

Annual Report 2013



LIVELIHOODS AND

FOOD SECURITY TRUST FUND



Livelihoods and Food Security Trust Fund



ACKNOWLEDGEMENTS

We thank the governments of Australia, Denmark, the European Union, France, Ireland, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States of America for their kind contributions to improving the livelihoods and food security of the poorest and most vulnerable people in Myanmar. Their support to the Livelihoods and Food Security Trust Fund (LIFT) is gratefully acknowledged.

DISCLAIMER

This document is based on information from 58 projects funded by LIFT in 2013 and supported with financial assistance from Australia, Denmark, the European Union, France, Ireland, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States of America. The views expressed herein can in no way be taken to reflect the official opinion of the European Union or the governments of Australia, Denmark, France, Ireland, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom and the United States of America.

PHOTOS

By FMO apart from:

Cover: Proximity Designs/Tim Mitzman, SWISSAID, Better Life Organisation

Inside: Proximity Designs/Tim Mitzman, Mercy Corps, Radana Ayar, International Rescue Committee, GRET/CORAD, Cesvi, Welthungerhilfe

THE LIVELIHOODS AND FOOD SECURITY TRUST FUND

UNOPS Fund Management Office

12(O) Pyi Thu Street, 7 Mile, Mayangone Township, Yangon, Myanmar

Phone: +95 1 65 7280-87, Fax: +95 1 65 72 79

Email: lift@unops.org

www.lift-fund.org | www.facebook.com/liftfund

This report builds on LIFT's previous Annual Reports, which can be found at www.lift-fund.org

Contents

Abbreviations and Acronyms	1
Executive Summary	2
1. INTRODUCTION	6
1.1 Context	6
1.2 Background to LIFT	8
2. RESULTS	10
2.1 Purpose-level Indicator Results	11
2.2 Output-level Indicator Results	13
2.3 Activity Monitoring	18
3. GEOGRAPHIC AREAS	20
3.1 Ayeyarwady Delta	22
3.2 Dry Zone	37
3.3. Hilly Region	48
3.4 Coastal Region	56
4. OUTPUTS WITH NATIONAL SCOPE	63
4.1 Civil Society Strengthening (Output 5)	63
4.2 Programme Development and Policy Dialogue (Output 6)	66
5. LESSONS	74
6. FUND MANAGEMENT	77
6.1 Allocation of LIFT Funds (Output 7)	77
6.2 Fund Flow and Partner Performance (Output 8)	79
6.3 Monitoring & Evaluation	81
6.4 Communications	84
6.5 Finance	85
7. ANNEXES	87

Abbreviations and Acronyms

AVSI	Association of Volunteers in International Service	MAHFP	months of adequate household food provisioning
CBO	community-based organisation	MAPCO	Myanmar Agribusiness Public Corporation
CCS	Central Co-operative Society	MBCA	Myanmar Business Coalition on Aid
CDP	consortium of development partners	MCS	Myanmar Ceramic Society
CERP	Community Economic Resilience Plan	MDCF	Myanmar Development Cooperation Forum
CfW	cash-for-work	M&E	monitoring and evaluation
CORAD	Chin Organisation for Rural and Agricultural Development	MERN	Myanmar Environment Rehabilitation-Conservation Network
DAR	Department of Agricultural Research	MFI	microfinance institution
DPDO	Disabled People's Development Organisation	MoAI	Ministry of Agriculture and Irrigation
DoA	Department of Agriculture	MoSWRR	Ministry of Social Welfare Relief and Resettlement
DoI	Department of Irrigation	MMSE	Myanmar Microfinance Supervisory Enterprise
DOF	Department of Fisheries	NAG	Network Activities Group
DSW	Department of Social Welfare	NGO	non-government organisation
FB	Fund Board	NPAFN	National Plan of Action for Food and Nutrition
FFS	Farmer Field School	NSPAW	National Strategic Plan for the Advancement of Women
FGD	focus group discussion	QSEM	Qualitative Social and Economic Monitoring
FIND	Financial Inclusion for National Development	RMO	Ratana Metta Organisation
FMO	Fund Management Office	SEDN	Social-Economic Development Network for Regional Development
FPE	farm producers enterprise	SHG	self-help group
FSWG	Food Security Working Group	SLRD	Settlement and Land Record Department
GAD	General Administration Department	SME	small and medium enterprise
HH	household	SPPRG	Social Policy and Poverty Research Group
HDDS	household dietary diversity score	SUN	Scaling Up Nutrition Movement
IDP	internally displaced person	SWG	sector working group
IGA	income-generation activity	VDC	village development committee
IP	implementing partner	VfM	Value for Money
IRRI	International Rice Research Institute	VSLA	village savings and loans association
IWMI	International Water Management Institute		
LEARN	Levering Essential Nutrition Actions to Reduce Malnutrition		
MADB	Myanmar Agriculture Development Bank		

Executive Summary

This report describes the progress of the Livelihoods and Food Security Trust Fund (LIFT) during 2013, the year when some of the most substantial gains and important outcomes of LIFT programming were made. This was the fourth year of project implementation and the groundwork laid in previous years reaped positive results. Not only are households reporting greater food security, but improved data collection and monitoring efforts confirm that implementing partners are largely on track to achieve their targets.

Programming decisions taken in 2012, for example with respect to supporting civil society and providing the poor with access to credit, delivered strong results and LIFT operations were smooth, channelling funds effectively and efficiently. A highlight of the year was greater engagement with the Government of Myanmar (GoM), which will help to sustain achievements when LIFT's mandate ends.

This year, LIFT disbursed US\$31.3 million to its implementing partners, which is 14% more than in 2012. The Fund supported 58 projects in 107 of the 330 townships¹ across Myanmar. Donors increased their funding in 2013 and the Fund welcomed the Republic of Ireland, bringing donor membership to eleven. LIFT's mandate was extended for an additional two years to the end of 2018.

Using implementing partner (IP) data, cross-referenced for accuracy with data from LIFT's extensive 2013 household survey, the Fund was able to track steady progress against its output and purpose indicators. By the end of the year, LIFT-funded projects had reached 511,505 beneficiary households, or about 2.5 million people. In addition:

- More than 290,000 beneficiary households reported that they had increased their food security by more than one month;²
- Nearly 60,000 households reported higher incomes as a result of LIFT support; and
- The number of households accessing affordable credit for agriculture doubled (since 2012) to 130,000 households.

The Fund exceeded its progress targets in 17 out of the set of 22 indicators. Results are detailed in Chapter 2.

The Fund also acknowledged that it holds a substantial knowledge base of research from studies commissioned to inform programming decisions. In 2013, the Fund increased its commitment to knowledge and learning, commissioning 15 new studies, compared to eight in 2012, and two in 2011. Details on programme development and support to policy dialogue can be found in Chapter 4.2.

As with previous annual reports, the achievements and challenges of LIFT projects are presented according to the four main agro-ecological areas of the country. (The geographic zones are detailed in Chapter 3).

Of the 43 projects working in these areas in 2013, a number funded in LIFT's early years (2010 – 2011) reached maturity during the year and interesting successes and challenges are noted, some highlights are:

1 There are 330 government recognised townships, MIMU lists 356 townships, which includes sub-townships.
2 This figure is not fully attributable to LIFT

(i) Collective storage and paddy sales provide farmers with access to funds at harvest time.

Farmers face a cash-flow crisis at harvest time: they need cash for buying inputs and hiring labour for their new seasonal crops, yet they have to meet debt repayment obligations. In response, LIFT IPs are piloting paddy storage systems that provide farmers with access to post harvest finance guaranteed by their stored harvest, which is sold later at a higher price (see Chapter 3.1, Table 9).

(ii) Reducing losses after harvest and ensuring the best quality of grain throughout the drying, storage, and milling processes probably has more economic potential than efforts aiming for higher yields alone. LIFT partners are working together to improve efficiency in post-harvest handling, such as employing better ways to dry grain, mill rice, and store seed (see Chapter 3.1).

(iii) Replicable commodity exchange centres, grounded in transparency, are acting to improve market efficiency. New commodity exchange centres in six Dry Zone townships provide farmers and traders with easier access to one another to improve the quality of produce through competition, and to increase the flow of market information. The network of farmers selling to the commodity exchange centres has grown from 335 farmers in 105 villages to 1,400 farmers in 230 villages (see Chapter 3.2).

(iv) Working with civil society in conflict areas requires consistency and acceptance, building on local coping strategies and flexible management. Strong local partnerships are the key reason that LIFT IPs have been able to work successfully in areas affected by conflict in Shan and Kachin States (see Chapter 3.3).

(v) Challenges from a tea project in the Kokang Special Region highlight lessons for market integration and the value chain approach. As LIFT looks forward to increase its engagement with the private sector, implementation lessons from this project provide considerations for the design approach of market and value chain projects (see Chapter 3.3).

LIFT also funded 15 projects with a national focus, detailed in Chapter 4.2, some of which had notable achievements in 2013. For example, the LEARN consortium of NGOs³ helped revise the government's National Plan of Action for Food and Nutrition. The World Food Programme (WFP) completed a major

Table 1 below shows that 2013 was the most productive year-to-date for the Fund with respect to activity, reach, and research:

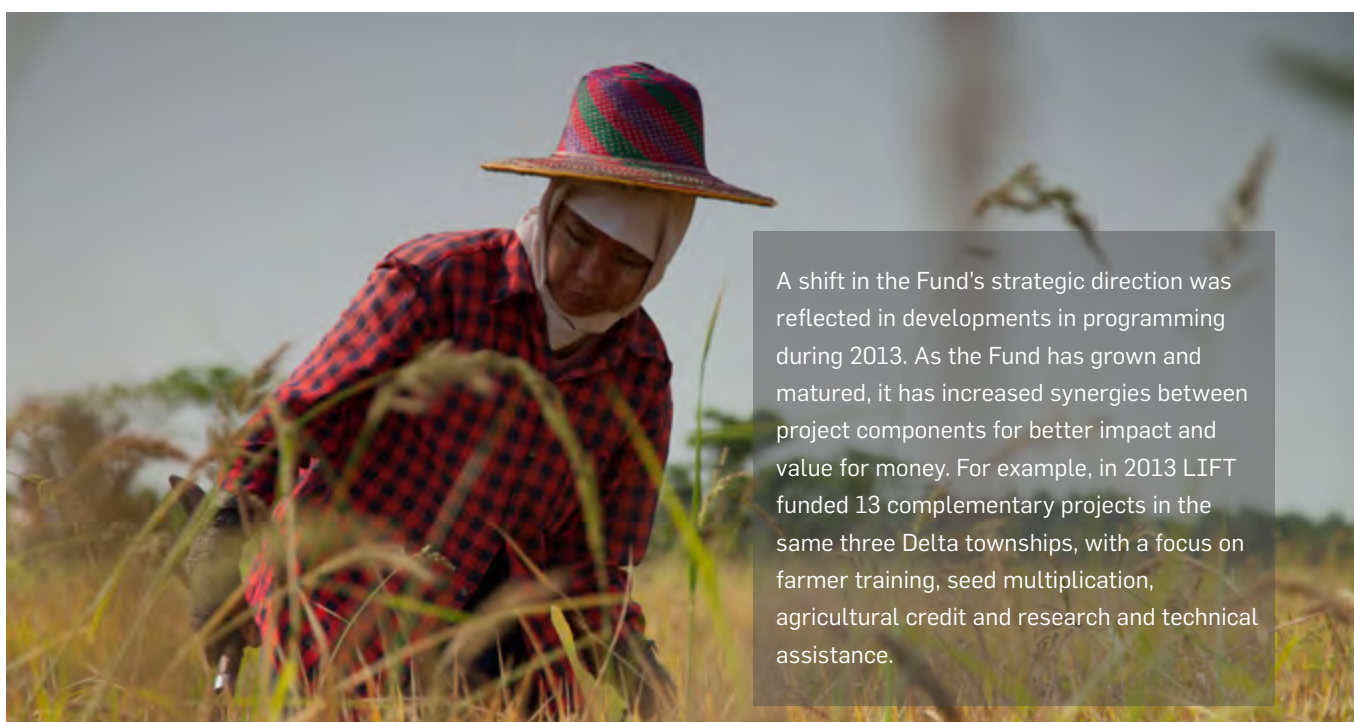
	2010	2011	2012	2013
Number of projects	22	27	44	58
Number of townships where LIFT is active (out of 330 townships)	28	94	100	107
Cumulative number of households reached	153,808	223,229	372,528	511,505
Number of studies commissioned	0	2	8	15
Cumulative no. of loans disbursed to households (agricultural and non-farming purposes)	1,218	8,103	86,568	151,212
Cumulative number of CBOs strengthened	1,682	3,467	6,391	9,389

³ Leveraging Essential Nutrition Actions to Reduce Malnutrition (LEARN) and is implemented by Save the Children International in collaboration with Action Centre la Faim (ACF) and Helen Keller International (HKI).

food security and nutrition survey in the Dry Zone. Following its completion, the Ministry of Livestock, Fisheries, and Rural Development requested WFP to conduct similar surveys in the rest of the country.

In 2013, the Fund drew on its cumulative experience to address specific needs using targeted funding windows. The **Learning and Innovation Window (L&I)** allocated US\$20 million to fund 17 projects selected for their inventiveness and their potential to enhance outcomes of associated projects. Development of LIFT's approach to **Financial Inclusion** continued with greater investment in the provision of retail services, and strengthening the institutional capacity in the microfinance sector. LIFT's investment in this area now amounts to US\$35 million and constitutes a significant portion of the Fund's activities and results. Details on these funding windows and their projects are also in Chapter 4.2.

LIFT now plays an important role in the design of focused rural development programmes. In March,



A shift in the Fund's strategic direction was reflected in developments in programming during 2013. As the Fund has grown and matured, it has increased synergies between project components for better impact and value for money. For example, in 2013 LIFT funded 13 complementary projects in the same three Delta townships, with a focus on farmer training, seed multiplication, agricultural credit and research and technical assistance.

after a year of preparatory work, the US\$22 million Tat Lan Programme was launched to address specific development challenges in the coastal regions of central Rakhine State. The programme, which is implemented by a consortium of NGOs, was significantly affected by outbreaks of communal violence. Despite the difficulties, solid progress was made in 80 villages across four townships (see Chapter 3.4).

In 2013, LIFT also started design work on large-scale programmes for the Dry Zone and the Hilly/Upland Region. It is anticipated that these programmes will commence implementation in 2014. For its new Dry Zone programme, LIFT commissioned an in-depth study on water issues and conducted a scoping mission, which identified access to water and markets, improved agricultural production including livestock, social protection, and climate adaptation as the main areas of intervention. Scoping work for a new uplands programme was also conducted, which will include a special focus on areas emerging from conflict. These areas represent significant challenges in terms of the environment, climate change, remoteness, ethnic diversity, and their conflict/post-conflict status. More information on these new programmes is in Chapters 3.2 and 3.3.

A major focus for the Fund in 2013 was to engage more extensively with the Government of Myanmar, making the most of opportunities presented by Myanmar's continued political transition:

- LIFT worked together with its partners and others to refine the Farmer's Protection Act, passed by Parliament in October. The consultation process contributed to important improvements in the law.
- In November, LIFT's Annual Forum was jointly organised with the Ministry of Livestock, Fisheries, and Rural Development to launch the government's national Strategic Framework on Rural Development. At the event, which was opened by President U Thein Sein, a consortium of rural development partners was established. LIFT was asked to support the ministry's efforts to implement the framework and to strengthen the ministry's engagement with the development community.
- LIFT increased its work with government in the areas of financial inclusion, land and social protection. The Fund also supported the government to develop a national strategy for financial inclusion, supported the technical and human capacity of the microfinance regulator (the Myanmar Micro-finance Supervisory Enterprise), and worked with the Ministry of Finance and other stakeholders in the sector to address some of most important constraints to promoting financial inclusion in Myanmar.
- LIFT partners increased work on land-related issues in order to: (i) support the government's Settlement and Land Records Department to better implement the Farmland Law of 2012; (ii) conduct more research on upland customary tenure, land taxation, and contract farming; and, (iii) advocate with a wider range of stakeholders, including the Parliamentary Land Confiscation and Enquiry Commission, the Land Allocation and Utilisation Scrutiny Committee, the National Farmers' Association, as well as state and regional assemblies.
- In terms of work on social protection, the LIFT-supported Social Policy and Poverty Research Group worked intensively with the Department of Social Welfare, several regional governments, as well as the Social Security Board. As a direct result, planning for social protection at the state/regional level was conducted with the governments of Chin, Mandalay, Sagaing, Ayeyarwady, Mon, and Shan. Subsequently, the Chin government presented a Draft Five-year Development Plan on Social Protection and was awarded an additional US\$1 million of government funding based on the plan's objectives (see Chapter 3.2).

Through its operations in 2013, the Fund identified interesting lessons in categories ranging from engaging with government on policy development to specific programming recommendations. These are outlined in Chapter 5.

The Fund performed well against its indicators for fund management and fund flow. Cumulative donor contributions as of 31 December 2013 amounted to US\$181 million. In order for the Fund to focus on the impact and efficiency of its operation, a value-for-money research framework was developed in 2013, which will help to measure cost effectiveness and procurement efficiency for LIFT and its IPs. Fund management information is detailed Chapter 6.

Looking ahead, building upon a solid base of implementing experience and a valuable knowledge library, the Fund will define its evolving role and direction with a new strategy in 2014. Ways to maximise LIFT's impact are to be defined and acted upon to allow Myanmar's smallholder farmers with commercial potential to **'step up'** the agricultural ladder; for subsistence farmers without commercial potential to **'hang in'** in agriculture for food security in the period of economic transition; and for landless labourers to **'step out'** of agriculture, and into more productive sectors of the economy.

1. INTRODUCTION

This report describes the activities funded by the Livelihoods and Food Security Trust Fund (LIFT) for the period of January through December 2013 across the four main regions of Myanmar where LIFT is operational: the Ayeyarwady Delta, the coastal region of Rakhine State, the central Dry Zone (including Mandalay, Magwe, and the southern Sagaing Region), and the Hilly Region of Chin, Kachin, and Shan States. At the end of 2013, LIFT had funded projects in 12 states/regions, 36 districts, 107 townships, and 3,884 villages across the country. Please see Annex 1 for the full list.

1.1 CONTEXT

The context in which LIFT works changed rapidly in 2013. Myanmar's political transition continued in a generally positive direction. Although armed conflict in some places intensified early in the year, landmark peace talks also took place, increasing the expectation that a national ceasefire agreement could be reached soon.

Parliament continued with a hectic legislative agenda, passing 37 new laws, including the Minimum Wage Law, the Central Bank of Myanmar Law and the Farmer's Rights Protection and Benefit Promotion Law. The last law is particularly important for LIFT because it created a high-level awareness of the issues confronting smallholder farmers, including volatile commodity prices and inadequate access to financial services. The law includes provisions for disaster relief, insurance, and inventory financing initiatives. While early drafts of the law included potentially expensive price support mechanisms, similar to the rice-pledging scheme in Thailand, the final version of the law included only provisions for ad hoc state procurement, where necessary.

The President of Myanmar continued to push an ambitious development agenda, creating a new department focused on rural development, known as the Ministry of Livestock Fisheries and Rural Development (MoLFRD). The government also developed the Strategic Framework for Rural Development, which focuses on:

- Strengthening public institutions and ensuring good governance;
- Enabling small landholders to have access to markets through improved infrastructure, inputs, and mechanisation;
- Promoting microfinance, information and communication technology development, renewable energy development, environmental conservation, and agricultural and livestock breeding technology;
- Improving land ownership transparency; and
- Supporting small and medium enterprises (both public and private) to develop businesses in rural areas.

In November 2013, the government and stakeholders agreed to establish a partnership to make joint progress towards these objectives. In June 2013, the government also drafted the National Plan of Action for Food and Nutrition under the guidance of the Ministry of Health. A new effort to tackle malnutrition, in particular stunting, is anticipated, following Myanmar's recent membership in the global Scaling Up Nutrition (SUN) movement.

At the Myanmar Development Cooperation Forum (MDCF) held in January 2013, the government agreed to establish sector working groups (SWGs) to ensure effective coordination at the sector/ thematic level and promote development effectiveness in Myanmar. A specific SWG for agricultural and rural development was established under the leadership of the Ministry of Agriculture and Irrigation (MOAI). The SWG met twice in 2013 and was able to make progress on a number of issues, including sharing stakeholder priorities and plans, and analysing policy constraints.

In 2013, the third round of LIFT's Qualitative Social and Economic Monitoring⁴ (QSEM3) project commenced, in an effort to identify village-level changes in land management, village governance, local organising, and in coping mechanisms, particularly related to migration. The changes highlight how Myanmar's political transition is playing out at the village level in rural areas.

