

STRENGTHENING RESILIENCE IN LIFT-SUPPORTED VILLAGES

2014-2018:

A Synthesis Paper

Andre Ling and Cassidy Travis
ALINE Impact Limited

June 2019



Evaluation &
Learning Question
Studies



Livelihoods and Food Security Fund



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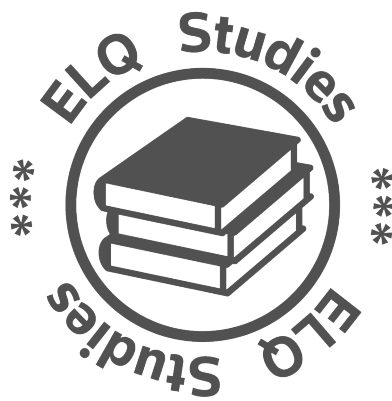


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DISCLAIMER

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**Evaluation &
Learning Question
Studies**

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LIST OF ACRONYMS

CBO	Community Based Organisation
FDI	Foreign Direct Investment
HDDS	Household Dietary Diversity Score
LIFT	Livelihood and Food Security Fund
MCCT	Maternal and Child Cash Transfer
MMK	Myanmar Kyat
MUAC	Mid-Upper Arm Circumference
PwD	People with Disabilities
SBCC	Social Behaviour Change Communication
WASH	Water, Sanitation and Hygiene

EXECUTIVE SUMMARY

Study purpose and approach

This study draws together the findings from a series of three in-depth outcome studies commissioned by LIFT to address Evaluation and Learning Question (ELQ) 2: “To what extent has LIFT contributed to strengthening the resilience of poor people in Myanmar and helped them to hang in, step up and step out?” The three in-depth outcome studies are:

- Increasing incomes and assets in LIFT-supported villages (2014-2018) by Nina Blöndal
- Reducing vulnerability in LIFT-supported villages (2014-2018) by Mike Griffiths
- Improving the nutritional status of women and children in LIFT-supported villages (2014-2018) by Sophie Goudet

Whereas the individual studies explore each of the outcomes in considerable detail, this paper weaves together the major findings from each of the studies with a particular emphasis on assessing LIFT’s contribution to resilience. The three outcome studies draw on a combination of (1) quantitative panel survey data from two rounds of the LIFT Household Survey conducted in 2015 and 2017; (2) qualitative data collected through narrative interviews in 2016 and 2018 (for the income and vulnerability studies; (3) interviews with implementing partners (for the nutrition study); (4) a review of secondary data and project documents (for all three studies).

Exposure to shocks and stresses

Shocks and stresses were found to be a major factor among households in LIFT’s areas of operations. Over 50 per cent of households reported exposure to some kind of shock or stress and around one-third reported that these shocks affected them ‘severely’ or ‘somewhat severely’. At the household level, ‘severe injury, illness or death of a household member’ was the most frequently reported shock (17 per cent of households), followed by natural disasters (13 per cent of households). At the village level, the most frequently reported shocks were crop failure, market price crashes for crops and price-spikes for food items. Villages in the Dry Zone were the most likely to experience widespread crop failure (19 per cent of villages) and market price crashes (25 per cent of villages), followed by villages in the Uplands. Market price spikes for essential food items were reported in 11 per cent of Dry Zone villages, followed by 9 per cent of Delta villages and 8 per cent of Uplands villages. Flooding and drought affected a smaller proportion of villages, but were most prevalent in the Dry Zone, affecting 10 per cent of villages.

Exposure to shocks and stresses were found to have a significant negative effect on the vulnerability status of households and the nutritional status of children under five years of age. Households affected by shocks and stresses between 2015 and 2017 were more likely to be affected by wasting, and more likely to become vulnerable than households that did not experience shocks and stresses. Interestingly, shocks and stresses were not found to have a measurable impact on incomes, though in terms of perceptions, households that were exposed to shocks and stresses were considerably more likely to report an income decrease than those that were not.

Coping strategies

Surveyed households reported a wide range of coping strategies in response to shocks and stresses. The most common strategies were: borrowing money, seeking new income sources (e.g. a job), and depleting assets (including savings and assets). Some variation in practices depending on the nature of the shock or stress face was found, but the quantitative data did not allow for an in-depth analysis of this variation. However, qualitative data provided some important insights into the dynamics of coping. The first is the existence of a negative spiral into worsening poverty, triggered by exposure to a shock or stress and compounded by a series of unsuccessful coping practices. Asset depletion appears to be a key indicator of this cycle. The second is the dual nature of borrowing, which can either enable households to cope with the shocks and stresses or push them into a cycle of debt, depending on the circumstances. However, the expanded availability of cheaper credit appears to have made borrowing a more positive proposition than it has been in the past. The third is the role of wider systems and structural factors, ranging from gender relations and norms to market dynamics (e.g. food price spikes and price crashes for crops), the quality and accessibility of public services such as infrastructure or health services, and the decline of traditional social institutions and their function in providing social safety nets.

LIFT's assistance

Seventy-six per cent of households covered by the LIFT Household Survey received some form of development assistance from NGOs, government or private sector. Forty-nine per cent reported access to financial inclusion, 24 per cent received some form of agricultural support (including crop, livestock and aquaculture), 22 per cent received WASH support and just six per cent received support for off-farm income generation activities. The majority of households received at least two types of support, though different interventions were found to target different wealth groups. Female-headed households and the poorest households were still the least likely to receive support, despite progress toward greater inclusion.

LIFT's contribution to resilience

The findings from the outcomes studies showed that LIFT support was related to better outcomes, particularly with respect to income and assets.

The effect of LIFT support appears to be greatest amongst households affected by shocks and stresses.

From 2015 to 2017, 25 per cent of households stepped out of poverty¹, while 14 per cent fell into it, corresponding to a net reduction in the poverty rate of 11 per cent. Almost all of this reduction was among households receiving LIFT support, who saw a 14 per cent reduction in the poverty rate compared to an almost 0 reduction in poverty among households that did not receive support. Moreover, while there was an overall increase in reported outcomes across all surveyed households, the increase was greatest amongst households that received LIFT support. More specifically, mean incomes increased by 29 per cent for households that received support compared to 19 per cent for households not receiving support. Households receiving more interventions – and particularly those that received financial inclusion support in combination with other forms of support – were also more likely to experience an increase.

LIFT support was found to play a positive role for both perceptual and measured changes in income among households exposed to shocks and stresses. In particular, LIFT support appears to significantly have dampened the negative impact on incomes of exposure to shock and stresses.

The effect of LIFT support on mitigating the effect of shocks and stresses on nutrition outcomes could not be assessed in a similar manner due to the particularly complex interplay of factors shaping nutritional outcomes as well as limitations in the survey design. Looking across the whole sample, however, the nutrition study found an overall improvement in months of adequate household food provisioning, although some seasonal food shortages remain. The study also found modest improvements in wasting but a worsening situation with respect to stunting, which may be partially driven by the addition of households in the 2017 survey in Chin State, which has some of the worst nutritional outcomes in the country. Moreover, underweight rates for women (using Mid Upper Arm Circumference) were found to have improved slightly, though they remain high. The results for women's minimum dietary diversity are similar, with modest improvements but a remaining challenge with 89 per cent of women still not achieving adequate nutrition. In terms of LIFT support, nutrition and WASH interventions appear to be lessening trends of nutritional deterioration in some areas.

The effects of LIFT support on vulnerability were most pronounced among those affected by shocks and stresses. Overall, the proportion of households classified as vulnerable reduced from 24.5 per cent in 2015 to 22.4 per cent in 2017. However, when exposed to any LIFT intervention, the proportion of households exposed to shocks and stresses classified as vulnerable reduced from 26 per cent to 23 per cent. Even larger reductions in vulnerability were seen when households received WASH assistance (from 30 per cent to 18 per cent), followed by financial inclusion (from 28 per

1. Using the locally defined poverty line

cent to 22 per cent). The results for other forms of support did not show statistically significant effects. On the other hand, households exposed to shocks and stresses that received no assistance saw increases in vulnerability from 29 per cent to 36 per cent.

Recommendations

Based on the analysis presented in this report and the three outcome studies, a number of recommendations are set out that would serve to better place LIFT and other organisations working to address poverty in Myanmar. These are summarised below:

- 1. Strengthen capacities and systems for adaptive management within LIFT and beyond.** Addressing rural poverty in Myanmar demands a resilience framing, which in turn demands an adaptive approach to the management of projects and programmes. Adaptive approaches begin with a recognition of the inherent complexity and unpredictability of developmental processes. As a result they demand a strong focus on multi-stakeholder learning processes that facilitate the timely exchange of information and knowledge to inform responsive decision-making. They also require that management processes and policies are sufficiently flexible to enable mid-course corrections and to take advantage of emerging opportunities.
- 2. Design interventions with shocks and stresses in mind.** It is inevitable that a significant portion of households in Myanmar will be affected by shocks and stresses each year in the years ahead. Interventions need to be developed with this in mind, combining measures to reduce the likelihood of households falling into poverty with an integrated/synergistic approach that combines development assistance across multiple sectoral domains. Moreover, synergies must also be sought out with the government who have the mandate to provide public services and infrastructure at scale. Further context-specific analyses of the drivers of poverty, vulnerability and poor nutrition should also be carried out to ensure that interventions sufficiently account for the impact of shocks and stresses.
- 3. More inclusive targeting and expanded coverage.** Despite the considerable improvements in inclusion during the 2014 to 2018 period, women-headed households, households with persons with disabilities and households in the poorer quintiles continue to be underserved. There is, therefore a need to ramp up the targeting of the most vulnerable while also expanding coverage overall so that the benefits are extended more widely to households in need.
- 4. Strengthen monitoring and evaluation (M&E).** In implementing all the above, monitoring and evaluation systems play a crucial role – whether in adaptive management, targeting or the informed design of interventions. Capacities for M&E and in particular the timely use of evidence for decision-making need to be built across all lev-

els, coupled with systems that facilitate the exchange of knowledge and evidence. Data collection needs to be streamlined and focused, linked closely to actual decision-making processes - for example frequent monitoring of nutritional status to facilitate targeting of those most in need. Beyond this, the collection of longitudinal survey data, such as that used in the preparation of the LIFT outcome studies series should be continued to enable the investigation of the dynamics of resilience over time.

INTRODUCTION

1. INTRODUCTION
 - 1.1 LIFT STRATEGY
 - 1.2 OUTCOME STUDY SERIES
 - 1.3 RESILIENCE SYNTHESIS PAPER



INTRODUCTION

1.1 LIFT Strategy

LIFT is a multi-donor fund with the purpose of strengthening the resilience and sustainable livelihoods of poor households in Myanmar. LIFT was established in 2009 focused predominantly on rehabilitation work, supporting the recovery of households affected by Cyclone Nargis.

A second strategy 2012-2014 recognised the progress made towards recovery and emerging opportunities in the country and shifted towards a more development-oriented approach that prioritised increasing food security and incomes through non-farm income generating activities.

