorest and those in greatest need. However, the poor and landless were not always happy with a VO designed to support better off households:

- Only people who have a close relationship with leaders get funds to buy buffalo.
- Only the villagers who have land can be members.

Members were generally happy with the process with which the in kind support circulated amongst them: "It provides livestock inputs and loans to members in order". However, in each of the five cases the VO rules and practices varied, for example, in how the in kind support was provided, how the repayments were made, and how failure to repay was treated.

In the case of the vegetable group it rented water pumps to members who were also provided with seeds and farming tools. Members had to return payment and the water pump at the end of the growing season. The tractor group put the tractor out to tender. The tender winner had to return the tractor in serviceable condition. "We keep 40% of the fund for repairing the tractor and if it exceeds, we give it out as loans to the poor in the community with an interest rate of 3%."

One of the pig revolving fund groups explained their rules in greater detail.<sup>43</sup> Members had to build a pig pen before purchasing a pig with the funds provided. The member then had to pay back the original loan and interest within 10 months. The group went on to describe what happens if a member cannot pay:

"One must explain to the leaders if late with a repayment. If one person in the five person group cannot make a repayment then the other members must make the repayment on that person's behalf ... Even though our pigs have died we must still pay back all the loan but we are given a 2 - 3 month extension on our repayment. ... The other day a staff member from the IP said that they will reduce the remaining repayment for the dead pigs by 20,000 kyats and will notify the group failure to [the name of the IP concerned]."

41 Two of the villages selected participated in Action Aid's 'Building Local Capacity for Livelihood system Approach in the Ayeyarwaddy Delta' Project. Other VOs were formed under projects initiated by SWISSAID, Mercy Corps and ADRA.

42 All information is as reported by VO members and recorded by the FGD facilitators.

43 Note that this was considered a revolving fund in kind group by the survey team as it more closely resembled such a group than a micro-finance group as the members were restricted to borrowing for pigs.

Questions were asked about changes in membership as one indicator of VO success and sustainability.

In two cases the membership had remained much the same, in one case the membership had increased as new members were allowed to join. In the remaining two VOs the membership had decreased as members left the group. In one of these cases it was explained that there was little support available through the VO for members (the vegetable group for the landless poor).<sup>44</sup>

Members generally believed that the VO activities were effective but there were a variety of opinions expressed:

- The support was relevant to the needs of the recipients (3 other similar statements).
- Pesticides sprayers, seeds, fertilizers and training were useful to us.
- The project should provide seeds of better quality.
- We can earn money by leasing the tractor and can use it on our own farms.
- If we had be given enough money to be able to buy 2 pigs, so that they could breed and produce offspring, rather than the money that we received which was only enough for one pig.

However one group suggested that their VO would have been more effective if it provided agricultural loans (rather than manage a revolving fund in kind).

Most members thought that the in kind and general support from the VO had improved their livelihoods and increased household incomes. However, one member reported that the VO had made little impact, two others reported that improvements in livelihoods depended on the survival of the livestock provided:

- If the pigs had not of died then there would have been some positive changes to household livelihoods.
- All the livestock provided by [the name of the IP] had died. The only livestock remaining are villagers' livestock which were raised before receiving from [the name of the IP].

Two of the groups indicated that the value of the revolving fund was increasing. The remaining three did not know if it was increasing or decreasing.

Three of the five VO groups reported that their VOs had clear goals and objectives generally related to improving the livelihoods of members. The tractor group however aimed to build/maintain the road with the profit they gained by hiring the tractor. One of these groups had a three year goal, ultimately hoping "to be able to continue even when we have no longer support from [the name of the IP]". This VO reported that "[the name of the IP] was involved in planning and decision making process in a leading role. The VO committee members were involved in implementing processes."

When asked about the strengths of their VO, most members referred to technical achievements (eg increasing livestock numbers, high yielding vegetable production) and knowledge (eg concerning pig breeding and husbandry). Only one reported an organizational strength: the members are active and they are in unity.

Regarding the challenges and limitations of their VO, again some referred to technical and physical constraints. Poor soils, lack of land to grow vegetables, pest infestation, boat hire costs required to purchase pigs, and an outdated tractor were all mentioned. However, VO organizational and management issues were also raised mainly related to loan repayment and available funds:

- Delayed payment from borrowers is the main challenge for the VO.
- We need more funds.
- 18 months would be a more manageable repayment time limit than the current 10 months.
- If we were given loans sufficient for 2 pigs rather than just for 1 pig.
- Our pigs died and as a result, some people could pay back their loans and some couldn't.

There were few recorded responses to questions related to the role of the VO in village development.

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<sup>44</sup> Some members of the FGD indicated that the seeds provided were not always well suited to the area, and some did not germinate. Members of this VO also reported that the VO had not resulted in a significant difference to their livelihoods or household incomes.

Two members thought that their VO was an effective instrument for village development and one thought that their VO was the most important development organization in the village. These opinions were not explored in further detail during the discussions.

Four of the five VOs held regular meetings among the members, generally monthly. Meeting attendance lists and financial records were maintained. In most cases these records were reportedly shared both among the members and with the wider community. Three of the five VOs had clear rules and regulations for governing the activities of the VO. All five reported that they had plans for their activities for the current year that they generally followed their plans. Monitoring was informal through meetings and sometimes committee members visiting regular members to review the use of the funds-in-kind. Members reported that success was generally gauged by the profit the household gained from using the funds-in-kind.

All five VOs had received some training from the IP concerned – generally related the livelihoods to be supported by the revolving funds (eg pig breeding and vegetable production). All but one of these groups considered that the training was effective.

- The trainings helped the members how to make plans and build trust among members.
- The trainings made the difference.
- Incomes have increased after the trainings.
- Training taught us how to amend/fix soil to make it better and how to make natural fertilizers.

However one of the pig breeding groups reported that the training was not effective: "...because our pigs died as a result of the medicine we were given at the training. As soon as we injected our pigs with the medicine they died. The training was a failure because the medicine given and methods taught from the training was not successful."

When asked if the provision of funds-in-kind had a lasting benefit for member households (whether, for example, livestock continued breeding) most members reported that livelihood and income gains have continued. Only one group, as mentioned above, reported that all the livestock provided by the IP had died.

Beyond continuing their current activities the VOs had no other plans for new initiatives.

In general they reported that their VO did not attempt to influence how the community worked or cooperated; it had little influence on social capital formation. Members believed that their VO did not influence how the community made decisions and that it had not created any tensions and/or conflicts with existing groups and structures, or individuals. Members reported that their VO did not compete or substitute for another established village structure and/or institution.

### **Capacities and sustainability of the VO:**

In terms of the sustainability of their VO, members reported a number of constraints to overcome and areas for further organizational development. Most related to skills and knowledge to be developed through further training, and to funding limitations:

- Unity and education are needed to be a strong organization.
- If the funds were increased, the VO will be a strong organization in the future.
- Need to learn more to be able to make proper decisions and goals.
- Need to be more united.

VO members had no concrete plans to develop VO organizational capacity nor could propose new ways to generate the funding that they considered necessary. One group indicated that they would seek further support from LIFT and other donors. Another was more pessimistic: No organization will assist.

### **Lessons learned:**

When asked what lessons they had learned that may help other villages if they were to set up a similar VO, members mentioned the importance of unity. This was a common response similar to responses in other types of VOs included in this study. However members also emphasized the importance of clear rules and regulations and appropriate training of new members in these. One group also mentioned the need to monitor member activities carefully, another group mentioned the need to foresee problems and know how to resolve them in advance.

## Non-members

FGDs were also conducted with non-members of these VOs set up to manage revolving funds-in-kind.

All non-member groups believed that generally the VO had been doing a good job in their respective villages. In all cases, non-members reported that the VO had been effective in helping its members but not all considered the VO useful for the wider community. Two of the five non-member groups reported that the VO only supported its members and wasn't helping the wider community. This obviously related to whether the VO contributed more broadly to village development. Two of the VOs clearly felt a responsibility to support their entire communities not just their members, and this was well recognized by non-members:

- The VO renovates the road annually after rainy season using fund generated from renting tractors.
- The VO provides 1% of income generated as development fund for the village.

All non-members indicated that the VOs had not created any jealousies, tensions and/or conflicts with existing groups and structures, or with other individuals.

Non-members were roughly equally divided concerning their opinions on the sustainability of the VO once the IP support would end. Their reasoning principally revolved around the adequacy and management of the funds. Some believed that the VO fund was sufficient to ensure the continuation of activities, while others were of the opposite opinion:

- If the financial and technical support stops there will be not enough funds for the activities.
- If they do not spend all of the fund, the VO could continue.

Other responses included

- If they can keep working together as a united group, then it should be able to continue.
- Seed is very important. If there is no organization which can provide seed, this VO will not be able to operate.

## Rice bank/seed bank groups

Four VOs sampled in the study were classified as rice bank or seed bank groups. Two of the groups operated rice banks with food security objectives oriented to meeting the needs of the poorest and most vulnerable households in the village (the goal is to sell the rice to the poor people with credit so that their livelihood will become better). The other two VOs operated seed banks where the principal objective was to store and hence ensure a supply of quality seeds for farmers. One of the seed bank groups concentrated on paddy seeds the other on varieties of pulses.

A number of specific questions were asked of the seed bank and rice bank groups to understand how each group operated. In the words of the FGD participants:

- Seeds are stored in the warehouse and loaned to the farmers in the rainy season.
- The VO keeps the rice in the stock and sells it to the members with credit.
- The VO buys rice from the farmers and keeps them in the store.
- It sells the rice to the members in the rainy season when rice is scarce. As the VO can store rice, when the rice becomes scarce in the village, the VO can sell it back to the members with lower than market price. The VO has been operating like this.
- The VO also sells the rice with credit to its members.
- The seed bank distributes the seeds in the cultivation season.
- The VO receives interest from lending seeds and money to its members.

All four were founded upon a suggestion of the LIFT IP concerned.<sup>45</sup> Management committees and offices holders were elected by the community. All FGDs with members reported that the selection was fair.

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45 HelpAge suggested the two seed banks and Action Aid/Thadar suggested the two rice banks.

Each VO had its own distinctive membership. Participants variously reported:

- Each five member group includes three males and two females who are of different social classes.
- There is no membership, the VO sells rice with credit in turns to the villagers.
- Not very wealthy and not very poor people were given priority.
- Aged people, disabled persons, and women are members.
- The ones who have capabilities to conduct the activities were selected.
- Anybody who is interested in village development activities and who can give time in VO activities was chosen for membership.

In most cases new members have joined and some original members have left since the VOs were established. In all four VOs the net membership had reportedly increased.

In most cases the VO members reported that all community members agreed with their VO's goals/objectives. However one member of a rice bank group reported that:

- Some people who are selling rice disagreed because they were worried about their businesses

In terms of expected achievements for their VO by the end of the project, all members reported a goal related to increased incomes, improved livelihoods, less poverty, or general community development. Similar responses were reported in relation to what members hoped their VO could achieve further into the future

All members believed that their VO's activities had been useful for both members and the wider community. Some participants nevertheless indicated that some in the community had benefited more than others:

- I think the activities benefited the farmers the most.
- Poor people benefited the most.
- Poor people benefited most because they can buy rice with credit and can don't need to go the town to buy rice.

Members indicated that there were no conflicts or disputes among members or within the community, with the exception of one village with a rice bank group where it was reported that some within the community were not happy because they did not receive rice.

VO decisions on activities and benefit distribution were made in a number of ways but generally in discussion with the whole village:

- A meeting was held with VDC to make the initial decision and that decision was discussed with all villagers before making the final decision.
- All the villagers were invited to the meeting with public announcement system and villagers were involved in the decision making process.
- VDC members and rice bank members discussed together in planning, decision making and implementation.

The VO members who responded reported that the strength of their organization was the unity among members and their ability to provide rice to the poor members. In terms of challenges facing their VO responses included:

- Late payments from the rice borrowers.
- Need technology and training to keep the records more efficiently.
- The VO couldn't provide sufficient rice to the whole village.
- Transportation is a challenge for the VO because it increases the rice price which the VO sells to its members.
- The VO needs more funds so that it can implement more activities and it will be more effective.

Three of the four VO member groups considered that their organization had contributed to some extent to the development of their village. However, little in the way of explanation was recorded. One rice bank group considered that their VO was the most important formal development group in the village: because it benefits all the villagers. The other rice bank group, didn't think that their VO was as important: because the VO's activity is not able to cover the whole village yet.

Members reported that their VO did not compete or substitute for another established village structure or institution. They reported that their VO had not influenced how the community worked or cooperated. Members believed that their VO did not influence how the community made decisions and that it had not created any jealousies, tensions or conflicts with existing groups or individuals.

All four groups met regularly; once a month. Meeting attendance lists and financial records were kept. All reported that the activities and the finances of the VO were discussed openly with the wider community. All four had rules and regulations governing their VO: the seed banks had them in writing, the rice banks only communicated them verbally to the community. All rules and regulations had been discussed with and accepted by members.

As well as receiving support from the LIFT IP, two of the four VOs had also received other external support:

- The Agriculture Department and Livestock Department provided technical advice in agriculture and livestock breeding.
- The Women Baptist Association and Karen-Myanmar Women Baptist Association provided support to help strengthen the VO. They provided funds and built the Rice Bank house.

In another of the VOs, the local partner to the primary LIFT IP solved some of VO's difficulties and it linked the VO with other organizations and government departments.

Only two of the four VOs reported receiving training organized by the LIFT IP. However the most common types of training reported by participants were not related to the operation of their rice or seed bank activities. Training included livestock breeding, agriculture practices, and non-farm income generation such as baking, soap making and sewing.<sup>46</sup> In one group, where participants reported training of greater relevance to their VO activities, the training was considered effective.

- The training regarding mitigating conflicts supports us to solve the conflicts through discussions or dialogues.

The two seed bank VOs reported that they formally planned their activities. In one case, the LIFT IP was involved and, once drafted, the plan was presented to the community and the village authority. The members from the two rice banks reported that their VO did not formally plan their activities.

All VO FGDs reported that the VO monitored its activities:

- A watch group was formed and it does the monitoring of progress and performance.
- The VO monitors its progress and performance.
- VDC and Rice Bank members do the monitoring against the VO plans
- There was a monitoring group in the VO. Members for monitoring group are local authorities and village elders.

In two cases, one rice bank and one seed bank, the progress and performance was shared with the wider community.

All reportedly evaluated the success of their activities some using clear specified criteria. Interesting responses from the participants included:

- Yes we have to evaluate ourselves if our activities are successful.
- VO's activities success is measured with whether the members' incomes have increased or not and if the members can return the loans in the specified time frame.
- Success is measured with the increase of initial capital.
- Yes, we evaluate ourselves and set goals to provide more rice in next year.
- Success is measured with how sufficiently can we provide food security to the village.

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46 Such training most probably related to IP support to other VOs in the village.

## **Sustainability of the VO:**

As part of the assessment of VO sustainability members were asked if their VO membership and seed/rice stocks were increasing or decreasing. In most cases the responses indicated that the VO was doing well. However one VO had problems with diminishing stocks:

- Yes seed/rice stocks are increasing.
- Membership is increasing but rice stocks have decreased because people did not repay the loan.
- Yes rice stocks are increasing.
- Both membership and stocks are increasing.