Given the short period of time since the beginning of the QSEM project, there were few changes in basic livelihoods. However, some interesting emerging factors were nonetheless identified:

- In most village tracts, land management committees had been set up to help implement the recent Farmland Law and the Vacant, Fallow, and Virgin Lands Management Law of 2012. Some villagers reported corruption with the implementation of the land laws at the village and township levels. There was a common perception that formal land use certificates gave extra protection to farmers from land confiscation, thus increasing security of tenure and rendering the land more valuable. Overall, land prices varied widely, and appeared to have increased.
- There were notable changes in village governance, which, like land, was a direct result of government policy changes, in this case the new Village Tract Administration Law of 2012. Three out of four states and regions in the study had held village tract elections at the time of the fieldwork. In some villages, new leaders had emerged and there was a high degree of competition over the village tract administrator post, spurred by the possibility of using the post for private gain. In some cases competition over these elections resulted in increased social tension.
- Several new cases of local organising and collective bargaining arose. They were linked to issues such as land, foreign investment, and the upcoming elections, suggesting that local communities were making use of the openings afforded by the transition. There was a notable rise in village-level land disputes in the one area with an active farmers' union. The new land disputes were mostly local and triggered by the land registration process. Attitudes of villagers appeared to have changed, with villagers more likely to pursue restitution and re-open old cases of land confiscation. There continued to be a relative absence or weakness of collective action mechanisms for improving the welfare of farmers.

⁴ LIFT commissioned the QSEM, a three-year study, in 2012 in order to examine how people in rural Myanmar make a living, what wider factors shape their ability to do so, and how the broader social and institutional features of community life affect people's livelihoods choices and outcomes. Three rounds of fieldwork have been undertaken to date, carried out by Enlightened Myanmar Research with support and technical assistance from the World Bank.

1.2 BACKGROUND TO LIFT

The Livelihoods and Food Security Trust Fund (LIFT) is a multi-donor fund established in Myanmar in 2009. The donors to LIFT are Australia, Denmark, the European Union, France, Ireland, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States of America. The United Nations Office for Project Services (UNOPS) is contracted as the Fund Manager to administer the funds and provide monitoring and oversight for LIFT.

The overall goal of LIFT is to contribute towards Myanmar's achievement of Millennium Development Goal 1.⁵ The Fund aims to increase food availability and raise incomes for two million target beneficiaries. LIFT also aims to be a collective and influential voice, promoting programme coherence, innovation and learning, and to provide a platform for enhanced policy engagement on agriculture, food security, and rural development in Myanmar. LIFT is expected to continue operations until at least the end of 2018.

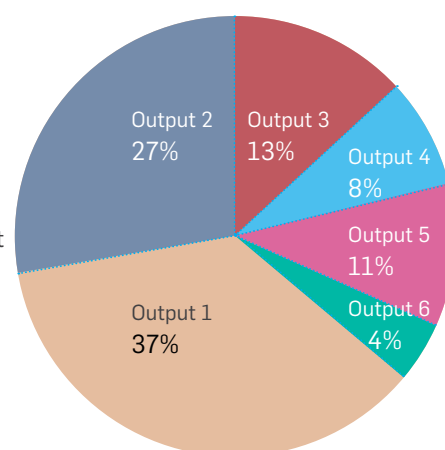
LIFT is working to deliver the following programme outputs:

1. Increased agricultural production and higher incomes supported through improved production and post-harvest methods, and 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 supported to increase the incomes, enhance the livelihood opportunities, or protect the livelihoods assets of chronically poor households.
5. Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.
6. Monitoring and evaluation evidence and commissioned studies used to inform programme and policy development.

Additionally, LIFT strives to deliver the following management outputs:

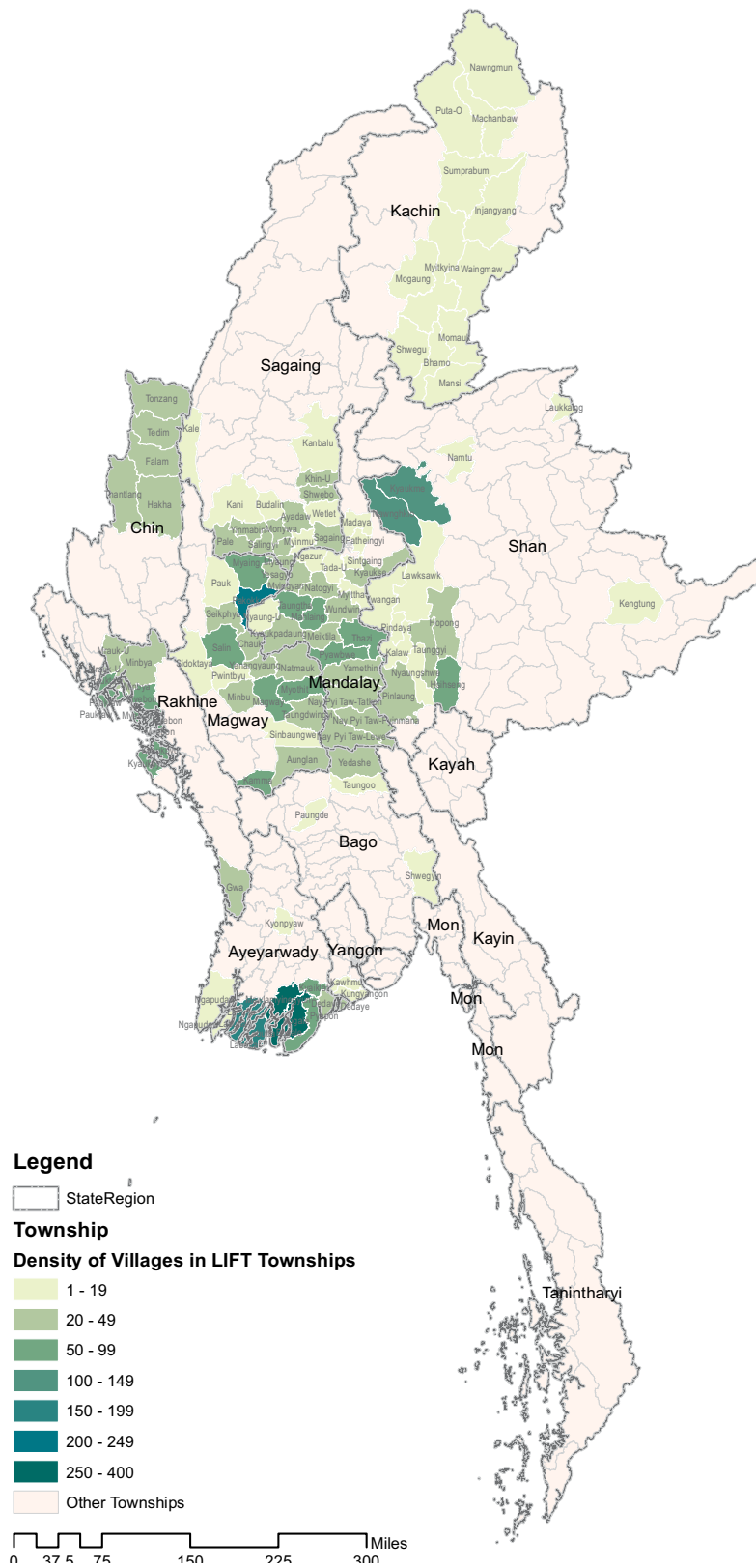
7. Funds are allocated in line with Fund Board policies and are accounted for transparently.
8. Fund flow and partner performance are monitored and evaluated.

ALLOCATION OF PROJECT FUND BY OUTPUT (UP TO END 2013)



⁵ MDG 1: Reduce by half the proportion of people living on less than \$1.25 a day; achieve full and productive employment and decent work for all, including women and young people; reduce by half the proportion of people who suffer from hunger.

LIFT PROJECT TOWNSHIPS 2013

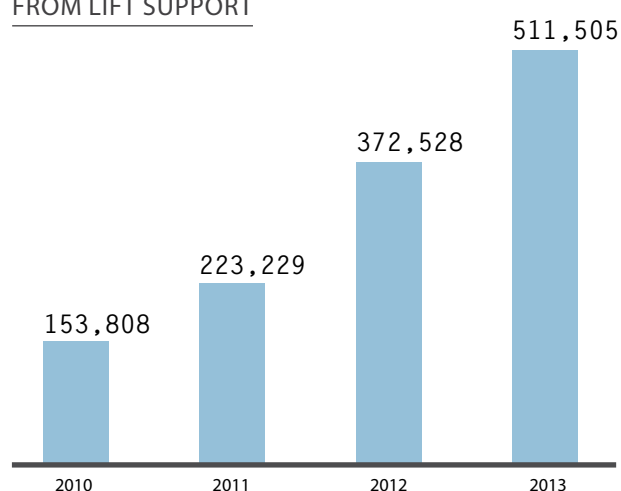


LIFT works in 3,884 villages in 107 townships
 LIFT has assisted 511,505 households, or around 2.5 million people

2. RESULTS

In 2013, LIFT met or exceeded its milestone targets for half of its indicators, building steadily on progress made in previous years. The milestones set for 2013 were higher than the previous year, yet the Fund performed better in milestone achievements in 14 out of 18 indicators. In terms of overall results, the Fund continues on a strong upwards trajectory. Data from 2012 and 2013 is charted in Annex 6.

TOTAL NUMBER OF HOUSEHOLDS THAT HAVE BENEFITTED FROM LIFT SUPPORT



Source: IP Data

DATA ACCURACY AND CROSS REFERENCING

LIFT regularly assesses its performance against its logical framework (logframe), specifically the logframe goal, purpose, and outputs that the programme intends to achieve.⁶ LIFT uses two main sources of information for this: reports from LIFT implementing partners (IPs), and household surveys.

The numbers reported by IPs for achievement against LIFT indicators are recorded every six months and should be treated as estimates.⁷ LIFT therefore cross-references IP data with data from its statistically representative household surveys (November 2011 and November 2013)⁸ to strengthen data reliability. The data source for each indicator is specified in the chart below, and further detail on measuring the results is provided in Annex 7.

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

6. The indicators in this report are from the approved logframe that extends to the end of 2016. This logframe is to be reviewed in 2014 in line with the June 2013 Donor Consortium decision to extend the life of the Fund for an additional two years to December 2018.

7. Tracking methods used differ between IPs, as does the quality and uniformity of measurements.

8. LIFT plans to repeat household surveys in 2016 and 2018.

2.1 PURPOSE-LEVEL INDICATOR RESULTS

Purpose: To sustainably increase food availability and incomes of two million target beneficiaries.

Table 3: Summary of purpose-level indicators and estimated progress

Indicator	LIFT target by 2016	Milestone for 2013	Achieved by end 2013	% of 2013 target achieved	Data source
P1: No. and % of target HHs with increased incomes (from agriculture, fishing, livestock, etc.)	130,000 ⁹	60,000	57,000 (19% of crop-growing HHs in LIFT villages)	95%	LIFT surveys
P2: No. and % of target HHs with at least 5% agricultural productivity gains	130,000	60,000	60,000 (20% of HHs in LIFT villages)	100%	LIFT surveys
P3: No. of target HHs with increased and/or diversified food consumption	240,000	120,000	88,000	73%	LIFT surveys
P4: No. and % of target beneficiaries with an increase in food security by > one month	240,000	120,000	290,000 (20% of HHs in LIFT villages)	241%	LIFT surveys
P5: No. of target HHs with increased assets	120,000	50,000	44,132	88%	IP data

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

From LIFT's household surveys, of households that grew crops during the previous 15 months (~60% of all households), 29% stated that LIFT IPs had influenced the way they grew, processed, or marketed their crops and 65% indicated that their net income from crop production had increased as a result. By extrapolating the results over the 500,000 households living in villages covered by the Delta II and Countrywide Programmes (which account for nearly all the projects that were operating during the period between the two surveys), then approximately 57,000 households (roughly 19% of all crop-growing households) would have experienced an increase in agricultural incomes due to LIFT support. This excludes households whose incomes may have increased due to LIFT support for cash-for-work (CfW) programmes and non-agricultural vocations and businesses.

Data from the 34 projects that reported against this indicator suggest that 235,400 beneficiary households had higher incomes as a result of LIFT's interventions. This cumulative achievement at the end of 2013 reported is well above what was expected for the 2013 milestone.

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

Initial data from the 2013 Household Survey provided evidence of achievements against this indicator. Of the sampled households that grew crops during the previous 15 months (~60% of all households), 69% indicated that crop production had increased as a result of LIFT support. Again, extrapolating these results over the 500,000 households in villages covered by the Delta II and Countrywide Programmes, 60,000 households (roughly 20% of all crop-growing households) would have experienced an increase in production due to LIFT support.¹⁰

9. The projected target is 130,000 households from existing and future IPs projects. When targets were initially set in December 2011, LIFT-funded projects had a total value of US\$74 million. Since that time, funding commitments have increased considerably and LIFT has been expanded. In response, targets have been increased pro rata with the increased LIFT funds to reflect expected achievements from future projects.

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

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

Impressive results are emerging from the 2013 Household Survey in relation to dietary diversity. The mean household dietary diversity score (HDDS) increased in LIFT villages from 5.3 food groups in the 2011 baseline survey to 6.0 in the 2013 Household Survey. In 2011, 62% of sampled LIFT households had a HDDS of 5 or less, but in 2013 only 44% had such scores.¹¹ Extrapolating these results over the 511,505 beneficiary households LIFT had supported by the end of 2013 (from all LIFT programmes), it could be expected that 17% or nearly 88,000 households would have graduated to a HDDS of 6 or more.¹²

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

Comparisons between the 2011 and 2013 Household Surveys show a marked improvement in household food provisioning. In the 2011 survey, 75% of households in LIFT villages reported that there were some months in the preceding 12 months when they did not have enough food to eat. By 2013, the figure fell to 10%, down by 65%. In 2011, the mean of the months of adequate household food provisioning (MAHFP) in the sample of LIFT villages was 9.6 months. In 2013 the mean MAHFP had increased to 11.8 months, representing a very significant improvement. There were also large improvements in mean MAHFP in the control villages between 2011 and 2013, suggesting that not all of these results can be attributed to LIFT-funded projects

Extrapolating the MAHFP results over the 511,505 beneficiary households that LIFT supported at the end of 2013 (from all LIFT programmes), it could be expected that 57% of households (or over 290,000) would have graduated from a score of 10 months or less to a score of 11 or 12 months, in terms of adequate household food provisioning.

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

Twenty-one IPs reported against this indicator and their cumulative achievement was 88% of the 2013 milestone. Many IPs had reported the number of households that had benefited from assets acquired directly as the result of the project, including livestock, by way of revolving funds or kits supplied following vocational training for income generation. However, the indicator does not specify productive assets and it should be expected that many of the thousands of households with higher incomes would invest in household assets.

The two LIFT household surveys also assessed ownership of a set range of 25 household assets as a proxy for wealth. Households were scored from zero to 25 according to the number of these assets they owned. Between the 2011 baseline survey and the 2013 Household Survey, the mean score of assets in LIFT villages increased to 5.2 items, up from 3.6 items (significance $p < 0.001$).¹³

¹¹ There are no established cut-off points in terms of the number of food groups to indicate adequate or inadequate dietary diversity for the HDDS (Guidelines for Measuring Household and Individual Dietary Diversity, FAO 2011).

¹² Note that the 2013 LIFT household survey covers all the households in LIFT villages, not just direct beneficiary households. Extrapolating the HDDS findings over the total number of households would give better results.

¹³ Control households also reported a significant increase in assets.

2.2 OUTPUT-LEVEL INDICATOR RESULTS

Table 4: Summary of output-level indicators and estimated progress

Indicator	LIFT target by 2016	Milestone for 2013	Achieved by end 2013	% of 2013 target achieved	Data source
Output 1: Increased agricultural production and higher incomes supported through improved production and post-harvest methods, and improved access to inputs and markets.					
O1.1 No. and % of target HHs aware of new/improved agricultural technologies	140,000	90,000	51,592 ¹⁴	57%	IP data
O1.2 No. and % of target HHs that adopt/use improved agricultural practices	100,000	50,000	87,000 (29% of HHs in LIFT villages)	174%	LIFT surveys
O1.3 No. of HHs in LIFT-supported villages accessing low-interest credit for agriculture	110,000	80,000	130,025	163%	IP data
Output 2: Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.					
O2.1: No. of trained people who establish enterprises (gender disaggregated)	60,000	40,000	29,155 M=1,653 F=27,502	73%	IP data
O2.2: No. of HHs in LIFT-supported villages accessing low-interest credit for non-agricultural livelihoods	35,000	20,000	21,187	106%	IP data
O2.3: No. of targeted HHs with an increase in income from non-agricultural activities and/or vocational training	35,000	20,000	17,164	86%	IP data
Output 3: Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.					
O3.1: No. of HHs participating in improved resource management or rehabilitation activities	40,000	16,000	32,854	205%	IP data
O3.2: No. of participants trained in sustainable resource management or rehabilitation topics (gender disaggregated) who think the training was useful	No target set	No milestone set	14,514 M=7,527 F=6,987	N/A	IP data
Output 4: Effective social protection measures supported to increase the incomes, enhance the livelihood opportunities, or protect the livelihoods assets of chronically poor households.					
O4.1: No. of HHs supported by CfW activities that think the intervention was timely and effective	180,000	60,000	114,362	191%	IP data
O4.2: No. of HHs supported with cash/asset transfers that are able to invest in productive activities/assets that increase their income	120,000	70,000	27,364	39%	IP data
O4.3: No. of HHs that are able to reduce the number of food insecure months or days	140,000	50,000	290,000 (57% of LIFT beneficiary HHs)	160%	LIFT surveys
Output 5: Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.					
O5.1 No. of local NGOs better skilled in technical issues, and project and financial management	45	30	200	667%	IP data
O5.2: No. of trained CBOs applying training in LIFT-funded activities	10,000	7,000	4,285	61%	IP data

¹⁴ The result from O1.2 is higher than that for O1.1 and is a factor of the different data sources. LIFT survey data for O1.1 suggests a much higher value but this cannot be disaggregated into awareness of agricultural technologies promoted by IPs.

Output 1: Increased agricultural production and incomes supported through improved production and post-harvest technologies, and improved access to inputs and markets.

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

Preliminary data from the 2013 Household Survey points to stronger results than those indicated by IP data. Ninety per cent of the sampled households in LIFT villages were aware of LIFT activities in their village.¹⁵ More importantly, as discussed in Output 1.2, these activities have directly influenced how households produced or marketed their crops.

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

Data from the 2013 Household Survey shows that of the households that grew crops during the previous 15 months, 29% stated that LIFT IPs had influenced the way they grew, processed, or marketed their crops. Extrapolating these results over the 300,000 beneficiary households that would be expected to have grown crops, 87,000 households would have adopted new practices or changed their practices due to LIFT interventions.

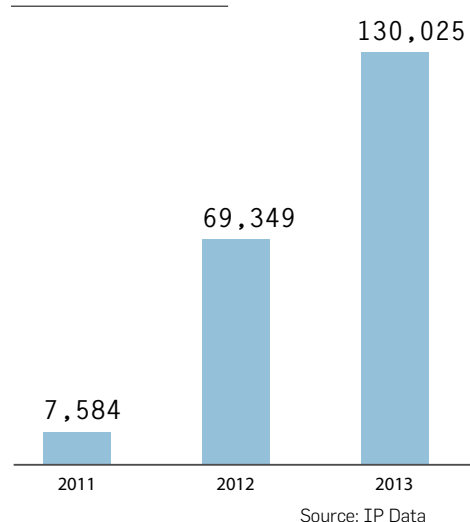
Twenty-three IP projects reported against this indicator and the cumulative achievement of 51,273 households narrowly exceeded the 2013 milestone.

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

The combined achievements of the 17 IPs that reported achievements against this indicator also exceeded the 2013 milestone, with women representing 69% of borrowers. Significantly, LIFT's implementing partner, Pact, supported over 46,000 households with agricultural loans.

The 2013 Household Survey results indicate that 34% of households in the sampled LIFT villages accessed loans from a microcredit provider for all purposes (not only agriculture). Eight per cent accessed loans from a village savings and loans association (VSLA). The comparable figures for non-LIFT (control) villages were 19% and 6%. Extrapolating these results over the 511,505 beneficiary households that LIFT was supporting by the end of 2013 (from all LIFT programmes), it could be expected that 173,900 households accessed microcredit and 40,900 borrowed from a VSLA (for all purposes).

HOUSEHOLDS ACCESSING LIFT CREDIT FOR AGRICULTURE



15

It should be noted that this included awareness of all types of IP activities, not only those related to agriculture.

In LIFT villages, for those households that took out credit (from any source), the most frequent purpose cited was purchasing agricultural inputs (31%), followed by purchasing food (30%), and business investment (19%).¹⁶

Output 2: Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.

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

Most of the IP projects focused this support on poor rural women, many from landless or land poor households. Women represented 94% of the beneficiaries, as reported in IP data.

O2.2: Number of households in LIFT-supported villages accessing credit from low-interest microfinance groups or VSLAs for non-agricultural livelihoods.