A major strategy revision was undertaken for 2014-2018. This phase was characterised by a regional approach to programming in the Delta, Dry Zone, Rakhine State and the Uplands that aimed to address major contextual variations in development across the country. The strategy was underpinned by LIFT's differentiated strategies intended to assist rural people 'step up', 'step out or 'hang in'. Working with and through a wide range of partners including UN agencies, national and international NGOs, government, academic and research institutions, the private sector and civil society, the new strategy combined interventions at the village, system and policy levels. Recognising that progress towards food security did not specifically address significant nutritional deficits, particularly for women and children, LIFT explicitly included a stronger focus on nutrition. A new stream of work focused on migration was developed as part of the broader 'stepping out' strategy. The 2014-2018 strategy also saw a particular shift towards greater private sector engagement through the financial inclusion and agriculture portfolios.

Under its 2014-2018 strategy, LIFT's overall purpose was to strengthen the resilience and sustainable livelihoods of poor people in Myanmar. LIFT sought to achieve this by contributing to four Purpose-Level Outcomes:

1. Increased incomes of rural households
2. Decreased vulnerability of poor rural households and communities to shocks, stresses and adverse trends
3. Improved nutrition for women and children
4. Improved policies and effective public expenditure for pro-poor rural development

These outcomes were achieved through LIFT's programmes that aimed, in combination, to deliver on the following Programme Outcomes:

1. Improved nutrition, sanitation and hygiene practices
2. Improved market access and market terms for smallholder farmers
3. Increased sustainable agricultural and farm-based production by smallholder farmers
4. Increased and safe employment in non-farm activities for smallholders and landless
5. Increased access to adequate and affordable financial services by smallholders and landless
6. Safeguarded access to, and sustainable use of, natural resources for smallholders and landless
7. Strengthened local capacity to support and promote food and livelihoods security
8. Generation of policy relevant evidence regarding pro-poor development

Gender and inclusion are integral parts of all interventions and LIFT seeks to promote positive impacts for women and gender equality.

At the end of 2018, LIFT had reached more than 11.6 million people, or roughly 33 per cent of Myanmar's rural population, and has been active in 247 of the country's townships.

1.2 Outcome study series

As LIFT strives to be a collective and influential voice for innovation and learning, greater emphasis was placed on the generation of evidence and knowledge that can inform development policy and practice in Myanmar. When implementation of the 2014-2018 strategy began, LIFT developed a monitoring and evaluation for accountability and learning (MEAL) framework that, amongst other things, sets out the key evaluation and learning questions that LIFT seeks to address. These questions cover key aspects of LIFT's performance: relevance, effectiveness, sustainability, value for money, policy influence, and gender. They are intended to assess LIFT's performance and serve as tools to organise and synthesise LIFT's learning in relation to each of the key evaluation criteria.

In order to assess and understand LIFT's effectiveness in contributing to its overall purpose - strengthening the resilience of the rural poor in Myanmar - LIFT has undertaken a series of evaluative, in-depth outcome studies addressing three of LIFT's purpose-level outcomes. These are:

1. Increasing incomes and assets in LIFT-supported villages (2014-2018) by Nina Blöndal
2. Reducing vulnerability in LIFT-supported villages (2014-2018) by Mike Griffiths
3. Improving the nutritional status of women and children in LIFT supported villages (2014-2018) by Sophie Goudet

These studies are based on LIFT Household Survey data collected in 2015 and 2017², separate qualitative data collected in 2016 and 2018, and project data from LIFT's implementing partners. The 2015 Household Survey data served as a baseline, gathering data from newly added LIFT target villages. Part of the follow-up survey in 2017 was designed as a panel survey, such that 2,249 households were interviewed in both 2015 and 2017. Data from these households underlie the quantitative analysis in the income and assets and vulnerability outcome studies, whereas the quantitative analysis in the nutrition outcome study derives from a distinct sample designed specifically to cover mothers with children under the age of two and children under the age of five.

While the quantitative analysis only covers a two-year period, the LIFT strategy ran from 2014 to 2018. Consequently, the effects of interventions implemented post-2017 are not picked up in the quantitative analysis, and it is hence likely that the full effect of the LIFT strategy is under-reported.

1.3 The Resilience Synthesis Paper

This paper presents a synthesis of the available evidence about LIFT's contribution to resilience, drawing on the analysis and findings from the three in-depth outcome studies and focusing in particular at the household level. As such, this paper responds to LIFT's Evaluation and Learning Question (ELQ) 2: "To what extent has LIFT contributed to strengthening the resilience of poor people in Myanmar and helped them to hang in, step up and step out?" There are numerous definitions of resilience and LIFT conducted a comprehensive review of definitions in 2016³), LIFT defines resilience as the increased capacity of individuals, households and communities to cope with (i.e. mitigate the negative impact of), recover from (i.e. return to equal or better conditions after being affected by) or indeed thrive in the face of various shocks and stresses. LIFT sees its contribution to resilience as being underpinned by progress on its eight programme outcomes and four purpose outcomes, as described above.

To set the context, the first part of this paper presents an overview of key changes in rural Myanmar between 2015 and 2017. The second part describes LIFT interventions and examines progress towards LIFT's purpose and programme-level outcomes. The third section includes a discussion on resilience, how different households have fared in the face of shocks and stresses, what coping strategies were employed and which forms of assistance were effective. Throughout, the paper explores the difference in outcomes between households that received LIFT support and households that did not. The paper concludes with key recommendations for LIFT and development partners seeking to build resilience in Myanmar.

2. For a full description of the household survey methodology, see LIFT Household Survey 2017, available on LIFT's website.

3. Griffiths, Mike (2016) Resilience in rural Myanmar: a conceptual analysis. LIFT.

SUMMARY OF CONTEXT

2015-2017

2. SUMMARY OF CONTEXT 2015-2017

**2.1 RURAL LIVELIHOODS IN MYANMAR ARE
IN TRANSITION DUE TO MAN-MADE
AND NATURAL INFLUENCES**

**2.2 MIGRATION CONTINUES TO INCREASE,
FORMING AN IMPORTANT COMPONENT
OF LIVELIHOOD STRATEGIES**

**2.3 CONNECTIVITY THROUGH ROADS AND
MOBILE PHONES HAS INCREASED**

**2.4 SHOCKS AND STRESSES IN RURAL
MYANMAR**



2. SUMMARY OF CONTEXT, 2015-2017

The following section presents an overview of the context in which LIFT operates and key changes over the two-year study period.

2.1 Rural livelihoods in Myanmar are in transition due to manmade and natural influences

Myanmar's rural economy has continued to transition, evidenced by factors such as shifting livelihood patterns, rising costs of agricultural labour and inputs, demographic changes, uneven development, urbanisation and migration. Across all regions where LIFT works, people interviewed in the qualitative study described a decline in the centrality and viability of both traditional agriculture, and agriculture in general. Many pointed to changes in weather patterns, but also to fluctuations in market prices, and wider changes to the socio-economic context of rural areas. For example, land dispossession (and resettlement to less arable land), shrinking land holdings, environmental degradation, higher costs of agricultural-related inputs and agricultural labour were all factors noted by rural households limiting the returns from agriculture. This is against a backdrop of rising living expenses, a perceived lack of work or livelihood opportunities, especially for younger people, and a heavy reliance on credit for consumptive purposes.

The decline in the viability of core agricultural work to maintain the household economy has been accompanied by a diverse set of strategies for income generation from non-agricultural sources, either by migrating to other areas, or in some cases, by finding work locally.

These trends suggest an inherent precarity of the rural household economy. The term precarity can be broadly understood as a condition faced by those subject to livelihood insecurity often linked to the instability and breakdown of social relationships and economic arrangements. It is related to the intensification and introduction of risks resulting from a rapidly transitioning economy.⁴

2.2 Migration continues to increase, forming an important component of livelihood strategies

Migrating for work is common in rural Myanmar and has been steadily increasing in recent years. While the relationship between rural agriculture and migration is complex and context specific, recent research⁵ shows

4. Teresita Cruz-Del Rosario & Jonathan Rigg. 2019 Living in an Age of Precarity in 21st Century Asia, Journal of Contemporary Asia, DOI:00472336.2019.1581832/10.1080

5. International Organisation for Migration. 2019. Migration and Agriculture. Available: <https://www.lift-fund.org/migration-and-agriculture-migration-dynamics-patterns-and-impacts-chime-research-project>

many migrants are moving from rural to urban areas and transitioning from agricultural to other employment sectors, often citing economic factors as a driving force. In some cases, migration is viewed as an opportunity to escape cycles of poverty and indebtedness associated with bonded agricultural labour or exposure to crop failures or other natural disasters.

Although urban-based day labour and remittances can provide important contributions to the household economy, in some cases the urban-rural transition is also unstable. Lack of employment opportunities, unsafe working and living conditions and rising living expenses, can make urban strategies less viable, as illustrated in this 2018 interview:

"I do selling, that's our household income. When it's not enough, I borrow from the organisations. My son works in Yangon, but he doesn't get much income. So I have to support him. I get some loans from the savings and loans groups, I try to repay with my income from selling."

42 year old female-head of household, Monywa

2.3 Connectivity through roads and mobile phones has increased

Road access improved across all LIFT-supported areas between 2015 and 2017, with significant improvements in the Delta region and Rakhine State. The improvements in road access are likely to have increased access to schools and health centres; however, there were no significant changes in the presence of public services and sub-rural health centres and schools among the LIFT-supported villages. Meanwhile, household mobile phone ownership also increased from 60 per cent in 2015 to 80 per cent in 2017.

While the above developments have helped to increase connectivity, some respondents also noted that these developments were impacting on the social fabric of their communities.

"Well, you have phones, you have motorcycles, but can we call that development? I don't call it development. What should we call our country? So quickly, young people can be out, riding motorcycles, with phones. Prices have come down so much now, phones used to be so expensive, now 50,000 Kyat. So many then have accidents on motorcycles. We have lost our way, our values."

65 year old village elder, Monywa

2.4 Shocks and Stresses in Rural Myanmar

In order to understand the nature of shocks and stresses faced by households in LIFT-supported villages between 2015 and 2018, relevant data were collected at both the village and household levels. While village-level data provides a broad picture of the frequency of different types of shocks and stresses, household-level data allows for an analysis of household-level exposure to shocks and stresses, and the coping strategies and impacts that follow.

According to village-level data, crop failure, market price crashes for crops, and price spikes for essential food items were the most common shocks reported among LIFT-supported villages in 2017. Death of livestock, drought and flooding were also reported. Villages in the Dry Zone were the most likely to experience widespread crop failure (19 per cent of villages) and market price crashes (25 per cent of villages), followed by villages in the Uplands. Market price spikes for essential food items were reported in 11 per cent of Dry Zone villages, followed by 9 per cent of Delta villages and 8 per cent of Uplands villages. Flooding and drought affected a smaller proportion of villages, but were most prevalent in the Dry Zone, affecting 10 per cent of villages in total.