In terms of future plans, the four VOs intended to continue to do much the same into the future. However some planned some modifications to their activities:

- We will keep the quality seeds in the storage and sell out the rest.
- We are thinking about setting penalties for late payments.
- We are planning to provide sufficient rice for the whole community.

## **Organizational capacity:**

All FGDs with members asked about VO organizational capacity and any areas where the VO still needed to develop. Most participants believed that their VO did still need to be strengthened but it was not always clear what was required. Financial skills were perhaps the most important area for development:

- The VO still needs to develop in order to be strong organization in implementing the activities into the future.
- If the VO members are united, it will be a strong organisation in the future.
- The VO needs to keep the financial records efficiently and should share them with the members and the community so that there will be less misunderstanding.
- The VO needs to manage the loan activities efficiently.
- We think the VO is strong and has no need to develop.

Most VO members were not clear how to address their VO weaknesses. One suggested that the LIFT IP still needed to remain for the 'long term' to support community development.

## **Lessons learned:**

Participants proposed a number of recommendations that may help others if they were to set up a similar VO in another village. In common with other types of VOs, members pointed to the need for unity among members and clear rules and regulations. However two participants indicated the importance of cooperation with local authorities:

- The VO should coordinate with the local authorities, and the local authorities should provide the necessary support to the VO in implementing activities.

## **Non-members**

All FGDs with non-members reported that the VO was doing a good job. All considered that the VO was helping its members and most participants (except in one FGD) reported that the VO was also helping the wider community. In particular the rice banks were widely appreciated:

- Because it sells rice with credit to the villagers.
- All the poor people can buy rice with one month's credit.
- Anybody who wants to buy rice with credit can buy from the VO.
- Because it provides rice for the members.
- Because it provides food security for the poor people.

Only two FGD participants expressed reservations about taking out support from the rice bank:

- We are worried that we might not be able to pay the debt after one month.
- I don't have a good income and I won't be able to repay the debt.

Similar to responses related to microfinance and revolving fund VOs, it seems that credit is not always effective as a means to support the poorest in village communities.

Non-members reported that the selection of VO members and beneficiaries was fair:

- Yes because it was done base on majority consensus.
- Yes it was fair because there was no bias in selling rice.
- There is no discrimination against poor people in selling rice with credit.
- Everyone has a fair chance of buying rice with credit.

All non-members reported that anyone interested could become a member and/or benefit from VO activities. Non-members also considered the work of the VO to be effective for its members. However they still proposed numerous recommendations to the make the VO more effective from their perspectives:

- I want the VO to give better seeds to use in agriculture.
- I want the VO to reduce the interest rates in both borrowing seeds and money.
- I think the VO should reduce the transportation fees in selling rice from 1000 Kyats to 500 Kyats.
- The VO should try to increase the number of members it can supply with rice.
- The VO needs more funds to expand its activities.
- The VO should extend the loan period from one month to 45 days.
- It will be better if the VO sells rice to the members for the whole 12 months.
- Cooperation with other groups and the community should be increased.
- The VO should discuss with all villagers before implementing activities.
- The VO should have more unity with the village.
- Decisions should be made with the majority's agreement.
- Decisions should be made by involving everybody.

Despite the recommendations for increased unity and cooperation within the village, non-members reported that the VOs had not created any jealousies, tensions or conflicts with existing groups and or individuals within their villages. The most positive responses were as follows:

- No rather the whole village became more united. The VO cooperated with the community as much as possible.
- This VO improved how the community works together because it called for meeting every time before it implemented activities. This improves people's participation and unity.

Non-members were perhaps more sure of the village VO's sustainability than were the VO members themselves. All non-members considered the VO would continue after IP support ended:

- Because it has received fund as well as knowledge
- Because funds are revolving in the community and if the people repay the rice as promised, the activities will continue
- Because food security is important for the villagers and they will try to continue the activities
- Because it receives interest from lending seeds and money to its members and it will continue to improve in the future
- Because it can generate its own funds and the seed and money capital continue to increase

## Forestry group

Only one forestry group was among the village organizations sampled in the study. This was a mangrove conservation group in Gwa Township or Rakhine Province.<sup>47</sup>

The group was established upon the suggestion of the LIFT IP with reported objectives to:

- Improve the livelihoods of the villagers
- Preserve the mangrove forest and to support the members with income raising activities

The management committee for the VO was elected: I think the selection process for office holders was fair because they were nominated with the majority agreement of the members.

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47 The LIFT IP was MERN (Mangrove and Environmental Rehabilitation Network).

Participants reported that the members of their VO were selected using a poverty rating:

- Villagers were given rankings according to their social classes.
- The poorest people were given ranking 1 and the ranking increases accordingly with social class.

As the result of this process, casual workers, poor villagers and farmers became the members of the VO. However villagers needed to be able to give sufficient time and to be healthy. The process was seen by the members to be fair: because poor people were allowed to become members.

The VO is supposed to benefit the poor people because it creates income for casual workers and poor people.

Membership was reported to be increasing. Original members had continued and “about 30 new members have joined since it was established.”

As distinct from any other VO, the forestry VO members described their organization’s goal and objectives in environmental terms:

- The goal is to preserve the mangrove forests and coastal regions.
- The goal is to create a green environment and to improve the livelihood of the locals.
- The objectives are to increase awareness of the villagers in preserving environment, to value the benefits of trees and to improve the knowledge of the locals.

The participants representing the forestry VO reported that most of the members agreed with these goals and objectives, as did most of the wider community.

The vision of the VO was further explored with participants. Members were asked what the VO hoped to achieve by the end of the project. A very diverse range of responses was recorded:

- I think we will get a lot of knowledge about environmental preservation technologies and techniques.
- I think the mangrove forests will be healthier and greener.
- I think the cohesiveness will improve among the villagers.
- Villagers will develop the practice of working together.
- The interest received from loans is put aside for the village development fund, it will benefit the village in the long run.

A couple of participants also indicated some longer term expectations:

- I think the villagers will gain knowledge such as if they cut the mangrove forests, they will face natural disasters.
- I think the villagers will have better livelihood because they receive income from pruning mangrove forests.

The main activities of the VO as reported by participants were as follows:

- Providing loans to the villagers, creating income for the villagers and preserving mangrove forests.
- Giving training in agriculture practices and providing agriculture inputs/equipment to VO members.
- Giving training in livestock production.
- Providing fishery equipment to villagers.
- Providing loans for casual workers with 3% interest and a loan period of 10 months.

The participants reported that improved livelihoods of the villagers and preserved mangrove forests were the main achievements of their VO to date.

Participants reported that the VO activities were useful and provided a number of benefits for members:

- Yes, because it increases the knowledge of villagers, it teaches the villagers how to use the agriculture equipment effectively and it improves the livelihood of the villagers.
- Members shared their knowledge of agriculture practices with fellow villagers so the whole village also learned.

- Yes, because it creates income for people who don't have jobs.
- Preservation of mangrove forest has increased the number of fishes in the region and it improves the income of the fishermen.
- The people who participated in the activities [and were paid] benefited the most.
- Preservation of mangrove forest has lessened the frequency of natural disasters.

Members reported there had been no conflicts or disputes among members or within the community because: members were united and worked collectively. VO leaders and members were involved in the decision making process and everyone discussed issues together to reach decisions. Members can give suggestions about new activities and VO leaders implement the activities with the majority of the members' agreement.

Participants reported that the strengths of the VO were in the unity of the members, regular meetings and the ability to implement activities effectively. Their challenges principally related to enforcing mangrove preservation:

- Lack of rules and regulations for preserving mangrove forest.
- Some people do not conform with preserving mangrove forest so the VO have to contact project coordinator and local police to catch these people.
- No laws and penalties for cutting mangrove forests.
- Sometimes, the VO have to explain to the perpetrators about implications of not preserving mangrove forests.

The members considered that the VO did contribute to the development of the village, though not very effectively.<sup>48</sup>

Meetings were held regularly, at least once a month with a specific agenda for each. Participants reported that attendance lists and financial records were maintained: We posted this information on the notice board to make the village aware of these activities and the finances of the VO.

Members reported that the VO had written rules and regulations that had been developed by and accepted by all the members.

The IP had provided training to the VO committee and members in:

- agriculture, livestock breeding and fisheries,
- accounting training,
- baking and homemade food processing
- stove making
- tree nursery production,
- mangrove rehabilitation and conservation, and
- disaster risk reduction.

Most of this training was reported to have been effective and useful:

- Yes, because the members' livelihoods have improved and income has increased.
- Yes, because agriculture output has increased for the farmers.
- Fishery training was not effective because it was not relevant in this region.
- We learned how to choose seeds and when would be the best time to grow the crops
- We learned how to prune mangroves and techniques to replant mangroves
- We learned how to preserve and rehabilitate mangrove forest and we can create a greener environment.

Participants indicated that members and VO leaders planned together; the VDC and the Village Administrator were also involved in the planning process. The VO monitored its progress and performance against these plans. This information was shared with the Village Tract Administrator. Members reported that success was measured with improvements in the livelihoods of the villagers.

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48 No further explanation was recorded.

Participants were asked a series of questions to better understand how the VO worked in practice, how members were involved and the nature of the benefits they received. They reported that people received daily wages for pruning mangrove forest, and that pruned branches were distributed equally to the members.

The VO had also applied for a community forestry certificate from the government but hadn't yet received it:

We went to the Township Administration office to get the certificate but they directed us to go to Land Records Office. When we went to Land Records Office, they directed us to go back to Township Administration office. We went there many times and we haven't received the certificate until now.

Members were provided agricultural inputs which they considered useful: for growing crops, increasing incomes and improving livelihoods. Other members received: fishery equipment and inputs so that they could catch more fish and increase their incomes. Inputs were given to the most needy people first:

- VO leaders assessed if the person requesting the support really needed the support and asked opinions from the members.
- VO leaders asked the members who asked for support what they needed and discussed with the other members to provide the needed support.

The mangrove rehabilitation was undertaken on a cash-for-work basis:

- People were given 24,000 Kyats per acre for pruning mangroves and 10% was collected by the VO for village development fund.
- People were given 12,500 Kyats per acre for planting mangroves in the empty areas.
- Any member who is healthy and can work hard can participate.

The decision on how much the community should receive per acre was determined by MERN. However the daily wage of 2000 Kyats per day was proposed by the members. Women were reported to receive the same rate of 2,000 Kyats per day as the men. Some book keeping training was provided by the IP for the VO to maintain accounts of payments, but this was considered insufficient.

The VO members reported that they would continue to meet even when the IP support has finished:

- We plan to keep on doing the work of preserving mangrove forest with the funds available.
- We will do what we can with the limited fund we have to preserve mangrove forests in the future.

VO members indicated that the VOs had not created any jealousies, tensions or conflicts with existing groups or individuals. To the contrary, participants believed that the VO had improved how the community works together.

### **Organizational capacities and sustainability:**

When asked if there were any capacities that their VO needed to develop in order to be a strong organisation into the future, participant responses were various:

- The VO needs more funds and more unity and cooperation among the members
- We save 3% of the interest for reserve funds so that if there is no more support from the IP, we can stand on our own
- Now we are planning the activities with the guidance from the IP and if it ceases its support, we will have to draw and manage the plans on our own.

The members in the FGD rated the VO as strong in planning, financial management/bookkeeping, implementing activities and monitoring but weak in reporting to and communicating with the community. The latter was because not many people attended the meetings. However participants noted that the VO notice board provided the community with information.

## Lessons learned:

Finally, participants proposed a number of recommendations or lessons that they considered may help others if they were to set up a similar VO in another village:

- I think preserving mangrove forest is very important for climate and environment.
- There will be less natural disasters because of our actions and activities.
- Loans should be given out to the members only by consulting with the Village Administrator.
- Loans should be given out under a solidarity [mutual accountability] system so that there will not be default payments.

## Non-members

FGDs with villagers who were not members of the VO provided some interesting perspectives. Non-members considered that the VO was doing a good job. It was helping its members but not the wider community. The specific assistance that they thought was valuable for members were as reported as follows:

- It provides seedlings and seeds for the members with low price.
- It provides daily income jobs for the members by hiring them in mangrove pruning and rehabilitation works.
- It provides livestock breeding loans and other loans for small traders.

When asked if they considered joining, most non-members said no:

- No, I am living a hand-to-mouth life and I don't have time.
- No, I don't like their activities of preserving mangrove forest and nipa palm trees.
- No, I couldn't participate in their activities as I have to do business at home.
- No, I don't have time to attend their meetings.
- No, I am struggling with my family and I couldn't attend their meetings.
- Yes, I was interested in preserving mangrove forest so that it will conserve prawns/fishes in the region and prevent riverbank sliding.

Selection of members was considered fair: Members were not chosen, any interested person can join the membership.

When asked if any non-member or anyone in the non-member's household had ever tried to become a member, one participant responded:

- Yes, because I wanted to receive loan to do livestock breeding but the distribution of loans among the members was not fair so I did not take out the loan.

Other interesting responses related to non-members' opinions of the effectiveness of the VO activities. Two of the responses indicate concerns over the effectiveness of the VO in mangrove protection and rehabilitation:

- I think the loan activities of the VO are effective because members can use the loan money in business activities and VO receives interest.
- Rehabilitation work is not effective because members cut the big trees and sell the wood but non-members were not allowed to cut the trees.
- The mangrove preservation is not effective because members not only do the pruning but they also cut the big trees so mangrove forest become less.
- I think the VO activities are not effective because most of the people do not invest the loan money in business activities and most of the people did not repay the loans.

Non-members were asked to recommend changes to the VO that may make it more effective:

- The members should have more unity.
- The VO should fulfill their goal of preserving mangrove forest and shouldn't cut the mangroves and sell for money.
- If the mangrove forest is cut for wood like this, it will become less and the VO will never fulfill their goal.

Non-members also proposed changes concerning how the VO should be led or managed. Several of the responses indicated participant concerns over VO partiality:

- The VO leaders should be fair in making judgments.
- The VO leaders should give out loans equally to the members and shouldn't have preferences.
- The VO leaders should manage the activities by abiding by the VO rules and regulations and the activities should be equitable for all the members.

Notwithstanding, non-members reported that the VOs had not created any jealousies, tensions or conflicts with existing groups or individuals in the village. Nor had the VO influenced how the community works together.

When asked their opinion on whether VO would be able to continue into the future without the support of the IP project, the one recorded response was negative:

- No, because to do rehabilitation and pruning work, the VO needs funds to pay wages for the workers/members and if there is no support, the VO will not last long.

## **Conclusions from Phase I of the study**

LIFT, and the projects it has funded, have made a significant impact on the social and organizational landscapes in the villages that have received support. LIFT IPs had established an average of two new village organizations in each of the sample villages. Data from LIFT at the end of 2014 indicate that over 10,000 VOs had been supported overall by LIFT partners. Rather than work through existing groups (present in 60% of the sample villages), in the vast majority of cases, LIFT IPs have established new organizations. Generally the IP has determined the goals and objectives of the group and often overseen procedures for selection of members (targeting of beneficiaries) and sometimes leaders and management committees. In most cases the IPs have determined the roles of each VO and helped them establish procedures for their operations and associated recording keeping. Some IPs have conducted training for VO management and some even supported VO planning. Given the sheer number of VOs and their many thousands of members, the question of how these groups will fare after LIFT support ends is of great importance.