Cumulatively, LIFT partners enabled nearly 22,000 households to access low-interest loans for non-agricultural livelihoods, slightly more than the milestone for 2013. In total, 19 IP projects contributed to this achievement. The largest participant was Pact with over 15,000 households receiving credit. The 2013 Household Survey indicated that among LIFT supported villages, business investment was the third most important use of credit. IP data reports that women represented 86% of borrowers.

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

It is expected that the current level of achievement at 86% against the indicator may be an underestimate given the number of people who have established enterprises (see O2.1 above).

Output 3: Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.

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

Twelve IP projects reported their achievements against this indicator. The largest contribution was from the Mangrove Service Network (MSN), which reported that 9,165 households had participated in their natural resource management activities. This result includes households from both MSN's 10 core villages and 119 peripheral villages, which benefit indirectly from project activities including the distribution of tree seedlings from project nurseries.

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

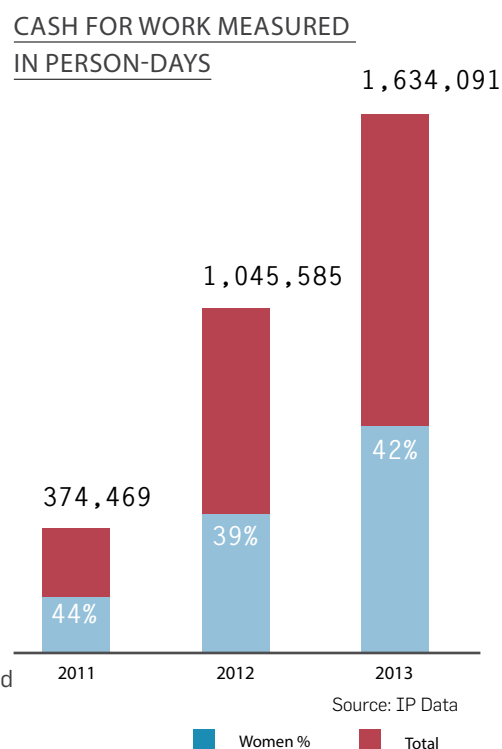
Ten IP projects reported their achievements against this indicator, with the largest contribution coming from GRET with 5,545 participants. Overall, achievements doubled since 2012. The assessment of the training by participants, when undertaken, was commonly by means of a post training evaluation form. Women represented 48% of the participants.

16 Household Survey 2013

Output 4: Effective social protection measures that increase the incomes, enhance the livelihood opportunities, or protect the livelihoods assets of chronically poor households.

O4.1: Number of households supported by CfW activities that think the intervention was timely and effective.

In total, 12 IPs supported 146,618 households with cash-for-work (CfW) activities during 2013. The largest contribution came from Proximity Designs, whose two projects supported 99,441 households. The number of households receiving CfW payments is readily measured and all projects have done so. However, assessing whether CfW opportunities were offered at the most appropriate time or were effective is more difficult.¹⁷ Proximity Designs was the only IP to have formally assessed the perceptions of household beneficiaries regarding the timeliness and effectiveness of this support. In May 2013, they surveyed a random sample of 373 households involved in their Dry Zone pond rehabilitation programme, when 78% of respondents reported that the CfW was timely and effective.



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

Ten IP projects reported their achievements against this indicator. The largest contribution was from two Proximity Designs projects, where 14,800 households that received CfW payments are reported to have invested in productive assets. Proximity Designs conducted two surveys: one in the Dry Zone and the other in the Delta in order to make this assessment. In the Dry Zone, 14% of households reported that they had used at least some of their CfW payments on productive investments (both agricultural and non-agricultural). In the Delta, the figure was 22%. None of the other LIFT partners had undertaken formal surveys to determine the numbers of households using cash/asset transfers for this purpose.

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

Only eight IP projects reported against this indicator. By far the largest was Proximity Designs, whose two projects contributed to nearly 85,000 households out of the combined IP total of 94,171. Their two surveys in 2013 indicated that 86% of their CfW households in the Dry Zone and 83% of households in the Delta achieved improved food access by at least one month.¹⁸ Other IPs did not conduct such formal surveys to estimate their contribution to household food security from social protection measures.

¹⁷ Timeliness refers to offering cash-for-work opportunities when demand for casual labour is low. Effectiveness is related to its impact on food security (i.e., enabling households to have enough food to eat when otherwise they may not).

¹⁸ This has been extrapolated using household incomes from cash-for-work projects, numbers of household members, and market prices for rice, to calculate the number of extra months of rice consumption that could be afforded, assuming all expenditures would be for this purpose.

As discussed under purpose indicator 4 above, the LIFT Household Survey results suggest that 57% of the 511,505 beneficiary households (over 290,000 households) went from a MAHFP score of 10 months or less to a score of 11 or 12 between 2011 and 2013. This achievement is the result of all forms of LIFT support, not only CfW interventions.

Output 5: Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.

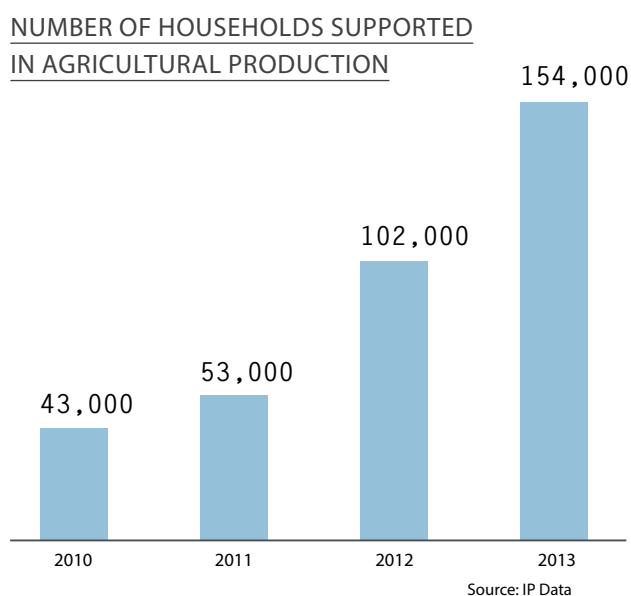
O5.1: Number of local NGOs better skilled in technical issues, and project and financial management.

Achievements have far exceeded LIFT's 2013 milestone largely due to the contributions of projects funded under the Learning and Innovation Window. The World Food Programme's project, "Vulnerability, Analysis, and Mapping in Myanmar", supported 44 local NGOs in developing their skills in monitoring food security. The Paung Ku Project on strengthening civil society organising and advocacy supported 32 local NGOs.

However, there was little consistent data provided as evidence of improved capacity. IPs used a variety of methods to assess changes in capacity of their local partners. With a few exceptions, these methods were neither rigorous nor standardised. To address this constraint, LIFT commissioned the "Effectiveness of LIFT Support in Strengthening Civil Society" study. (See Chapter 4.1 of this report.)

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

Reported achievements fell short of LIFT's 2013 milestone. The largest contribution was from Proximity Designs, whose work with pond renovation groups accounted for 793 of the total CBOs reported to have applied skills from their training.¹⁹ This training, and the training of many other IPs working with village-based organisations, was principally related to project and financial management. Given that IPs have reported that they had established or strengthened over 9,000 CBOs, the achievement for this indicator (O5.2) is likely to be an underestimate.



19 Pond renovations groups were trained to manage CfW activities.



WOMEN'S ENGAGEMENT BY THE NUMBERS

The 2013 gender disaggregated data shows how women in particular have benefitted from LIFT-funded activities. Women represent:

94% of LIFT-trained people who established enterprises

86% of microfinance borrowers in LIFT-supported villages

40% of Metta's Farmer Field School participants in the Hilly Region

42% of cash-for-work person-days

95% of members in savings and loans groups in the Tat Lan Programme

55% of the people trained in production practices in the Tat Lan Programme

... with the continuing struggle:

Dry Zone daily wages are reported at 1,930 Kyat for men and 1,424 for women²⁰

2.3 Activity monitoring

Every six months, LIFT IPs report their progress against a set of activity-level indicators. A summary of this monitoring data as of December 2013 is presented in Table 9.²¹ The targets in column 1 represent an aggregate of targets for each project that has been contracted by LIFT.

The table shows that LIFT has exceeded in 18 out of 23 targets, again reflecting that LIFT has evolved in scope and scale since the targets were set in 2010. Many IP projects have accomplished most of their targets, particularly projects under the Delta II and Countrywide programmes that have been running for three years.²² The new projects under the Learning and Innovation and Financial Inclusion windows will continue to contribute to the total.

²⁰ LIFT Household Survey 2013 p.24

²¹ The data has been gathered from all projects of the Countrywide and Delta 2 programmes, as well as from relevant projects funded under the Learning and Innovation and Financial Inclusion windows. These are cumulative figures and include data from the Delta 1 programme, which was closed in 2011. Many of the projects within the Countrywide and Delta 2 programmes will be completed in 2014.

²² The table also includes data from the Delta 1 projects that were completed in 2011.

Table 5: Summary of implementation progress for LIFT-funded projects to the end of 2013

Indicator	Aggregate target for contracted IPs up to 2016	Achievement during 2013	Cumulative achievement at end of 2013	
			Number	%
Planned aggregate targets (without double counting)				
Total number of direct beneficiary HHs	360,890	138,450	511,505	142%
No. of female-headed HHs	14,720	19,733	40,364	274%
No. of HHs with disabled persons	3,676	3,111	6,529	178%
Agricultural production (crops)				
No. of HHs supported in agricultural production	99,832	52,310	154,319	155%
No. of HHs benefiting from market information and linkages	21,059	3,177	28,024	133%
Livestock production				
No. of HHs supported in livestock production	16,540	3,958	20,355	123%
Fishery production				
No. of HHs supported in wild capture fishery	6,390	1,956	9,932	155%
Other income-generation activity (IGA)				
No. of HHs supported in other IGA (not agri/livestock/fishery related)	17,261	6,157	24,112	140%
Credit				
No. of HHs provided microfinance for agriculture (including livestock and aquaculture)	134,930	60,518	130,025	96%
Loans provided to women	101,840	3,536	90,056	21% ²³
No. of HHs provided credit for non-agricultural purposes			21,187 (female)	
Loans provided to women			18,135	
Revolving funds				
No. of HHs supported through revolving funds (in kind)	13,594	83,466	27,344	201%
Training				
Total number of participants trained (male and female, all topics)	109,682	83,466	12,870	194%
Total number of female participants trained (all topics)	NA	41,080	92,690	NA
No. trained - agriculture related (including livestock and aquaculture)	47,492	32,367	92,571	195%
No. trained - other IGAs (not agriculture/livestock/fish)	13,360	2,719	11,914	89%
No. trained - wild capture fishery related	548	121	316	58%
No. agricultural/livestock/fishery extension workers trained	5,542	6,921	13,410	242%
No. trained in environmental protection/conservation/rehabilitation	9,908	7,223	16,234	164%
No. trained in skills to strengthen CBO management or capacity	32,165	34,115	78,425	244%
Cash-for-work (CfW)				
No. of person-days of CfW provided	2,166,974	588,506	1,634,091	75%
No. of person-days of CfW provided for women	672,131	269,937	680,949	101%
Total number of HHs supported through CfW	110,598	36,488	146,618	133%
Assets and infrastructure				
No. of CBOs established or strengthened	4,039	2,998	9,389	232%

²³ This credit-related indicator shows significant under achievement. This is partly the result of an anomaly in IP reporting. LIFT requires IPs to report only new households being provided credit so as to avoid double counting of households. Pact, which contributes more than any other IP to these figures, offers agricultural credit to many households as a first loan. Upon successful repayment, households are given the opportunity to take out loans for other purposes. These second loans are not captured in the above figures.

3. GEOGRAPHIC AREAS

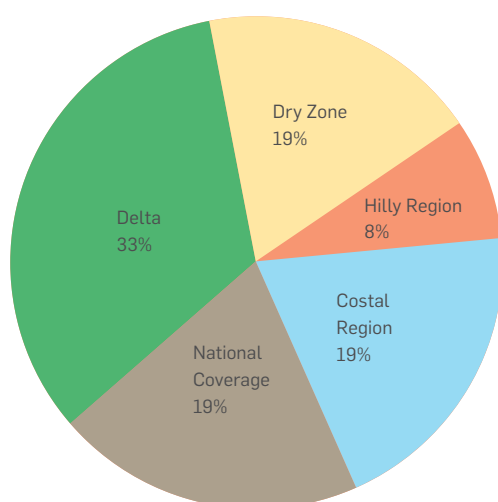
In this chapter, insight is offered for notable developments in project implementation that took place in 2013. The chapter is presented according to the four agro-ecological zones where LIFT operates:

- The Ayeyarwady Delta - commonly referred to in this report as 'the Delta' (15 projects);
- The Dry Zone - the low-lying central part of the country that includes large parts of Mandalay, Magwe, and the southern Sagaing Region (16 projects);
- The Hilly Region - upland areas in Kachin, Chin and Shan States (8 projects); and
- The Coastal Region - Rakhine State (4 projects)

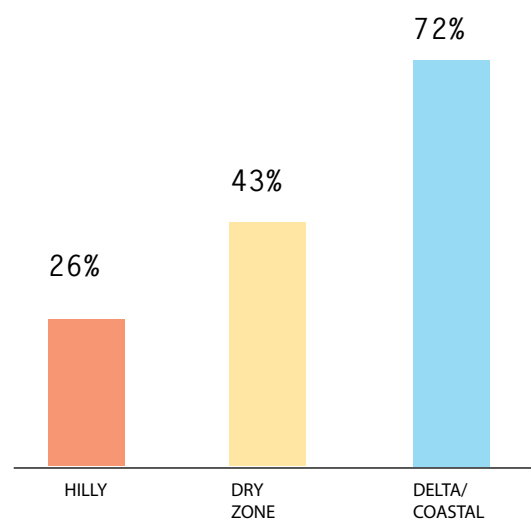
Of LIFT's 80 projects implemented with 50 different partners during 2009-2013, 15 have a national focus.

In terms of the allocation of LIFT grant funds according to agro-ecological zones, the largest share has gone to the Delta and the second largest share to the Coastal Region. The smallest proportion of funding goes to the Hilly Region with just 8% of grant allocations to date. The relatively large proportion allocated to the Coastal Region reflects the new Tat Lan project in Rakhine, which started in March 2013. In 2014, LIFT plans to begin new programmes in the Hilly Region and the Dry Zone.

ALLOCATION OF LIFT FUNDING BY AGRO-ECOLOGICAL ZONE
(\$133 MILLION)²⁴



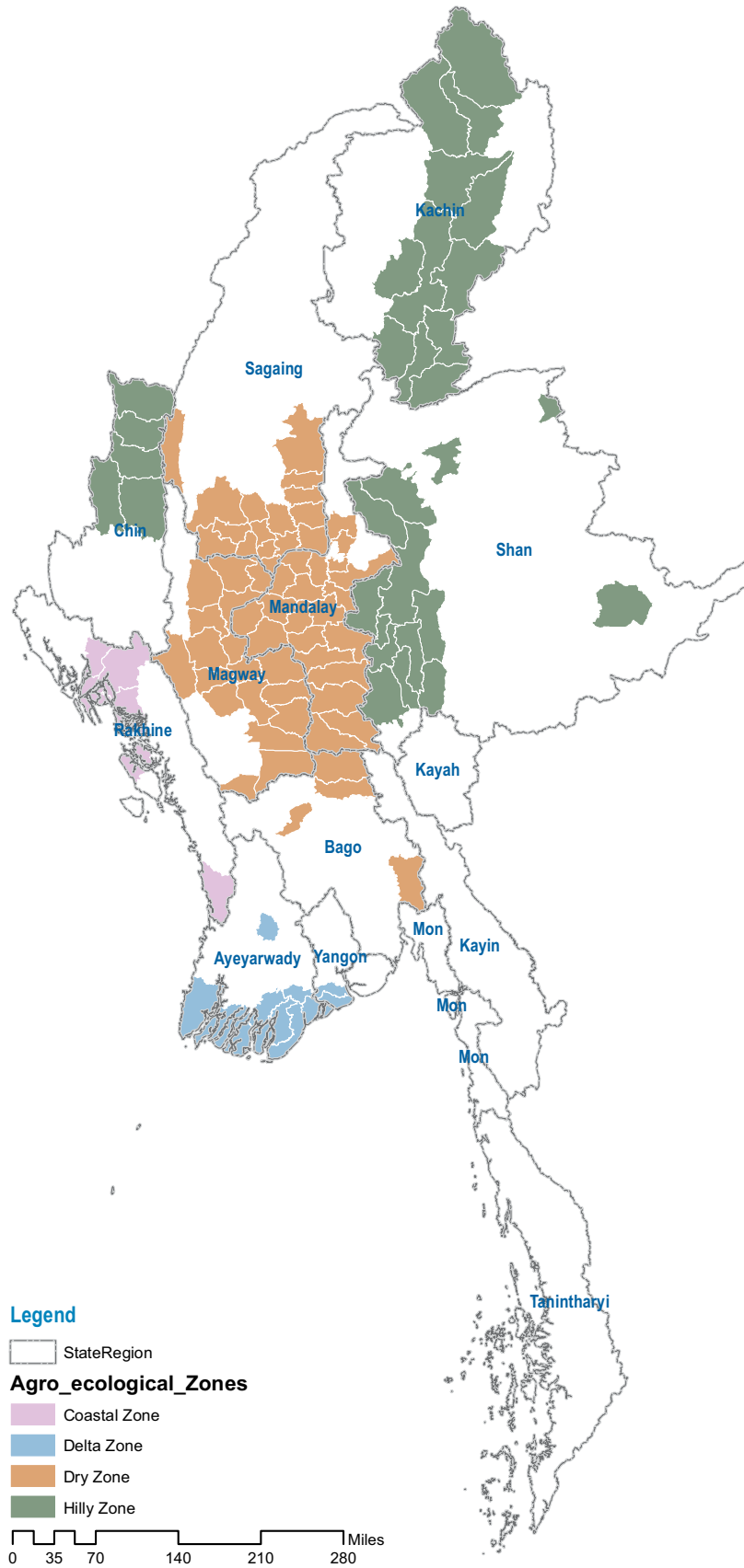
% LANDLESSNESS BY AGROZONE



Source: LIFT Baseline Survey 2012

²⁴ Projects contracted as of 31 December 2013.

LIFT'S COUNTRY COVERAGE BY AGRO-ECOLOGICAL ZONE



3.1 AYEYARWADY DELTA

Highlights and observations from 2013

- There has been noticeable improvement in coordination between IPs and stakeholders.
- Seed trials and seed multiplication efforts are making progress, but procedural and quality challenges remain on the path towards achieving scale.
- Evidence is emerging that improved crop management practices work and this should improve farmer adoption.
- Effective post-harvest technologies can dramatically reduce grain losses.
- Upgrading village rice mills leads to improved milling efficiency and reduced costs to farmers.
- Collective storage and paddy sales provide farmers with access to funds at harvest time.
- Access to affordable crop loans is increasing, creating the need for strengthened oversight and client protection measures.

LIFT is funding 15 complementary projects in the Delta region with a total budget of around US\$24.8 million. These projects work to increase rice production and profitability throughout the rice value chains (towards LIFT's Output 1) with complementary activities to improve farmer organisation, access to financial services, fisheries, natural resource management, and small-scale infrastructure. Table 6 summarises the work of LIFT's implementing partners in the Delta.

LIFT's Delta activities also provide labour opportunities for landless families, including home gardening, small livestock husbandry and support for fishing activities and aquaculture. Support and services are provided through collective approaches at the village level and sometimes with inter-village organisations.

Financial services are expanding through additional support from LIFT to service providers, as well as new government initiatives and the rapid expansion of financial cooperatives. This increased access raises concern for individuals taking out multiple loans and risking higher indebtedness. Better client protection measures and coordination between financial institutions is necessary to protect borrowers.

3.1.1 Description of the area and current context

Rice growing is the backbone of the economy in the Delta: it is the most important economic activity for farmers and the second-most important economic activity for landless labourers. Opportunities for increasing production exist, but differ according to three broad agro-ecological sub-zones:

- The northern zone, where access to fresh water allows the irrigation of a second crop, which means growing pulses in the winter and paddy in the summer and/or in the pre-monsoon season;
- The southern, brackish water zone, where only monsoon rains allow paddy to grow; and

Table 6: LIFT projects in the Delta

IP	Location	Focus
WHH - GRET	Bogale, Mawlamyinegyun	Agriculture and value chain strengthening
Radanar Ayar	Bogale	Agriculture: seed production
Mangrove Service Network	Bogale	Mangrove protection
ActionAid-Thadar Consortium	Bogale, Mawlamyinegyun	Community development, CSO strengthening
Proximity Designs	Bogale, Mawlamyinegyun, Labutta	Small-scale infrastructure and agriculture
Proximity Designs	Bogale, Mawlamyinegyun, Pyapon, Dedaye, Labutta, Myaungmya, Nyaungdon, Maubin, Pantanaw	Microfinance
IRRI	Bogale, Mawlamyinegyun, Labutta	Agriculture research
IRRI	Bogale, Mawlamyinegyun, Labutta plus 20 other townships in the Delta (plus Sagaing, Bago, and Mandalay Regions)	Agriculture research, rice environment mapping
UNDP/Pact ²⁵	Bogale, Mawlamyinegyun, Labutta	Microfinance
Mercy Corps -ArYone Oo	Labutta	Agriculture and value chain strengthening
AVSI	Labutta	Agriculture cooperative
Link Emergency Aid Development (LEAD)	Labutta	Agriculture, livestock husbandry, tree plantation
ADRA	Labutta	Fisheries, aquaculture and value chain
Oxfam - Network Activities Group (NAG)	Pyapon, Dedaye	Fisheries, policy and value chain
Pact	Pyapon	Microfinance

- The intermediate zone, which lies between these two. A second crop is not guaranteed because water salinity levels increase progressively over the dry season. Some farmers do risk planting a second crop, but they have to manage a very tight calendar between the monsoon and the summer seasons.