At the household level, over half of all respondents reported exposure to some form of shock, while one-third reported at least one shock that affected them 'severely' or 'somewhat severely'. While there was considerable variation in exposure and type of shock reported across the regions, severe injury, illness or death of a household member was the most frequently reported 'severe' or 'somewhat severe' shock (17 per cent), followed by natural disaster (13 per cent). Table 1 below, breaks down the prevalence of different shocks reported by region.

Table 1. Exposure to shock by category, and by LIFT programme region

Type of Shock	% reporting	% reporting somewhat/severe	Delta	Dry Zone	Uplands	Rakhine
Severe illness/ injury/death of household member	25.8%	16.5%	20.3%	13.6%	11.9%	24.3%
Natural disaster	13.0%	13.0%	9.6%	16.9%	9.6%	19.2%
Unexpected crop failure	19.3%	9.8%	8.7%	11.1%	10.6%	7.4%
Unexpected death of major livestock	18.8%	7.9%	11.0%	4.0%	8.0%	10.2%
Lost regular job/income source	11.8%	7.5%	9.9%	4.6%	7.7%	9.6%
Any shock	56.0%	33.8%	37.9%	30.5%	30.2%	40.1%

Another factor that has contributed to the prevailing vulnerability in Myanmar is the on-going conflict and social unrest that is widespread in different areas in Myanmar.⁶ Conflict and social unrest are contributing factors to malnutrition, and have also led to displacement, loss of mobility, loss of assets, loss of income sources, damaged livelihoods, loss of access to health facilities and education, loss of social cohesion and increased stress.⁷

6. Goudet, Sophie. 2019. "Nutrition and Resilience in Myanmar Part 1: A Review of Evidence 2018." LEARN.

7. Ibid, MIMU. 2018. "Vulnerability in Myanmar: A Secondary Data Review of Needs, Coverage and Gaps | MIMU." Accessed June 2018, 28. <http://themimu.info/vulnerability-in-myanmar>.

LIFT INTERVENTIONS AND BENEFICIARIES

3. LIFT INTERVENTIONS AND BENEFICIARIES

3.1 OVERVIEW OF LIFT INTERVENTIONS

3.2 WHO RECEIVED ASSISTANCE?



3. LIFT INTERVENTIONS AND BENEFICIARIES

3.1 Overview of LIFT interventions

Between 2015 and 2018, LIFT supported over 60 interventions in the Delta, Dry Zone, Uplands and Rakhine State. These interventions can be classified into several key thematic areas:

- **Sustainable agricultural development** Interventions range from: Access to agricultural inputs, training, and technology, support to farmer producer enterprises, development of water efficient technologies, establishment of community fisheries, and policy support, among others.

- **Migration and decent work** This work stream includes: Vocational training, migration awareness raising events, collaboration with industry for job schemes, research on migration, and policy support on facilitating safe migration.

- **Financial Inclusion** This broadly includes interventions such as: Access to credit, financial literacy, hire purchase schemes, leveraging additional capital for the microfinance market, and capacity building for microfinance institutions and organisations.

- **Nutrition and WASH** Interventions may include: Promotion of good nutrition & hygiene practices, provision of maternal and child cash transfer programmes (MCCT) coupled with social behaviour change communication (SBCC), and supporting access to improved water sources and sanitation facilities.

- **Cross-cutting** This includes a wide range of interventions such as: Community-based organisation (CBO) formation, development of disaster management plans, supporting women's empowerment, civil society strengthening, and natural resource management schemes.

3.2 Who received assistance?

Three-quarters of households received some kind of development assistance

In the 2017 survey of households in LIFT-supported villages, 76 per cent of households reported exposure to some form of development assistance from the government, private sector or an NGO.⁸ Forty-nine per cent reported access to financial inclusion, 24 per cent received some form of agricultural support (including crop, livestock and aquaculture) and just six per cent received support for off-farm income generation activities. Figure 1 below provides an overview of the proportion of households receiving interventions by topic.

⁸ Because LIFT's support is provided through implementing partners, it is often difficult for survey respondents to identify if they are recipients of LIFT funding. However, based on the nature and scale of LIFT-supported activities and the survey sampling procedures, it is assumed that a major part of the support reported by households is provided by LIFT.

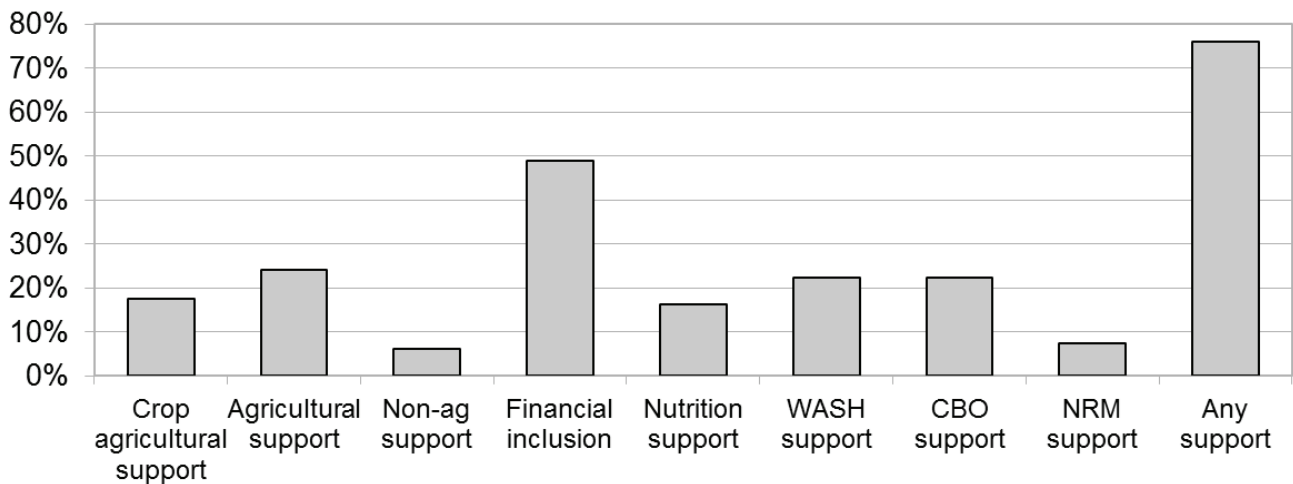


FIGURE 1: Support by topic 2017

Amongst households that received support, the majority received more than two types of support

Of the 76 per cent of households who received support, 55 per cent received two or more types of support (all crop, livestock, and fisheries support is counted here as one type of support). Amongst households receiving just one type of support, financial inclusion was the most common type of support received, covering 22 per cent of all households. Thirty-four per cent reported receiving a combination of financial and non-financial support, while 20 per cent reported receiving only non-financial support.

Female-headed households and the poorest households were still the least likely to receive support, despite progress toward greater inclusion

Better-off households were more likely to receive support than less well-off households in both 2015 and 2017.⁹ However, LIFT support in 2017 narrowed the gap in access with around 80 per cent of households in the highest wealth quintile receiving support compared to 70 per cent of those in the lowest wealth quintile. In terms of the gender gap, female-headed households (72 per cent) were also less likely to receive support in 2017 than male-headed households (78 per cent). Here again, however, assistance has become increasingly pro-poor and more gender equal in terms of reaching female-headed households since 2015.

Different interventions targeted different wealth categories

The socio-economic status of households reached varies by intervention. Financial inclusion tends to be received primarily by those in the middle wealth brackets, while agricultural interventions are more likely to target those who are better off. WASH and nutrition interventions tend to target the poorer and more vulnerable households.

9. Data from 2015 is assumed to not reflect LIFT support and has a reference period of the last 5 years. Data from 2017 only captures support received in the 12 months prior to the survey. While not strictly comparable, the trends do suggest progress in making development assistance more inclusive.

LIFT'S CONTRIBUTIONS TO OUTCOMES

4. LIFT'S CONTRIBUTIONS TO OUTCOMES

4.1 LIFT'S CONTRIBUTIONS TO PROGRAMME OUTCOMES

4.2 LIFT'S CONTRIBUTIONS TO PURPOSE OUTCOMES



4. LIFT'S CONTRIBUTIONS TO OUTCOMES

This section explores LIFT's contribution to changes in its three purpose outcomes, namely household income, vulnerability and nutrition status. Overall, exposure to development assistance was found to have contributed positively to both increased incomes and reduced vulnerability. The results around nutrition reveal a more ambiguous picture, in part due to sampling constraints and the different delivery models for promoting nutrition (interventions are commonly targeted at the community level as opposed to individual households). This section first summarises LIFT's contribution to key thematic areas associated with LIFT's programme outcomes and then presents findings related to each of the three purpose outcomes.

4.1 LIFT'S CONTRIBUTIONS TO PROGRAMME OUTCOMES

LIFT's theory of change (Annex 1) conceives of the three purpose outcomes - improved income, reduced vulnerability, and improved nutritional status of women and children - as the result of a series of programme outcomes. This section explores the extent to which LIFT interventions have contributed to the achievement of programme outcomes, clustered according to their primary thematic focus.

Agriculture

Of the 24 per cent of households that received some kind of agriculture-based support, 15 per cent reported trialling or adopting new practices. While this figure appears relatively low, it is almost double that of those who did not receive support.

Households that trialled or adopted new crop-, livestock-, aquaculture- or fishery-related practices are more likely to report increased profits and associated incomes compared to the previous year. For example, while profit increases were reported by 34 per cent of households that trialled or adopted new practices, these gains were reported by just 18 per cent of those who did not trial or adopt such practices. However, trialling and adopting new practices may not always lead to better outcomes: households that trialled and/or adopted new practices were as likely to report profit increases as profit decreases.

Households that received development assistance in 2017 were more likely to adopt new marketing in both 2015 and 2017 than households that received no such assistance. For both groups, the share of households adopting new practices decreased in 2017. However, the decrease was slightly larger for households that were not supported, leaving a small but statistically insignificant net effect for households that received support.

Non-agricultural employment

While over half of respondents noted having some non-agricultural income in 2017, only six per cent of households actually received non-agricultural livelihood support. Among households with non-agricultural incomes, there was a 20 per cent drop in perceived non-agricultural income increase. However, when looking at the impact of non-agricultural support, recipient households were more likely to report an income increase in 2017 than were those that did not receive support. The data shows a net increase of 3 per cent for supported households.

Financial services

Credit plays a crucial role in rural Myanmar. Credit facilitates productive investments in assets and livelihoods, seasonal income smoothing, increased consumption and emergency responses to shocks that destabilise the household economy. Seventy-seven per cent of households in 2015 and 80 per cent in 2017 reported taking some kind of loan from any source – including from formal sources, money lenders and family – in the past 12 months. Moneylenders (28 per cent of households), government (27 per cent of households) and microfinance institutions (27 per cent of households) were the three most common sources of lending of loans in 2017.

LIFT's investments in strengthening inclusive finance in Myanmar have greatly contributed to the expansion of affordable and lower-risk credit. Overall, 50 per cent of households reported receiving support related to financial inclusion in both 2015 and 2017. Typically, access to such support benefits those in middle wealth brackets, and some groups – such as female-headed households – remain considerably less well served than others.