The potential of these thousands of VOs to contribute to community development is very significant. However evidence from this study suggests that not all LIFT projects had directed sufficient attention to social capital formation. Generally groups have been formed quickly as the necessary vehicles for implementing the short duration LIFT projects. A good proportion of LIFT IPs had projects covering many villages and with limited field staff and tight seasonal windows. The study indicated that many groups despite being newly established had received minimal capacity development support: management committees and members frequently reported the need for further training in financial management and many lacked clear rules and regulations to govern their activities. Few had clear plans of what they would do following the end of the LIFT project.

No amount of training and preparation can guarantee sustainability. But other factors may determine if the VOs will continue into the future. In many cases it seems that VOs have been justifiably proud of their involvement in LIFT project and their achievements, working with IP staff for community development. It is clear from the responses of VO members and non-members alike, that the VOs established by LIFT IPs were widely appreciated and that they have been responsible for implementing a wide range of project activities that can lead to livelihood improvements. Maybe the success of VO activities during the project will be a factor determining their future.

Even those VOs not meant to have a lasting role seem motivated to be involved in other development efforts for their communities. For example CfW VOs were not normally capacitated to play a lasting role in community development. For these types of group there was minimal IP investment in VO formation and strengthening. Among the sample no training was reported to have been provided other than some training in rudimentary bookkeeping (1 VO) and in maintenance of the works (2 VOs). This minimalist investment enables the IP to extend support to a large number of communities with limited time expended in mobilizing the organizations that exist simply to organize labor, manage works and make payments. Such an approach is entirely appropriate if the major objective is completing a large number of infrastructure works as quickly and cost-effectively as possible. Nevertheless it must be recognized

that the approach invests little staff time in social capital formation or capacity development. It would be logical to expect that with so little attention to organisational development the VO would be unlikely to continue to exist into the future after the infrastructure works had been completed. However, this may not always be the case. Some CfW VOs indicated a clear intention to continue, not only to maintain the works but to work together for other community development objectives. Having successfully accomplished a significant development activity for the community using their local labour, nearly half of the CfW groups were inspired to continue into new ventures. Whether such ambitions are realized remains to be seen and should be explored in Phase 2 of this study.

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The findings reported earlier represent the perspectives of a non-random sample of villagers providing information on a selection of village organizations through which 21 of LIFT's IPs have worked in a sample of 50 villages to implement 25 projects. The information they have provided should not be taken to represent all villagers, all LIFT IP projects or all villages in which LIFT has operated.

Furthermore, there are likely to be biases in the opinions and information provided by FGD participants, possibly exaggerating the benefits of LIFT-funded assistance and answering in such a way as to support their interests in receiving further funds, inputs and technical assistance after the LIFT projects have ended. This was not helped by the limited experience of the survey teams in qualitative research as discussed earlier in this document.

Given the above limitations, the reported comments of participants during the 187 FGDs still provide some important insights that are relevant to future LIFT support to village communities. Key informant interviews also provided valuable information on the village context within which LIFT IP projects operate.

## **Establishing new village organizations**

Despite the pre-existence of other VOs in the majority of sampled villages, most LIFT IPs established new VOs. Of the 93 VOs supported by LIFT for which KIIs were conducted, the overwhelming majority had been established by the LIFT IPs. Only two of the VOs supported by LIFT were pre-existing. Discussions with VO members indicate that LIFT IPs had invested in these new VOs their own philosophies and practical requirements for project implementation. As such there is considerable variability even within VOs of the same type in terms of goals and objectives, targeting, selection of VO leaders, selection of members, operating principles and rules and regulations.

In many cases the IP projects faced a dilemma. Given the short duration, output oriented projects with carefully monitored targets, many IPs were very directive in the establishment of VOs that were clearly essential for project implementation in the targeted villages. It was easier and quicker to establish a new VO with very project specific objectives and responsibilities than to guide and coach an established village group to take on new responsibilities. Many IPs therefore determined the objectives, rules and responsibilities and practices and procedures of their VOs. In such cases, there was little room for initiative and group learning. It is argued that this may have had the effect of creating dependency, leaving the VOs poorly prepared for life after LIFT. In contrast, there is some evidence among the responses collected, that those VOs provided the least structured support by the IP learned more from their experiences in community development. Some among these may not be sustainable but others have learned from early experiences and have the self-initiative to develop their organizations and contribute to member livelihoods and broader village development.

## **Motivations for establishing VOs and VO roles in project implementation**

VOs have played very central roles in LIFT IP project implementation. They have been the vehicles for identifying beneficiaries of whatever form of support provided, they have organized the implementation of many types of activities and have managed funds under the various types of savings and loans schemes including revolving funds-in-kind. In many cases they have also kept records used by IPs in reporting to LIFT and fund contributors. Without the contributions of these VOs, few of the IP projects would have been possible to implement within the time and resources available. Some may argue that VOs have been established to serve the interests of the IP rather than to develop/strengthen authentic, fully representative bodies for village development. Certainly most would agree that many IPs have needed

to be expedient and could never have investigated the history and context of existing village institutions and power structures in all the communities in which they have worked. In order to rapidly implement their projects to scale across often many villages, IPs have used a standard, pre-determined approach to VO establishment.

This is particularly evident in the most ambitious IP projects, such as PACT and IDE, with their approach to rapidly expand successful models for MF and CfW respectively. PACT has quickly replicated a proven model across many townships and villages and could not easily tailor it to the contexts and needs of specific communities. For both PACT and IDE, it can be argued that their criteria for success are little related to sustainable, representative village organizational development. Other IPs have been much more concerned to lay the foundations for broad-based, inclusive village development and have taken a different approach to mobilizing and strengthening VOs. IPs that worked with VDCs generally fall into this latter group. While not specifically investigated in this study, it is expected that those most successful in the areas of social capital formation would have been more modest in terms of the numbers of villages they worked with. This suggests two extremes in a continuum of approaches. At one end, were projects implemented to scale across many villages using a 'blueprint' but with simple clear indicators of success (eg numbers of village women taking out livelihood loans, numbers of village ponds rehabilitated cost-effectively). At the other, were projects seeking to strengthen or establish the village institution that would be empowered to determine its own development path.

### **VO capacities and IP support to capacity development**

Depending on the IP vision for the VO, the IP offered various levels of support for capacity development. In some cases the VO represented a means to organize the community predominantly for IP project implementation with little investment in capacity beyond that required to recruit labour, make payments and keep basic financial records. This was common in CfW projects where there was little interest in mobilizing a VO capable to support long-term village planning and development. Such support to VOs and IP motivations need not be judged as inadequate or inappropriate as the IP's objectives were clear and the role of the VO very functional in nature. However if the objectives were broader social capital formation, building village capacity to plan for themselves or promoting broad-based village development then this approach was not appropriate. Other IP projects were very focused on the latter objectives and provided much more intensive support to VO organizational development.

### **VO membership and targeting**

In all VOs, members were predominantly male. Membership numbers were provided during the KII for 167 of the 178 VOs in the 50 villages, including both LIFT supported VOs and other VOs. Overall there were 11,391 VO members of which 7,440 were male (65%) and 3,951 were female (35%) in these 167 VOs. The representation of women among LIFT supported VOs was 31% and among other VOs was marginally better at 40%. The sex of members of the VO leadership and management positions was not recorded.

The extent of under-representation of women is surprising given that many of the LIFT-supported VOs were exclusively for women (such as the microfinance groups supported by LIFT through PACT). The gender division among members is important given that women generally play different roles in household rural livelihoods and in managing household food security and nutrition.

### **How representative are these organizations and how equitable have been their decisions in relation to women, the poor and vulnerable?**

Results of the study suggest that despite common IP project intentions to support the poor and vulnerable, many of the VOs they established did not represent the interest of these groups. Some VOs clearly excluded the very poor such as the VOs for farmers, several of which even imposed a minimum land holding size for members. Even some of the MF groups, as discussed later, discouraged the very poor from joining in order to ensure borrowers could service their loans. Other VOs excluded the poorest households due to the joining or membership fees (in cash or kind).

## Impacts of VO activities for the most poor and vulnerable

It is apparent from the responses from VO members and non-members alike that few of the VOs and IP projects have been fully successful in reaching the most poor and vulnerable in a community. Even where targeting the poor and landless has been the ambition, or establishing a social safety-net at times of greatest food insecurity, the VOs and their IP projects have faced difficulties.

In some cases, the projects should not be expected to reach the poorest and most vulnerable. For example, CfW activities can only support the able bodied and those with time available to work. CfW offers little benefit for the old, frail, ill, disabled or female-headed households with young children unless specific management or administrative roles are allocated to them. These represent design or conceptual constraints in reaching the poorest and most vulnerable.

There are also issues to do with project implementation. CfW activities must ideally take place at a time of year of most benefit to the poor and vulnerable (when little other work opportunities are available) and be of sufficient duration to make a difference. It is clear from most CfW VOs covered in the study that there was little targeting of the poorest and vulnerable households to undertake the majority of the work. The work was generally available to all in the community who were interested and physically capable. Establishing a VO to support a social safety net role may require more IP investment in village planning and visioning.

However, perhaps one of the most important factors is the reluctance of the most poor and vulnerable to participate in what they perceive to be high risk activities. Borrowing money from a MF organization, or livestock from a revolving fund, where there are strict repayment requirements are examples of what some poor see as high risk activities. In some cases the VO itself discouraged the poorest from participating. The common MF requirement for mutual accountability for loan repayments was a contributing factor. PACT VOs while reportedly designed to support poor women with loans, did not include those who were considered by other members to be unable to make repayments. Other village managed MF organizations similarly discouraged those who were seen to be a high credit risk.

Small farming households were reportedly the major beneficiaries from PACT loans as those with land could readily find opportunities to invest in agriculture.<sup>49</sup> The landless had more difficulty in finding viable business opportunities in which to invest that were of low risk. In the case of PACT the emphasis has been on robust systems for providing MF and quickly replicating tested, standardized procedures across Myanmar. Little support has been directed at assisting the poor to identify viable business opportunities or in supporting them develop the required technical skills. Even existing members of PACT VOs requested technical training in business-related vocations.

Similarly VOs operating MF and revolving funds-in-kind that were dedicated to supporting the landless by providing, for example, opportunities to raise livestock have not always proved successful. While the poor have not be directly excluded, the poor have often excluded themselves from taking on the risk of loans in cash or kind. Such fear is exacerbated when they observe the death of animals before loans are repaid.

VDCs were generally established to support village-wide development, sometimes with the expressed objective of focusing on the poor and vulnerable. In some cases their pro-poor orientation extended to the use of wealth ranking for the selection of the poorest households in the village to be the first beneficiaries of VDC activities. However, many VDCs also conducted a range of activities oriented towards other social groups such as farmers. The success of VDCs in supporting the poor depended on the specific support offered.

While seed banks did little to support poor, landless households, rice banks were established with specific objectives to support the food security of the most vulnerable. While, in principle, rice banks have good potential to provide such support, the two rice banks in the study illustrated that even with such good intentions it can be difficult to support all poor households. In one case the rice bank allowed anyone in the community, not just the poorest, to borrow from the rice stocks and there was insufficient to meet total needs. Perhaps more importantly, discussions with non-members indicated that some of the poorest

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49 Larger farmers had to mainly rely on other sources of credit due to a cap on the size of loans.

households did not participate as they did not feel able to repay the debt when it fell due. It seems that credit, in whatever form it is available (cash, livestock or rice), is not always an effective means to support the poorest in village communities.

Overall, very few of the VOs were successful in directly supporting the poorest members of their communities.

### **Impacts for VO members generally**

While MF VOs were not necessarily an effective means to support the very poor, they generally provided benefits for the members, particularly small farmers. Most reported that their indebtedness had decreased or was decreasing. Larger farmers were not always of the same opinion, as the MF VO loan amounts were generally quite small and owners of large farms still had to borrow from other sources with high interest rates. In some MF groups, some members reported that their indebtedness had increased due to a failure of their enterprise, especially due to the death of livestock. In these cases, the borrower was still required to repay the loan and was sometimes forced to borrow from other more flexible money lenders to meet the regular repayments of the original loan. Other members indicated that while they could often borrow at low rates from the MF VOs for small investment activities, they were often forced to borrow from outside money lenders at high rates if they had health problems or other emergencies. The strict timing for regular repayments enforced by some VOs was also cited as an issue. Income from agricultural activities only came after harvest and, as a result, many households had to go to outside lenders with high interest rates in order to meet fortnightly repayments during the growing season.

Even if indebtedness was slowly decreasing for many households, the majority of MF VO members believed that the loans had made only a little difference to their livelihoods. Many reported that the loans were small and the impacts were slow to be realized.

However, in some villages it was reported that outside money lenders had been forced to reduce their interest rates to compete with the MF VO. This had potential benefits for the wider community, not just for members.

The FGs in the study had very variable results for their members. This is largely to be expected given the very diverse activities implemented by the FGs in the sample. Nevertheless the most common result reported by members related to greater knowledge about some aspect(s) of agricultural production. Few talked about adopting new technologies or increased farm production or income.

### **Impacts for the wider community**

In many cases the specific VOs that were sampled in this study were part of a wider program of support provided within an IP project. Individual VOs were not always expected to contribute to wider village development. Rather many VOs targeted their support towards a specific sub-group or livelihood group within the community. In these cases the IP projects included different strategies for different social groups in order to address the development needs of the wider community.

Nevertheless success of a specific VO when judged by members and non-members alike was often related to the support the VO provided to the wider village population. When VO members contributed towards a village development fund or included support for all households in the community it was well known and highly appreciated by non-members. In some cases members reported that this support for the community was part of their motivation to continue their VO beyond LIFT. While not investigated in this study, it is likely that IPs influenced some of these decisions to widen the benefits of focussed IP support on a specific sub-sector or livelihood group to the larger community.

It could be argued that some of the IP projects that focused their support on farmers were the least equitable. The landless and very poor were generally excluded and even some small farmers with less than two acres of land were not invited to be VO members. Generally the FG members acknowledged that there were no impacts for the wider community from the FG VO's activities. However, several of FGs focused on the wider advancement of the village as they contributed to a village development fund or to the construction of village infrastructure.

## VO independence/self determination, capacities and sustainability

Various parameters assessed in this study may be related to sustainability however there is no easy predictor. Obviously if membership of the VO is shrinking this does not bode well for the organization. Diminishing membership was reported among some VOs handling revolving funds and revolving funds in kind. The most common reason members left the VO and were not replaced was reportedly due to the minimal support being offered or too long a time waiting for their turn to receive benefits. In some cases the death of livestock in livestock revolving funds discouraged members. Conversely, an increasing membership is a good sign that the VO and IP project are succeeding but is not always an indicator of sustainability. For example, PACT has been very successful in increasing the numbers wanting to establish new groups in each of the villages where it has been working. However, if PACT funds and management disappeared it is likely that most of the groups would struggle to continue unassisted.<sup>50</sup>

Funds in circulation is another parameter associated with sustainability, particularly for the locally 'self-managed' revolving funds. An increase of the value of funds (without further external contributions) is associated with successful repayments, member contributions (eg through joining fees or savings) and generation of interest; this provides opportunities for increasing the number of beneficiaries or providing larger/longer duration loans. It is obvious that diminishing funds threatens the future of a VO – it is a sign of loan defaults or delinquencies by clients or possibly mismanagement or misappropriation by those responsible for controlling the funds. Fortunately there were no reports of misappropriation but there were VO members in some of the FGDs who reported that their loan funds or revolving funds had decreased. It was the VOs managing revolving funds-in-kind that appeared the most vulnerable to this type of failure. One of the two rice banks in the study faced a similar problem due to the failure of beneficiaries to repay their loans.