In all three zones, small landholders continue to face many challenges. The most vulnerable households have been unable to attain their pre-Cyclone Nargis livelihoods.²⁶ Their investments are constrained by high indebtedness levels, weak collective organisations, and an overall lack of services. Accessing quality seeds, inputs, affordable credit, and long-term investment are still important challenges for most farmers, millers, and others along the value chain.²⁷

The economic context is evolving fast, with new labour opportunities arising around Yangon and further afield. Migration is reportedly increasing with some landless families permanently moving out, although no quantitative study has measured this trend. According to the LIFT-funded Qualitative Social and Economic Monitoring (QSEM) Round Three Report, farmers continue to report labour shortages at peak season, and in some areas report an increase in the cost of labour, which is thought to be linked to an increase in distress-related out-migration. Larger farmers are investing in small mechanisation to increase harvest efficiency, with the appearance of combine harvesters.

25 UNDP and LIFT have agreed to terminate the contract for UNDP's Delta II microfinance project, effective from 31 December 2013. LIFT has transferred the contract to Pact, which was already the operator. This change-of-contract management will have no effect on the operational level and the project's commitments towards its beneficiaries. The previous contract in terms of targets and milestones will not be modified.

26 Cyclone Nargis devastated the Delta in May 2008, taking at least 140,000 lives and damaging the livelihoods of an estimated 1.5 million people.

27 Enlightened Myanmar Research and the World Bank, 2013, Qualitative Social and Economic Monitoring (QSEM) Round Three Report, LIFT.

With the plethora of new economic opportunities, the Myanmar rice sector is developing export markets and aiming to attract foreign direct investment to help modernise its dilapidated mills.²⁸ Large mills in the Delta have started upgrading their facilities to meet higher quality standards. The Myanmar Rice Federation created the Myanmar Agribusiness Public Corporation (MAPCO) to attract foreign investment and is working with the Japanese company, Mitsui & Co. Ltd. on the creation of a network of rice milling and rice processing facilities. Numerous other investments are likely. In view of these developments, one can expect changes and new opportunities in the rice value chain.

The area has experienced unreliable climate conditions in recent years. At the beginning of the 2013 monsoon, a long period of rains and floods destroyed areas already sown. Farmers had to re-sow and fill gaps by transplanting with forks. Many experimental demonstration areas and seed production plots supported by LIFT IPs were affected by these conditions. However, weather conditions at harvest time were favourable, which led to fewer grain quality issues than in 2012.

3.1.2 Discussion of Results

1) There has been noticeable improvement in coordination between IPs and stakeholders, and expanded collaboration with government.

The FMO continued its efforts to improve coordination and knowledge sharing between IPs, and between IPs and other stakeholders including local government. The FMO convenes monthly meetings with IPs in Bogale and Labutta, and this has facilitated cross learning for projects with similar objectives in different areas. In addition, Community of Practice groups were set up in three townships, where local IP practitioners share expertise and learning.

At the township level, authorities convene a monthly coordination meeting to guide the planning of development activities by various stakeholders (technical departments and NGOs).²⁹ In 2013, LIFT supported the Labutta township authorities to organise a workshop to define priorities for the future township development plans.

Two other examples demonstrate the current openness of the local government, and provide examples of building stronger inclusiveness in local policies:

- Village profiles or 'village books' were developed by the ActionAid - Thadar Consortium, using a participatory methodology. These provide analysis on the economy, social services, power availability, vulnerability and poverty levels, and women's status in a village, and are being promoted to government as a potential source of information for drawing up township, regional, and national development plans.
- With LIFT support in Dedaye and Pyapon, Oxfam and the Network Activities Group (NAG) have established and supported a Fisher Development Association for the Delta. This is now a large network of fisher groups across 21 townships, advocating for the rights of fishing families. It actively engages with parliamentarians, political parties, and regional governments, and is working to develop a new regional law for the management of fresh water fisheries.

²⁸ More information about Myanmar: Capitalizing on Rice Export Opportunities report is available on www.lift-fund.org
²⁹ The meetings in Mawlamyinegyun have been noted by the FMO for their dynamic and constructive interactions.

2) Seed trials and seed multiplication efforts are making progress, but procedural and quality challenges remain on the path towards achieving scale.

One of LIFT's main priorities in the Delta is to increase the availability of improved paddy seeds and produce enough certified seed to allow farmers to renew their seed stock every three years in order to maintain quality and performance. Research from the International Rice Research Institute (IRRI) shows that the use of good quality, locally adapted rice seeds can increase yields by 5 to 20%.³⁰

LIFT assists by working with IRRI to test and diversify the range of rice varieties available and bring to market high yielding local varieties that have a higher tolerance to submergence and salinity. The Fund also works with a number of IPs involved in the multiplication of quality seeds by way of cultivation and distribution by farmers.

Participatory varietal selection

LIFT contracted IRRI in 2012 to pilot participatory varietal selection (PVS) of paddy seeds that are tolerant of brackish water or long periods of submersion. The first on-farm 'mother trials'³¹ took place in 2012, with 'baby trials' conducted during the 2013 monsoon. Additional trials for salt tolerance took place in 2013. IRRI is analysing the data and results will be shared in the next annual report.



IRRI worked closely with other LIFT IPs in the area to select farmers, to monitor the fields during the growing season, and to collect data at harvest. The project will continue through the 2014 monsoon. At that time, IRRI will decide which locally adapted varieties farmers like and use. These will then be selected for seed multiplication.

³⁰ See example: <http://www.knowledgebank.irri.org/bmp/pre-planting-phase/quality-seed.html>

³¹ More information about the PVS methodology is available at http://www.knowledgebank.irri.org/ricebreedingcourse/Participatory_Variety_Trials_For_Rainfed_Rice_Cultivar_Evaluation.htm

Seed multiplication

Demand for quality paddy seeds far exceeds supply in the Delta because there is a lack of reliable suppliers and much of the paddy grown is of poor quality. Six IPs are working in the Delta to help farmers multiply good quality seeds. IPs supply registered or certified seeds from the Department of Agricultural Research (DAR), the Department of Agriculture (DoA), and private seed producers, to farmers who then multiply the seeds to share with fellow farmers. The sharing process is done according to traditional systems of exchange between neighbours, and by selling small quantities locally without specific treatment, cleaning, or packaging.

During the 2013 monsoon season, over 300 farmers worked on seed multiplication, with the bulk of the seed being produced through the Radanar Ayar project, which works with 195 seed growers.

While IP approaches to seed multiplication and distribution vary significantly, they are mainly decentralised, aiming to increase the availability of quality seeds at the village level through local production by well-trained seed growers.

The FMO has observed limitations in the systems. A main concern is that some IPs distribute free quality seeds at the same time and in the same locations where farmers exchange or sell their seeds. This effectively cuts the farmers' chances of building a client base and business, and harms the prospects for long-term sustainable production.

Another concern is quality control. IPs have developed different protocols and requirements to control the quality of seed produced by the growers, and what they offer is actually technical guidance for the seed growers as opposed to real quality assurance protocols. In case of a failure to meet minimal requirements there is no procedure to declassify the seeds and inform customers. To advance seed production and improve quality control practices, IRRI delivered a training course³² to government staff, IPs, and several seed growers in October 2013.³³

Radanar Ayar has developed more formal procedures with a three-level classification system that they use for their own purchase of seeds to stock the central seed bank.³⁴ For the 2013 monsoon season, quality was first controlled in Radanar Ayar's laboratory and only the best quality from individual seed growers was presented for government laboratory certification. Other production will be simply labelled 'quality-declared' seeds³⁵ and exchanged locally.

3) Evidence is emerging that improved crop management practices work and this should improve farmer adoption.

LIFT IPs advise farmers on how to improve their crop yields by applying new approaches and methodologies. IRRI, in particular, is identifying potentially good practices related to specific environments in order to fast-track future advisory services. A selection of LIFT agricultural extension activities—each with demonstrated advantages and disadvantages—are considered below.


32 Hands-on training on quality rice seed production

33 IRRI introduced simple quality-testing kits for seed and grain in 2012

34 The central seed bank purchases seeds from seed growers at a guaranteed price if certain quality criteria are met. It stores the seeds and then redistributes them to farmers in other villages. It is a distribution system that is complementary to the exchange of seeds between neighbours, and allows a market for the seed growers.

35 For more information about quality declared seeds versus certified, please see IRRI's website: <http://www.knowledgebank.irri.org/ckb/quality-seeds-maize>

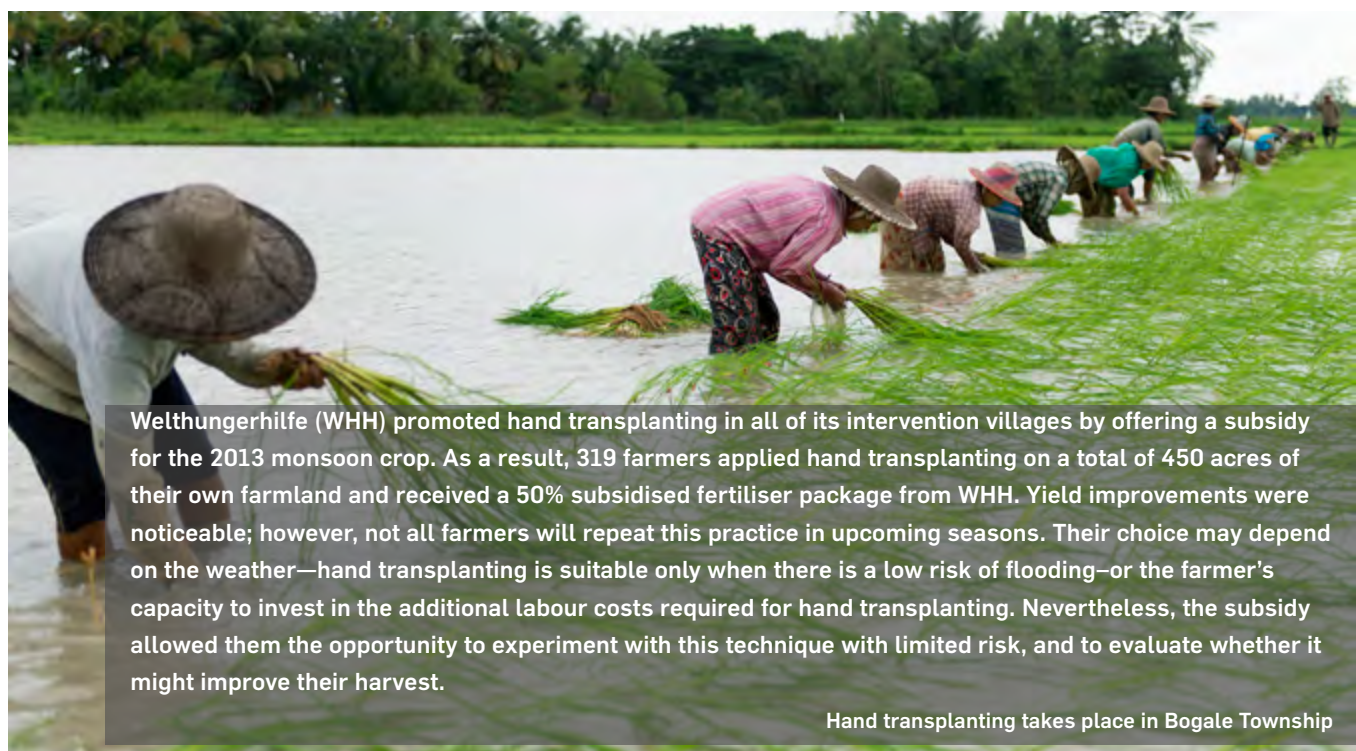
Table 7: Planting techniques, ranging from highly complex to basic sowing

 <p>Increasing complexity & labour intensity</p>	System of rice intensification (SRI) ³⁶	Improved nursery management; only one seedling per hill; 8-15 days old; alignment; large spacing (22 cms); good water management; mechanical weeding and soil aeration; 25-60 tillers per plant/hill.
	Single-plant transplanting	Improved nursery management; only one seedling per hill; 20-25 days old; alignment; large spacing (17-22 cms according to the seedling age); one row empty every six rows; water management; 15-20 tillers per plant.
	Improved hand-transplanting	2-3 seedlings per hill; 20-30 days old; alignment; large spacing (20-22cms); one row empty every six rows; limited water management; 15-20 tillers per hill.
	Normal hand-transplanting	3-6 seedlings per hill; >30 days old; no alignment; reduced spacing (15-17cms) no water management; 10-15 tillers per hill.
	Stick transplanting (with a special fork)	7-10 seedlings per hill; >40 days old; no alignment; reduced spacing; in deep water (>38 cms deep); mostly to fill areas where broadcasted seeds have not germinated or were displaced.
	Direct sowing with drum seeder	Reduced seed use (1-1.5 baskets/ac); line sowing with enough space for weeding; requires inter-cultivation.
	Broadcasting	Dense sowing (1.5-3 baskets/ac); used in submergence prone areas; before the floods/tide; risk of failure; need to sow again or to fill gaps by transplanting seedlings; no weeding required.

Improved hand-transplanting methods are being adopted widely due to IP extension activities. In the Delta, farmers have traditionally broadcast their seeds and transplanted with forks in deep water. These techniques are well adapted to the local conditions, especially in lower areas where there is a high flood risk and tidal effect. However, this is much less productive than improved hand-transplanting techniques. A description of different planting techniques is provided in Table 7.

Through IP extension efforts, hand transplanting is associated with other improved practices such as line transplanting, better spacing, or the use of younger seedlings. It seems that farmers adopting hand transplanting also adopt other beneficial practices and are well aware of the advantages. According to FMO observations in the Delta, the adoption of hand transplanting has accelerated since Cyclone Nargis, with some villages doubling the areas being transplanted every year. Farmers attribute this to extension efforts made by NGOs. The overall understanding of the improved techniques and associated advantages/risks is excellent, and is being shared with farmers outside the extension services. The adoption of improved practices, is not uniform, however.

³⁶ The system of rice intensification (SRI) is rarely adopted and most extension workers do not recommend SRI. This is because farmers in the Delta have insufficient water control and it is deemed too risky in the heavy monsoon rains. However, there is limited potential for SRI with irrigated paddy in the dry season—a potential that is still untapped by the current extension services.



Welthungerhilfe (WHH) promoted hand transplanting in all of its intervention villages by offering a subsidy for the 2013 monsoon crop. As a result, 319 farmers applied hand transplanting on a total of 450 acres of their own farmland and received a 50% subsidised fertiliser package from WHH. Yield improvements were noticeable; however, not all farmers will repeat this practice in upcoming seasons. Their choice may depend on the weather—hand transplanting is suitable only when there is a low risk of flooding—or the farmer's capacity to invest in the additional labour costs required for hand transplanting. Nevertheless, the subsidy allowed them the opportunity to experiment with this technique with limited risk, and to evaluate whether it might improve their harvest.

Hand transplanting takes place in Bogale Township

Labour costs are a constraint, as hand transplanting requires skills that are not yet widespread. GRET and Radanar Ayar are therefore helping to organise labour groups to train labourers in the method. FMO met with women's groups that have been able to raise their income through this kind of collective work. In many villages, farmers have either reached the full potential for the extension of hand transplanting or are regularly increasing the transplanted areas.

Promoting the use of drum seeders is well suited to dry season paddy. Drum seeders and broadcasting are labour saving techniques, applied where and when the plots have to be planted quickly and labour is a constraint, either in terms of availability or financing. This applies in the monsoon to the lowest plots that are the first to flood at high tide, and for summer rice cropping when land preparation coincides with the harvest of the monsoon paddy and the demand for labour exceeds supply.

Drum seeders have proven useful to farmers, but with several caveats. Radanar Ayar provided drum seeders to 25 village farmer groups. In one village, farmers told the FMO that with only one seeder, they could sow 70 acres of land (six acres per day) for summer rice and the result had been very successful. The villagers were ready to purchase more drum seeders for the next season. However, WHH/GRET reported difficulties using drum seeders. The germinated seeds block the holes in the drum, which results in uneven sowing. If there is heavy rain or tide intrusion, the seeds are moved and are no longer aligned, which later prevents mechanical weeding, which is a main advantage of this method. The drum seeder is therefore a useful tool mainly for the sowing of dry season paddy on plots with no tidal influence and where farmers are ready to carry out weed control.

Further testing and economic analysis is required to identify appropriate extension messages for improved nursery management, fertilisation, weeding, and pest control. After a series of trials, IRRI is putting forward a set of well-tested practices and economic analyses that can feed into future advisory services:

Weed management is a crucial issue especially during the dry season. Most farmers broadcast seeds at a high rate to limit weed development. Hand-weeding sessions were held in two villages where the yields increased by 14% and 17% respectively. However, hand weeding involves high labour costs and is not always a practical option. IRRI conducted tests in three villages to identify herbicides that can provide good weed control and consequently better yields.³⁷ Five herbicides were tested and results were compared with current non-chemical weeding practices. Income more than doubled with the application of herbicides. However, the environmental consequences of herbicide use should be strongly considered.³⁸ IRRI also conducted nursery seedbed management trials, and fertiliser trials for monsoon paddy, which showed promising results.

The question remains as to which approaches are best offered through farmer advisory services. Most extension services provided by LIFT IPs are intensive in terms of staff and the cost per farmer, and are demanding on farmers time. In contrast, the Proximity Designs approach of farm advisory services (FAS) offers a less intense, on-demand service. By the end of 2013, their FAS team had trained a total of 11,122 farmers in salt-water seed selection, reaching a large number of farmers with a simple, well-tested technique suited to different contexts. However, this system would be much less effective with complex techniques such as improved hand transplanting or SRI.

Efforts to extend winter crops to brackish areas have been largely unsuccessful. LIFT's IPs undertook extensive efforts to support farmers with technical advice to grow winter crop varieties in the southern brackish parts of the Delta. However, the majority of the pilot crop plots failed for reasons relating to



In one Delta village, farmers told FMO that using the seeder they could sow 70 acres of land (six acres per day) for summer rice. The drum seeder was seen to be useful mainly for the sowing of dry season paddy on plots with no tidal influence and where farmers are ready to carry out weed control.

A farmer plants his field using a drum seeder

37 LIFT IPs do not promote the use of pesticides and herbicides, but where they are available and used by farmers, some IPs provide training on their safe use, explaining which products are suitable, which are not, when treatment is economically justified and according to which dosage, to sensitise farmers to the health and environmental risks linked with their use.

38 FMO discussions with villagers indicate that the use of herbicide over summer rice is already spreading in the Delta, independent of any IP extension activity.

soil or disease, depending on the crop. The FMO notes that developing new farming systems to include winter crops in the lower Delta would require even more intensive agronomic research than has been carried out to date. Funding this is beyond the scope of LIFT's current projects.

4) Effective post-harvest technologies can dramatically reduce grain losses.

Reducing losses after harvest and ensuring the best quality of grain throughout the drying, storage, and milling processes probably has more economic potential than efforts aimed at higher yields alone. Almost all farmers practice 'field drying' by leaving the cut crop on stubble for two days, or longer if they are busy planting other crops. Poor weather conditions in this window will cause serious crop losses, as was the case in 2012.

In 2013, IRRI established the Post-harvest Learning Alliance, which involves representatives from NGOs, civil society organisations, and the public sector. The group aims to tackle specific post-harvest issues such as drying grain, the quality of rice for milling, and the storage of seed. Some of their activities are described below.

Reapers and threshers are growing in popularity. The Department of Agriculture rents reapers to farmers for 600,000 kyat (about US\$625) per season, and the service seems to be in high demand. In March 2013, WHH purchased two reapers to be managed by two village development committees and tested under dry season field conditions. Grain losses were reduced by about 50% compared to sickle harvesting. However, the testing of these reapers in the 2013 monsoon season showed that they are not well adapted for soft, moist soils.