Improved water, sanitation and hygiene practices

The most common sources of drinking water were protected wells or springs for both the 2015 and 2017 samples. However, the 2015 data suggests a significantly higher percentage of households with access to protected well or spring water at 59 per cent compared to 53 per cent in 2017. At the same time, there were significantly more households using tube wells and boreholes (22 per cent) in 2017 compared to the 2015 sample (16 per cent). Overall, analysis based on the panel dataset revealed that the use of improved water sources increased significantly for households receiving WASH-related support between 2015 and 2017, while no significant change was observed for households that did not receive such support.

4.2 LIFT'S contributions to purpose outcomes

Income and assets

Changes in income and wealth were assessed through four measures: (1) household perception on income changes over 12 months, (2) estimated total household income from all sources over the past 12 months (3) detailed household expenditure and consumption data, and (4) an asset/wealth index and a 'wealth score' derived from data on ownership of durable assets, agricultural assets, livestock and household materials. While the four measures are not always in alignment, several clear trends have emerged.

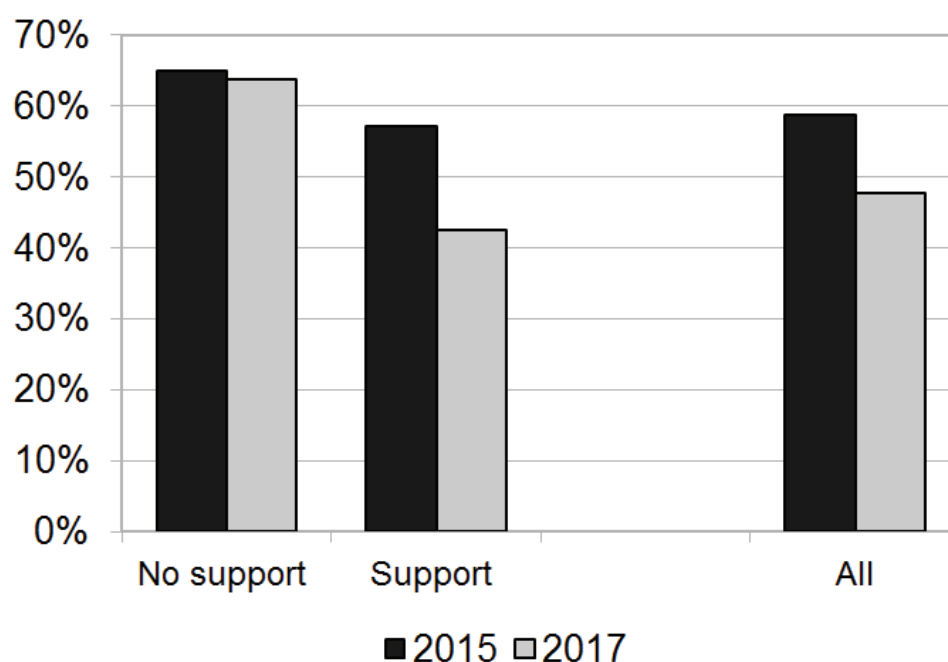


FIGURE 2: Poverty by year and whether received LIFT support using national poverty line

Overall reduction in poverty, with reductions concentrated amongst households that received LIFT support

Using the locally defined poverty line¹⁰, 25 per cent of households stepped out of poverty, while 14 per cent fell into poverty from 2015 to 2017. This corresponds to a net reduction in poverty of 11 per cent. It is notable, however, that most of the reduction in poverty was among households receiving LIFT support. These households saw a 14 per cent reduction in the poverty rate, while households that did not receive support saw almost no change, as shown in Figure 2.

¹⁰. This poverty line corresponded to a per capita consumption expenditure of MMK 1,360 in December 2015 and MMK 1,514 in December 2017, almost twice as much as the international poverty line.

Modest improvements in income and consumption, on average, though some households getting worse off

Mean income (measured using adjusted income range data¹¹) across all households increased by 24 per cent between 2015 and 2017 after adjusting for inflation. However, not all households became better off. While 51 per cent of households saw an increase in their incomes, 29 per cent saw an income decrease. According to perceptual data, however, only around 15 per cent of households perceived that their incomes had increased, with the majority - close to half of all households - perceiving that their income had stayed the same and over 30 per cent reporting that their income had decreased, implying more households perceived their income to decrease than increase. The main reasons cited for perceived income decreases were loss of job (21 per cent), less produce (17 per cent) and natural disasters (9 per cent).

Households exposed to LIFT support were more likely to see incomes increase, with the largest increases amongst households receiving multiple interventions

Across all measures used for assessing changes in income, households receiving LIFT assistance were more likely to see an increase and less likely to see a decrease in their income than those who did not receive assistance. Using adjusted income brackets, mean incomes increased by 29 per cent for households that received support compared to 19 per cent for households not receiving support. According to perceptual data, 20 per cent of households receiving assistance said their incomes had increased compared to 12 per cent of those who received no assistance. Using a Fixed Effects model, which controls for factors that may introduce bias, such as pre-existing wealth and education status, receiving assistance was shown to increase incomes by an average of 18 per cent or more than MMK 400,000 (USD 295) annually.

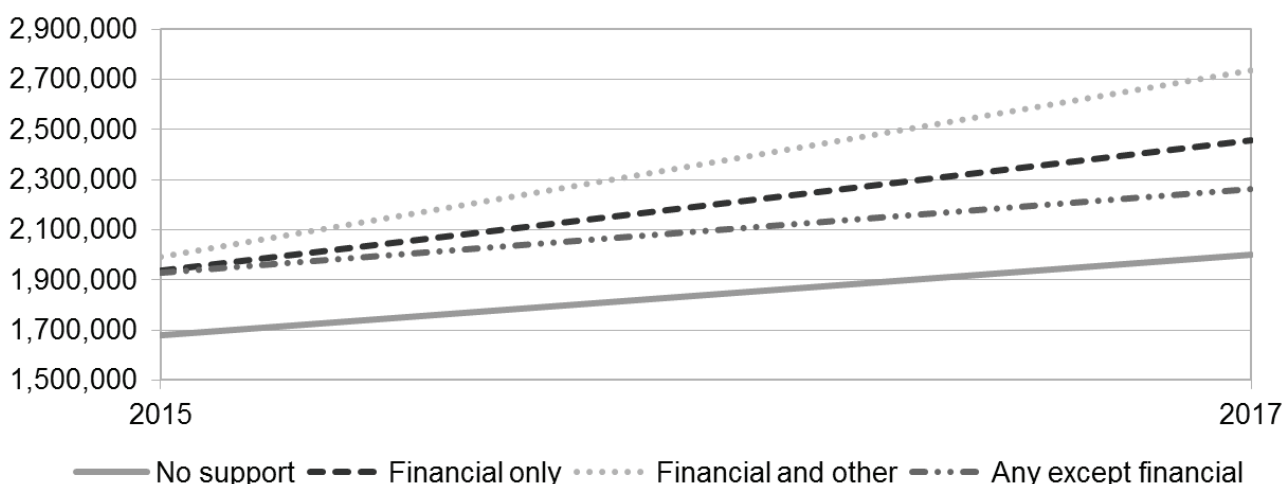


FIGURE 3: Change in income (2015 to 2017) by type of support received

11. The adjusted income range groups the highest income households into a category of MMK 7.5 million annually, thus probably underestimating the true mean.

The particular combination of support received also appears to have influenced the extent of change in income at the household level. Households that received a combination of both financial and non-financial support saw their incomes increase by 37 per cent, whereas those who received only financial support saw an increase of 27 per cent. Interestingly, households who received only non-financial support reported income increases of 17 per cent, which is less than the increase reported by households who did not receive any support. It is worth noting that the combination of financial and non-financial support was somewhat regressive, covering a higher proportion of better-off households.

Consumption expenditure increases with LIFT support, but the share of food expenditure remains high

Overall, per capita daily consumption increased from MMK 1,524 (USD 1.10) in 2015 to MMK 1,839 (USD 1.35) in 2017 in real terms, corresponding to a 21 per cent increase over the two-year period. The extent to which households saw consumption expenditure increase appears to be largely driven by exposure to LIFT interventions with mean consumption expenditure increasing over time for all categories of households receiving some form of LIFT support. However, consumption expenditure for households receiving no support remained close to static. It is noteworthy that the effect of financial inclusion support on consumption is considerably larger than its effect on incomes.

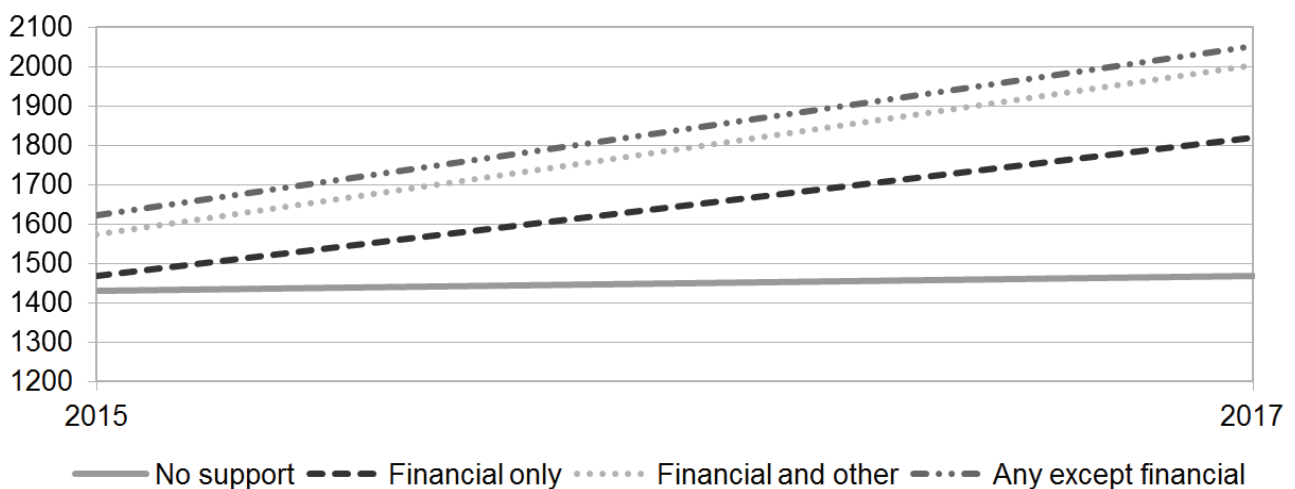


FIGURE 4: *P*Change in consumption expenditure (2015 to 2017) by type of support received