The sustainability of farmer groups supported by LIFT IPs highlighted a specific aspect of sustainability. Many of these farmer groups conducted field experimentation to assess new crops, new varieties or new agricultural practices. The capacity of farmer groups to experiment and learn for themselves has implications for the longer term sustainability of the VO and the likelihood that farmers will continue to test and adopt new techniques. In the majority of cases, the choice of technologies to test or compare was made by the LIFT IP suggesting that FG research skills needed further support before they could be considered sustainable. The reported need for continued external technical assistance supports this conclusion.

VDCs arguably received more training or capacity building support from the LIFT IP than any other type of VO. In many cases the VDC was envisaged by the IP as an important village institution which would continue to contribute to village planning and development into the future. Despite the training provided, most committee members reported that their VDC organization still needed to develop. However not all groups were clear about the specific area(s) of capacity that needed strengthening. Similarly, few VDCs had clear plans for what they would do after LIFT IP projects had ended.

Other factors relate to sustainability but are more difficult to assess in terms of their contributions. Clear rules and regulations to guide activities and members would seem to be important but were frequently missing according to many participants. Common, community-held and clear goals and objectives should also be important, as should be plans for the future especially for the post-LIFT period. Again these were often missing from VOs. The study encouraged members and management to assess their VOs' organizational skills in relation to setting goals and visions, activity planning, budgeting and financial management, leadership, and M&E. The results of this self-assessment were not clear cut, however, nearly all FGDs reported that their VO needed strengthening in several areas.

Finally, VO representatives were asked directly whether they believed their VO would need ongoing technical assistance after the IP project ended. Regardless of the type of VO, most participants indicated that they would. Such responses are likely to be influenced by community members seeking continued support from LIFT and should be interpreted with caution.<sup>51</sup>

Non-members were also asked whether they thought that the VO would continue into the future without the support of the IP project. Non-member participants were least confident about the sustainability of

50 PACT VOs only need to have limited capacity. They apply rules and regulations fully developed by PACT, and PACT staff visit their villages every 2 weeks. Villages are not required to grow their funds in circulation through savings, joining fees or reinvesting interest.

51 Experienced qualitative researchers may have been able to elicit more accurate or nuanced responses.

MF VOs with the majority of groups suspecting that they would not be able to continue without ongoing IP support. Non-members of CfW groups and VOs managing revolving funds in kind were roughly equally divided. Non-members FG VOs were slightly more positive while non-members of VDC seemed confident in the VDCs' capacities to continue without IP support.

Of course such perceptions, interesting as they may be, are not reliable. They do however indicate, if anything, that communities are not confident that VOs formed under LIFT will continue beyond the end of the IP projects.

A final factor to mention that emerged from the study was the motivation of the VO. Several groups reported a strong commitment to continuing their activities. This was particularly the case where the VO believed that it contributed to wider community development common among VDCs but also among those more selective groups where they contributed some of their funds for village development.<sup>52</sup> Several members of the rice bank groups similarly stated their intentions to continue after the LIFT project support ended because of the importance of food security to the community.

### **VO integrity, transparency and accountability to members and the wider village community**

In nearly all VOs there were no major issues of lack of transparency and accountability reported by VO members or non-members. Even where selection of members or VO office holders was mediated by the village authority or village leaders, nearly all FGDs reported that selection processes were fair and that the VO was accountable to its members and generally transparent to the wider community.

In only one of the 94 VOs included in the study were concerns raised by members and non-members. The forestry group used wealth ranking to identify the poorest households to benefit in the VO CfW activities in rehabilitating and replanting mangrove forests but faced a variety of criticisms from non-members. Two reported the unfair distribution of loans by the VO leaders. The failure of many borrowers to repay these loans was also of concern to non-members. However, the most common concern raised related to the VO's forestry activities. Several believed that pruning activities actually damaged the forest as these activities extended beyond pruning to the removal of big trees. Several also reported that while members were able to benefit from the sale of these prunings, non-members were not allowed to cut trees.

### **VOs, social capital formation and power structures**

Despite including a range of questions related to how VO may have interacted with existing institutions and established leaders and power structures, little detailed information was recorded. Similarly the study endeavored to better understand how VOs may have contributed to village social capital formation. Here the responses recorded were more informative. Nevertheless, both topics reflect abstract concepts requiring a good level of qualitative research skill and experience to investigate adequately.

VO contribution to village social capital was clearly related to the objectives of the organisation. At one end of the continuum VDCs were generally focussed on promoting the wider development of the village, often with ambitions to support the poor and vulnerable as well as promote economic opportunities and social and physical infrastructure for the benefit of the whole village. At the other end of continuum were VOs with either short-term objectives (eg CFV VOs) or a specific membership targeted (eg farmer groups and some MF VOs). Many MF organisations had no aspirations for the wider village development but were focussed primarily on the economic benefits to their members from microfinance services.

It is most probable that when new organisations are established and empowered through training and resources, there would be ramifications on the social fabric and power structures of village communities. Village tract administrations and established village groups and leaders would have had their influence lessened as a result of a new VO with access to funds and resources. While not captured in this study, LIFT Qualitative and Socio-Economic Monitoring has observed occasional tensions as a result of the multiplicity of village groups and their competing interests.<sup>53</sup>

Perhaps more importantly, the VOs supported by IPs have inevitably mediated the benefits reaching households and individuals particularly in terms of the targeting, timing and distribution of benefits. It is

52 For example, some farmer groups.

53 Qualitative Social Economic Monitoring Report (Round 3, Dec 2013)

therefore important for LIFT to understand the representativeness of these organisations and the equity of their decision-making in relation to women, the poor and vulnerable, and ethnic and religious minorities. Discussion earlier in this report, raises concerns over the representation of women in the VOs and the opportunities for the very poor and vulnerable to participate and benefit from VO activities.

## Initial recommendations for LIFT

The findings and conclusions of the study discussed above suggest a variety of recommendations for consideration by LIFT in its selection of IP projects and formulation of future interventions and funding windows. Not all that may be proposed to strengthen VOs to make them pro-poor, fully representative and accountable, or self-directed learning organizations for long term inclusive development would be appropriate for a dynamic, large-scale program such as the LIFT Fund. LIFT supports innovations, and is focused on results and value-for-money. Many of the participatory procedures to build sustainable social capital advocated by some international NGOs who devote much time and resources for each community in which they work may not always fit easily within such a program as LIFT. Notwithstanding, there are a number of recommendations that are suggested from this study:

- If a suitable VO is present within the community, investigate whether it is appropriate, interested and can be mobilized to support the LIFT IP project (rather than establish a new VO).<sup>54</sup>
- Make sure IPs have phased VO capacity development plans, whereby IPs take smaller and smaller roles, as well as develop clear exit strategies and sustainability plans for the VOs that they establish.
- Creating dependence on IPs should be avoided where the community looks to outsiders for village development planning and development initiatives, especially where VOs are established to implement temporary support that will be discontinued at the end of the project.
- Build capacity for autonomous, self-directing VOs (not only the capacity of LIFT IPs); VOs that have plans for the future, skills in management and activity implementation, and understanding of alternative avenues of support.<sup>55</sup>
- Encourage networks among VOs and VO umbrella organizations (to harness VO potential, for mutual support and learning, to empower and give voice).
- Explore/pilot approaches to channel support directly to VOs, including farmer groups, not always mediated through IPs (or with minimal roles for IPs).<sup>56</sup>
- Ensure microfinance VOs develop clear rules and regulations and have a minimum training for members: these contribute to microfinance VO success/sustainability and are required for members to clearly understand the risks and their obligations.
- Encourage microfinance VOs to have repayment schedules and terms of loans more appropriate for the agricultural cycle concerned (otherwise the benefits of loans for poor households can be diminished by the requirement to borrow from elsewhere to meet repayments).
- Where possible some safety net or insurance scheme may be required to reduce the risk of enterprise failure and to encourage the poorest in the community to borrow for livelihood investments.
- The landless and land poor need support to identify viable business opportunities and technical and business training in conjunction with loans (or grants).
- More resources should be allocated to investigating/piloting ways to support the poorest and most vulnerable in rural communities.<sup>57</sup>

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54 In all VOs, whether pre-existing or newly established, encourage villages to promote the membership of women and their selection for leadership roles and aim for more equal representation.

55 Note that some VOs may be temporary, established purely as a vehicle for project implementation (eg CfW activities). In such cases there may be opportunities to use existing organisations in the village. If not it should be made clear to the community the purpose, and duration for which the IP will be using/supporting the new VO.

56 Capable and representative VOs can be supported directly, as is the case in development projects in other countries.

57 This could include landless poor offering agricultural services for farming households (an approach little supported by the VOs sampled). Beyond offering unskilled labour, the landless could invest in agricultural skills and/or equipment providing a better return (para-vet skills, or equipment such as threshers, tillers, seeders, etc).

As mentioned earlier, VO capacity development takes time; LIFT IP projects are short and IPs feel encouraged to spend and deliver pre-defined outputs related to livelihoods and food security. Furthermore, not all IP projects place a high emphasis on VO capacity development; not all IPs are experienced in building capacity. LIFT itself has not always been clear on its priority for capacity development at the village level. At the time of the study, there were no LIFT logframe indicators to assess achievement in terms of VO capacity development. These factors all contribute to weak VOs. Is it time to consider new roles for IPs and VOs? Could IPs act as umbrella organizations that would support innovations in village development where villages propose their own projects and manage funds themselves (small grants). Such an approach would clearly support VO capacity development but may also provide value-for-money for LIFT and its contributors.

## Recommendations for Phase II of the study

Many of the FGD facilitators were inexperienced in qualitative research and lacked in-depth understanding of LIFT and the objectives of the study. As a result they were often unable to determine which questions were relevant for which groups. Despite considerable training and three pilot tests, many continued to ask repetitive questions of little relevance to groups and were unwilling or incapable of skipping irrelevant questions. This had a number of consequences: one the discussions took much longer than necessary and participants lost interest; participants grew frustrated with repetitive questions of no relevance to them, and facilitators in trying to complete a very long list of questions did not follow up on responses where further reflection by participants would have been appropriate in order to gain a fuller understanding of the issues. At the same time, some critical questions developed for specific groups were missed.

It is clear that the implementation of similar studies in future could be improved. The following are some simple recommendations for LIFT that may improve the quality of the research:

- Simplify and shorten the list of guide questions<sup>58</sup> based on more focussed objectives and the experience from Phase 1.<sup>59</sup>
- Seek to find more experienced qualitative researchers, and test their general skills as well as their abilities to skip irrelevant questions and delve when deeper understanding is required.
- Try to find researchers with a greater understanding of and background in rural development.
- Take a greater role in initial classification of VOs and responses, participating in the initial structuring of tables and spread sheets that will guide collation of responses and analysis.

Phase II of the study could be greatly simplified. It could be more efficiently implemented (and more simply analyzed) if it focused on the following issues:

- Which of the Phase I VOs are continuing to be active?
- What were the reasons why VOs did not continue? (for those that are no longer operating)
- For those VOs that continue to be active
  - Is the VO still operating as in Phase I (same objectives, same activities, same membership, same election and decision-making processes etc)?
  - Has membership increased/decreased since Phase I?
  - Have funds in circulation increased/decreased (where relevant)?
  - What have been the achievements of the VO since LIFT support ended? And outcomes for the community?
  - How well have the poorest been represented in the VOs? What have been the outcomes for them from VO activities?
  - Has the VO evolved within the village organizational landscape in terms of its influence in development decision-making?
  - What are the current challenges facing the VO?
- What are the contributing factors for the continuation of the VO? Strengths?
- Are members confident that their VO will continue to operate into the future?
- What support, if any, does the VO currently receive? (type of support, from whom etc).

<sup>58</sup> Continue to insist that not all questions should be asked to all groups (but a shorter priority list should reduce the impact of reading list as if it were a questionnaire).

<sup>59</sup> Note that not all questions were successful; some did not generate useful or informative responses.

Many of the time consuming activities in Phase I of the study, for example interviewing IPs and conducting KII in the sample villages to understand the context of VO formation and as a basis for sample selection, should not be required for Phase II. Field survey teams could travel directly to the study villages and investigate the fates of the Phase I sample of 94 VOs. It is expected that some of these VOs will no longer be in operation thereby minimizing the time required for fieldwork in that village. If deemed necessary, the study could be further reduced in scope, cost and time to implement. For example, the FGDs could be limited to VO members and office holders, with no separate discussions with non-members and separate groups of poor men and women. The emphasis of the study would then be very focussed on the longer-term (post project) fate of the sample VOs providing insights into the fates and longer-term impacts of the thousands of VOs established under LIFT.