Mechanised threshing with wooden threshers is popular because farmers can repair them easily. Farmers were very interested in getting lightweight threshers that can easily be carried into the field and that can thresh wet crops immediately after harvesting. An IRRI post-harvest specialist engaged an agricultural equipment manufacturer in Bogale to produce two light threshers, according to IRRI designs. Two prototypes were tested in the field in November 2013 with a very positive response from farmers.



Reapers and threshers are growing in popularity

Flatbed dryers and solar dryers show promise and can be linked to warehouse facilities. GRET and IRRI collaborated closely to establish a pilot 'post-harvest platform' at the end of the 2013 monsoon season, which served as a demonstration site to facilitate post-harvest operations, improve the quality of rice, and make it easier to market. The platform combines a flatbed dryer³⁹ and a warehouse (to be constructed in 2014). Eight neighbouring villages contributed to the construction with funds and labour. A management

39 US\$4,500 for a three-metric ton capacity

committee was formed and trained to use and manage the equipment. The paddy will be stored collectively. This activity also involves discussions with millers to identify markets and to understand the relation between price and quality.

Since 2012, Radanar Ayar has installed five locally designed flatbed dryers in their villages, which are also used for compost making.⁴⁰ IRRI is exploring a new drying technology, the Solar Bubble Dryer, which is mobile, simple, and inexpensive. In addition, the solar panel can be used to create electricity for the household when the dryer is not in use. Five units are being shipped to Myanmar by IRRI for piloting with farmers in LIFT villages in 2014.

Storage losses remain a problem even in relatively well-managed stores. During 2013, IRRI and GRET conducted farmer-led experiments to compare the use of a range of storage bags, with traditional practice as a control. Considering that smaller farmers don't store large quantities of paddy, the new

Table 8: Comparison between three investments to support village rice mills

Particulars	WHH (2013)	Mercy Corps (2012)	Mercy Corps (2013)
Number of rice mills supported	6	30	18
Mill size (milling capacity)	Small and medium (3-8 tons/day)	1 big (>20 tons/day) 9 medium (5-8 tons/day) 20 small (<5 tons/day)	1 medium (5-8 tons/day) 17 small (<5 tons/day)
Supported amount per rice mill	US\$21,500 - \$11,500	US\$1,050 - \$15,600	US\$2,050 - \$3,125
Total amount invested by LIFT for upgrade of mill provided	US\$33,500	US\$103,800	US\$48,800
Training	11 millers prepared a business plan with Business Capacity Building Centre ⁴¹	33 millers prepared a business plan with Business Capacity Building Centre ⁴¹	None
Type of support and contract	In-kind support to rice mill owners. Quotation and selection made by rice millers. Contract for the loan between VDC and miller. Rice miller contributes to cost of equipment and pays for installation and building modifications.	Direct cash grant to rice mill owner. Agreement between MC and individual millers. 25% investment by the miller.	2 contracts: Mercy Corps grant to farm producers enterprise (FPE); FPE loan to rice mill owner.
Repayment protocol	Loan @ 1% per month. Repayment in five instalments over 18 months to a bank account managed by two rice mill owners and WHH staff.	Grant with no repayment. Discount milling fee, free storage, and transportation service for FPE members.	Loan @ 1% per month. Repayment in two instalments after 6 and 12 months to the FPE.
Utilisation of repayment	The funds are allocated to the VDC for local development activities, preferably deposited into a revolving fund.	Not applicable	The fund to be used by the FPE for purchasing farm equipment and/or paddy business.
Result of rice mill upgrading	Increase of about 30% of milling capacity	Not mentioned	Not applicable (yet)

40 In 2013, 36 farmers produced 24.5 metric tons of compost.

41 This is a local non-government organisation that connects projects to relevant trainers.

hermetic storage system using IRRI GrainSaves™ with a one metric ton capacity was considered most relevant. LIFT IPs may consider combining the use of these bags with the collective storage systems currently being developed (see sub-section 5 below), or providing them to seed growers at village level. Storage demonstrations will continue in 2014.

5) Upgrading village rice mills leads to improved milling efficiency and reduced costs to farmers.

While farmers sell the bulk of their paddy to intermediaries and millers, some farmers mill their paddy in local rice mills for their own consumption and/or for supplying the local markets. The added

value for this is often low, however, due to the poor performance of local mills and high milling costs.

Three IPs—AVSI, Mercy Corps, and WHH—have developed different approaches to improve the quality of the milling process and reduce the costs for the farmers to mill their paddy. They work only with small village-based rice mills to ensure that smallholder farmers have access to the service. The Table 8 compares the investments in mills between 2012 and 2013 by WHH and Mercy Corps.

The Association of Volunteers in International Service (AVSI) has invested approximately US\$18,500 to build a new rice mill that is run by a farmer cooperative in Labutta Township. The mill opened in 2013, with the cooperative offering milling services to farmers at operating cost. Some 10,870 baskets of paddy were milled for 570 farmers in one village tract.

In 2012, Mercy Corps funded the upgrade of 30 village mills, while WHH surveyed 13 rice mill operations and upgraded six in 2013. The mills were upgraded on a cost-sharing basis; project funds were matched by contributions from rice millers (see Table 13 for details).

After upgrading, all mills continued to process small quantities of rice for villagers' home consumption. Milling capacity increased from 15-30 to 20-40 baskets per hour while milling outturns rose to 45-48%, up from 35-40%. The first milling results confirm a higher quality of products and a reduction of bi-products (mainly broken rice). Support is needed to make more farmers aware of this quality increase. These mills can now envisage selling their products to markets in Yangon. Linkages should also be considered between the collective storage groups (see sub-section 6 below) and these millers.

WHH and Mercy Corps have different systems for passing on some of the benefits from the millers to the local community. In 2012, before upgrading the mills, Mercy Corps signed a three-year agreement with each miller to ensure a lower milling tariff and offer other benefits such as free storage and/or transportation.⁴² WHH upgraded the mills on the condition that its investment is paid to the village



IPs are working to upgrade village mills

⁴² These lower tariffs may represent a market distortion, but they also reflect the lower milling costs resulting from the upgrades, (especially the lower energy costs for the mills that have invested in the installation of a gasifier). The upgrade can mean they are more competitive with larger mills. Unfortunately, small farmers rarely mill their rice themselves and few of them benefit directly from this scheme. This is why Mercy Corps decided to shift to a similar approach to WHH to ensure that more benefits are shared with the villagers.

development committee over a period of three years. It should be noted that in both cases, these contracts extend beyond the project duration.

6) Collective storage and paddy sales provide farmers with access to funds at harvest time.

At harvest-time, farmers face a cash-flow crisis. They need cash for buying inputs and hiring labour for their new seasonal crops, yet they have to meet debt repayment obligations. They therefore need to sell their crops at harvest time when prices are at their lowest, prohibiting them from gaining any benefit from seasonal changes in the paddy price.⁴³ In specific response to this cash-flow issue, LIFT IPs are testing pilot storage systems, with encouraging results.

The IP provides initial capital to a group of farmers either to purchase paddy from the members, or to provide a loan to the farmers guaranteed by the paddy they store. The modalities vary by IP (see Table 9). The group speculates on the seasonal increase of the price of paddy to cover the costs of its operation and to generate a profit. The collective selling of a large amount of paddy off-season also increases the bargaining power of the farmers, vis-à-vis the millers or brokers.

Collective storage systems: WHH's Purchase Finance system and GRET's Inventory Credit approach. Introduced at the end of 2012, both of these schemes are comparable in that they allow farmers to get cash at the time of harvest, allowing for a better quality post-harvest system and increasing the bargaining power of the farmers. Mercy Corps has just started forming the groups and building the stores before providing capital.

In 2013, GRET formed a pilot scheme for three Inventory Credit groups in 13 villages. GRET provided a start-up grant to the group, which used the money to provide loans to members. The loan rate is 65% of the value of the paddy that is stored and the members are charged an interest rate of 2.5%, which goes back into the group to cover the storage running costs and increase the scheme's capital (see Table 9).

In the first season, the overall benefits amounted to over US\$3,600. The interest generated from the loan repayments was US\$1,382, or 38% of the overall benefit, which was kept by the group. The remaining 62% (US\$2,278) came from sales at higher prices during the off-season, and this was shared proportionately between the participants, who received an average of US\$33-\$45 per person. This was an excellent result.

The three different systems described above differ mainly in the way risks and profits are shared between the individual members and the group. The Inventory Credit approach gives farmers the scope to sell their paddy individually and at the time that best suits them, while in the two other schemes the management committee sells the paddy.

To allow smallholders to participate in these schemes, the group needs capital to pre-finance the farmer's crop at harvest time. Additional capital will need to be mobilised through other financial institutions if a group wishes to expand its membership and operations. These pilots suggest that the schemes can be profitable and therefore the farmer groups should be able to attract capital from the finance market.

⁴³ In worst cases, borrowers use moneylenders to meet a formal loan repayment obligation in order to remain eligible for this type of loan.

Table 9: Comparison between WHH, GRET and Mercy Corps' storage group systems

System	Purchase Finance System (WHH)	Inventory Credit (GRET)	Farmer Producers Enterprise storage (Mercy Corps)
Principle	A smallholder farmer sells his/herrice to the group at harvest, but agrees to a deferred payment of part of its value. S/he gets the balance according to market price after storage. The farmer is no longer the owner of the stock.	A smallholder rice farmer requests a credit after harvest. The credit is applied against his/her stock, used as collateral for the loan. Storage is collective, but bags are individually identified	A smallholder farmer sells rice to the group at harvest for the full value. The farmer receives a premium from the group after the paddy is sold.
Value received by the member	The group purchases the paddy at 80% of its market value when stored.	The farmer receives a loan of 65% of the value of the paddy stored at current market price.	The farmer received 100% of the value of the paddy stored at current market price.
Costs/benefits	No interest rate. Real costs are deducted from the benefits. All benefits are returned to the members.	The farmer has to pay a 2.5% interest rate per month on the amount of the loan. Storage and bag costs are deducted before returning the stock. Bags are partially subsidised by the project.	No interest rate, no costs. The member receives 50% of the increased value over the storage period.
Selling procedure	The committee decides when to sell, at what price, and to which trader.	Individuals sell or withdraw from the stock (with conditions) against the loan reimbursement. Possible collective selling.	Contract arrangements are negotiated between the group and a miller.
Beneficiary risk and profit sharing	It maximises the profit for the member. The group makes no benefits and doesn't increase its capital (but it would be possible for the group to collect a share of the benefit). The group covers most of the risks.	Profits are shared; the capital grows according to the interest collected. Risks are shared between the group and the member, but the member carries most of the risks.	The member gets a guaranteed 50% share of the profits. The group covers all costs and risks. Ownership and quality assurance might be an issue.

7) Access to affordable crop loans is increasing relatively quickly, creating the need for strengthened oversight and client protection measures.

In 2013, the main microfinance institutions active in the Delta region that provided agricultural loans to the farmers were: the Myanmar Agricultural Development Bank (MADB), Pact, Proximity Designs, and the township co-operative departments. LIFT is one of the funders of Pact and Proximity Designs. The activities of these lenders are detailed in Table 10.

According to the FMO's discussions with farmers in the Delta, MADB is a vital credit source of agricultural loans among smallholder farmers, providing low interest rate loans that cover from 70% to 90% of the per acre production cost. However, these loans are available two or three months after land preparation. In its assessment of MADB, the World Bank noted that MADB should operate with its own capital under prudential⁴⁴ and non-prudential regulations so that it can improve modernisation and expansion.

In the Delta, the percentage of households with a farm size over 10 acres is higher in comparison with other regions.⁴⁵ Farmers tend to take multiple loans, sometimes reimbursing one with the money of the other. This elevates the risk of indebtedness and default. This issue could be mitigated in two ways:

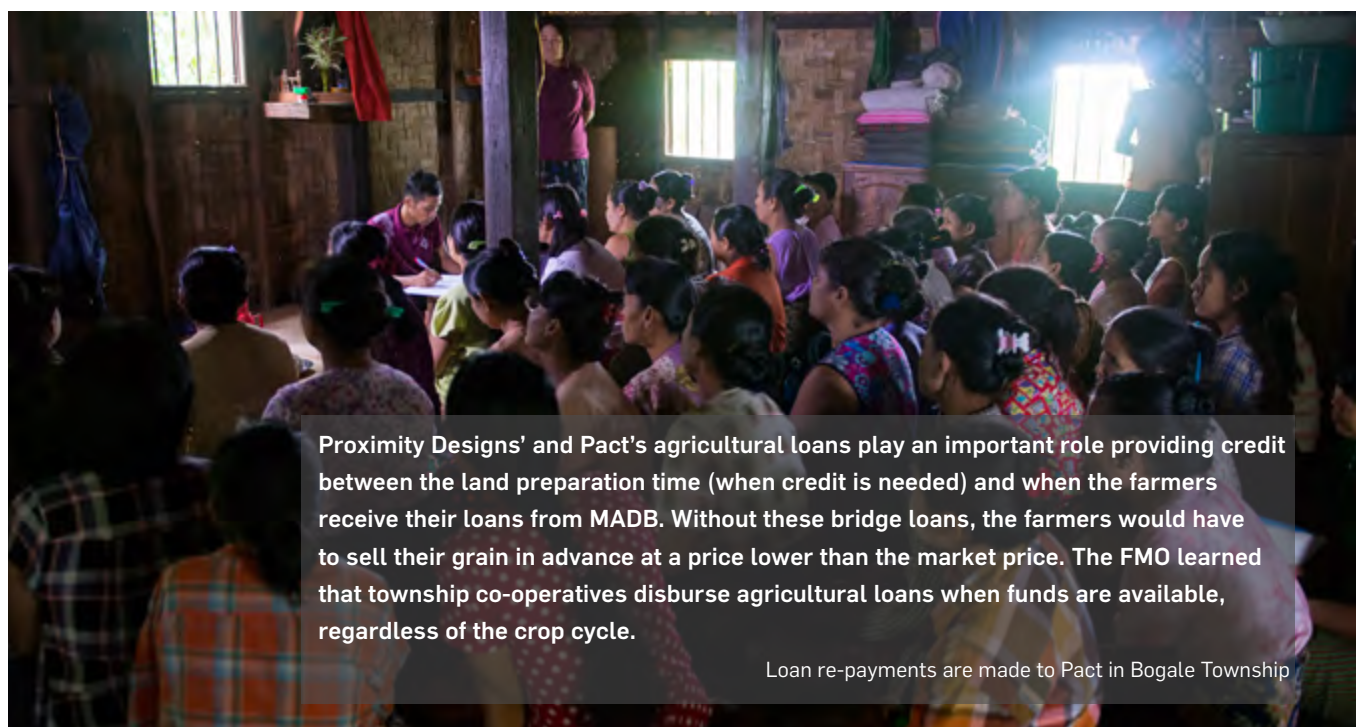
- Strengthening coordination among financial service providers: Through LIFT's coordination, Proximity Designs and Pact are exchanging information to avoid loan overlap issues. Township-level MADB branches and the Ministry of Co-operatives' Co-op Department also need to be brought together to discuss issues relating to agricultural loans and client information sharing.
- Application of client protection measures: It is the responsibility of all financial service providers to follow client protection principles. Pact has developed measures so that borrowers' repayment capacities, existing indebtedness, and the availability of microfinance services in the area are assessed

Table 10: Formal agricultural financial services available in the Delta

Features	Proximity Designs	Pact	MADB	Co-ops
Total no. of townships (branches)	9	8 with only 5 funded by LIFT (41 branches)	(27 branches)	(14 branches)
Customers	16,274 (7% LIFT)	22,079 (LIFT)	~850,000	11,803
Loan size (kyat)	120,000 per farmer	100,000 per acre	100,000 per acre	100,000 per farmer
Maximum acres	Not applicable	3 acres	10 acres	Not applicable
Loan period (monsoon)	5 months (July - Nov)	6 months (June - Nov)	6 months (Aug - Jan)	6 months (no specific timeframe)
Loan period (summer)	5 months (Jan - May)	6 months (Jan - June)	6 months (Nov - April)	Not started yet
Interest rate (annual)	30%	30%	8.5%	18%
Repayment arrangement	Interest + loan at the end of loan period	Interest payment every two weeks. Principle loan repayment at end of loan period.	Interest + loan at the end of loan period	Interest + loan at the end of loan period
Group guarantee and grouping	Yes 1 village, 1 group	Yes 5 members in 1 group	Yes 1 village tract, 1 group	Yes 1 village, 1 group

44 Regulation or supervision that governs the financial soundness of licensed intermediaries' businesses, to prevent financial system instability and losses to small, unsophisticated depositors (CGAP consensus guide for microfinance supervisors October 2012).

45 According to the 2012 LIFT Baseline Survey, the percentage of farms that are 10 acres or larger is: 11.9% in the Delta, 8.2% in the Dry Zone, and 2.3% in the Hilly Zone.



Proximity Designs' and Pact's agricultural loans play an important role providing credit between the land preparation time (when credit is needed) and when the farmers receive their loans from MADB. Without these bridge loans, the farmers would have to sell their grain in advance at a price lower than the market price. The FMO learned that township co-operatives disburse agricultural loans when funds are available, regardless of the crop cycle.

Loan re-payments are made to Pact in Bogale Township

before a loan is made. Pact has also opened the possibility for the voluntary repayment of crop loans before the end of the term, without penalties.

Despite different terms and conditions among the financial service providers mentioned above, the overall objective of the agricultural loan is to support poor farmers to increase agricultural production by giving them access to credit. All of the providers are responsible for regularly assessing the market and developing financial products. In those villages where access to small loans is insufficient among the poor farming households, another form of financial product could be introduced to better serve farmers, for example, a long-term loan for agricultural tools.

CONCLUSIONS AND NEXT STEPS

LIFT has helped smallholder farmers become more productive and to attain better value for their products; the Fund facilitated their working together in collectives to access services that improve quality, and to sell in sufficient quantities to attain higher prices. Farmer organisations, such as co-operatives, will need further support to develop their capacities, leadership, services, and also their economic basis, through post-harvest services, storage, and collective selling. This will allow them to merge into larger and more influential organisations, which are not only village based.

Extensions for projects closing in the coming year are foreseen in order to consolidate and broaden results, particularly in seed multiplication. Establishing a more sustainable supply of quality seeds will require extra effort and time, and a more coherent approach to the overall development of the entire seed value chain, factoring in IRRI's participatory varietal selection Delta project. IRRI's project will finish in early 2015; about six months after other seed growing projects have ended. It is important therefore to consider a new funding window for the Delta that can build on existing experiences, as well as scale up the production of good quality seed.

3.2 DRY ZONE

Highlights and observations from 2013

- Social protection tools operating successfully at village level include rice banks and a women's producer group.
- LIFT support to policy dialogue and advocacy for social protection showed that well-researched, evidence-based advocacy efforts can succeed.
- Improving access to water for domestic and small-scale agricultural use continues to be an essential focus.
- A private sector approach to developing new products for niche markets is working.
- Replicable commodity exchange centres, grounded in transparency, are acting to improve market efficiency.
- Financial coverage is extending and can reach the most vulnerable through village savings groups.

By the end of 2013, LIFT had on-going partnership agreements in the Dry Zone for 16 projects, working with a budget of US\$24.9 million. Two of these projects were scheduled for closure in 2013, but both took three-month, no-cost extensions to carry them into 2014. Seven projects are scheduled to finish in 2014.

LIFT's activities in the Dry Zone address its most pressing needs, providing: (i) support for increased availability of water for domestic and agricultural use; (ii) better access to markets for new and existing products; (iii) soil conservation and improved land preparation, and the management of post-harvest losses; and (iv) access to credit. Livestock support is limited and supports landless households and farmers with minimal land to raise sheep, goats, pigs, and poultry.

Ten LIFT partners include social protection measures in their projects, and in 2013 significant progress was made. The collaboration with government agencies towards policy development can be highlighted as one of LIFT's successes (see sub-section 3.2.2 below).

3.2.1 Description of the area and current context

Variability in water resources and insufficient capacity to manage that variability lies behind much of the prevailing poverty and food insecurity in Myanmar. Access to safe and reliable water, not just for agriculture and raising livestock but also for domestic use, is widely acknowledged to be a key constraint to improved livelihoods and wellbeing. The increasingly erratic rainfall causes flash floods; seasonal flooding is an important factor affecting livelihoods and economic development.

In irrigated areas, rice is the dominant crop, but otherwise production is generally limited to pulses (chickpea, grams, and pigeon pea), oilseeds (sesame, groundnut, and some sunflower), and sorghum. The Dry Zone is the principal production area for these crops in Myanmar. Fruit and vegetable production is generally limited to small household plots, although some communities grow onions and other vegetables on a commercial basis. Where rice cannot be grown in sufficient quantity, households rely on the sale of pulses, oilseeds, and livestock to purchase rice for consumption.