Considerable increase in casual labour as a source of income

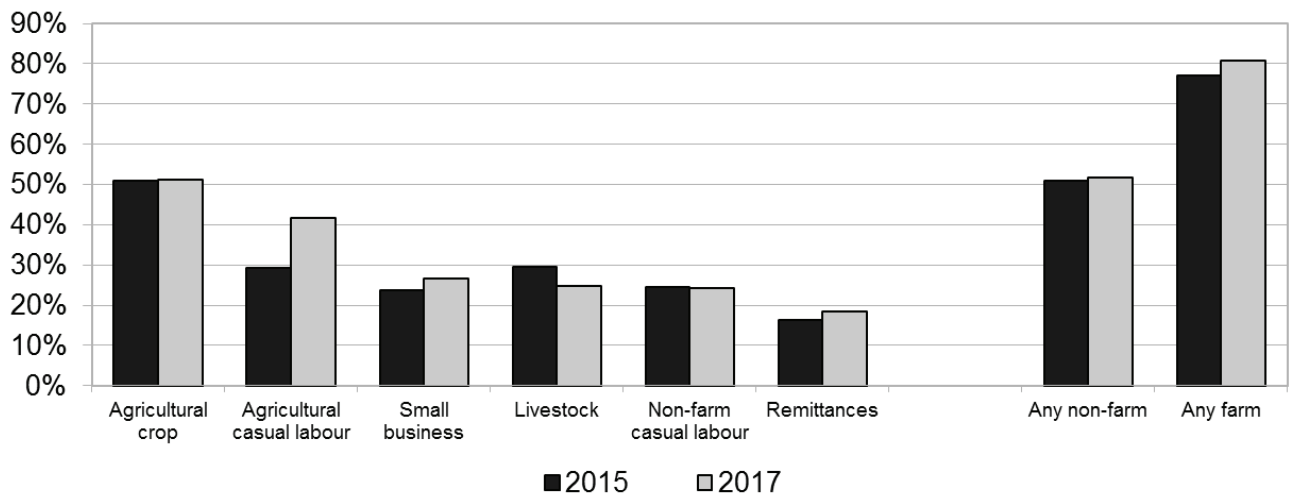


FIGURE 5: *Most common income sources by year*

In terms of income sources, agricultural crops remained the most common source of income, reported by half of respondents in both 2015 and 2017. This was followed by income from agricultural casual labour – which contributed to the income of 29 per cent of households in 2015, and a 41 per cent in 2017. Figure 5 above provides an overview of the main income sources reported by year.

Substantial growth in assets, partly fueled by improved access to credit

Overall, it appears asset ownership has increased significantly since 2015 with certain items, such as mobile phones, showing a marked increase. Households owning mobile phones increased from 60 per cent in 2015 to 79 per cent in 2017. While this trend in asset ownership is indicative of greater purchasing power and an increasing degree of integration of rural households into the wider economy, the data also reveals a notable increase in borrowing and an expansion of the role of credit in the household economy.

MFIs are a major source of credit for rural households, with many households carrying multiple loans, often attributed to the limited size and inappropriate repayment schedules and timeframes. Of potential concern is the considerable increase in the extent to which households are borrowing from moneylenders, conflictingly characterised as the most flexible and the highest risk. It is notable that this increase is most marked for the poorest households.

More growth in durable household assets than agricultural and livestock related assets

Along with mobile phones (as noted above), tables, chairs, jewellery, solar panels, mattresses and fuel-efficient wood stoves saw the largest increases in the proportion of households reporting ownership. Some agricultural

assets, such as tarpaulins, saw a modest growth. While others, such as ploughs, saw a small reduction. Livestock ownership remained broadly constant, with a slight increase in chickens and a small reduction in pigs.

Gains in asset ownership higher for LIFT-supported households, though female-headed households fare worse than male-headed households

Exploring relative wealth change by whether households received assistance, we find that households that received support in 2017 were less likely to experience relative wealth decrease, and more likely to experience an increase. However, female-headed households were more likely to become poorer in relative terms and less likely to become wealthier than were male-headed households. Whereas 25 per cent of male-headed households saw a decrease in relative wealth this was true for 30 per cent of female-headed households. Conversely, 26 per cent of male-headed households saw an increase compared to 21 per cent of female-headed households.

Vulnerability

Vulnerability is an inherently complex measure as it is a product of multiple factors including household coping capacities and exposure to risk. In the outcome studies, vulnerability is measured using an index¹² that considers 10 primary dimensions - or capacities - that are understood to capture key aspects of a household's vulnerability. A household is classified as vulnerable if three or more of the 10 factors score less than one standard deviation below the population average for that factor. As explained earlier, the vulnerability index is based on the panel dataset covering 2,249 respondents who were asked the same questions in 2015 and 2017.

Overall minor reduction in vulnerability, with substantial movement in both directions and significant regional variation

Based on the above analysis, there was a small but statistically significant reduction in the proportion of households classified as vulnerable, from 25 per cent at baseline to 22 per cent at endline. The overall reduction derives from the net difference of 17 per cent households whose status changed from vulnerable to non-vulnerable, and 14 per cent whose status changed from non-vulnerable to vulnerable.

Reductions in vulnerability were not seen in all regions. The proportion of households classified as vulnerable increased in the Uplands programme areas, almost entirely due to increases in vulnerability in Shan State (linked to negative trends in livelihood diversity). On the other hand, positive shifts were recorded in Rakhine,¹³ largely attributed to improvements in asset

^{12.} The 10 dimensions include: indebtedness, productive income, livelihood diversity, dependency ratio, asset profile, water & sanitation, food security, health, social capital and decision making power. The Vulnerability Index or Umbrella Model was developed in 2011 under the LIFT supported REVEAL project and has since been used by a number of agencies in Myanmar to measure vulnerability. Further information can be found at https://www.lift-fund.org/sites/lift-fund.org/files/publication/vulnerability20%and20%disability20%using20%umbrella20%model_0.pdf

^{13.} Note: the 2017 survey teams were not able to access all villages in Rakhine, thus results may be skewed toward easier-to-access villages.

ownership, access to water and sanitation, and increased livelihood diversity. Table 2 below, presents the changes in household vulnerability at baseline and endline by region.

Table 2. Overall changes in proportion of households classified as vulnerable

Region	Vulnerable at baseline	Vulnerable at endline	Significance	% reduction
Delta	27.9%	27.2%	NS	0.7%
Dry Zone	22.1%	18.3%	++	3.8%
Uplands	18.4%	21.7%	+	-3.3%
Rakhine	34.8%	23.9%	+++	10.9%
LIFT (all panel)	24.5%	22.4%	++	2.1%

NS = Not Significant

++ = >95% confidence

+ = >90% confidence

+++ = >99% confidence

Effect of LIFT support in reducing vulnerability appears strongest amongst households affected by shocks by stresses

The overall reduction in the proportion of households classified as vulnerable was found to be relatively small, with little difference found between households receiving LIFT assistance and those not receiving it. However, LIFT assistance was found to be associated with greater levels of reduction in vulnerability amongst households exposed to shocks and stresses. This is discussed in more detail in the next section.

Reduced social capital and poor health are driving the increases in vulnerability

While shifts in vulnerability profiles varied by region, there were some notable trends influencing household vulnerability. In all regions, social capital, which is measured through household participation in community activities and events, declined. Similarly, health-related vulnerability, measured by expenditure on health-related costs and loss of economically productive days was also worse in all regions.

Increased asset ownership and income are driving the reductions in vulnerability

On the other hand, all regions saw an increase in asset ownership and diversity and thus a decline in asset-related vulnerability. Similarly, income-related vulnerability improved in all regions except the Uplands programme area. Moreover, LIFT assistance was associated with an increased proportion of income derived from agriculture, livestock and remittances, and a decrease in the proportion of income derived from irregular day wages.

Debt-related vulnerability presents a somewhat mixed picture

Debt-related vulnerability, assessed based on the proportion of household income spent on debt servicing and repayment, presented a somewhat mixed picture. An increase was recorded in both the Delta and Dry Zone programme areas while debt-related vulnerability declined in the Rakhine and Uplands programme areas.

Economically weaker households saw greatest gains in reduced vulnerability

As with regional differences, vulnerability patterns also varied according to household profiles. Households considered more economically marginal, such as poorer households, landless households and households dependent on casual labour, experienced the largest shifts in vulnerability status from vulnerable to non-vulnerable. These households were more likely to be classified as vulnerable at baseline, but the proportion classified as vulnerable decreased significantly by endline.

Households at risk of social exclusion did not see the same improvements as economically weaker households

However, such trends were not observed for female-headed households and households with persons with disabilities (PwDs). In fact, the reverse was true. Vulnerability rates between male-headed and female headed, and households with and without PwDs, increased over the study period. These households, as noted above, were also less likely to receive LIFT assistance than male-headed households and households without PwDs. Table 3 below presents an overview of vulnerability status according to the household profile.

Table 3. Vulnerability levels and profiles for different categories of household

	Vulnerable at baseline	Vulnerable at endline	% reduction	Significance	Note
Landless	36%	30%	6%	+++	85% of those landless at baseline were still landless at endline
Casual labour dependent	40%	31%	9%	+++	47% were still dependent on casual labour at endline. Those that improved were through increased diversity and non-farm work
Lowest income quintile at baseline	51%	26%	25%	+++	Only 32% remained in the lowest quintile at endline
Female headed	29.8%	29.3%	0.5%	NS	HH classified as female headed at endline
PwD	31.3%	30.7%	0.6%	NS	Excluding HH whose disability status from baseline changed to non-PwD at endline

NS = Not Significant

++ = >95% confidence

+ = >90% confidence

+++ = >99% confidence

Nutrition and food security

This section presents data from the LIFT household and nutrition surveys about food security, the nutritional status of children under five and mothers of children under two in LIFT villages. The nutritional status of children under five years old is measured by the prevalence of stunting and wasting. The nutritional status of mothers is measured using Mid Upper Arm Circumference (MUAC) and the quality of their diet measured using the Minimum Dietary Diversity for Women (MDD-W). Several limitations were faced in the analysis of LIFT's impact on nutritional outcomes, primarily due to aspects of survey design. Consequently, the following findings focus on changes in nutritional status within LIFT villages from 2015 to 2017, but do not account for exposure to LIFT nutrition-related interventions. The comparison of baseline to endline data is also complicated by changes in the households surveyed, particularly the removal of a section of Rakhine and inclusion of a portion of Chin State. Finally, it is important to note that some measures of nutrition, such as

stunting, can take years to reverse, and incremental changes may not be detectable within a two-year timeframe.

Seasonal food shortages remained, but households were more food secure

The data from the nutrition survey shows that 21 per cent of the households in the 2017 sample experienced food shortages in certain months of the year. While the lean months were the same in both the 2015 and 2017 data, a lower proportion of households reported food shortages in all months across 2017.

Table 4. Months households lack food and proportion of households reporting food shortages

Month HH lacked food %												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	18.1	17.7	25.4	27.8	26.0	28.2	49.5	49.4	42.1	39.0	19.9	14.8
2017	9.8	11.5	22.6	24.3	18.2	17.9	38.3	38.7	34.2	30.4	17.4	10.8

Source: LIFT Households Surveys in 2015 and 2017. Dark red: >=40 per cent of the households; red: 30-<40 per cent; darker yellow: 20-<30 per cent; light yellow: 10-<20 per cent, and; green: 0-<10 per cent range.