# ANNEXES

## Annex A: Location of the sample of 50 villages with LIFT IPs and projects represented in each village

Village	Village Tract	Township	State/ Region	LIFT IPs that worked in village	Names of the IP projects
Ka Ni	Ka Ni	Pyapon	Ayeyarwady	PACT/Pyapon	Pyapone Integrated Livelihoods Development
Tha Leik Chaung	Tha Leik Gyi	Pyapon	Ayeyarwady	PACT/Pyapon	Pyapone Integrated Livelihoods Development
Ku Lar Gyi Chaung	Thit Hpyu Chaung (Kan Su)	Bogale	Ayeyarwady	Proximity Designs	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta
				Radanar Ayar	Socio-Economic and Environmental Development in Bogalay (SEED)
Boe Young	Boe Young	Bogale	Ayeyarwady	Proximity Designs	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta
				Radanar Ayar	Socio-Economic and Environmental Development in Bogalay (SEED)
Himaw Chaung	Nyi Naung (Hay Man)	Bogale	Ayeyarwady	WHH/GRET	Value Chain Development for Inclusive Economic Growth in Central Bogale/Mawlamyinegyun Townships
				Radanar Ayar	Socio-Economic and Environmental Development in Bogalay (SEED)
Min Hla Su	Su Pa Daung Kone	Bogale	Ayeyarwady	Proximity Designs	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta
				ActionAid/Thadar	Building Local Capacities for Livelihoods Systems Approaches in the Ayeyarwaddy Delta
Sein Ya Ti	Set San	Bogale	Ayeyarwady	WHH/GRET	Value Chain Development for Inclusive Economic Growth in Central Bogale/Mawlamyinegyun Townships
Tha Pyay Kone	Hpa Yar Thone Su	Bogale	Ayeyarwady	WHH/GRET	Value Chain Development for Inclusive Economic Growth in Central Bogale/Mawlamyinegyun Townships
Yae Hpyu Kan	Ah Lel Yae Kyaw	Mawlamyinegyun	Ayeyarwady	ActionAid/Thadar	Building Local Capacities for Livelihoods Systems Approaches in the Ayeyarwaddy Delta
Gway Chaung	Myit Gyi Boe	Mawlamyinegyun	Ayeyarwady	Proximity Designs	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta
				WHH/GRET	Value Chain Development for Inclusive Economic Growth in Central Bogale/Mawlamyinegyun Townships
Shaw Chaung	Pyar Mut Shaw Chaung	Mawlamyinegyun	Ayeyarwady	WHH/GRET	Value Chain Development for Inclusive Economic Growth in Central Bogale/Mawlamyinegyun Townships
				Mercy Corps	Beyond Recovery : Promoting Market-led, Pro-poor Economic Growth
Tha Pyu Kone	Ka Nyin Kone	Labutta	Ayeyarwady	Mercy Corps	Beyond Recovery : Promoting Market-led, Pro-poor Economic Growth
				Mercy Corps	Beyond Recovery : Promoting Market-led, Pro-poor Economic Growth
Kyein Ni Kyaung Su	Boe Pyayt	Labutta	Ayeyarwady	UNDP/PACT	Sustainable Microfinance to improve Livelihoods of the Poor in Myanmar
				UNDP/PACT	Sustainable Microfinance to improve Livelihoods of the Poor in Myanmar
Hpa Yar Lay	Kyu Taw	Labutta	Ayeyarwady	Proximity Designs	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta
				Mercy Corps	Beyond Recovery : Promoting Market-led, Pro-poor Economic Growth
Bay Pauk	Shaw Chaung	Labutta	Ayeyarwady	Mercy Corps	Beyond Recovery : Promoting Market-led, Pro-poor Economic Growth
				UNDP/PACT	Sustainable Microfinance to improve Livelihoods of the Poor in Myanmar

Village	Village Tract	Township	State/ Region	LIFT IPs that worked in village	Names of the IP projects
Thaung Lay	Pyin Ah Lan (Py-insalu Sub-township)	Labutta	Ayeyarwady	AVSI	Promoting an experience of Small-Scale Farmers' Cooperative in Labutta Township in the Delta Region of Myanmar
Yae Kyaw Gyi	Tei Pin Taing (Py-insalu Sub-township)	Labutta	Ayeyarwady	Proximity Designs LEAD	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun and Labutta Accelerating Food Security : Ensuring Food security among Farmers and landless laborers by provision of technical, farming and livestock inputs in Kone Gyi and Tei Pin Khaing Village Tracts of Pyinsalu Sub-township in Labutta District in Ayeyarwady Division
Yae Lei Thit	Dhamma Thaw	Kamma	Magway	UNDP/SC	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
Min Te	Min Te	Kamma	Magway	UNDP/SC	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
Zee Taw	Zee Taw	Kamma	Magway	UNDP/SC	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
No (1) Ward	Gwa	Gwa	Rakhine	MERN	Coastal Livelihood and Environment Assets Restoration in Rakhine (CLEARRR)
Leik Sint Pyin	Tha Pyay Kan	Mrauk-U	Rakhine	Mercy Corps	Building Communities Resilience for Food Security
Padauk Kone	Shauk Pin Chaung	Taungoo	Bago East	ActionAid/Thadar	Thadar...Civil Society led Community Based Livelihood Resources Development in the Dry Zone
Chaung Chauk	Chaung Chauk	Kyaukme	Shan (North)	UNDP/PACT	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
Naung Peing Lan Khwe	Pin Tein	Kyaukme	Shan (North)	CESVI	Livelihood Security in Kyauk Mae and Naung Cho Townships in Northern Shan State
Nawngkhio Gyi (South)	Nyan Taw	Nawngkhio	Shan (North)	UNDP/PACT	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
Nam Han Hkein	He Kwi	He Kwi	Shan (North)	UNDP/PACT CEVSI	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar Livelihood Security in Kyauk Mae and Naung Cho Townships in Northern Shan State
Sit See Toe	Kone Thar	Nawngkhio	Shan (North)	UNDP/PACT CEVSI	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar Livelihood Security in Kyauk Mae and Naung Cho Townships in Northern Shan State
Kyawng Loi	Long Hkoke	Hopong	Shan (South)	Metta	Farmer Field School to LIFT the Food Security of Small and Marginal Land Holders (LIFT-FFS)
Pin Son	Pin Son	Hshseng	Shan (South)	Metta	Farmer Field School to LIFT the Food Security of Small and Marginal Land Holders (LIFT-FFS)
Thit Pin Gyi	Pin Mun	Pinlaung	Shan (South)	Metta	Farmer Field School to LIFT the Food Security of Small and Marginal Land Holders (LIFT-FFS)
Zaung Kyan Kone	Lein Pin	Wundwin	Mandalay	Proximity Designs	Livelihoods Support for Vulnerable Dry Zone Communities
Oke Shit Kone	Oke Shit Kone	Thazi	Mandalay	Oxfam	Building Resilience in the Dry Zone
Kan Te	Kan Te	Pyawbwe	Mandalay	Mercy Corps	Building Communities Resilience for Food Security
Ma Gyi Kone	Taung Lei	Pyawbwe	Mandalay	Mercy Corps	Building Communities Resilience for Food Security
Yae Ni (East)	Yae Ni	Mahlaing	Mandalay	Proximity Designs HelpAge	Livelihoods Support for Vulnerable Dry Zone Communities Reducing Economic Vulnerability through an Equitable/ Inclusive Approach to Livelihoods Project
Sin Hkan	Sin Hkan	Bhamo	Kachin	SWISSAID	Improving Livelihoods through Civil Society Strengthening

Village	Village Tract	Township	State/ Region	LIFT IPs that worked in village	Names of the IP projects
Hpat Ma Dar	Hpat Ma	Putao	Kachin	Metta	Farmer Field School to LIFT the Food Security of Small and Marginal Land Holders (LIFT-FFS)
War Yaung	War Yaung	Ayadaw	Segaing	HelpAge	Reducing Economic Vulnerability through an Equitable/ Inclusive Approach to Livelihoods Project
Nyar Taw	Nyar Taw	Taungdawingyi	Magway	Proximity Designs	Livelihoods Support for Vulnerable Dry Zone Communities
Lay Taing Sin (North)	Lay Taing Sin	Myothit	Magway	Proximity Designs	Livelihoods Support for Vulnerable Dry Zone Communities
Pi Tauk Ngoke Ywar Thit	Pi Tauk Ngoke	Natnauk	Magway	DPDO	Sowing the seeds for Person with Disability in Dry Zone Area
Ywar Thar Aye	Myit Chay	Pakokku	Magway	DPDO	Sowing the seeds for Person with Disability in Dry Zone Area
Tha Hpan Seik	Ta Pauk Taw	Magway	Magway	UNDP/PACT	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
Hnaw Kone	Ma Gyi Pin Pu	Pakokku	Magway	ActionAid/ Thadar	Thadar... Civil Society led Community Based Livelihood Resources Development in the Dry Zone
Tiangte	Tiangte	Thantlang	Magway	UNDP/PACT	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
Limkhai	Limkhai	Tedim	Chin	GRET	Sustainable Livelihoods and Natural Resource Management in 5 Townships of the Northern Chin State
Kan Yat Gyi	Kan Yat Gyi	Pakokku	Magway	GRET	Sustainable Livelihoods and Natural Resource Management in 5 Townships of the Northern Chin State
Cinkhua	Dauchim	Hakha	Chin	UNDP/PACT	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
Za Loke	Shar Pin Kaing	Pakokku	Magway	Proximity Designs	Livelihoods Support for Vulnerable Dry Zone Communities
				GRET	Sustainable Livelihoods and Natural Resource Management in 5 Townships of the Northern Chin State
				ADRA	Community Initiated Livelihood and Poverty Reduction
				ActionAid/Thadar	Thadar... Civil Society led Community Based Livelihood Resources Development in the Dry Zone
				UNDP/PACT	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar

## Annex B: Summary of IP project objectives and outputs

Row Labels	Project Title	Purpose	P_Logframe Outputs
Action Aid Myanmar	Building Local Capacities For Livelihoods Systems Approaches In The Ayeyarwaddy Delta	Build capacities of IPs to work collaboratively in sustainable livelihood initiatives.	<p>Output_1: 8 Myanmar NGOs and X CBOs effectively work together with enhanced organisational capacity</p> <p>Output_2: IPs and CBOs have established successful models of sustainable livelihoods in select villages.</p> <p>Output_3: IPs and CBOs have established successful models of social protection for livelihood security.</p>
Action Aid Myanmar	Civil Society Led Community Based Livelihood Resources Development In The Dry Zone	Capacitated and empowered Civil Society demonstrates its positive role in improving the food security and livelihoods of vulnerable households in the Dry Zone	<p>Output_1: Myanmar NGO implementing partner organisations, with improved programmatic and technical capacity effectively work together and create sustainable access to livelihoods' in 37 villages in the Dry Zone.</p> <p>Output_2: Increased agricultural productivity, food security and household incomes.</p> <p>Output_3: Food security and livelihoods practice in Myanmar is influenced and improved through field-based best practice, evidence-based research and advocacy.</p>
ADRA (Adventist Development & Relief Agency)	Community Initiated Livelihood And Poverty Reduction Project	To improve livelihood of 5152 families through access to agricultural inputs, credit and training in 50 villages over three years, in three townships (Pakokku, Myaing and Seik Phyu) in Magway Division, Dry Zone	<p>Output_1: Marginal farmers/landless laborers increase income through the provision of credit/farming inputs, access to improved seed varieties and their multiplication and storage, production of fodder, training, and increased knowledge of climate change and adaptation measure to inform policy development.</p> <p>Output_2: Small business and employment opportunities created for vulnerable families.</p> <p>Output_3: Reduced impact of insufficient water supply/drought and short-term employment opportunities created.</p> <p>Output_4: Improved knowledge on nutrition and hygiene to enhance utilization of food.</p> <p>Output_5: Comprehensive disaster resilience management action plans produced using participatory vulnerability analysis (PVA/PRA) methodology and formation of village drought/risk/hazard management committees.</p> <p>Output_6: Greater awareness and stronger capacity in Myanmar through training, community group formation and strengthening.</p>
AVSI	Promotion An Experience Of Small-scale Farmers' Cooperative In Labutta Township In The Delta Region Of Myanmar	Empowerment of the small-scale farmers in Pyn Ah Lan village tract, in order to achieve their full self-sustainability and decent livelihood	<p>Output_1: A small-scale farmers' cooperative established and strengthened in the selected villages</p> <p>Output_2: Agricultural outcomes improved in terms of quality and quantity of the production</p> <p>Output_3: Decreased vulnerability of the fields to water intrusion and salinity in order to improve the security of the livelihood assets</p>

Row Labels	Project Title	Purpose	IP Logframe Outputs
CESVI (Cooperazione E Sviluppo Onlus)	Livelihood Security in Kyauk Me and Naung Cho Townships in Northern Shan State	Improved livelihood of resource poor rural households in 100 villages in Naung Cho and Kyauk Mae Townships through increased food security, enhanced income generation opportunities and sustainable management of natural resources.	<p>Output_1: 100 village communities of the target area have increased their capacity to assess their situation and manage the implementation of livelihood improvement activities.</p> <p>Output_2: Targeted vulnerable HH have increased and diversified their agricultural production and productivity in terms of quantity and quality in a sustainable way.</p> <p>Output_3: Targeted vulnerable household resources for alternative income generation activities and the provision of quality extension services.</p> <p>Output_4: Targeted communities have increased their capacities to manage natural resources in order to improve environmental conservation and develop new sources of income.</p>
DPDO (Disabled People's Development Organization)	Sowing The Seeds For Future Of Person With Disability In Dry Zone Area	To increase the well-being of life of 1500 households with PWD by promoting social justice through the inclusion of PWDs in mainstream of development through integration disabled people into sustainable livelihood and food security programmes.	<p>Output_1: Self Help Groups established and revolving funds are managed by themselves after capacity building of SHGs.</p> <p>Output_2: Awareness on sustainable agriculture practice and assess to agricultural and livestock inputs increased.</p> <p>Output_3: The livelihood opportunities of the households with PWD are enhanced.</p> <p>Output_4: Nutrition and hygiene knowledge and practices improved.</p> <p>Output_5: Awareness on disability issue increased.</p>
EcoDev	Project For Scaling Up Rural Enterprise In Dryzone (SURE)	To increase income of target households for food security in 10 project villages of Magwe, Pwint Phyu and Kyaukpadaung	<p>Output_1: Employment opportunities in target villages have increased.</p> <p>Output_2: Household based food processing enterprises are commercially established.</p> <p>Output_3: Scaling up local capacity for rural enterprise management in food processing.</p>
GRET	Sustainable Livelihood And Natural Resources Management In 5 Townships Of The Northern Chin State	To improve the food security and natural resources management in 185 villages (5 Townships) of the Northern Chin State by intensifying and diversifying the agricultural production and by strengthening the capacities of the local stakeholders to sustainable manage their productive and natural resources.	<p>Output_1: At least 4750 households have increased their access to knowledge and skills on environmental-friendly technologies for improving food security and resources management, on seeds production and food processing technologies.</p> <p>Output_2: At least 4072 households have improved their access to productive resources and diversified their income sources through local development processes managed by community groups.</p> <p>Output_3: At least 4 development organisation working in Chin State have improved their cooperation at CBOs level and 7 organizations are engaged in networking activities to strengthen their organizational and operational capacities.</p>

Row Labels	Project Title	Purpose	IP Logframe Outputs
HelpAge International	Reducing Economic Vulnerability Through An Equitable/ Inclusive Approach To Livelihoods (REVEAL)	To improve livelihoods and reduce economic vulnerability of food insecure households in 30 of the neediest dry zone villages in Ayartaw and Mahlaing Townships through inclusive community-based interventions.	<p>Output_1: Community capacity strengthened for integrated development.</p> <p>Output_2: Increased agricultural production and household incomes.</p> <p>Output_3: Increased skills and knowledge increasing household incomes from livestock and small businesses.</p> <p>Output_4: Community mechanisms enhanced to improve health, hygiene and nutrition.</p> <p>Output_5: Community resilience enhanced for natural resources management and disaster risk reduction.</p> <p>Output_6: Stronger capacity of local organizations to influence livelihoods policy and practices in the dry zone.</p>
LEAD (Link Emergency Aid And Development)	Acceleration Food Security: Ensuring Food Security Among Farmers And Landless Laborers By Provision Of Technical, Farming, And Livestock Inputs In Kone Gyi And Tei Pin Kaing Village Tracts Of Pyinsalu Sub-township In Labutta District In Ayeyarwaddy	To increase income of farmers and landless laborers in lower socio-economic quintiles.	<p>Output_1: Paddy farmers have increase income.</p> <p>Output_2: Winter crops farmers have increase income.</p> <p>Output_3: Landless laborers have increase income through animal husbandry.</p> <p>Output_4: Community based groups are functional and managerially independent.</p>
MERN (Mangrove and Environmental Rehabilitation Network)	Project For Coastal Livelihood And Environmental Assets Restoration In Rakhine (CLEAR)	Food and livelihood security of coastal communities on Kyeintali Township increased through agricultural and livelihood support, cooperative mangrove rehabilitation and management, and improved capacity for livelihoods development and environmental governance.	<p>Output_1: Increased livelihood productivity through development of diverse and locally appropriate agriculture, forestry, fisheries or other economic activities.</p> <p>Output_2: Mangrove ecosystems have been rehabilitated, with increased potential to support sustainable livelihoods, through cooperation within and between communities and other key stakeholders.</p> <p>Output_3: Especially vulnerable households have increased food security and access to social protection while contributing to ecosystem restoration.</p> <p>Output_4: Capacity built at all levels (local and NGO/IP) for participative and reflective planning and implementation of livelihood and resource management interventions, and engagement of key stakeholders.</p>
Metta Development Foundation	Farmer Field School To Lift The Food Security Of Small And Marginal Land Holders	To raise the food security and livelihoods status of the mal and marginal farm holding household of Pa O and Kachin communities who are food deficient for at least two months per year or more.	<p>Output_1: Core groups of farmers skilled in upland rice farming.</p> <p>Output_2: Action research conducted and technologies/ tools tasted and introduced.</p> <p>Output_3: A core group of facilitators skilled in both facilitation and upland rice technologies.</p>