Table 11: LIFT projects in the Dry Zone

IP	Location	Focus
ActionAid/Thadar	Magwe, Bago	Cash and in-kind support for agriculture, livestock, and small businesses; water supply; CfW; training; and capacity building for CBOs/NGOs.
ActionAid/SEDN	Magwe	Establishment of women's producer support groups and a network to develop markets for handicrafts. Piloting a referral system for access to government services.
ADRA/ActionAid	Magwe	Cash and in-kind support for agriculture, livestock, and small businesses; water supply; CfW; trainings; community forest and soil conservation.
DPDO	Magwe	Cash support for agriculture, livestock, and small businesses; training; and nutrition.
EcoDev	Magwe	Capacity development of producers for dehydrated vegetable production and marketing. Establishing new market channels for dehydrated vegetables.
HelpAge International	Mandalay, Sagaing	Cash and in-kind support for agriculture, livestock, and small business; water supply; CfW; training; nutrition.
IRRI	Magwe, Mandalay, and Sagaing	Participatory seed varietal trials for drought tolerance and salt stress
MBCA	Magwe	Developing local commodity exchanges and price information systems.
Myanmar Ceramics Society	Sagaing	Ceramic water filters; support for pottery households through revolving funds.
Mercy Corps	Mandalay	Supporting farmers to improve agricultural yields and profits, and to increase household dietary diversity.
Oxfam/NAG	Magwe, Mandalay	Collective approaches to buying agricultural inputs and selling farm produce. Supporting casual labourers with cash, livestock breeding assistance, and job opportunities in the lean season.
Proximity Designs	Magwe, Mandalay, Sagaing	Village water pond rehabilitation to fill water gaps in the dry season. Product loans to small-scale farmers for treadle pump/drip irrigation sets for cash crop production.
Proximity Finance	Magwe, Mandalay, Sagaing	Microfinance for farmers: agricultural loans.
UNDP/Pact	Magwe	Microfinance for landless and smallholder farmers: agricultural loans, small business loans, social loans; beneficiary welfare.
IWMI	Across the Dry Zone	A water resources study to inform the upcoming Dry Zone programme.
GRET	Monywa, Yinmabin, Budalin	Microfinance access to affordable credit in order to finance livelihoods activities.

Current agricultural productivity levels within the non-irrigated areas are low, reflecting the scarcity and uneven distribution of water, poor soils, and the limited use of fertilisers, seeds, and agrochemicals. Although organic fertilisers derived from animal manure are widely used, a high production risk, combined with the limited availability of appropriate production financing, results in many producers foregoing any external inputs at all, even new seed. In recent years, monsoon rains have been lighter than long-term averages, and the high variability in the monsoon's onset has reduced yields, particularly in the central part of the Dry Zone.



Livestock is important; goats and sheep are widely raised, with the Dry Zone accounting for three quarters of the national livestock population. In the absence of significant mechanisation, the use of draught cattle for land preparation and transport is ubiquitous and the zone accounts for almost half of the country's cattle population. Nevertheless, few animals are slaughtered or eaten at the village level; animals are typically kept as a saleable asset in case of need.

Most output is traded through local exchanges at low commission rates or, in the case of cattle, through township markets. Itinerant traders normally purchase small livestock at the village level. Little or no storage or processing of harvested crops occurs at village level as all output is sold directly after harvest in order to pay back loans or meet immediate cash needs.

Although the use of credit is widespread,⁴⁶ the cost and utilisation of such loans varies widely by source. Often such loans are not taken for productive purposes; among those with less than two acres, the primary use of loans is to buy food. Borrowing to buy food not only reduces resources for production, but also appears to be giving rise to increasing debt levels over time.

Migration out of the area is an increasingly important economic factor in Dry Zone villages. During the non-peak agricultural season, migration to Mandalay, Yangon, or Monywa to find work in construction is common. The Qualitative Social and Economic Monitoring Round Three Report found that the existence of social networks in the destination area appeared to be an important pull factor for migration.

⁴⁶ The 2012 LIFT Baseline Survey found that 83% of respondents had taken a loan in the last 12 months.

3.2.2 Discussion of Results

SOCIAL PROTECTION

Most LIFT IPs include some form of social protection measures in their projects, including the following:

- Support that enhances incomes and capacities of vulnerable people (e.g., livelihood and agriculture support, trainings to improve technical skills, and savings and microcredit);
- Support for income-generating activities/microenterprise development;
- Cash-for-work schemes;
- Cash/asset transfers; and
- The establishment of rice banks.

Most partners engage in preventive and promotive approaches. Only a few IPs engage in transformative approaches, such as advocating for policy changes, but there are some successful examples from LIFT projects.

Table 12: Types of social protection activities in LIFT's Dry Zone projects⁴⁷

Partners	Townships/ villages	Types of approaches				Activities
		Protective ⁴⁸	Preventive	Promotive	Transformative	
ActionAid/Thadar	4/37		✓	✓		CfW, cash/asset transfers, small and medium enterprises (SMEs)
ActionAid/SEDN	3/40			✓	✓	Cash for training, promotion of women rights
ADRA	3/50		✓	✓		CfW, cash/asset transfers, nutrition, SMEs
DPDO	3/23		✓	✓	✓	Cash/asset transfers, nutrition, SMEs
HelpAge	2/30	✓	✓	✓	✓	CfW, cash/asset transfers, nutrition, SMEs
Mercy Corps	1/41			✓		CfW, cash/asset transfers, SMEs
Oxfam	2/63	✓	✓	✓		Cash/asset transfers, CfW, SMEs
Pact	2/43		✓			Beneficiary welfare insurance ⁴⁹
Proximity Designs	26/649			✓		CfW
SPPRG					✓	Policy dialogue, advocacy

47 Stephen Devereux and Rachel Sabates-Wheeler: Transformative Social Protection, IDS Working Paper 232, October 2004

48 **Protective:** Provides relief from deprivation (cash transfers, asset transfers, supplementary feeding, home-based care). **Preventive:** Helps to avert deprivation (community rice/grain bank, savings and credit groups, community health insurance schemes). **Promotive:** Enhances the capacities and raises the incomes of vulnerable and poor in the communities through a range of programmes that build assets and promote resistance to stress and shocks. **Transformative:** Seeks to address vulnerabilities arising from social inequality and exclusion, or change social policies and attitudes (advocacy/policy dialogue on rights-based approaches, inclusive programming, market linkages, etc.).

49 Fixed cash assistance and loan forgiveness to clients in case of investment loss due to natural disaster or the death of the borrower.

1. Social protection tools operating successfully at the village level include rice banks and a women's producer group.

Rice banks can protect the most vulnerable families: Many households in the Dry Zone have high levels of debt as a result of having to borrow money for food at high interest rates from moneylenders. Up to 70% of households run out of their own rice between three to seven months before the next harvest, at a time when market prices are highest.⁵⁰ This is partly because the risk of drought and crop failure has increased in recent years.⁵¹

A rice bank is a community-based rice storage system where community members can access rice at below-market prices. The ActionAid/Thadar Consortium support rice banks in the Dry Zone. Their project provides start-up funds to buy rice and establish a management committee, after which poor households can access rice at times of need. Repayment mechanisms differ from bank to bank, but payment tends to happen in cash when people have work and therefore income.

In 2013, 1,998 beneficiary households across 37 villages in five townships benefitted from LIFT-supported rice banks in the Dry Zone. Data from ActionAid shows that setting up a rice bank cost the users 37,000 kyat or US\$38 per household, but provided them with a 20% return on the investment in the rice bank. By using the rice banks, households can save up to 50% on interest rates, as previously they would have borrowed money or obtained credit for food from high-interest moneylenders or village shops. These rice banks also help in times of emergency. For example, in Konglong Yay Village in Aung Lan Township, rice banks helped people cope after a flash flood in 2013.

Some rice bank committees have taken a further step towards social protection. In ActionAid/Thadar Consortium villages, villagers decided that rice bank users should donate one tin of rice every time they used the bank. The donated rice is passed on to the disabled and elderly. This practice could be a good starting point for social protection programming based on existing community practice.

Many beneficiaries, particularly women, told the FMO that they were deeply appreciative of the rice banks. However, evidence from monitoring visits suggests that bank operation and success depends largely on the strength and competence of the rice bank committee. When the committee is well trained and operates transparently, these banks are indeed a useful means for increased social protection in the villages.

A producers group operates as an entry point for improving access to services for marginalised women: ActionAid's Socio-Economic Development Network for Regional Development (SEDN) project, which started in mid-2013, provides vocational training to poor women from 40 villages in Pakokku and Myaing townships to produce quality handicraft items for the local, tourist, and export markets. Two hundred women attended the first training in weaving, rattan production, and sewing, which was complemented with life-skills training, such as HIV prevention and gender awareness. The top graduates form into women producer support groups.

ActionAid's SEDN project feeds its products into the Craft Producers' Network in Bagan, which involves an impressive range of representatives from government departments, the private sector and NGOs.⁵²

50 Indebtedness is seasonal, depending on the crop cycle and work availability. In November 2011, nearly 70% of the sample population in the Dry Zone had debts in excess of 100,000 kyat or US\$96 (LIFT Baseline Study, 2011). Sixty-six per cent of farmers sell their rice immediately after harvest (LIFT Baseline Study, 2011).

51 A 2013 LIFT-funded study by the International Water Management Institute found 'a statistically significant reduction in rainfall amounts in June in recent years, combined with the very high variability in the onset date of the wet season'.

52 Officials represented many departments, including district and township General Administration Departments, Social Welfare Departments, the Myanmar Hotel and Tourism Administrative Department, the police, the Immigration and Registration Department, the Information and Public Relationship Department, and the Bagan Archaeology Museum. Representatives of the private sector come from firms in the hotel, laquerware, embroidery, and printing businesses. Other representatives are from the Myanmar Women Affairs Federation, the Myanmar Maternal and Child Welfare Association, the Bagan Tourist Guide Association, and the Bagan Business Association.



Aside from selling their products and gaining an income, a second component of the project provides these and other women from the 40 villages with knowledge of their rights and easier access to essential services, through a referral system. In 2013, 47 women applied for national identity cards (without which they are not eligible for credit), 199 were referred to health services, and 400 were referred to other agencies where they could obtain information on subjects ranging from nutrition to anti-trafficking. A total of 860 women used the referral network.

Vocational training takes place at the SEDN training centre in Myiang Township

2. LIFT support to policy dialogue and advocacy for social protection showed that well-researched, evidence-based advocacy efforts can succeed.

LIFT supports the Social Policy and Poverty Research Group (SPPRG), which provides evidence based training, workshops and tutorials for the Department of Social Welfare (DSW). SPPRG has helped develop the skills of government staff at the national and regional levels, giving them a better understanding of the wider context of social protection.

In March 2013, SPPRG conducted a workshop in the capital, Nay Pyi Taw, for social welfare directors from 13 of the 14 states/regions, along with representatives from 12 other ministries, to build capacity and draft preliminary state/regional level plans. As a direct result, planning for social protection at the state/regional level has been conducted with the governments of Chin, Mandalay, Sagaing, Ayeyarwady, Mon, and Shan. Mandalay Region followed up with a preliminary needs assessment for social protection in collaboration with the Interagency Working Group for Social Protection. The government of Sagaing has now developed funded social protection plans for 37 townships, with support from SPPRG.

The results of the SPPRG programme on social protection policies

- During the January 2013 National Development Forum held in Nay Pyi Taw, the Chin State government presented a draft five-year development plan on social protection, which had been developed through facilitation by SPPRG and the DSW. Chin State awarded an additional 1 billion kyat (~US\$1 million) of funding based on the plan's objectives.
- In a public speech by the chief minister on 30 October 2013, the Sagaing regional government publicly committed itself to undertake social protection measures, quoting research data from SPPRG. The social protection plan for Sagaing Region has been put in place at the local to township level, and has been fully costed. A Sagaing consortium will design an integrated development plan for the state, which will incorporate the social protection plans into the wider regional development plans.

ACCESS TO WATER

3. Improving access to water for domestic and small-scale agricultural use continues to be an essential focus.

Reducing risk to crops: In Thazi, Minbu, and Pakokku townships, Oxfam/NAG and ADRA initiated 49 water supply rehabilitation projects. These were: one mini dam in Pakokku; 38 tube wells in two villages in Minbu; seven ponds/reservoirs; and three drain systems/waterways in 10 villages in Thazi. An additional 2,000 acres are now serviced by irrigation water in Thazi, and will be used for paddy and nurseries. The water will help bridge the gap in the rainy season (June and July) to prevent crops from failing. In discussion with the FMO, farmers noted that even if yields do not increase, the reduction of risk is a significant achievement that encouraged them to invest more to increase their yields. Water from new wells supported by Oxfam was also used for pre- and late monsoon sesame crops, which improved yields. The supplementary irrigation water has led to the cultivation of different crops with a higher profit potential, creating more job opportunities for casual labourers.

Combining credit with access to low-cost irrigation technologies: Proximity Designs helps farmers access water and raise incomes by providing loans for low-cost, effective irrigation, including treadle pumps and drip irrigation. These products allow farmers to tap into shallow ground water sources for small-scale cash crop cultivation. Proximity's survey results from January 2013 indicated that households that purchased the irrigation products experienced an average net annual income increase of 235,200 kyat, or about US\$245.⁵³

Community-led rehabilitation of domestic water supply ponds: One of the most severe water-related challenges is the drying up of the community's village pond, which is a source of drinking water. This causes serious social disruption, with children being taken out of school to spend hours carrying water from neighbouring villages. Half of the ponds in Pakokku, 46% in Myaing, and 50% in Seik Phyu townships experience water shortages for up to four months of the dry season.

In 2013, demand far exceeded available funding for pond rehabilitation. LIFT supported Proximity Designs to improve water supplies in 261 villages, where committees were formed to manage the pond rehabilitation through cash-for-work programmes.⁵⁴ This provided wages for both men and women during the lean dry season. In discussion with the FMO, villagers said that they appreciated the capacity development aspect of managing the project. Oxfam/NAG assisted three villages in Thazi, and ADRA/ActionAid managed the renovation of 37 village ponds in Magwe Region.

Village management of water supplies and equipment using solar technology: ADRA implemented gravity-fed piped water supply systems in five villages. It also built solar water pumping systems for deep tube wells in six villages. The solar projects have proven to be particularly popular among villagers. In Sonekone village, the community helped cover the cost of connecting water lines to households, saving women and children the time previously spent in fetching water. A water maintenance committee manages the pump, introducing a regular fee according to the amount of water used per household, gauged through water meters. The community appreciates the low operating costs compared to diesel, and has pooled modest fees for long-term maintenance and repair of the solar equipment. Surrounding villages have also requested solar systems.

53 The impact study reported on 221 households in eight townships.

54 The FMO contributed to the improved design of some of these works.



PROXIMITY DESIGNS TREADLE PUMP PRODUCT LOANS IN THE DRY ZONE

- 68% of product loan customers experienced at least a 10% increase in farm incomes.
- Treadle pumps reduced labour time spent on irrigation work by 33%.
- The average annual net income increase from using irrigation products was US\$245.
- The top three uses of the supplemental loan funds were buying seed and fertiliser, drilling tube wells, and buying food.
- 67% of users recommended the product to an average of six people each.

INCREASING ACCESS TO MARKETS

In 2013, LIFT partners in the Dry Zone continued to work with farmers and the private sector to improve market efficiencies, using various approaches. Projects implemented by EcoDev, the Myanmar Business Coalition on Aid (MBCA), and the Myanmar Ceramic Society (MCS) focused on improving market access. All of these projects provide examples for replication:

4. A private sector approach to developing new products for niche markets is working.

EcoDev worked with local farmers to develop new products for target markets in order to increase incomes. Their main focus was onions, which form an important part of the Myanmar diet. Ten villages are involved in the production of dried onions. Although their business model still needs fine-tuning,⁵⁵ the project identified markets in cooperation with the Association of Restaurants in Myanmar. This success has given the local producers confidence to develop value chains for other produce, such as dehydrated Roselle leaves (*Hibiscus sabdariffa*) for Myanmar people living abroad. In September 2013, EcoDev was awarded the ASEAN Food Products Recognition certificate at the 13th ASEAN Food Conference in Singapore, supporting EcoDev to establish a brand for dried onions in the international market.

55

Their supply of locally grown onions is insufficient, and purchased raw onions are too expensive to make sufficient profit.

Other villages, under the guidance of MCS, produce ceramic water filters to meet the local demand for clean water. With support from the project, kiln owners in the southern Sagaing Region run promotional campaigns for the goods in rural market places as well as in established sales outlets.

The Myanmar Business Coalition on Aid works with local businesses to promote corporate social responsibility to local communities. In one project, MBCA identified a new variety of high-yielding cotton (hybrid, but not genetically modified) that could significantly increase the income of poor farmers. MBCA provided credit to farmers for seed, and encouraged government technical departments to train and support growers. The coalition is also establishing market channels with an Indian company interested in buying the entire production of the trial area. In 2013, 200 cotton farmers in 22 villages cultivated a total of 200 acres. The outcomes of these trials will be known in 2014.

5. Replicable commodity exchange centres, grounded in transparency, are acting to improve market efficiency.

In 2013, MBCA set up commodity exchange centres in six Dry Zone townships⁵⁶ to provide farmers and traders with easier access to one another to improve the quality of produce through competition, and to increase the flow of market information. To encourage smallholder farmers to participate, MBCA negotiated certain privileges for them with the traders, which included exemption from certain fees, transparent pricing, immediate cash payments, and the guarantee that all produce will be bought. Early evidence of the impact of these markets is seen in increased participation rates: the network of farmers selling to the commodity exchange centres has grown from 335 farmers in 105 villages to 1,400 farmers in 230 villages. Anecdotal evidence indicates that farmers appreciate the transparent pricing and fairer treatment that they receive as partners in the exchange centres.

To facilitate wider linkages between small farmers and business people, MBCA disseminates buyers' network guidebooks twice a year. These provide technical information on crop cultivation techniques and the contact details of traders interested in collaborating on projects.



Traders from the Seik Phyu Commodity Exchange Centre invited farmers to take part in a 'best quality onion contest', organised by MBCA to demonstrate the relationship between price and quality. The contest judges were local traders and township-level officers, who assessed produce from 53 farmers from 25 villages. Cash prizes were awarded to the top three growers. The average sale price of the winning onions was 320 kyat/kg, compared to 250 kyat/kg for the non-winners.

Crop contests demonstrate that higher quality produce brings in higher prices at Seik Phyu commodity exchange centre

56

Seik Phyu, Yenanchaung, Sinphyukyun (Salin), Taungtha, Mahlaing, and Meiktila.

To promote sustainability of the project, MBCA has done capacity development and advocacy work. Central executive members of well-established commodity exchange centres in Mandalay, Magwe, and Pakokku were invited to share their experiences with local traders. This was also shared with regional-level members of parliament, township leaders of political parties, local authorities, experts in wholesale trading, as well as traders and agents in project communities. More decision makers are now aware of the smaller trade centres and understand their importance for rural poverty reduction.

Lastly, MBCA has successfully negotiated with their existing partner Padamya FM radio that the broadcasting of commodity prices will continue beyond the end of the project.

ACCESS TO FINANCE

6. Financial coverage is extending and can reach the most vulnerable through village savings groups.

The densest network of microfinance institutions (MFIs) in the country can be found in the rural areas of Magwe (1.32 branches per 100,000 adults), and this appears to be driven by international NGOs.⁵⁷ The impact of this on farmers is as yet unclear. In some cases, farmers reported that they still struggled with debt. With low profit margins, the ability to borrow more money had the potential to push farmers further into debt.⁵⁸

In Magwe, 52% of the people can borrow money from both regulated and unregulated sources. Out of those, 35% have access to formal financial institutions, while 32% are borrowing from informal financial sources. Comparative access to lending in neighbouring Mandalay and Sagaing Regions is provided below:

LIFT supported the following MFIs to provide microfinance services in Magwe, Sagaing, Mandalay, and Bago: Pact, Save the Children (Dawn Microfinance), Proximity Designs, Border Development Associations (BDA), ArYone Oo, and RatanaMetta Organisation (RMO).

Table 13: Percentage of total adult population with access to borrowing (FinScope)

Region	Total borrowing from both formal and informal financial sources	% of total borrowers accessing credit from formal financial institutions	% of total borrowers accessing credit from informal financial sources
Magwe	52%	35%	32%
Mandalay	35%	19%	32%
Sagaing	35%	24%	19%

By the end of 2013, an average of 18 households per village in 3,603 villages had regular access to financial services, including both microfinance and village revolving credit, with LIFT support in the Dry Zone, where agricultural loans formed 80% of the loan portfolio. LIFT's agricultural loans complement those from MADB⁵⁹ with loans ranging from 120,000 - 300,000 kyat, or US\$125 - \$313.

⁵⁷ The Myanmar Financial Sector Diagnostic Study implemented by UNCDF and co-funded by LIFT. According to the draft version of their report, the lowest penetration is Kayah State with 0.05 branches per 100,000 adults.

⁵⁸ QSEM3

⁵⁹ The MADB lends farmers 20,000 kyat per acre for non-paddy crops (mainly beans, pulses, and sesame).