With respect to the Household Dietary Diversity Score (HDDS), data from the household survey indicated that 70 per cent of the households had achieved acceptable dietary diversity in 2017, a significant increase from 62 per cent reported in 2015.

Child nutrition remains an issue with disparities across regions and household types

As shown in Table 5 below, although a slight decrease was seen in the percentage of wasted children between 2015 and 2017 (from 7 per cent to 6 per cent), the proportion of stunted children increased by 3 per cent during this period (from 28 per cent to 31 per cent). It should, however, be noted that this increase may be due largely to the inclusion in the 2017 survey of more villages in Chin state, an area that has the highest stunting rates in Myanmar. Overall, boys were more likely than girls to be wasted and stunted and there was a higher proportion of wasting among children in the youngest age group and a higher proportion of stunting in the oldest age group. While children in higher income households were generally less likely to be stunted, this was not the case for wasting. In terms of regional variations, stunting increased in the Delta and Uplands regions, whereas it decreased in the Dry Zone and Rakhine State. Wasting, on the other hand, decreased in Delta, Uplands and Rakhine regions and increased in the Dry Zone. Uplands is the region with the highest stunting level whereas Rakhine is the region with the highest wasting level.

Table 5. Summary tables of key nutrition impact indicators in LIFT interventions in 2015 and 2017 from the Nutrition Surveys

Nutrition Status	All data collected		
	LIFT 2015 (n=4214)	LIFT 2017 (n=6916)	P-value
Wasting (WFH)			
Severe (WFH)	1.9%	1.0%	<0.001***
Moderate	4.8%	4.7%	
Severe and Moderate (WFH)	6.8%	5.7%	
Stunting (HFA)			
Severe (HFA)	7.6%	7.1%	<0.001***
Moderate (HFA)	20.5%	23.9%	
Severe and Moderate (HFA)	28.1%	31.1%	

Infant and young children feeding knowledge and practices improve

Inappropriate infant and young child feeding behaviours is a key contributor to malnutrition in children under two years old. Although feeding practices within surveyed households remain suboptimal, improvements were recorded over the study period. There was an increase in exclusive breastfeeding practice from 27 per cent in 2015 to 38 per cent in 2017. Likewise, children achieving the minimum acceptable diet rose from 21 per cent in 2015 to 27 per cent in 2017 and children meeting minimum meal frequency rates increased from 36 per cent to 64 per cent. However, children meeting adequate dietary diversity requirements dropped by 10 per cent to 41 per cent.

Underweight rates for women (MUAC) decreased slightly, but rates remain high

Over the study period, underweight rates for women with children under 2 years decreased slightly from 22 per cent in 2015 to 20 per cent in 2017. Both older (above 50) and younger (below 19) mothers were more likely to be undernourished, as measured by MUAC, than those in the 19 to 50 age range. Nutritional status also appeared to improve with household income. Although rates of malnutrition decreased in all regions, women in Rakhine

were suffering the highest level of malnutrition (25.9 per cent in 2017). Women’s age, hygiene practices and location were found to be determinants of malnutrition in women.

Quality of food increased, but most mothers still did not meet minimum food diversity

Whilst there was a slight improvement (1.5 per cent, from 9.9 per cent to 11.4 per cent) in the proportion of women meeting the minimum dietary diversity standards, 89 per cent of sampled mothers were still not achieving adequate nutrition. This was most prevalent among older women. There was also a decline in women’s dietary diversity in the Delta and Rakhine State.

Nutrition and WASH interventions appear to be mitigating nutritional deterioration among children

Between 2015 and 2017, stunting rates increased considerably among households that did not receive interventions, whereas they only increased slightly or remained the same in households that did receive interventions. This may indicate the relative effect of LIFT interventions in preventing nutritional deterioration in households receiving WASH or nutrition interventions. Households that received nutrition-related support were more likely to have a wasted child and less likely to have a stunted child, compared to households that did not receive nutrition-related interventions (Table 6). As wasting levels can change rapidly in response to shocks, the actual effects of interventions might not have been captured here. Moreover, and given data limitations, it is unclear what has led to these trends, though it is likely that the timing of the survey with respect to interventions in some areas may have played a role.¹⁴

Table 6. Wasted and stunted children by intervention type

Intervention received	Wasted children		P value	Stunted children		P value
	2015	2017		2015	2017	
	n=288	n=395		n=1185	n=1594	
Training/Advice in Nutrition	11.8%	17.0%	0.06	13.8%	18.8%	<0.001
Training/Advice in WASH/ Hygiene	17.4%	18.5%	0.71	19.6%	17.9%	0.22
Nutrition intervention	11.5%	16.7%	0.05	11.3%	16.0%	0.001
WASH/Hygiene intervention	18.4%	9.9%	0.001	19.7%	14.4%	0.001

^{14.} For example, randomly selected villages in Chin were added to the 2017 sample but the survey took place before nutrition interventions started.

Diarrhoea, sex and location found to be key drivers of wasting in children

Exposure to shocks, education, income, gender, religion of the caregiver, and access to WASH facilities and services were not found to be key drivers of wasting in 2017. However, diarrhoea in children, being a boy and location were.

Education of household head and access to proper toilets are key factors in risk of stunting

When analysing the impact of proper toilet facilities (i.e. those with pit or flush toilets), it appears children in households without proper facilities are at a higher risk of stunting when compared to households with flush toilets. This trend was observed in 2017, but not in 2015. Similarly, education also emerged as an important factor in reducing stunting. Children in households with educated household heads (with secondary education, vocational or tertiary education) were less likely to be stunted compared to household heads who had no formal education.

RESILIENCE, COPING STRATEGIES AND WIDER SYSTEMS

5. RESILIENCE, COPING STRATEGIES AND WIDER SYSTEMS

5.1 MEASURES OF RESILIENCE

5.2 HOW ARE PEOPLE COPING WITH SHOCKS AND STRESSES?

5.3 IMPACT OF COPING STRATEGIES

5

5. RESILIENCE, COPING STRATEGIES AND WIDER SYSTEMS

5.1 Measures of resilience

To explore LIFT's contribution to resilience, the effect of LIFT support to households experiencing shocks and stresses on key outcomes such as income, vulnerability and food security is explored. While, on average, improvements were seen in income, vulnerability and food security, households experiencing shocks and stresses were more likely to find that their income and vulnerability had become worse.

Effect on income of shocks and stresses

Exposure to shocks and stresses impacts household perception of income change

Of those exposed to shocks and stresses, the proportion of households perceiving a reduction in income was considerably greater than the proportion perceiving an increase. However, receiving LIFT support was associated with a lower likelihood of a household perceiving a decrease and a higher likelihood of reporting an increase in income. This was also the case when using measured income. Thus, LIFT support is found to play a positive role for both perceptual and measured changes in income among households exposed to shocks and stresses.

Effect on vulnerability of shocks and stresses

Exposure to shocks and stresses is a key driver for changes in vulnerability

Exposure to any kind of shock is associated with a 1.4 times increase in the risk of worsening vulnerability status. However, when exposed to any LIFT intervention, the likelihood of households exposed to shocks and stresses being classified as vulnerable reduced from 26 per cent at baseline to 23 per cent at endline. Even larger reductions in vulnerability were seen when households received WASH assistance (from 30 per cent to 18 per cent), followed by financial inclusion (from 28 per cent to 22 per cent). The results for other forms of support did not show statistically significant effects. On the other hand, households exposed to shocks and stresses that received no assistance saw increases in vulnerability from 29 per cent to 36 per cent.

The impact of LIFT assistance varied depending on the types of shocks and stresses households were exposed to

The table below shows that for most categories of shocks and stresses, LIFT assistance appears to be associated with a reduced risk of households becoming vulnerable, and experiencing lower income, asset depletion and food insecurity.

Table 7. Estimated impact of LIFT assistance on risk of worsening status for key outcomes

Type of shock	Did LIFT assistance reduce risk of:					
	Vulnerability	Lower income	Asset depletion	Food insecurity	Perceived income reduction	Worsening resilience
Unexpected Crop failure	N	+	+	+	+	+
Unexpected death livestock	N	N	N	N	N	-
Lost regular job/income	+	++	+	N	+	N
Severe illness/injury/death	++	++	+	+	++	N
Natural disaster	+	+	+	+	+	N
Any shock	+	++	+	+	+	N

Key to table 7: N = no difference; + = positive difference, statistical significance medium (<95% confidence); ++ = positive difference, statistical significance high (>95% confidence); - = significantly worse outcome associated with LIFT assistance

Effect on nutrition of shocks and stresses

Shocks and stresses exacerbate wasting rates

Examination of the effects of shocks and stresses for nutrition-related outcomes relied on village-level rather than household- or individual-level data due to the nature of the nutrition module in the Household Survey. However, the village level shock and stress module revealed significant effects of village-level shocks and stresses on nutritional outcomes. In particular, there is an observable trend between shocks (measured in terms of exposure and level of severity) and wasting rates. In villages exposed to storms or cyclones, severe and moderate wasting rates are higher and those rates increase as the exposure and severity of the shock increases. This trend also holds true with regard to shocks associated with crop production and livestock. In this case, wasting rates are significantly higher when crop production and livestock-related shocks are more severe. However, the trend is inconclusive between shocks and stunting rates.

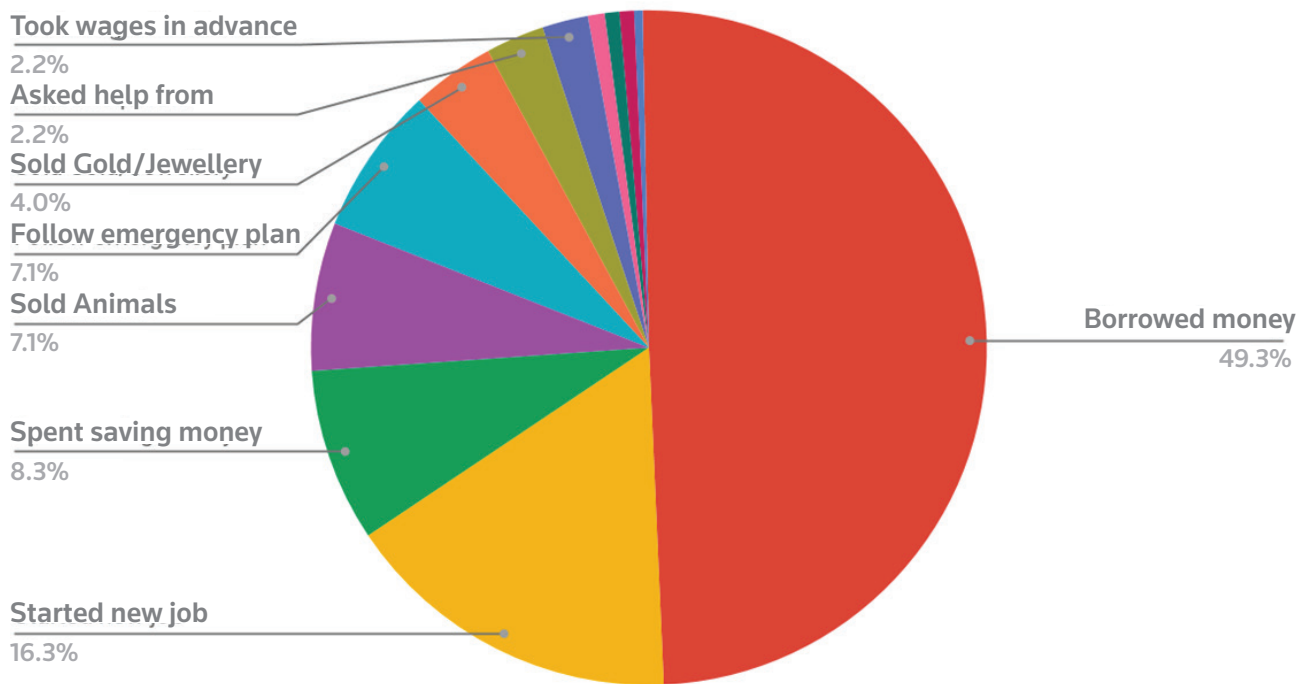


FIGURE 6: Per cent of respondents adopting various coping strategies

5.2 How are people coping with shocks and stresses?

The previous sections highlight the effects of shocks and stresses on income, vulnerability and nutrition. A central element of this process is the adaptive or coping capacity of the individuals, households and communities affected by shocks and stresses. This determines the range of options available to them to deal with shocks and stresses in better or worse ways and their ability to enact those behaviours. Coping strategies were explored through a specialised module in the LIFT Household Survey and through qualitative interviews. This section examines the different types of coping mechanisms households employed and the relative impacts on their wellbeing.