Row Labels	Project Title	Purpose	P Logframe Outputs
MSN (Mangrove Services Network)	Strengthening Capacities And Market Opportunities For Locally Promising Energy-saving Stoves And Quality Tree Saplings In Delta, Myanmar	To strengthen local capacities and promote marketing opportunities towards a functional market for energy-saving stoves and tree saplings.	<p>Output_1: The increase of the local demand for energy-saving stoves and quality seedling in the area of intervention is identified and confirmed.</p> <p>Output_2: Production capacity of fuel-saving stoves and tree seedling is established through establishment of mass production centres (Stoves and tree saplings).</p> <p>Output_3: Market mechanisms to link producers and consumers calling for the sustainability of the local resources and forest conservation activities.</p>
Oxfam	Building Resilient Livelihoods In Dry Zone	Membership Organisations in the project area have the capacity to lead inclusive and equitable community driven improvements in food and livelihood security and provide evidence of a sustainable effective and integrated model for replication.	<p>Output_1: Membership organisation are fully functional, responsive and have the ability lead on access to value added resource inputs and services according to the livelihood priorities of farmers, labourers and livestock keepers.</p> <p>Output_2: Direct agricultural production support used by target beneficiaries increase the quality and quantity of local food products and producers benefit from seasonal variations in price.</p> <p>Output_3: Membership organisations provide benefits to producers, increasing effective access to private sector suppliers and service providers.</p> <p>Output_4: MOs have an improved understanding of and capacity to manage risk at a community level and able support particularly vulnerable groups to improve reliability of their income.</p> <p>Output_5: Evidence from the project is used to influence local and national practice and create an enabling environment.</p>
PACT	Pyapon Integrated Livelihoods Development Project (PILDP)	Enhancing the resilient productive potential of vulnerable households from villages in Pyapon township through provision of access to credit to fulfill ongoing capital requirements and assisting the communities in setting up safety net mechanisms for better local responses to major livelihoods threats.	<p>Output_1: Beneficiaries attain increased livelihoods security and productivity through access to credit and community savings.</p> <p>Output_2: Beneficiaries engage in safety net mechanisms set up for better local responses to major livelihoods threats and disasters.</p>
Proximity Designs	Livelihoods Support For Vulnerable Communities In Bogalay, Maw Gyun And Laputta	To improve livelihood incomes, agricultural production, food security and well-being for vulnerable rural households across Bogale, Mawlamyinegyun, and Laputta townships of Ayeyarwady Division.	<p>Output_1: Improve village connectivity and create immediate non-farm income opportunities (wage employment creation) through cash-for-work projects in livelihood stressed villages by rehabilitation footpaths, jetties and bridges, targeting vulnerable families in order to increase their economic access to markets and provide improved social protection.</p> <p>Output_2: Improve food security and bolster incomes by increasing productivity and paddy yields for small plot farmers, reduction dependency on chemical fertilizers, and reduction crop losses from pests and diseases.</p>

Row Labels	Project Title	Purpose	IP Logframe Outputs
Proximity Designs	Livelihoods Support Of Vulnerable Dry Zone Communities	To improve livelihoods and food security for vulnerable Dry Zone families by increasing incomes of smallholder farmers through improved irrigation technology, as well as increasing wage opportunities through cash-for work pond renovation.	<p>Output_1: Improved food security through increased short-term income for vulnerable households.</p> <p>Output_2: Increase farm incomes by facilitating the transfer of innovative irrigation technology to smallholder farmers enabled by providing product financing.</p>
SWISSAID	To Improve The Livelihoods And Food Security Of The Poorest Households In Kachin State And Shan State In Myanmar	To increase food availability and accessibility and income generation opportunities for 3295 target beneficiaries in 12 townships in Kachin and Shan States	<p>Output_1: Direct agricultural production support provided and used by targeted households</p> <p>Output_2: Effective income generation support mechanism (on farm, off farm, non-farm) provided and used by targeted households.</p> <p>Output_3: Effective social protection measures provided for the poor of the targeted households.</p> <p>Output_4: Capacity of 6 local partner organizations and local communities strengthened and support livelihoods and food security initiatives.</p> <p>Output_5: M&amp;E evidence and commissioned studies are used to inform the programme and support the enabling environment.</p>

Row Labels	Project Title	Purpose	IP Logframe Outputs
UNDP	Sustainable Microfinance To Improve Livelihoods Of The Poor In Myanmar	Contribute to the development and expansion of institutional microfinance in the rural area of Myanmar to enable poor and vulnerable households to have access to affordable credit to finance their livelihood activities that will enhance their incomes and meet their food security and basic needs.	<p>Output_1: Organizational and banking outreach capacity established with 7 new microfinance branches to outreach MF services to potential clients in the project area.</p> <p>Output_2: 14900 target farming households have access to agricultural loans in the amount of US\$75 to US\$150 per HH per year (agriculture lines also apply for homestead gardening)</p> <p>Output_3: 8530 target households have access to loans to invest in livestock, poultry and fishery activities in the amount of US\$75 to US\$150 per HH per year.</p> <p>Output_4: 3200 target households have access to loans for investment in small trading small production activities and rural services in the amount of US\$75 to US\$150 per HH per year</p> <p>Output_5: 840 MSE small entrepreneurs have access to MSE loans in the amount of US\$150 to US\$250 per borrower per year.</p> <p>Output_6: 3000 most vulnerable households (MVHs) have access to micro loans in the amount of US\$30 to US\$40 per HH per year for investment in household level income generating activities.</p> <p>Output_7: Further development and progressively roll-out of new microfinance products</p> <p>Output_8: Capacity development for enhanced knowledge and skill of the MF project banking staff.</p> <p>Output_9: Development and application of a robust management information system supported by appropriate MF software application for improving efficiency of fund management, banking operations well as monitoring, loan tracking, loan rescheduling and operational reporting.</p> <p>Output_10: Capacity development of institutional microfinance service providers engaged as partners of UNDP as well as non-partners on the project.</p> <p>Output_11: Contribution to Government initiative in drafting and institution policy and regulatory frameworks for structured and sustainable operation of institutional microfinance in Myanmar.</p>

Row Labels	Project Title	Purpose	IP Logframe Outputs
MercyCorps	Beyond Recovery: Promotion Market-let, Pro-poor	To sustainably improved food security and livelihoods for ( ) target beneficiaries in 204 villages.	<p>Output_1: Support provided for growth of agricultural incomes for resource constrained households in Laputta township (8000 hhs in 33 villages).</p> <p>Output_2: Support provided to improve the food security of disaster affected communities in Pyinsalu Sub-township (1,265 hhs in 17 villages).</p> <p>Output_3: Support provided for increased and sustainable household incomes through aquaculture production community group formation for processing/ storage/marketing of fish products and community forestry (2345 hhs in 33 villages).</p> <p>Output_4: Improved access to credit for farmers and other clients through support to micro finance agency capacity and outreach.</p> <p>Output_5: Priority transport infrastructure developed or rehabilitated to improved access to markets and services for 100 villages, and in the process creating casual employment for 7500 vulnerable households.</p> <p>Output_6: Sup-programme efficiently and effectively managed, coordinated and monitored by lead IP.</p>
MercyCorps	Building Community Resilience For Food Security.	Agricultural productivity and income generation is increased while communities build resilience to natural hazards in Rakhine and Chin State and the Central Dry Zone.	<p>Output_1: Selected CSOs have improved capacity in design and implementation of food security projects for community resilience building.</p> <p>Output_2: Community Economic Resilience Plans (CERPs) are designed and implemented.</p> <p>Output_3: Targeted farmers have improved agricultural production and business practices.</p>

Row Labels	Project Title	Purpose	IP Logframe Outputs
<p>WHH (Welt Hunger Hilfe)</p>	<p>Value Chain Development For Inclusive Economic Growth In Central Bogale</p>	<p>To sustainably improve food security and livelihoods for ( ) target beneficiaries in 162 villages.</p>	<p>Output_1: More than 7000 rural households build self help capacities to increase income, production and products quality (Support to agriculture production, quantity/ quality, through self help capacity building)</p> <p>Output_2: At least 2000 rural households involved in creating potential for increasing local added value through improved agro-processing and storage facilities in 150 villages (Enhancement of economic activities at village level through improved agro-processing and storage facilities)</p> <p>Output_3: Township agriculture sector stakeholders and 150 rural communities are supported to create an enabling environment for selling quality products with high and stable price (Support to creation of an enabling environment for selling quality products with high and stable price at village and township levels).</p> <p>Output_4: Improve food security and bolster incomes by increasing productivity and paddy yields for small plot farmers, reducing dependency on chemical fertilizers, and reducing crop losses from pests and diseases.</p> <p>Output_5: Improved access to credit for farmers and other clients through support to micro finance agency capacity and outreach.</p> <p>Output_6: Improve village connectivity and create immediate non-farm income opportunities (wage employment creation) through CfW projects in livelihood stressed villages by rehabilitating village infrastructures, targeting vulnerable families to increase their economic access to markets and provide improved social protection.</p> <p>Output_7: Sustainable resource management through reforestation and promotion of fuel efficient stoves in 118 villages (76 villages in BGL and 42 villages in MLMG).</p> <p>Output_8: Sub-programme efficiently and effectively managed, coordinated, monitored and evaluated.</p>
<p>Radanan Ayar</p>	<p>Socio-economic &amp; Environmental Development In Bogalay Township (SEED)</p>	<p>To improve the socio-economic conditions of farming communities in 42 villages of Bogalay township, Myanmar by improving farming output and marketing.</p>	<p>Output_1: By year 3, certified rice seeds are produced in 600 acres of participating villages, stored and redistributed to participating farming communities.</p> <p>Output_2: By year 3, project areas have increased rice production by at least 25 % per acre, and are able to meet export quality standards.</p> <p>Output_3: By year 3, Farmers' Advisory and Agri-Testing Unit (FAATU) are operating in support of crop production, bio-safety techniques and sustainable natural resource management.</p> <p>Output4: By year 3, farmers in saline areas previously cropped only in the monsoon season have adopted suitable crop and agricultural practices demonstrated by the project.</p>

## Annex C: Question checklists for Key Informant Interviews and Focus Group Discussions

### A. KII questions

This profile is based on Key Informant Interviews (KIIs) with village leaders and knowledgeable members of the community – ideally 3 to 5 persons should participate including women.

#### PROFILE OF VILLAGE and VILLAGE ORGANIZATIONS

Questionnaire No	
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#### SECTION 1: GENERAL INFORMATION

1.1	Village name		_____
1.2	Village MIMU code		_____
1.3	Village tract name		_____
1.4	Township name		_____
1.5	State/Region		_____
1.7	Interview date	__DD__ / __MM__ /2014	____ / ____ /2014
		<b>Name</b>	<b>Code</b>
1.8	Enumerator		_____
1.9	Supervisor		_____
1.10	Editor		_____

<b>Names of LIFT Implementing Partners who are working or have worked in this village:</b>	1	Still working in this village? (Y/N)
	2	
	3	
	4	
	5	

<b>Names of any other NGOs or organizations who are working or have worked in this village:</b>	1	
	2	
	3	
	4	
	5	

## Respondent information

	Name	Sex	Designation/Occupation
		Male---- 1 Female--2	
Respondent—1		1 2	
Respondent—2		1 2	
Respondent—3		1 2	
Respondent—4		1 2	
Respondent—5		1 2	
Village telephone no.			

THE FOLLOWING SECTION IS NOT FORMATTED BUT IS A DRAFT LIST OF QUESTIONS IN APPROXIMATE ORDER

Do any members of your village meet or work together in groups to assist each other or support village development? (these could include savings and loans groups, self-help groups, farmer groups, cooperatives, women's groups, seed bank groups, rice bank groups, forestry groups, village development committees, mother's groups, health groups, livestock groups, education groups etc)

Please list all the different groups that have been 'active' in the past 12 months in the space below:

(Active will be a subjective assessment by the key informants that will need to be assessed in detail with the group concerned)

Note that these data must be checked with the actual leaders and members of each group

Name of VO	Year established	Supported by LIFT IP (Y/N)	Total no. of members	No. female members
1.				
Main activities				
Target group (beneficiaries)				
2.				
Main activities				
Target group (beneficiaries)				
3.				
Main activities				
Target group (beneficiaries)				
4.				
Main activities				
Target group (beneficiaries)				

Use this information to select the VOs that your team will meet with. Criteria for selecting up to 3 VOs:

1. Must have been supported by a LIFT IP (established by the IP or a focus of capacity building or a vehicle for other support)
2. Large membership (at least choose the largest VO supported by a LIFT IP (this need not be currently active))
3. Randomly choose 2 other VOs that have received support from a LIFT IP (these need not still be active)

## Village Organisation ( 1 - 3 )

(Information based on KII with VO leadership and knowledgeable members – 3 to 5 including women)

Name			
Types of activities			
Classification	<p>Please select the circle the appropriate numbers (and provide description if 'other'):</p> <ol style="list-style-type: none"> <li>1. Village Development Committee</li> <li>2. Village Savings and Loans Association/ Revolving Fund in Cash</li> <li>3. Revolving Fund in Kind</li> <li>4. Farmers Group/Farmers Extension Group/Farmers Field School</li> <li>5. Cooperative</li> <li>6. Seed Bank/Rice Bank Group</li> <li>7. Forestry Group/Forest Labour Group/Forest User Group</li> <li>8. Group administering Cash for Work activities</li> <li>9. Other 1.....</li> <li>10. Other 2.....</li> <li>11. Other 3.....</li> </ol>		
Names of LIFTIPs that have supported or worked with this VO			
Names of LIFT projects			
Are any of these IPs still providing support, advice or assistance to this VO?	Yes	No	
If yes, which IPs are still providing support, advice or assistance?			
Date of establishment of this VO			
Established by LIFT IP	Yes 1	No 2	
Does this VO work in other villages as well as this one?	Yes 1	No 2	
If 'yes' how many?			
Total number of members in this VO (all villages)			
Total number of female members (all villages)			
Name of chairperson/president		Male 1	Female 2
Total number of VO officeholders			
Number of female VO officeholders			
Number of disabled VO office holders			

Capacity building (trainings) received	LIFT IPs	Others
By LIFT IPs	1.	2.
By others	2.	2.
	3.	3.
	4.	4.
	5.	5.
	6.	6.
	7.	7.