In order to extend credit to the most vulnerable, village savings groups, based on the traditional village MAE⁶⁰ lottery savings model, are used. Five implementing partners support VSGs, and while each have individual goals and objectives, all are based on training, compulsory savings, and the availability of loans for group members.⁶¹ In all cases, the project capitalised the VSGs through a cash transfer. Capital was then increased through members' savings contributions. The aim of the groups is to increase the individual members assets above the poverty threshold and to improve social protection for the group members. At this stage, there is a common understanding among stakeholders of the need to conduct more studies into the challenges of village savings groups before lessons can be learned regarding sustainability.

CONCLUSIONS AND NEXT STEPS

LIFT's engagement in the Dry Zone with 16 projects over the last three years has produced a wealth of experience, studies, and information that has been widely shared with the development community in Myanmar.⁶² In 2013, LIFT partners identified, tested, and achieved important results in the areas of social protection, access to water, and improved access to markets and credit.

Lessons from current projects are helping to inform the design of a new Dry Zone programme that will focus on creating better synergies between partner projects and the government. This took high priority in 2013.⁶³ LIFT contracted the International Water Management Institute (IWMI) to undertake a study that: (i) assessed water availability for both domestic and agricultural use; (ii) identified the key constraints to availability and access; and (iii) investigated household mitigating and coping strategies.⁶⁴

The new Dry Zone programme is planned for six townships in the Magwe and Mandalay regions, with an estimated budget of US\$50 million, and is scheduled to start in the second half of 2014.



Three years after taking her first loan from LIFT through Pact Microfinance, entrepreneur Daw Myint Kyi from Pakkoku Township has grown her thanaka seedling business from 50,000 to 150,000 plants. She has paid for a new house, covered her daughter 's University fees and purchased fifteen acres of land to expand her business.

60 MAE roughly translates to 'local lottery' in the Myanmar language, where a small group of people conduct a lucky draw.

61 The Myanmar Ceramic Society, Disabled Peoples' Development Organisation, ADRA, ActionAid, and EcoDev.

62 The information has been disseminated through presentations, workshops, and seminars. Publications are available on the LIFT website: www.lift-fund.org.

63 The planning for the new Dry Zone programme started in late 2013 with an inception mission led by the FAO Investment Centre.

64 Strategies available at www.lift-fund.org.

3.3. HILLY REGION

Highlights and observations from 2013

- Successful Farmer Field Schools (FFSs) are built around sound technologies.
- Reporting a single adoption rate across a FFS project may hide important dynamics that can affect decisions on project activity.
- Chin MFI provides an innovative example of expanding the provision of financial services in a sparsely populated environment, with wholesale loans to self-help groups.
- Working with civil society in conflict areas requires consistency and acceptance, building on local coping strategies and flexible management.
- Challenges from the tea project in Kokang Special Region highlight lessons for market integration and the value chain approach.

Table 14: LIFT projects in the Hilly Region

Partner	Location	Areas of intervention
CARE	Kokang Special Region: Tarshwetan Township	Formation and strengthening of tea producer groups; provision of tea dryers; value chain analysis; development of tea market information system.
Cesvi	Northern Shan: Naung Cho, Kyaukmae	Capacity building of community and interest groups to increase agricultural/livestock production; self-help groups; forest conservation, plantation of fuel wood, and distribution of fuel-saving stoves.
GRET	Chin: Falam, Hakha, Tedim, Thantlang, Tonzang	Agricultural intensification and diversification; improved management of natural resources.
Mercy Corps	Chin: Tonzang	Development and implementation of community economic resilience plans (CERPs); CfW projects; establishment of FFSs.
Metta	Shan: Taunggyi, Hopong, Hsiseng, Pin Laung, Kachin: N'Jang, Yang, Machanbaw, Putao Sumprabum	Establishment of FFSs to teach about effective weed control and increasing rice yields.
SWISSAID	Shan: Kengtung, Moemauk, Hopong, Hsiseng, Taunggyi, Kachin: Myitkyina, Mansi, Bamaw, Moegaung, Naungmo, Waingmaw, Shweku,	Support for agriculture; support for income-generation activities; access to markets; strengthening local organisations.
Tag	Kalaw, Pinidaya, Lawksawk, Taunggyi, Nyaungshwe	Beekeeping sector advancement in Southern Shan State
UNDP/Pact	Shan: Naung Cho, Kyaukme, Pinlaung, Pindaya, Kalaw, Nyaungshwe, Chin: Htantlang, Hakha, Falam, Tiddim, Kachin: Ywangan, Momauk, Mansi	Microfinance support to poor and vulnerable households in rural areas with affordable credit.

LIFT has eight projects working in the Hilly Region. Some of these span two or three states with six projects in Shan (including one in Kokang Special Region), two in Kachin, and three in Chin. SWISSAID and the Metta Foundation projects in Kachin and northern Shan include townships where there is armed conflict. The total budget for 2013 was US\$10.7 million.

The projects are mainly focused on helping farmers increase their yields through training of new and locally adapted agricultural practices. Four partners run Farmer Field Schools (FFSs). Three IPs provide microfinance services. SWISSAID, GRET, and Cesvi include a civil society-strengthening component in their projects, with focus on developing strong grassroots organisations. CARE is developing the value chain for tea in Kokang Special Development Region.

3.3.1 Description of the area and current context

The Hilly Region covers approximately two-thirds of Myanmar's total land area, including much of the eastern border regions with China and Thailand. Much or most of Chin, Kachin, Shan, Kayah, Kayin, and Mon, and some of Rakhine, Sagaing, and Tanintharyi are upland and/or mountainous. The total population of the upland areas has been calculated at roughly 25 million people.⁶⁵ Myanmar's diverse ethnic minorities populate most of the upland areas.



The topography varies from steep erosion-prone slopes to rolling fertile lands such as in southern Shan State and around Myitkyina in Kachin State. Though valley areas may support irrigated or rain-fed paddy, rice is predominantly cultivated on sloping lands in shifting cultivation (rotational fallow, or taungya) systems. Villages in the valleys have more livelihood choices because of better soils and easier access to markets. Casual labour in the agricultural sector provides the main source of income for 19% of the households. A quarter of households are landless, and 10% of the population rely on non-agricultural sources of income.⁶⁶

Terraced farming in Chin State

Traditional farming systems are under stress in mountainous regions, as is typical for most upland areas of Southeast Asia. The rotational fallow systems have broken down in many areas. The worst affected areas are where conflict has led to high levels of displacement, such as in Kayah, Kayin, Kachin, and Shan States. The break down is due to population pressures, but also because traditional social institutions that regulate land management, and indigenous technical knowledge systems, have been weakened or disabled. Customary tenure patterns also reflect the diversity and complexity of the uplands and are supported by local social structures. Tenure patterns are managed by communities through village leaders and conflict resolution mechanisms.

⁶⁵ National Commission for Environmental Affairs Myanmar (NCEA) and Project Secretariat UN Environmental Programme Regional Resource Centre for Asia and the Pacific (March 2006), Myanmar National Environmental Performance Assessment (EPA) Report. Yangon: Asian Development Bank, Global Environment Facility, and UN Development Programme.

⁶⁶ LIFT Baseline Study sections 5.5/5.8 (2012)

In the upland areas where LIFT has supported projects, agriculture is the most important source of income for 61% of the households, and livestock are common. Maize, wheat, potatoes, and soya beans are typical crops. They are sometimes grown with upland rice or as a second crop after the rice harvest, if water and fertility allow. The limited access to markets means that most households use livestock as a safety net for emergency needs. Interestingly, just 25% of households were found to be landless by the 2012 LIFT Baseline Study, which is low compared to the national average of 47.9%.⁶⁷

Some areas have been living under ceasefire agreements for many years, while others have been in and out of armed conflict. Violence is on-going in some townships of Kachin, northern Shan and Rakhine State. Poppy cultivation has long been a feature of the upland areas, in particular Shan State. The government imposed eradication and crop substitution programmes (maize and rubber in particular) in the 1990s and early 2000s, dramatically reducing opium production. Since 2006, however, when cultivation dropped as low as 21,600 hectares, poppy has been on the increase with the area under cultivation reaching 51,000 hectares in 2012. A 17% growth was recorded between the 2011 and 2012 seasons.⁶⁸

Temporary and permanent migration from lower Myanmar appears to be increasing. Anecdotal evidence suggests that parts of northern Myanmar have experienced an influx of migrants from lower Myanmar due to a combination of economic pressures in the Dry Zone and commercialisation of agriculture in the uplands.⁶⁹ Cross-border migration is an important coping strategy for upland communities, which has consequences in terms of local labour availability, allowing space for lowland migrants to come in.⁷⁰ Remittances are an important investment source in those areas.

3.3.2 Discussion of Results

1. Successful FFSs are built around sound technologies

Four LIFT implementing partners in the Hilly Region run Farmer Field Schools (FFSs), focusing mainly on irrigated and rain-fed paddy and winter crops such as wheat, chickpea, soybean, and onion. Collective IP experience shows that FFSs can be most effective if:

- Trainers are sufficiently experienced and trained, and have high levels of technical backup.
- The curriculum can show better adaptations or innovations in comparison to the farmers' existing practices.
- Experimentation processes are well designed and conclusive.
- Economic analysis and sound evaluation of the best techniques are offered.
- Where FFSs are implemented over several seasons, the presence of an innovative farmer can assist to build the capacity of other farmers to adapt.
- Networking with the official agricultural extension services and other farmer field school groups is facilitated. This is essential for sustainability.

Even in poorly implemented FFSs, adoption rates may be high if the proposed technology addresses a key constraint faced by the farmers. Likewise, well-implemented FFSs may fail to convince farmers if the technology or the new crop is not competitive with other practices and crops. This latter case is seen when organic fertilisers are compared to chemical fertilisers, where, in the short term at least, higher production does not make up for additional labour costs.

67 LIFT Baseline Study (2012).

68 https://www.unodc.org/documents/crop-monitoring/sea/SouthEastAsia_Report_2012_low.pdf.

69 QSEM 3

70 [http://th.iom.int/index.php/migration-resources/migration-research/Assessing-Potential-Changes-in-the-Migration-Patterns-of-Myanmar-Migrants-and-Their-Impacts-on-Thailand-\(English-Language\)/](http://th.iom.int/index.php/migration-resources/migration-research/Assessing-Potential-Changes-in-the-Migration-Patterns-of-Myanmar-Migrants-and-Their-Impacts-on-Thailand-(English-Language)/)

2. Reporting a single adoption rate across a Farmer Field School project may hide important dynamics and lessons.

Metta reports adoption rates of up to 90%⁷¹ for its tools and sowing practices for upland rice in southern Shan State. The use of a seeder that sows in rows allows for subsequent mechanical inter-row cultivation or weeding, which reduces labour requirements and has increased yields. Farmers have recognised the relevance of these techniques, but it is clear that these methods are less useful on sloping land.⁷²

FMO observations in villages where Metta is active in southern Shan State noted a significant variation in adoption levels between different villages, as shown in Table 15. Variation in uptake ranged from a low of 14% to a high of 336%.⁷³

Table 15 demonstrates that village selection criteria must consider existing farming systems when promoting upland rice. Kakku East has large areas of lowland paddy and garlic production. Upland farming systems are primarily focused around the cultivation of corn, niger (*Guizotia abyssinica*), pigeon pea, and groundnut. After the training, only three farmers said that they would 'probably' grow upland rice the next year, since they produce sufficient rice for food consumption in the lowlands. Their income from hybrid corn is better and it is much easier to grow in the upland areas.

FFS UPDATES IN 2013

- Metta has gone to great lengths to motivate women to participate in the FFSs. Though most have domestic duties, women now make up 40% of the participants.
- FFS activities have been constrained in some areas of Chin and northern Kachin due to locations of plots that are often far from the village. During the cropping season farmers stay overnight on their plots, returning only occasionally to the village. Aye Yone Oo, GRET/CORAD, and Metta have reported this and have responded by limiting the number of trainings.
- In 2013, SWISSAID and its partners involved government extension workers to train farmers on technical topics. SWISSAID and Cesvi also developed new information and education and communication materials to be used by farmer extension groups in partnership with the Golden Plain Business Co-operative. The materials were produced in collaboration with the communities to identify priorities and were field tested before finalising the material.⁷⁴



A weeding machine demonstration in Chin State

71 Metta's adoption rate was measured only during the FFS implementation. Follow-up during the next cropping season will provide a better picture of the adoption rates for new planting and harvest methods.

72 LIFT Annual Report (2012), p. 87.

73 In Nyaung Kai Village, where upland rice is an integral crop in the village's farming system, Metta reported a 100% adoption rate of the seeder by the 28 FFS participants. An additional 66 households also adopted the new method, which increased the total adoption calculated rate to 336%.

74 Eleven posters and pamphlets were produced in three languages: Pa-O, Shan, and Myanmar.

Table 15: Adoption rates of Metta's upland rice cultivation methodologies in four villages from southern Shan State (Source: FMO interviews).

Village	Nyaung Kai	Kakku East	Hlaing Kon	War Khara
Area of upland rice before FFS (acres)	286	0	17	0
Area of upland rice after FFS (acres)	286	13	70	100
Number of households in the village	156	62	84	93
FFS participants	28	21	23	27
Adoption by participants	28	3	23	27
Adoption by non-participants	66	0	27	60
Total adoption rate, including non-FFS adopters, i.e. more people adopt the practices than there are FFS participants ⁷⁵	336%	14%	217%	322%

In comparison, Hlaing Kon is mainly an upland farming system where 100% of FFS participants and 27 other farmers adopted the new technologies. Finally, there had been no upland rice cultivated in the village of War Khara in the 10 years prior to Metta's FFS as the farming system there was built around upland cash crops. All 27 FFS participants adopted the technologies, with an extension impact of 60 farmers. This success may be attributed to the farmer's preference to reserve an acre of rice cultivation for home consumption and therefore to improve food security. This also saves the farmer money spent on purchasing rice from faraway markets, using income from other cash crops.

In conclusion, while the project was a clear success, the significant variation in adoption rates between villages demonstrates that reporting a single rate across a project can hide important results and dynamics.

3. Chin MFI provides an innovative example of expanding the provision of financial services in a sparsely populated environment, with wholesale loans to self-help groups.

The provision of financial services with a wider choice of services has been slow in the Hilly Region because operating costs for MFIs are higher where clients are relatively difficult to access. GRET's Chin State microfinance institution, Chin MFI, provides access to finance in rural villages in four townships: Hakha, Falam, Thantlang, and Tedim.

Chin MFI introduced a new financial product in 2012 that underwent further development in 2013: the wholesale loan to self-help groups (SHGs). The SHG is the core



By the end of 2013, Chin MFI had provided US\$ 70,000 worth of wholesale loans to 49 self-help groups in rural villages.

⁷⁵ This percentage was calculated by comparing the total numbers of farmers who adopted the technologies over the number of FFS participants.

rural development model of UNDP, and was first established circa 2000 and based around the voluntary participation of women from poor households. These groups represent a logical vehicle for Chin MFI to expand rural financial services to more remote villages. By underwriting the SHG loans, Chin MFI found that the majority of groups underwent a restructuring and many existing groups were merged.

In 2012, Chin MFI disbursed five wholesale loans for a total of US\$11,500, which were used to recapitalise the SHGs. By the end of 2013, Chin MFI had provided US\$70,000 worth of wholesale loans to 49 SHGs with a total membership of 576 people.⁷⁶ The wholesale loans to SHGs have a term of six months, with principal and interest being paid back to Chin MFI at the end of loan period. Group members report using the loans for a variety of purposes including paying for their children's education, vegetable growing, house renovations, and setting up grocery shops and small restaurants.

SHGs are helping Chin MFI, which is a registered financial institution under GRET's licence, to transform into an independent Myanmar financial institution that aims to achieve institutional and financial sustainability.

4. Working with civil society in conflict areas requires consistency and acceptance, building on local coping strategies and flexible management.

Strong local partnerships are a key reason that SWISSAID and Metta have been able to work successfully in areas affected by conflict in Shan and Kachin States. The experience of these IPs highlight three observations that should be taken into account when working in conflict areas:

- **Constituency and acceptance.** Organisations that work in conflict areas need to have a high level of respect at a community level and high levels of acceptance with (state and/or non-state) 'powerholders' and 'conflict actors'. Constituency at the community level can only be achieved if organisations are committed to supporting the rights of people and in doing so have gained community trust. Acceptance by powerholders requires strong relationships that have progressed beyond just 'permission to work' and to the right to constructively advocate for people's rights. This makes working with local organisations that have built these relationships fundamental to working in conflict areas.
- **Livelihoods and protection go together.** People affected by conflict have a detailed understanding of the threats to their safety, livelihood options, and general wellbeing. They have developed their own coping strategies to deal with the threats. Building on local coping strategies can only be achieved if local communities are involved in designing the projects, based on shared priorities. While this is a known good practice it is even more critical in conflict areas.
- **Build flexibility into projects.** Communities affected by conflict have coped by being flexible with planned activities (e.g., changing inputs, suspending large-scale meetings, or slowing down activities to 'wait and see'). In some cases, communities decided that projects should not go ahead at all and so target villages were changed. Local people have a good understanding of the threats they face and the strategies to deal with them. IPs need the ability to have informed and open conversations with community groups. For example, a

⁷⁶ The size of group membership is between 10 to 20 members and loan sizes are from \$US100 - \$600. The members follow existing loan disbursement processes within the SHG.

number of Metta's FFSs are located close to conflict areas. The project was able to implement most activities according to schedule, but was unable to conduct regular monthly technical sessions in 22 villages. In consultation with the FMO, Metta managed this situation by moving activities to other villages, or adopting a 'wait and see' delay period while monitoring the situation. As the project drew to a close, 11 other villages were chosen to replace them. Thus, by the end of the project, 73 villages out of a targeted 84 will have received services.

5. Challenges from the tea project in Kokang Special Region highlight lessons for market integration and the value chain approach.

The Kokang Special Region in northern Shan State bordering China has a history of opium production and trade. Tea has been used as part of a programme of farmer rehabilitation since opium was banned in 2003. LIFT's project with CARE develops components of the tea value chain, including production, registration, branding, and marketing. Some 1,600 households participate and Kokang tea is sold in both Myanmar and China.

The establishment of tea producer groups and the Tar Shwe Tan Tea Association (TSTTA) have been a central part of the project strategy to provide training for improved production volume and quality. The growers received intense production training in land preparation, selection of varieties, growing, weeding, plant protection, propagation, pruning, fertiliser use, and harvesting. A market research survey in April 2013 also helped the TSTTA support links among tea farmers, tea factory owners in Lao Kai, and tea traders from Myanmar and China. Staff helped arrange visits, workshops, and stakeholder meetings. The TSTTA is now registered with the Union Level Tea Growers and Sellers Association under the Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Market information is now collected every five days from the main markets and is published in fortnightly pamphlets in Chinese, which is spoken in Kokang.

Three key considerations for the design approach of market and value chain projects are evident:

- Traditional, political, and geographic contexts exert strong influences. Farmers who once grew opium still tend to operate independently. Attitudes are slow to change. Despite the presence of the tea producer groups, farmers have yet to maximise both production and price by working collectively.
- As for other LIFT projects, access to finance is essential to create options for farmers. The Kokang tea farmers do not want to pool their harvests for market leverage and higher prices as it delays receiving payment, which is not acceptable in their cash-strapped and often indebted situation. Farmers may relate to the price incentive of working collectively if they had better access to financial services. Access to affordable post-harvest loans could make collective activity more attractive.
- Access to major markets by growers in the Kokang is limited by both distance and government restrictions on travel. The region is also more closely linked to China on multiple levels: cultural, geographic, and economic. All three influence the value chains of local production and require a dedicated design approach if opportunities are to be created and production practices changed.

CONCLUSION AND NEXT STEPS

LIFT's support to the Hilly Region has primarily been assisting farmer organisations and expanding the availability of microfinance services. The FFSs show good results with upland rice with the adoption of new technology and practices growing where farmers can identify with the potential to achieve improved production. Metta's 2013 survey illustrates this well.

Equally good results are evident with the on-going application of wholesale loans to SHGs in Chin. Growth to 49 loans in 2013 from just five in 2012 suggests that resourcing SHGs has some potential, though analysis through 2014 will be necessary to assess the prospects for sustainability of the SHG approach in remote areas.

FFSs offer a tried and tested way to introduce new technologies, training, and mobilisation of farmers to improve their own farm production initiatives. As reported however, there are a number of key requirements necessary for the successful application of FFSs. They include having an innovative farmer member and interventions that respond to the current constraints farmers are facing, and using methods that are competitive with the other farm practices known to the farmers. The increased rate of women's participation also suggests that the Hilly region's FFS are successfully employing gender sensitive practices. The tea project in Kokang Region, on the other hand, illustrates the limits of collective organisation if basic prerequisites are not in place to incentivise, or make possible, change in traditional practices.

The experiences of SWISSAID, Metta, and their local partners in working in conflict-affected areas are also notable and particularly relevant to LIFT's plans to extend its activities in areas emerging from conflict. Constituence and acceptance of local conditions, protection of staff and beneficiaries, and flexible design approaches are fundamental if projects in these areas are to successfully manage the complex institutional environment, be relevant, and receive the necessary access.