Asset depletion often indicates spiraling vulnerability

Selling assets is a well-established strategy for coping with shocks and is generally recognised as one of the more desperate forms of coping, pursued when alternatives such as taking credit or seeking out employment are not viable options. This is particularly the case with assets such as land, gold and jewellery, whereas livestock - particularly small ruminants - serve as a more ready supply of cash.

"I had cancer, and I had to take a lot of loans. That was before my child was born. Now my child is born, and the child's health isn't good. So we still have these health costs. So the debt is quite high. I get loans from [NGO name], from others, I try to maintain the cycle as best I can. If there's a problem to pay back, I try to get help from others. If I can't, I have to sell some things to pay back the debt. I keep trying so that one day, I can pay it all back": **58 year old woman, child with disabilities, Monywa**

Credit expands the range of coping options available to vulnerable households

The increased access to affordable finance has enabled income smoothing, maintenance of investment, and in some cases, new or increased investments in livelihoods, where previously, more negative coping strategies may have been employed.

"I can overcome my economic problems if I get help. All I needed was a loan to start breeding pigs and chickens": **32 year old female-headed household, Fallam**

"Now it is easier for poorer people to get loans, that has helped them. Previously they couldn't get loans. Before, they'd have to borrow from relatives, and people didn't really trust them. So they'd ask for 100,000 Kyat, but only get 50,000.": **40 year old male, Monywa**

Box 1. Insights from the resilience index

In order to gain further insights into behavioural aspects of resilience, LIFT constructed a resilience index. This index compares the ratio of consumptive borrowing to investive borrowing. Overall, the trends showed a tendency for households to increase both investments in livelihoods as well as consumptive borrowing, but on average, landless households, female-headed households, and households with a person with a disability were less likely to improve their resilience index score when exposed to shocks and stresses than their counterparts, and more likely to have worsening resilience scores.

Livelihood diversification is crucial and how it is done matters

Livelihood diversification plays an important role in household coping strategies and can take various forms. The analysis of qualitative interviews in the vulnerability outcome study results in a categorisation of different types of livelihood diversification based on two main dimensions: (1) local vs remote; and (2) strategic vs desperate/distress.

Around one-third of respondents could be categorised as having localised, strategic diversification. This included activities such as crop diversification, animal husbandry and

home-based light manufacturing, such as blanket-making. In Monywa, for example, a significant diversification into growing and selling betel leaves resulted in a major economic uplift for those involved. Another one-third fit into the strategic but remote category seeking employment in seasonal agriculture and construction, among other activities. However, one-quarter of respondents described measures such as indentured labour which took place in a context of little or no other options, but were local. The remainder, just under 10 per cent, described a process that resulted from more restricted circumstances, and required more distant migration.

"I do general work, whatever anyone makes me do (carrying, cutting wood). If I don't work, I have nothing to eat. Nobody will come and give to me. So even if I am not well, I have to work so I can eat.": **55 year old female-headed/PwD household, Myepon**

Migration remains a vital coping strategy

More remote, but strategic diversification included migration (often seasonal) to do construction, or agriculture work. The boundary between

strategic and desperate remains somewhat blurred. For some, it represents a last resort, but for others, a more planned approach to supplement income insufficiency where local means were inadequate. Typically, the extent of desperation is reflected in the terms of work: a spectrum of more difficult, dangerous and less well-remunerated work undertaken by those with less time, and resources, to choose. Remittance income from urban and overseas migrants was reported as a significant source in a number of households, particularly those in the Pyapon (with migrants in Yangon) and Fallam (with overseas migrants).

Box 2. Beyond 'Hanging in': Reducing vulnerability among LIFT-supported households

The livelihoods of the poor are complex. Individuals and families adopt multiple livelihood strategies simultaneously. At a strategic level, LIFT uses the three-pronged livelihood framework of 'Step Up', 'Step Out' and 'Hang In' to ensure that its portfolio of livelihood interventions cater to different trajectories that beneficiary households or individuals may wish to, or be able to, pursue.

However, for the target population with whom LIFT works, a clear identification with one of the three categories is often challenging. Households typically have multiple sources of income and seek out opportunities to develop the household economy based on the opportunities available to them and their capacities to exploit them. Not only are households pursuing diverse productive activities, but different individuals within a household may be pursuing multiple productive activities within the same year. Thus, investment in agricultural expansion or intensification, establishment of a micro-enterprise, migrating for work or seeking local employment opportunities (where they exist) may all take place simultaneously. Moreover, despite making such productive investments, households may find that they are affected by shocks and stresses that set them back.

While there is no recognised set of measurable attributes or thresholds for determining whether a household has indeed hung in, stepped up or stepped out, the majority of LIFT-supported can be classified as 'Hanging In', even as they seek out opportunities to 'Step Up' and/or 'Step Out'. Using a set of measurable criteria to categorise 'Hanging In' households, analysis from the vulnerability study found that LIFT support played a major role in reducing vulnerability in this group and supporting better coping strategies. For example, whereas 38 per cent of 'Hanging In' households reported asset depletion as a coping mechanism when faced with a shock or stress, only 29 per cent of households receiving LIFT support cited this. Whereas the LIFT-supported group saw a decline in vulnerability from 40 to 35 per cent, the unsupported group saw an increase from 38 to 43 per cent.

5.3 Impact of coping strategies

When households are faced with shocks and stresses, a wide range of factors come into play that shape their chances of coping more or less successfully. While analysis of the quantitative data allowed some broad trends to be discerned, the qualitative interviews revealed the complex, interdependent and context-specific nature of coping.

Different coping practices appear to have different payoffs and risk profiles

Table 8 shows the changes to income and vulnerability experienced by households adopting different coping strategies. Households affected by shocks and stresses who sold their assets, for example, were more likely to have a worsening vulnerability status than households that migrated in response to a shock and stress. Taking loans as a coping strategy was

more likely to result in an income increase than either selling assets or migrating, but it was also more likely to result in an income decrease (and less likely to result in no change in income). This suggests that different coping strategies may have better or worse outcomes and different risk profiles.

Table 8. Change in household status (income, vulnerability) by main coping mechanism

Main coping strategy when exposed to any shock	% reporting	Income			Vulnerability		
		Better	Same	Worse	Better	Same	Worse
Sold assets	31%	14%	46%	40%	13%	69%	18%
Took loan	23%	17%	35%	48%	15%	69%	16%
Migrated	3%	4%	50%	46%	21%	71%	8%
New livelihood/ job	6%	17%	35%	48%	13%	72%	15%

Some households adopt a series of negative practices and enter a downward spiral of poverty and increased vulnerability

Qualitative data revealed that the impact of shocks and stresses is most severe when those least able to cope well adopt coping practices that increase their vulnerability and undermine their future coping capacity. This operates as a vicious cycle and is well illustrated through cases where illness or the death of a family member triggers a cycle of debt, asset liquidation and prolonged financial hardship. This is supported by quantitative analysis, which found that households reporting a health crisis in the previous year had a doubling of reported incidence of high-risk, high interest loans, and a nearly 40 per cent increase in the debt to income ratio.

Wider systems and structural factors can have a significant impact on households' coping capacity

"I think the social character of the village has declined, we're not able to help those who have healthcare needs. The cost of health has really gone up, some just can't afford it." **66 year old male, Pyapon**

Qualitative narratives revealed that beyond LIFT's interventions and household capacities, a number of aspects of wider systems and structural factors play an important role in households' coping practices. Key amongst these are:

- Wider economic trends and market dynamics, particularly food price spikes, market price crashes for crops and the rising costs of agricultural inputs. Such factors are particularly important for households involved in agriculture.
- Determinants of social inclusion impact coping and resilience. For example, female-headed households and those with people with

disabilities tend to be excluded from development interventions and, when they are reached, are less likely to see positive outcomes than the better off households.

- Public infrastructure and services expand the options available to households exposed to shocks and stresses, increasing their ability to cope better. Households fall back on these services and infrastructure - such as a well-maintained and managed irrigation canal or a road - when faced with shocks and stresses.

- The important role of traditional social institutions in Myanmar has been widely documented. However, a number of narratives reported a sense of decline in social capital, linked in many ways to precarious economic circumstances, and the decreased ability for localised welfare systems to continue to cope with rising needs. Despite reports of strengthening of indigenous social organisations in parts of central Myanmar, at least for some, that assistance was not available.

STRENGTHENING RESILIENCE- BUILDING EFFORTS IN MYANMAR

6. STRENGTHENING RESILIENCE- BUILDING EFFORTS IN MYANMAR

6.1 KEY INSIGHTS

6.2 RECOMMENDATIONS



6. STRENGTHENING RESILIENCE-BUILDING EFFORTS IN MYANMAR

6.1 Key insights

The findings presented in this synthesis paper reveal the complex nature of Myanmar's social, economic and political transition amidst widespread shocks and stresses, whether related to climate and weather-related variations, natural disasters, economic changes or the more routine issues such as job loss and illness/death.