## B. FGDs for VOs

Note that persons involved in the previous discussion for VO leaders and knowledgeable members could continue in some FGD discussions where appropriate. As discussed above a maximum of 3 VOs will be studied in each village. For each of the VOs that have been selected, Two FGDs per VO are required: one FGD for members of the VO and another for non-members with similar livelihoods and socio economic status. In addition to the FGDs related to specific VOs, there will be two FGDs for separate groups of men and women from very poor, disadvantaged households regardless of whether they are or have been members or any VO.

Please keep well organised and separate notes and recordings for each FGD conducted

VO Name:	
Village name:	
Date:	
Time FGD commenced: : hours	Time FGD conclude: : hours
Total number of focus group participants:	No. of female participants:
	No. of disabled participants:
General socio-eco characteristics of FGD participants (rich, poor, landless, farmers, fishers, VO office holders, regular members)	

The following questions to be asked to VO office holders and regular VO members as FGD participants. FGD size should be 6 – 10 respondents including mixed sexes where appropriate.

### A) Village Organisation (VO) Formation

- Why was the VO founded? What was the motivation to establish the VO?
  - Was your VO established based on a suggestion from the LIFT IP?
  - Was it suggested by another NGO or organisation (which.....)?
  - Or was it started independently by people in this village?
  
- How was the management committee for your VO formed? How were office holders selected? Elected?
  - Do you think the selection processes for office holders was fair?
  - Are office holders representative of all the different groups within your community (women/ men, rich/poor, farmers/landless, disabled, religious/ethnic minorities, established leaders, etc)
  
- Who are the members of your VO and how were they selected?
  - Do you think the selection processes for members was fair?
  - Did everyone who wanted to be a member have the chance to join?
  - Are members representative of the various groups in the community?(women/men, rich/ poor, farmers/landless, disabled, religious/ethnic minorities etc)
  
- Which group(s) in the community is the VO supposed to benefit? Why?
- Has the membership changed since the VO was established? Have all the original members continued? Can new members join? How many new members have joined since it was established? Is membership increasing/decreasing/staying the same?

## **B) Goal and objectives**

- Does your organization have any goal and objectives? What are they?
  - How were these goals and objectives decided/created?
  - Were these goal and objectives shared with other key stakeholders? (e.g local authority, 100 hh rep, 10 hh rep, beneficiaries, community, etc..)
  - Do all members agree with these goals/objectives or do some have other ideas?
  - Does the wider community agree with them also?
  - Do these goal and objectives have a clear timeframe? Do you have written documentation on these goal and objectives?
  - Have the members/office holders ever reviewed these goal and objectives?
  - Did you make any updates and changes on these goal and objectives? When did you last update? Did you share these goal and objectives to other stakeholders? (e.g sub-committee, sub-groups, local authority, 100 hh rep, 10 hh rep, beneficiaries, community, etc..) What are you hoping to achieve with this VO by the end of this project?
  - What do you hope to achieve with this VO in few years from now?

## **C) Effectiveness of the VO (in relation to its goals and objectives)**

- What are the main activities of your VO in this village?
- Have these activities changed since your VO was established? How? Why?
- Have these activities undertaken by your VO been useful (and which was most useful)? If yes, in which way? If not useful, why not?
- What has been the impact of these activities for the members? For the community?
- Have these activities provided equal benefits for all members? Or for all in the community? Who has benefited most/least? Has this resulted in any conflicts/disputes among members or within the community? (Discuss whether certain groups are missing out or have been disadvantaged. Discuss whether the VO is concerned about any inequalities or perceptions of these. Discuss any plans or ideas to address any such inequalities)
- What activities were planned but have not yet been undertaken? Why not? Have there been any activities undertaken that were not planned?
- How are women, disabled, female headed household, landless poor and other ethnic/religious minority groups involved in your VO/VO activities (planning, decision making and implementation)?
- How do you make decisions and who is involved in the decision making process?
- In general, what do you consider are the strengths of your VO?
- What are the challenges and limitations of your VO?
- What problems have been encountered? How have these problems been addressed?
- Does your VO contribute to the development of your village? Is this VO an effective instrument for development in your village? Is it the most important formal or informal development organisation/group in the village? Why or why not?

## **D) Meeting and records**

- How often did your VO hold meetings in the past 12 months? (regular meetings, irregular meetings, weekly, monthly, quarterly, etc..) Did these meetings have specific meeting purpose and agenda? Did someone from the VO record meeting minutes? Attendance list? If so, how? (clearly documented or not)?
- Does the VO keep membership records? Financial records? Other records of its activities? Who maintains these records? Are these records shared with members/community? Is the larger community fully aware of the activities and finances of the VO? How are they made aware?

## **E) Rules and regulations**

- Do you have any rules and regulations? Do you have written documents of these rules and regulations? Was it discussed with and accepted by all your members? Why and why not?

## **F) Relevance of IP support to Village Organisation**

- Did any NGO(s) or other organisation(s) provide support to help establish or strengthen your VO? Which NGO(s)/organisation(s)/government departments (e.g. Department of Agriculture)? What kind of support?
- Did your VO receive any training? What kind of training did you receive?
- Who among your members received this support/training?
- Was it effective? What difference has it made to the VO or its work?

## **G) Planning, monitoring and evaluation**

- Does the VO formally plan activities?
- Who are usually involved in this process? How is this usually done?
- Did it have a plan for 2013? Does it have a plan for 2014? How was the plan developed? Was it presented to members/community? Is the plan documented? Was it shared with the village authority? 100 hh rep? 10 hh rep?
- Does the VO monitor its progress and performance against these plans? How? Who? Is progress/performance shared with the community or village authority? 100 hh rep? 10 hh rep?
- Do yourselves-evaluate your work? How is success measured in your VO's activities?
- Does the VO link with local authorities/political parties? Does it contribute to village development plans/activities in the village planning process? How effective has this been?
- Do you understand community feedback? Does your VO seek or request any feedback from the wider? Has this been effective? Is it still functioning?

Choose only the module(s) relevant to specific VO type

- Farmer Field School group (FFS)/Farmer Extension Group(FEG)
- Village Savings and Loans Association (VSLA)/Self Help Group (SHG)/Self Reliance Group (SRG)
- Revolving Fund (RF) in kind group
- Forest Labour Group (FLG)/ Forest User Group (FUG)
- Seed Bank Group/Rice Bank Group
- Group set up to manage/administer Cash for Work activities

## **H) Farmer group**

- What type of group (FFS, FEG, other type of farmer group)?
- How does it work?
- What kind of activities do you carry out? Who manages your group? Who makes decisions on what agricultural practices/technologies to test or promote?
- Who set it up? When was it set up and how many people have been involved?
- How were people selected to be included in the group? Who were selected? Was this equitable? Do you think some more should be included? If 'yes,' who should be they? And why do you think they should be included?
- Are your members typical farmers from your village (or richer, poorer, younger, more educated, more men etc)? Does everyone have a chance to be involved? (farmers from poorest, most needy, or minority group households as well as disabled persons and women)? Is anyone excluded? Is this deliberate, why? Are some people upset that they were not included? How has

the group addressed such concerns?

- What training has been provided to your group? By whom? Was this training just for the group members or was it for all interested farmers in the community? What sort of training has been provided? (e.g. agricultural technologies, field testing/experimentation, financial analysis of different practices, running an organisation etc) What proportion of the members has been covered by various trainings? Do other members need any kind of training?
- Did members of the group receive any other support other than training from the IP? Describe? Did every get this support? Who was selected? Was this equitable?
- Will your group continue to work together after the IP project ends? Why/why not? If yes, what will it do?
- Does your group need on-going technical assistance? Where will members go to get this assistance?

## **I) Savings and loans group**

- What type of savings and loans group, revolving fund (for cash) or credit facility is your VO?
- How does it work? Are savings required before credit can be provided? Any other security?
- Who manages it? Who makes decisions? What was the role of the IP? How much flexibility has your village/members had with regards to how the credit system works, who is eligible, how much can be borrowed, terms and conditions (e.g. interest rates, repayment periods, rules for late payments and defaults etc.)
- What are the different roles of the IP and the VO members/officer holders?
- Who set up your group? When was it set up and how many people have been involved?
- Was there training also provided 1) to manage the savings and loans activities? 2) to develop or assess business/enterprise plans? 3) on technical issues (e.g. to support the agricultural investments etc) 4) other topics. By whom? Who can the group turn to for training and technical advice once the project ends?
- Is additional training still required? What are the needs? Are there any remaining weaknesses where ongoing support would be valuable?
- How were people selected to be included in the group? Who were selected? Was this equitable? Does everyone have a chance to be involved? (poorest, most needy, disabled, women, minority groups etc)? Are some people upset that they were not included? How has the group addressed such concerns? Does it benefit men and women equally? Why/why not?
- Have your households taken out loans? Have all member households have an equal chance to take out loans? What for? How does this new credit/revolving fund compare with what you used before? (other sources of credit, money lenders, etc)?
- Do you think this new credit/revolving fund is making a difference for the households involved? How/why? Any problems for some households? Is household indebtedness increasing/decreasing?
- How has it affected this community (What kind of impact, positive or negative)? Was it useful (if not, why not)? What are the main changes it triggered? (probe for small businesses, investments, credit worthiness, etc)
- Is it still operating? How? If not, why not?
- Are the numbers of loans increasing/decreasing? Describe. Is membership of the group increasing/decreasing? Describe.
- Is the fund available to the village growing/diminishing? Describe.

## **J) Revolving fund (in kind)**

- How does it work? (seeds, cows/buffaloes, pigs/ducks/goats or other inputs; what are the terms, duration, rules for defaults etc)?
- In total how many people have received agriculture inputs/livestock/fishery inputs etc?
- Was there training also provided? By whom? Who can the recipients turn to for training and

technical advice once the project ends?

- f in kind support was received, how were people selected? Who was selected (poorest, most needy, etc)?
- How relevant was the in kind support to the needs of the recipients? What would have been more useful? How could it be improved in order to better respond to the needs of the recipients?
- Did the in kind support make a difference to livelihoods/income? How? Were there any problems with the in kind support (e.g. livestock feeding costs, disease etc.)? Did receiving those inputs have lasting benefits for the hhs receiving them? Did the livestock continue breeding? Are the gains (if any) in hh income continuing? Why/why not?
- What is the current revolving fund amount? Is it increasing or decreasing or staying the same?
- Is membership increasing/decreasing?
- What is your vision for this fund? Future plans?

### **K) Forest Labour/Forest User Group**

- How does it work? Have people received inputs/forestry inputs/cash grants etc..?
- Was there training (e.g. agriculture/livestock/nursery/fishery training, community forestry, climate change, mangrove rehabilitation and conservation, disaster risk reduction, etc) also provided? By whom? Who can the recipients turn to for training and technical advice once the project ends?
- Were there community forestry activities implemented? If so, did you also apply and receive community forestry certificate? How/why/why not?
- If trained, how useful was the training? How/why/why not?
- If inputs (e.g. cash grant/nurseries/community forestry/mangrove, etc.) were received, how were people selected? Who was selected (poorest, most needy, etc)?
- How relevant those inputs support to the needs of the recipients? What would have been more useful?
- Did these inputs support make a difference to livelihoods/income? How? Did receiving those inputs have lasting benefits for the hhs receiving them/community?

### **L) Seed Bank/Rice Bank**

- Seed bank or rice bank?
  - How does it work?
  - Is membership and seed/rice stocks increasing or decreasing? Why?
  - Is it still operating? How? If not, why not?
  - What are your plans for the future of the SB/RB?

### **M) Group set up to manage Cash for Work (CfW) activities**

- How does it work? (e.g road/bridge/pond renovation/construction, footpath renovation/ construction, trees plantation, mangrove rehabilitation and conservation, etc..)
- What are your criteria for selecting beneficiaries? Were these your own criteria or those of the IP?
- How were people selected to be included and who was selected? (poorest, most needy, disabled, women, minority groups, odd job, etc)? Were any people left out? Why?
- How do you decide how much cash the individual and/or community should receive? Was this your decision or the IP's?
- How do you establish appropriate pay rates and delivery of cash to beneficiaries? Was payment per day or based on amount of work done (eg baskets of soil dug/carried)? Your decision or the IP's?
- Do women receive the same amount of money that men received per day? (record the rates per day for M/F) Your decision or the IP's?
- What methods of delivery and schedule of payment do you use? Your decision or the IP's?

- Who makes payments? Who keeps records? Was training provided? Was this sufficient?
- If the IP no longer supports CfW activities will your group still continue to meet? What will it do? What are your group's plans for the future?

**The following sections should be asked for all types of VOs:**

**N) Relations within the community and with other village organisations/structures**

- Is your VO competing with or substituting for an existing and functioning village structure and/or institution?
- Has your VO influenced the way the community works together or the power structures in your village?
- Are pre-existing village leaders members of your VO? What is the relationship between your VO and other village organisations and governance structures (e.g. the new village development support committee, the village authority, 100 hh rep, 10 hh rep, other types of village leader, etc..)
- Has the establishment of your VO created any tensions and/or conflicts with existing groups and structures, or individuals?
- Or, has it helped to resolve/mitigate existing conflicts within the village?
- Has your VO influenced how decisions are made in this village and relations with the village tract administrator, village authority, 100 hh rep, 10 hh rep, village leaders, etc..)
- In general, does your village community work together differently (e.g. in planning or decision-making) as a result of your VO? How? Why?

**O) Sustainability**

- Do you think that your VO still needs to develop in order to be a strong organisation into the future? In what areas? Do you have plans to develop the VO capacity in these areas? How? Will anyone/any organisation assist?
- Plans for your VO into the future? Changing/expanding roles or doing much the same? Can you see a time when the VO will have fulfilled its role and no longer be necessary?
- Do you feel the activities undertaken by the VO will have longer term impacts on your community? What and why?
  - Which activities will be most sustainable (used in the longer term)?
  - Why those and not others?
  - Which the least? Why?

**P) Conclusion**

- How would you rate the VO in terms of the following institutional capacities? (strong/adequate/weak)
  - Setting its vision and goals
  - Leadership and governance (including selecting office holders, decision making, reporting to members, rules and responsibilities, organisational structure)
  - Planning
  - Financial management/bookkeeping
  - Implementing activities
  - Monitoring
  - Reporting to and communicating with the community
  - Coordinating with government, local authorities and non-government organisation, and other village organisations
- What lessons have you learned that may help others if they were to set up a similar VO in another village?

## C. Discussion Guide for non-members

*Note that these questions should be asked to households who were not offered the opportunity to be members or who chose not to become members of the specific VO*

Ideally they should have similar interests/livelihood opportunities as the members – eg farmers who were not members of the farmer group.

For each VO we should have a FGD with a group of non-members.

- Are you aware of the [name of VO] operating in your village?
- Do you think this VO is doing a good job? Is it helping its members? The larger community? Why/why not?
- Were you ever interested in being involved with, or being a member of this VO? Why/Why not?
- Do you know how the members of this VO were selected? Was this fair and equitable? Was everyone in the community given the chance to be included (poor, vulnerable, women, disabled, ethnic/religious minorities)? Were you offered the opportunity to be involved/become a member?
- Did you or anyone in your household ever try to become a member? Why? What happened? Could you become a member now if you wanted?
- If you never wanted to be a member, why not? Do you believe the VO activities to be effective, relevant for its members, relevant to you? Why/why not?
- Can you recommend any changes to the VO to make it better/more relevant/more effective:
  - What is does?
  - How it is led or managed?
  - How it makes decisions?
- Has this VO created any problems or disunity in the community? With some groups or people? With other village leaders/institutions in the village? Any jealousies etc? Describe
- Has this VO improved how the community works together or makes decisions? Describe.
- Do you think that this VO will continue into the future without the support of the IP project? Why/why not?