Box 3. Summary of key insights and findings

- Overall the poverty rate declined between 2015 and 2017 and incomes increased. Households receiving LIFT support were more likely to emerge from poverty and more likely to experience income increases, than those that did not receive support. Despite these gains, however, a large section of people fell below the poverty line between 2015 and 2017 and saw their incomes decrease. While LIFT support mitigated such negative outcomes, the findings point to the non-linearity of development processes.
- Shocks and stresses affect 50 per cent of households in total, and one-third of households severely or somewhat severely. Communities and households affected by shocks and stresses are more likely to experience worsening nutritional outcomes, increases in poverty and vulnerability, and reduced incomes.
- While LIFT support tended to benefit better-off households, some modest progress was made toward reaching vulnerable groups. However, the most vulnerable groups – including female-headed households and households with people with disabilities – continued to be under-served and were also the least likely to reap the benefits of development assistance.
- Getting access to multiple interventions - and particularly a combination of financial inclusion and other types of support - appears to have increased the likelihood of households emerging from poverty and coping better with shocks and stresses.
- On the whole, households benefiting from LIFT support were more likely to fare better - in terms of changes to their income and vulnerability - when faced with shocks and stresses than those who do not receive any support. Moreover, the more support a household received, the more likely they were to cope successfully. However, it should be noted that wealthier households were both more likely to receive support and to cope better with shocks and stresses.
- Some households were found to be at risk of entering a spiral of increasing vulnerability and hardship as a result of exposure to shocks and stresses. These were likely to be the most vulnerable households – either female-headed households or those with disabilities.
- Public and community-based infrastructure and services have an important role to play that can shape outcomes as they expand the range of better coping strategies that households can take recourse to when exposed to shocks and stresses.

6.2 Recommendations

The following recommendations draw on the findings set out in the preceding sections and combine them with the authors' resilience building technical expertise. They aim to outline some important elements of a way forward for strengthening resilience-building efforts in Myanmar.

Strengthen capacities and systems for adaptive management within LIFT and beyond

Strengthening the resilience of vulnerable people in Myanmar requires learning about, and being responsive to, beneficiaries' changing needs, priorities and contexts. The context of rural transformation and precarity outlined in this paper implies that there exists a multitude of extraneous factors that may disrupt expected pathways of change. The ability to identify such factors and to take corrective measures to address them is crucial at both project (implementing partner) and programme (i.e. LIFT FMO) levels.

Strengthening adaptive capacity requires: (1) improving monitoring and evaluation since rigorous adaptive management relies on the availability of timely, useful and good quality evidence; (2) ensuring that sufficient time and resources are dedicated to utilisation of the available evidence to reflect on the key assumptions in the theory of change and to identify what should be changed to achieve the desired results; and (3) strengthening programme management-related policies and systems that enable and incentivise evidence-based learning and enable mid-course corrections.

Design interventions with shocks and stresses in mind

The design of resilience programmes should consider the diverse nature of shocks and stresses that individuals, households and communities are exposed to. This requires consideration of their prevalence and consequences on the one hand and the options people have for coping with them on the other. Interventions should be explicitly designed to address and/or mitigate the risks that shocks and stresses pose to households' ability to secure and retain the benefits of these interventions. In particular, attention should be given to expanding the range of options that people have for coping with the shocks and stresses.

Identify measures to reduce the likelihood of households falling into poverty

When faced with shocks and stresses, individuals and households may have limited options for dealing with shocks and stresses. Their ability to cope requires having supporting infrastructure and services, whether public, community or private, that they can access. Future LIFT programme design and theory of change should more clearly incorporate social protection, and particularly the strengthening of access to assistance for health shocks, as a critical cross-cutting component.

Implement interventions synergistically so that multiple types of support are combined for maximal impact

Delivering development initiatives in isolation may prove effective in achieving positive results when conditions are relatively stable. However, the gains can be undermined by exposure to shocks and stresses, particularly when coping capacity is limited. Ensuring that interventions and existing services are implemented synergistically can enhance the

overall impact of LIFT support, providing a wider range of better coping options and reducing the risk of becoming poorer or more vulnerable.

Better understanding of the causes of malnutrition and their linkages with shocks, and placing greater attention towards preventing wasting

In LIFT interventions areas of Myanmar, stunting rates are still high, with approximately one-third of children under five being stunted and six per cent of children being wasted. Limited change has taken place since 2015 and high inequalities based on gender, wealth, age and education are still drivers for child and maternal nutrition. Further and more in-depth research is required to understand the drivers of malnutrition in specific contexts and, in particular, the role that shocks play in attenuating gains. Wasting amongst children and malnourishment amongst pregnant and breastfeeding women remain persistent problems. The former are known to be highly sensitive to shocks and stresses, making a more broad-based and systematic approach to monitoring and treating it crucial in the fight against malnutrition.

More inclusive targeting and expanded coverage

While the most vulnerable individuals and households are often low-income, female-headed or have members with disabilities, simply targeting these households may not be sufficient.

Identify barriers to participation of excluded households and develop interventions that address their specific constraints.

While progress has been made on reaching female-headed households and poorer households, these groups continue to remain under-represented. They are also the most likely to experience decreases in income and assets and to be badly affected by shocks and stresses. Ensuring that interventions reach them could have a transformative effect on their livelihoods and resilience. This may require understanding community norms and dynamics and aspects of intervention design that restrict their participation, and taking steps to proactively address them.

Expand the coverage and intensity of LIFT interventions, particularly those related to non-farm income.

While 76 per cent of households in LIFT villages received some kind of support, only around one-quarter of these received more than two types of support. Some intervention types such as non-agricultural livelihood support (e.g. support to starting non-farm businesses or gaining employment) reached fewer than 10 per cent of households. Given that alternative means of livelihood - particularly those that are not so prone to natural disasters, diseases or commodity price crashes – constitute an important coping strategy that contributes to building household resilience, targeted expansion of such support would enhance resilience by offering more reliable sources of additional income.

Strengthen monitoring and evaluation

Generating and using robust evidence about inclusive development and resilience building is crucial to devising relevant and effective policies, programmes and interventions.

Strengthen and integrate monitoring and evaluation across levels

Robust learning will be achieved when projects and programmes own the data and indicators that are used to monitor and evaluate them. For example, this will help to ensure that sampling is well matched with implementation/targeting, that there are robust mechanisms in place for measuring exposure and that there is a strong flow of data, evidence and learning between different levels, enabling improved decision-making. Appropriate centralised repositories for storing knowledge assets and products should be established to support strengthened knowledge management across levels.

Continue gathering comprehensive longitudinal survey data for learning and accountability

Panel datasets allow much deeper learning on the trajectories of households as they are exposed to various types of interventions, experience shocks and stresses and enact a variety of behaviours to improve their conditions or cope with the challenges they face. This allows robust analysis of LIFT's contribution and can help build up the evidence base for resilience building initiatives in Myanmar. Careful streamlining and revision of the existing survey should be carried out, with particular attention to better tracking of exposure to support sampling strategy re-considerations. The timing and frequency of surveys should be linked to the strategy cycle in a manner that maximises the scope for feeding learning into ongoing strategy cycles.

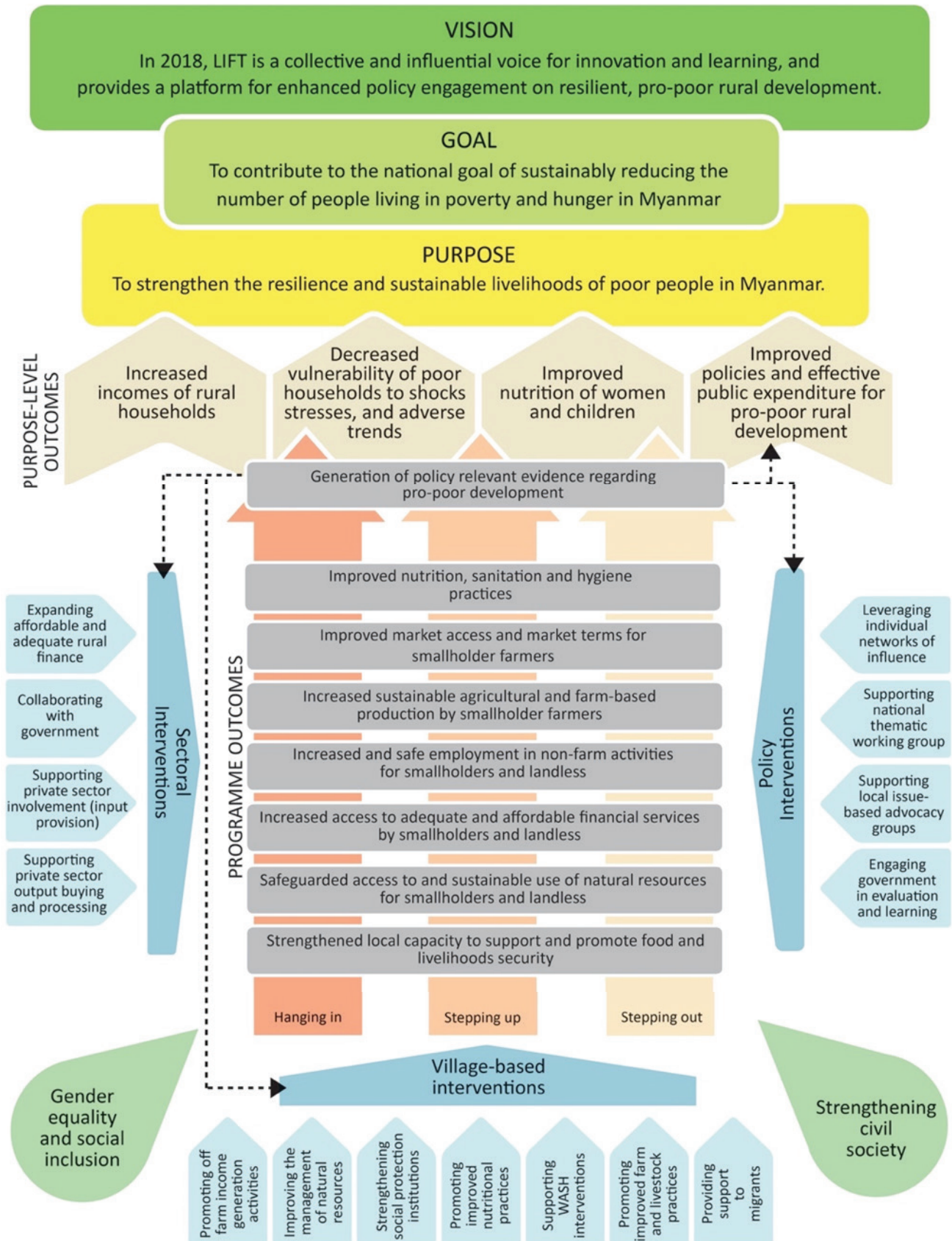
Collect indicator data at the appropriate frequencies and achieve greater thematic focus through thematic surveys

It does not make sense to collect all data on an annual basis. Some indicators should be tracked less frequently (for example changes in income) and others more frequently (e.g. nutritional status and exposure to shocks and stresses). The development of dedicated surveys associated with different themes will allow more relevant and targeted data to be collected that provides insights that can be used to inform corrective actions and make more rigorous assessment of intervention effects.

ANNEX

ANNEX 1: LIFT'S THEORY OF CHANGE
(2014 TO 2018)

ANNEX 1: LIFT'S THEORY OF CHANGE (2014 TO 2018)





L i v e l i h o o d s a n d F o o d S e c u r i t y F u n d