General questions for separate groups men and women from very poor, disadvantaged households

Note that these questions should be asked to households regardless of whether they are or have been members or any VO

- Are you aware of the [names of all the VO] operating in your village?
- Do you think these VOs are doing a good job? Are they helping their members? The larger community? Which VOs? Why/why not?
- Are any of you members of any of these VOs? Which VOs? Why/why not?
- Were you ever interested in being involved with, or being a member of these VO? Why/Why not?
- Which ones do you think would be/are the most relevant for you? (Go through each VO operating in the village)
- Do you know how the members of these VO were selected? Was this fair and equitable? Was everyone in the community given the chance to be included (poor, vulnerable, women, disabled, ethnic/religious minorities)? Were you offered the opportunity to be involved/become a member of all of these?
- Did you or anyone in your household ever try to become a member? Why? What happened? Could you become a member now if you wanted?
- If you never wanted to be a member, why not? Do you believe the activities of these VO are effective, relevant for their members, relevant to you? Why/why not?

- Can you recommend any changes to any of the VOs to make them better/more relevant/more effective:
  - What they do?
  - How they are led or managed?
  - How they make decisions?
- Have any of these VOs created any problems or disunity in the community? With some groups or people? With other village leaders/institutions in the village? Any jealousies etc? Describe.
- Have any of these VOs improved how the community works together or makes decisions? Describe.
- (Go through each VO operating in the village)

## Annex D: Terms of reference for the study

### **Evaluation of the roles and effectiveness of village organisations in the Livelihood and Food Security Trust Fund Program (LIFT)**

#### Background

The Livelihoods and Food Security Trust Fund (LIFT) is a multi-donor fund that aims to address food insecurity and income poverty in Myanmar. The Donor Consortium of LIFT comprises Australia, Denmark, the European Community, France, Ireland, Italy, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States. LIFT was established in 2009. It will remain operational until 2018.

The goal of LIFT is to make progress towards the achievement of Millennium Development Goal 1 (the eradication of extreme poverty and hunger) in Myanmar. Working through a trust fund modality, LIFT's purpose is to increase the food availability and incomes of 2 million target beneficiaries in rural areas in Myanmar.

LIFT's purpose is achieved through the delivery of the following program outputs:

1. Increased agricultural production and incomes supported through improved production and post-harvest technologies, improved access to inputs and markets.
2. Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.
3. Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.
4. Effective social protection measures that increase the incomes, enhance the livelihood opportunities or protect the livelihood assets of chronically poor households.
5. Capacity of civil society strengthened to support and promote food and livelihood security for the poor.
6. Monitoring and evaluation evidence and commissioned studies used to inform program and policy development.

LIFT is implemented through a variety of implementing partners (IPs) who have been successful in submitting project proposals that support the LIFT purpose in the areas targeted. UNOPS was selected by the donors as the LIFT fund manager and has established a Fund Management Office (FMO) for this purpose. As of 2014, LIFT is funding projects in three different agro-ecological zones of the country: the dry zone, the hilly zone (Kachin State, Chin State and Shan State) and the delta/coastal zone.

Now, mid-way through its implementation, LIFT wishes to evaluate the support provided through LIFT implementing partners (IPs) to village organisations (community-based organisations). In particular LIFT aims to assess the role and effectiveness of these village organizations (VOs) in LIFT's livelihood and food security interventions. In the middle of 2013, IPs reported having supported 7,546 village groups. These include groups that the IPs have mobilized that were not formerly in existence, and existing groups that IPs aimed to strengthen through their support. Groups varied by type and included Village Development Committees (VDCs), representing the whole village community, down to smaller livelihood committees and self-help groups formed around revolving funds and savings and loans interventions. Just as the roles and functions of these village groups varied, so has the support provided by IPs.

Most of the support can be grouped into the following types:

- Training of group leaders and members in skills related to organisational development and institutional capacity (eg financial management, book keeping, project planning, M&E, governance and accountability);
- Training of group members in specific livelihood technical skills;
- Study visits and exchange visits to other groups, projects and government organisations; and
- Provision of funds and resources (from simple stationery and strong boxes to seed money, livestock and livelihood-related equipment).

By mid-2013, 62,400 members from more than 7,500 village groups had received training in skills to strengthen the village organisations' management or technical capacity. This included 30,000 female members of the village groups.

While LIFT receives information from IPs concerning the numbers and types of village organisations they have supported, and the numbers of members trained, LIFT has no clear understanding of the effectiveness of this support. For example, LIFT has no information with which to assess:

- the improvements in management or technical skills of group management and members,
- the changes in group capacity (as a result of training and other types of support),
- the effectiveness of the groups in improving member livelihoods or food security,
- the sustainability of groups following completion of the IP projects.

In some cases the IP projects supported the village groups primarily as a mechanism to deliver assistance to village beneficiaries. In other cases, the strengthening of the village organisations was the major objective and the principle means by which villages could drive their own planning, development, and M&E.

Where new organisations were established or existing ones empowered through training and resources, there have been ramifications on the social fabric and power structures of village communities. Village tract administrations and established village groups and leaders have sometimes had their influence threatened or reduced. In some villages, LIFT Qualitative and Socio-Economic Monitoring has observed tensions as a result of the multiplicity of village groups and their competing interests.

Furthermore, the village groups supported by IPs have mediated the benefits reaching households and individuals particularly in terms of the targeting, timing and distribution of benefits. It is therefore important for LIFT to understand the representativeness of these organisations and the equity of their decision-making in relation to women, the poor and vulnerable, and ethnic and religious minorities.

This lack of information concerning support to village-based organisations is particularly important as LIFT's current livelihood and food security projects in the delta, dry zone and hilly regions reach completion in 2014. Learning from this evaluation will be essential for designing new programs in the remaining 5 years of LIFT until the end of 2018.

The review will document its findings and conclusions and provide recommendations which guide LIFT support into the future. The review will be shared with all stakeholders.

## Objectives of the study

This study aims to critically analyse the outcomes of LIFT support to village organizations (VOs) in Myanmar. In so doing it will assess:

- the major motivations of LIFT IPs for establishing or supporting VOs,
- the different types of support provided and approaches used by IPs,
- the relevance and effectiveness of this IP support, and
- the challenges and opportunities for future development initiatives implemented through, or with the support of VOs in Myanmar.

- The key objectives of the study are:
- To understand the generic principles, processes and challenges towards mobilization of VOs.
- To map enabling conditions and associated support required for pro-poor, effective, and sustainable VOs.
- To develop recommendations and lessons to guide future livelihood and food security initiatives implemented at the village level through or with the support of VOs.

It considers the following specific research questions:

- What has been the range of approaches applied by IPs to support VOs?
- What has worked best and least well among these approaches and what have been the factors in success or the constraints faced by each?
- What represents good practice in supporting VOs for the range of contexts faced in livelihood and food security projects such as LIFT?
- What are the costs and benefits of providing support to VOs purely to support project implementation? Is such support appropriate under some circumstances?
- How sustainable will be these organizations after the IP projects end? What are the factors that contribute to sustainability or lack thereof?
- How representative are these organizations and how equitable have been their decisions in relation to women, the poor and vulnerable, and ethnic and religious minorities?
- What have been the results of support to village groups in relation to social capital and power structures at the village level? What factors have contributed to tensions with existing groups and structures, or helped to resolve/mitigate these?

## Research methods

The study commenced with a simple questionnaire to LIFT IPs to determine the different types of organizations they have supported, the number of each type of organisation (both newly established and pre-existing), and the nature of the various types of IP support provided to these VOs. The results of this quick survey are summarised in Annex A.

The field work for the study will be divided into two phases:

- The initial field research phase will comprise visits to 50 randomly selected LIFT villages where research teams will conduct focus group discussions and key informant interviews to assess:
  - the relevance and logic of IP designs as they relate to supporting VOs,
  - the efficiency of such support,
  - the effectiveness, outcomes and impacts of this support particularly as it relates to VO capacity development as well as to the livelihoods and food security of VO members and the community, and
  - the representativeness of VOs and their management and equity in their decision making and benefit distributions.
- In the second and final stage of field research, research teams will return to the same 50 villages once the IP projects have been concluded to assess the sustainability of the groups, the sustainability of benefits that they have received or activities they are undertaking, any changes in VO effectiveness or efficiency, and any changes in VO representation or the equity of their decisions.

The current Terms of Reference covers only the first phase of the research.

These 50 villages will be selected by LIFT using a systematic random process. All IP villages will be ranked and villages selected using a sampling interval. In this way the IPs with the most villages will have the highest probability of having villages included in the study.

The field research will use a combination of quantitative and qualitative methods. In each village, key informant interviews (KIIs) using a standard set of questions will collect information on all the VOs active in each village including but not limited to information on the nature of the VOs present at the time of the study, membership (m/f), date of establishment, nature of IP support received, and recent activity. Up to three VOs in each village will then be included for more detailed study by means of FGDs.

FGDs will be conducted with specific groups in each village depending on what VOs are present. FGDs may include:

- Village Development Committee (VDC)/and sub-committees (mixed men and women, members and non-members)
- Farmer Field Schools (FFS)/Farmer Extension Groups (mixed men and women, members and non-members)
- Groups administering revolving funds in kind (mixed men and women, members and non-members)
- Village Savings and Loans Association (VSLA)/Self Help Group (SHG)/Self Reliance Group (SRG) that provide cash loans to members (mixed men and women, members and non-members)
- Forest Labour Group/Forest User Groups (mixed men and women, members and non-members)
- Groups set up to manage Cash for Work (CfW) activities (mixed men and women, participants and non-participants)
- Other interesting VOs (members and non-members)
- Representatives from the poorest and most vulnerable households (separate groups of women and men) irrespective of their membership of VOs.

LIFT M&E section will draft the KII list of questions and the FGD checklists for testing and eventual use by the successful contractor.

## **Outputs of the consultancy**

### **Inception report**

The inception report should discuss the training of the enumerators, and the field testing of the KII interview sheet and FGD question checklists. It should include:

- A description of enumerator training undertaken (including any notes distributed or slides used in the training)
- A report of the field test of the KII interview sheet and FGD checklist of questions
- A detailed schedule of village visits with expected dates for each team in each village
- A logistics, management and supervision plan ensuring appropriate oversight and quality assurance, and the most efficient use of personnel and survey resources.

### **FGD field work completion report**

It is expected that the FGD field work will take 4 weeks to 5 weeks to be completed (depending on the number of enumerators to be employed – see below section on inputs). The FGD field work completion report should be submitted 2 weeks thereafter. The FGDs field work completion report should include

- A summary of what has been completed (eg the names of villages visited for each of the FGDs, number of FGDs by each type of VO and community sub-group with whom discussions were conducted), the approach taken (team structure and supervision, logistical arrangements etc), issues faced, actions taken, recommendations and lessons for future livelihood and food security FGDs.
- A summary of the basic information collected in each village and recorded on the KII sheets (types of VOs present, membership (m/f) etc, whether VO established under LIFT or pre-existing, etc )

## Summary and transcripts of all KIIs and FGDs conducted

The KII and FGDs will be summarised and translated. The KII information should be entered into a simple spreadsheet or database. The FGDs will be summarised under each of the major topics covered and provided in English. Full transcripts of all FGDs will be provided in Myanmar language.

### **Activities:**

Activities will include but are not necessarily limited to the following:

### Preparation

- Review and revise the KII and FGD checklists of questions to meet the needs of the study (with input from LIFT technical team)
- Translate the English draft of questions into the languages required for each ethnic/language group in the sample
- Recruit and train field survey teams in qualitative methods particularly in the effective facilitation and recording of FGDs
- Field test the KII and FGD questions (including each local language version) and make revisions as required
- Develop a detailed KII and FGD implementation plan and schedule for covering all 50 villages, including the supervision of field teams and ensuring high quality completion of all KIIs and FGDs before leaving each village

### KII and FGD field work

- Commence field work and supervision of field teams
- Review progress against the plan, and make revisions to the plan as required (notifying LIFT of any such changes)
- Raise any important issues or problems with LIFT and address them accordingly
- Complete field work ensuring all KIIs and FGDs are complete
- Draft the completion report and submit
- 2-day FGD debriefing workshop to work with its survey teams to summarise and analyse the study findings

### Summary and transcripts

- Complete and analyse the KII sheets for each of the 50 villages surveyed
- Clearly document each FGD conducted (these full transcripts can remain in Myanmar language) and develop a summary of the FGDs in English

### **Inputs:**

It is recommended that fieldwork be undertaken by 5 teams of two persons with skills in FGD facilitation and note taking. Each team is expected to spend up to one night and 2 days in each village, completing 2 or 3 villages per week. Teams will have one paid day off per week. If each of the 5 teams completes an average of 2.5 villages per week then the survey should be completed after 4 weeks.

Shortly after completion of the fieldwork, the contractor shall organise a 2-day FGD debriefing workshop to work with its survey teams to summarise and analyse the study findings.

As stated earlier, LIFT will be responsible for providing draft KII and FGD questions in English and will select the random sample of 50 villages. LIFT staff will also participate in the training of the survey teams

and the 2-day FGD debriefing workshop. LIFT M&E staff will undertake the detailed analysis of the KII and FGD information and produce the draft and final reports for this first phase of the study.

### **Contractor skills and experience:**

The contractor may propose the size of the team to best undertake the consultancy in the time required, ensuring that most field staff have extensive experience in facilitating and documenting FGDs. Field staff will be observed during training and field testing and should be replaced if they do not demonstrate adequate skills. It is suggested that survey field staff have the following attributes:

- University students or recent graduates with experience in qualitative research
- Expertise to comprehensively record and maintain information in written or electronic forms.
- Good understanding and knowledge of community development
- Ability to gather information in an objective, appropriate and sensitive way by carefully observing and actively listening to village respondents
- Act with respect for local culture - understanding and interpreting respondents in a culturally and gender sensitive way

In addition the contractor will need to provide trainers and supervisors for the field teams, and have expertise in summarising key findings from extensive FGD transcripts.

### **Additional requirements:**

The contractor will need to provide for ground (and possibly air) transport in order to move teams to townships and villages selected for the survey. Villages are expected to spread from Ayeyarwaddy to Kachin and Shan to Chin.

Daily subsistence allowances should be provided to field personnel to cover the costs of meals and accommodation etc. Field personnel must be provided one full day off in each week of field work. If available, health and accident insurance should be provided to the members of survey teams. If not, the contractor should be prepared to cover the reasonable expenses associated with illnesses or accidents in the field.

All other insurances (vehicle etc) will also be the responsibility of the contractor.

The costs of reporting, communications, printing questionnaires, clip boards, workshop etc. will also need to be covered by the contractor.

The contractor will be required to use its own computers and office space (for training and reporting etc).

### **Timing:**

The consultancy is expected to commence end of February 2014 with the field work completed by the end of March 2014, e.g. around 4 weeks in total. Transcripts and summaries will be completed in April 2014. These are estimated dates only.



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