In Chin State, Dam Nei Nuam constructed farming terraces on her land with assistance from GRET/CORAD. "I can now afford to send my two brothers to school," she said. "My aim is to fund them through University and I feel confident that I can do this."

3.4 COASTAL REGION

Highlights and observations from 2013

- The Tat Lan Sustainable Food and Livelihoods Programme started in October 2013 following a six-month inception phase. After three months:
 - 80 village development committees established (women members = 30%)
 - 11 new village savings and loans associations established (women members = 95%)
- Political economy analyses and a 'Do No Harm' assessment provided guidance for Tat Lan operations.
- Emphasis was placed on building a transparent relationship with the government.
- Mercy Corp's activities to build community resilience are bolstered by well-organised community-based organisations in Mrauk U Township.

Investment rose significantly in the Coastal Region in 2013 with the start of the US\$22 million Tat Lan⁷⁷ Sustainable Food and Livelihoods Programme. The total value of active projects was US\$26.4 million.

Table 16: LIFT projects in the Coastal Region

Partner	Location	Areas of intervention
CDN (Consortium of Dutch NGOs)	Rakhine: Myebon, Pauktaw, Minbya, Kyaukphyu	Tat Lan hydrological study to determine best locations for embankment and sluice gate repairs. Project finished in Feb 2013.
Tat Lan Consortium (International Rescue Committee and partners)	Rakhine: Myebon, Pauktaw, Minbya, Kyaukphyu	Community-based livelihood development programme: improved embankment infrastructure for better water management; improved agriculture and fisheries applications; increased access to financial services; increased capacity of township governments to support local development; improved nutrition security.
MERN	Rakhine: Gwa	Rehabilitation of the mangrove ecosystem through the establishment of mangrove nurseries and mangrove plantation in gap and depleted areas.
Mercy Corps	Rakhine: Mrauk U	Development and implementation of community economic resilience plans (CERPs); CfW projects.

In Gwa Township, the Myanmar Environment Rehabilitation-Conservation Network (MERN) project focuses on mangrove protection and rehabilitation and livelihood activities. In 2013, the project provided: nurseries and planting support for mangrove regeneration; improved seeds and fertiliser for monsoon paddy and winter crops; home gardening support; livestock assistance; fuel-efficient stoves; non-farm income generating activities and cash transfers.⁷⁸

⁷⁷ Tat Lan means "the way forward" or "the way to a better life" in both Myanmar and Rakhine languages.

⁷⁸ Highlights include: 6,700 acres of mangrove regeneration and nearly 5,000 acres of enrichment planting; 36 villages with multipurpose nurseries stocked with 535,000 seedlings. 988 households now use improved paddy seed and fertiliser; fewer farmers now need to sell their paddy in advance to repay money lenders; and two biodiversity hot spots were established to conserve critically endangered species (mangroves and sea turtles).

In Mrauk-U Township, Mercy Corps' partner, Rakhine Thahaya Association is implementing a three-year project to increase agricultural productivity, create income-generating opportunities, and to assist communities in building their resilience to natural disasters.

The Tat Lan programme focuses on the Cyclone Giri-affected areas of Pauktaw, Myebon, Minbya, and Kyaukphyu, and is implemented by the International Rescue Committee (IRC) in a consortium with Save the Children, Oxfam, Better Life Organization, and CARE providing monitoring and evaluation services. This project marks a significant change for LIFT in that rather than seeking proposals from prospective implementation partners, as was previously the case for the Delta and Countrywide programmes, LIFT designed Tat Lan in detail before tendering for implementing agencies.

3.4.1 Description of the Area and Current Context

Rakhine State, situated in the western part of Myanmar, remains one of the least developed areas in Myanmar and is troubled with a number of serious challenges including malnutrition, poverty, conflict, weak infrastructure, and weather extremes.

Rakhine's coastal areas are strongly affected by the monsoon. The rainfall is torrential in the monsoon months but very little falls during the rest of the year, which is reflected in its poor agricultural output. Rice is the main crop, occupying around 85% of the total agricultural land, yet the yields from the one monsoon-fed paddy crop are among the lowest in the country, mainly due to poor soil quality and a lack of agricultural inputs. On the coast, much of the land lies fallow in the dry season due to chronic fresh water shortages, saltwater contamination of groundwater, and the lack of water storage facilities. The coastal soils were once mangrove swamp, which means that the soil is inherently poor and requires substantial amounts of fertiliser to achieve reasonable production levels.

Communities rely on fishing, smallholder farming, and forest resources, including mangroves, for their basic needs. Many communities are poorly connected due to lack of roads and infrastructure, and much travel takes place on boats along waterways, and only then at high tide. Over 62% of households earn their living as casual labourers in agriculture, fisheries, or by dealing in forestry or forest products.⁷⁹ The sale of fish products is the second most common source of household income for those without land.

In late October 2010, just ahead of the harvest, Cyclone Giri made landfall in Rakhine State, causing catastrophic damage and leaving at least 70,000 people homeless.

3.4.2 Discussion of Results

1. Tat Lan Sustainable Food and Livelihoods Programme was started in October 2013 after a six-month inception phase.

Security and Tat Lan's Implementation

The sensitive security situation and outbreaks of communal violence that took place in 2013 affected LIFT's ability to implement programmes. Travel was restricted and some target villages were evacuated. In early December, Tat Lan had to suspend project activities in Pauktaw Township due to heightened security threats.⁸⁰

79 LIFT Baseline Survey (2012)

80 In January 2014, local villagers in Pauktaw Township requested that Tat Lan return. Permission was granted by the township administration.

Three months of village-level implementation took place before the end of the year, focusing mainly on: (i) the formation of village development committees (VDCs) and sub-committees; (ii) preparation for embankment restoration and reconstruction through CfW; and (iii) the establishment of household vegetable gardens using newly acquired seeds.

Solid progress was made across 80 villages. The table below shows selected results to the end of December 2013.

Table 17: Tat Lan Programme village-level activities to 31 December 2013

Village-level activities to 31 December 2013	Milestone target	Results achieved
Village development committees established	73	80
Number (and percentage) of women members in VDCs	175 (30%)	224 (30%)
Village fisheries subcommittees (VFS) established (number/total villages)	NA	64/39
Number (and percentage) of women members in VFSs	NA	387 (30%)
Number of participants trained in improved production practices and technologies (m/w)	600	201 (96 men/105 women)
Number of targeted households receiving in-kind support to enhance their production/fish catch (m/w)	600	637 (416 men/22 women)
Number of villages where new VSLAs are created with assistance of Tat Lan	6	3 villages (total of 11 VSLAs)
Number of savers and total value of savings (m/w) among VSLAs supported under Tat Lan	450	184 (9 men/175 women; total value of savings 335,000 kyat or US\$348)

Inception phase: Programme development for Tat Lan took over a year, and in March 2013, a six-month inception period commenced with the completion of agreements with consortium members, the recruitment of project staff, conducting a 'Do No Harm' assessment and a political economy analysis, revising to the work plan, training, finalisation of the village development plan methodology, a review of village selection, and the start on the Tat Lan baseline study. Despite initial staffing challenges, most management and staff were in place by the end of May.

A feasibility assessment revealed that some villages showed more pressing rehabilitation needs than others, and a revised list of 221 villages was decided for the first year of implementation.⁸¹ Additional design and budget reviews happened in June, when the Consortium of Dutch NGOs (CDNs) completed extensive design work for embankment and sluice upgrades, and CDN provided training to Tat Lan staff. Construction on these will commence in January 2014 across 19 villages in Minbya, Myebon, and Kyaukphyu townships. Other infrastructure projects will also commence in early 2014.

Tat Lan's official launch took place in October, and was attended by state government representatives, humanitarian and development agencies, and the Tat Lan consortium partners. A series of meetings with

81 Following attacks in 2013, the residents of seven Muslim villages were relocated to internally displaced persons camps. The IRC reported they are unlikely to return until after Myanmar's 2015 national elections.

Rakhine's chief minister, line ministers, and the state advocate general were important steps towards building a working relationship with the state government. This also set the foundation for effective communication between Tat Lan and the government and local communities.

The first phase of village development committees were formed. Tat Lan interventions are grounded in a village-based participatory planning process that is designed to engage communities—both men and women—to ensure that the programme is responsive, effective, and sustainable. With the onset of the dry season, and therefore the climate window in which to implement activities, the villagers had only a short time to set up VDCs. This resulted in the reluctance of some villagers, especially women, to be elected despite their active participation in the early village meetings. Tat Lan will commit more time to mobilisation and VDC formation in the next round of working with target villages.

Fishery governance options were explored: The fishery tender system in Rakhine is no longer being used, creating a regulatory gap and an opportunity for regulatory support. Tat Lan is coordinating with the Pyoe Pin programme⁸² on fisheries governance options for Rakhine. In addition, Oxfam's partner Network Advisory Group (NAG) supported the Department of Fisheries in the preparation of a new state

VILLAGE SAVINGS AND LOANS ASSOCIATIONS

Tat Lan is piloting VSLAs to provide savings and credit services. The VSLAs are groups that are self-selecting, self-managed, and self-funded. They promote a savings discipline that uses local resources, ownership, responsibility, and sustainability. The Tat Lan VSLAs are based on:

- **Savings first:** VSLA members start saving every week until the total amount of savings is sufficient for the VSLA to start lending to its members. Individual savings amount to 500 - 1,500 kyat (US\$ 1) per week. For a 20-member group this means a minimum of four months of savings before lending is possible. Tat Lan has determined that VSLAs will be established and saving for at least one year before any Tat Lan capital injection is considered.
- **Focus on capacity development:** A VSLA manual based on lessons learned has been developed. Training is provided on VSLA management to members, particularly VSLA leaders.⁸³
- **Monitoring:** Regular monitoring and assessment of VSLA performance is required. VSLAs must meet savings and protocol standards to access capital injections from Tat Lan.



Results at the end of 2013 were encouraging. The 25-village VSLA target was not achievable due to the deteriorating security situation in Pauktaw, which led to a temporary withdrawal of Tat Lan staff from that township in November and December. Activities were then relocated to Myebon, where 11 VSLAs with 184 members (95% of whom are women) were actively saving by the end of the year.

82 The Pyoe Pin Programme is a DFID-funded initiative that supports the development of local organisations in Myanmar.

83 While manuals provide guidance to VSLAs, each VSLA is responsible for establishing their own systems and procedures. This is fundamental to ensuring VSLA member commitment and ownership of the scheme, and achieving sustainability.

fisheries law and subsequently the development of co-management regulations and pilot activities. NAG is adapting a fisheries co-management training manual and curriculum based on experience from other countries in the region.

Tat Lan Baseline Study: CARE, under its contract with IRC, worked with the LIFT M&E team to develop the terms of reference and design the methodology and tools for a baseline study covering the Tat Lan townships, ensuring that data would be comparable with LIFT's larger baseline and household surveys. The study commenced near the end of 2013.

2. Political economy analyses and a 'Do No Harm' assessment provided guidance for Tat Lan operations.

Two important studies commissioned during the inception phase allowed consortium members to better understand the recent conflict situation in Rakhine State, aiming to ensure that Tat Lan activities contribute towards reconciliation. CARE conducted a 'Do No Harm' assessment, and Oxfam contracted the Oxford Policy Management group to undertake a political economy analysis for the programme.

'Do No Harm' assessment: This identified possible conflict triggers and mitigating factors within and between communities. Results were shared during training with the national staff of the consortium partners in Sittwe. A second session took place in Yangon with key decision makers of the Tat Lan consortium. The key conclusions of the 'Do No Harm' assessment were:

- Conflict sensitivities are primarily linked to conflicts over resources, values and interests (specifically, village-based decision making, microfinance, agriculture, fisheries/ aquaculture, governance, and infrastructures).
- A Tat Lan response to villages dislocated to IDP camps will require coordination with humanitarian actors and the displaced communities themselves.
- Some IP field staff have personal biases on the conflict, especially staff that are from Rakhine. Addressing the human factor and individual perceptions needs to be managed.
- Tension between Rakhine and Muslim groups is rising and is increasingly confrontational. Further confrontation and violence is expected. Both parties feel provoked to protect their identity, values, rights, and resources.

Political Economy Analysis (PEA):

(i) In March, Oxfam conducted training with key staff, providing them with analysis and mapping tools in order to use simple PEA in programming. The training used an issue-based approach, focusing on the effect of Myanmar's economic reform on small-scale farmers, and the extent to which citizens can participate in local planning and budgeting.

In addition, the Tat Lan Consortium plans to continue cooperation with the Pyoe Pin Programme, who provided PEA during Tat Lan's design, to address community issues in relation to access to resources, legal frameworks, and community governance.

(ii) The Oxford Policy Management group undertook a new political economy analysis, which has provided guidance on how to manage the long-term grievances resulting from the ethnic divide and historically low levels of investment and appropriation of natural resource wealth in the area.

The PEA maintains that opportunities need to be sought to impartially promote positive future change. In particular, the analysis states that development agencies need to work harder to engage the Rakhine population. For Tat Lan, which works mostly with Rakhine Buddhist communities due to their prevalence in Cyclone Giri-affected areas, this means that publicity is especially important both for the project itself and as a facilitation mechanism for other international agencies.

The PEA warns that there is often little understanding or acceptance of the universal values upheld by international agencies, including the shared sense of equal citizenship and human rights that these values hold. Mitigating this divide requires Tat Lan to promote positive values through training and awareness raising for its staff.

3. Emphasis placed on building a transparent relationship with government for the Tat Lan Programme.

There was an important focus on engagement at the township level from the start of the inception phase. Coordination meetings with government officials (state and township levels) have helped to build trust as regular updates are provided on project activities. Tat Lan's Governance Programme Officer also meets with other stakeholders that are considered key agents of change in the policy arena to improve coordination and engagement with project activities. This includes members of the State Parliament, the Rakhine State Legislative Committee chairs, the Township Development Steering Committees and civil society organisations. The table below details the year's important activities.

Table 18: Detail of Tat Lan's engagement with government at a technical level

Tat Lan sector	Government engagement at a technical level
Agriculture	<ul style="list-style-type: none"> • Department of Agriculture (DoA) assisted with paddy seed procurement. • DoA staff attended Tat Lan meetings and agriculture seminars. • IRRI field review: focus group discussions with DoA township personnel and selected farmers. • Regular meetings with Department of Fisheries (DoF) on project activities and the technical applications involved. • Coordination for marine prawn culture training with target communities. • Visit to the DoF marine prawn hatchery and culture station with DoF to exchange knowledge on marine prawns.
Infrastructure (including CfW)	<ul style="list-style-type: none"> • Coordination with each township's Department of Irrigation, on-site selection for Tat Lan embankment rehabilitation. • A one-day meeting with the Department of Social Welfare (DSW) on CfW. • Coordination meetings with each township administrator and elders at the township level • The new Pauktaw township administrator actively coordinated joint meetings with the department heads and staff from the township DoA, DoI, and DoF.
Nutrition	<ul style="list-style-type: none"> • Coordination with each township authority on cost-of-diet and market assessments.

4. Mercy Corp's activities to build community resilience are bolstered by well-organised community-based organisations in Mrauk U Township.

Selected activities that benefitted from confident community-led involvement as part of the RakhineThaharya Association and Mercy Corp project, 'Building Community Resilience for Food Security' in Mrauk U Township are outlined below.

Table 19: Selected activities of the RakhineThaharya Association and Mercy Corp project in Mrauk-U

Activity	Outcome	Comments
Community economic resilience plans	Implemented in 10 project villages.	CBOs involved show strong leadership and good organisation.
Famer Field Schools	Established in 20 target villages with 25 farmers each.	In the 2013 monsoon season the number of paddy study plots was increased to 334 (from 86 in 2012).
Village greening activities	Tree seedlings were provided to 20 target villages in the 2013 monsoon season.	
Rice banks	Nine rice banks established in 2013.	Despite RTA's lack of previous experience in establishing rice banks, these appeared to be very effective for the landless and other vulnerable households, according to the FMO's observations.

CONCLUSIONS AND NEXT STEPS:

Solid early results show that Tat Lan is providing much needed assistance in an area of Rakhine State that historically has received little international development assistance.

Considering the socio-political climate, transparency of operation has been identified as a key priority for 2014. Additional coordination and communications initiatives have been specifically scheduled to involve government, the local press, and local communities.

In 2014, a review of Tat Lan's scope will be undertaken with the benefit of learning from the first year's implementation. This will determine what adjustments may be necessary to maximise project impact and cost effectiveness. This review could result in some adjustment to the current targets of the programme.



The Tat Lan Programme's cash-for-work projects provide daily wages while reconstructing infrastructure destroyed during Cyclone Giri.

4. OUTPUTS WITH NATIONAL SCOPE

4.1 Civil society strengthening (Output 5)

'Cooperation of civil society and community-based organisations is vital in building a peaceful country amidst difficulties and challenges'.

- President U Thein Sein (President's address at the Forum on Peaceful Nation Building and the Role of Civil Society, 30 November 2013)

Table 20: Results to the end of 2013 for Output 5 - Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.

Indicator	LIFT target at 2016	Milestone 2 2013	Achieved to end of 2013	% of 2013 target achieved
O5.1 No. of local NGOs better skilled in technical issues, and project and financial management	45	30	200	667%
O5.2 No. of trained CBOs applying training in LIFT-funded activities	10,000	7,000	4,285	61%

LIFT exceeded its logframe targets for Indicator O5.1⁸⁴ but there has been little consistent data provided as evidence of improved capacity, despite IP efforts to assess this.

In order to better understand the impact of its civil society support, LIFT commissioned a study in 2013⁸⁵ that provided helpful insights into the results achieved. The study revealed that while it was difficult for LIFT and its implementing partners to identify the effectiveness of civil society strengthening efforts, it was not difficult for local organisations to identify their achievements and improved capacity.

The study highlighted that capacity development success has mostly been related to the organisations' internal development and their ability to implement projects successfully; less has been achieved with respect to relationships and networking, or in the organisations' abilities to articulate strategy, style, and values, or to influence others.⁸⁶

The results indicate that while LIFT needs to continue its existing efforts, it needs to renew its methods to promote capacity development that will result in more lasting and sustainable organisational impact.

In 2013, LIFT supported the following initiatives for capacity development of civil society:

Capacity strengthening through training and research

Training is the most popular means used by LIFT's IPs to build the technical and institutional capacity of local partners. This training has focused on procurement, and monitoring and evaluation, research, organisational development, and security. In 2013, more than 66,000 participants from 2,125 LIFT

⁸⁴ The huge increase for indicator O5.1 is largely due to the contributions of projects funded under the Learning and Innovation Window. The World Food Programme supported 44 local NGOs in skills for monitoring food security. Paung Ku supported 32 local NGOs in organising and advocacy.

⁸⁵ 'Effectiveness of LIFT Support in Strengthening Civil Society' can be found at: www.lift-fund.org. See this report page 80.

⁸⁶ The five organisations that took part in the study were the Better Life Organisation, the Disabled People's Development Organisation, the Padauk Ngote self-help groups, the Banmaw Local Development Organisation (BLDO), and the Man Wein village development committee.

supported CBOs received training. In addition, there was a significant increase over previous years in the number of female training participants.

The effectiveness of the training has been measured with different tools. Paung Ku, an organisation specialising in capacity building for small, local groups, developed its own tools in 2013 that are now undergoing testing. They include the Initial Capacity Assessment Tool and the Participatory Capacity Assessment Tool to measure the capacity development of CBOs working in the area of policy advocacy.

The Social Policy and Poverty Research Group (SPPRG) uses its own specific methods to assess the effectiveness of its training. SPPRG's **vulnerability analyses** in the Dry Zone (2012) have shown to be influential on government planning and the implementation planning of LIFT IPs. SPPRG also monitors the outcomes stemming from its **research tutorials**, where participants are encouraged to do their own research with little technical guidance from SPPRG. After attending training, some CSO partners have gone on to conduct their own independent research projects. For example, the YMCA has completed research on street children in Mandalay; Charity-Oriented Myanmar has done research into the role of women in politics; and a consortium of local CSOs is conducting research into freedom of speech issues at the village level.

Another LIFT-funded capacity strengthening model that has been developed by local partners is REVEAL's **Inclusive Village Development Committees model**.⁸⁷ This has been actively promoted by the Ministry of Social Welfare Relief and Resettlement (MoSWRR), which requested funding from the National Development Committee to replicate the model in 200 villages during 2014-2015. The model is based on the assumption that all members of society have the right to participate in their own personal development as well as the development of their communities. It encourages the participation of vulnerable people and women.



LIFT support has helped to establish or strengthen 9,389 community based organisations since 2010.

⁸⁷ Reducing Economic Vulnerability through an Equitable/Inclusive Approach to Livelihoods (REVEAL) is a project implemented by a group of NGO consortiums that includes HelpAge International, the Network Activities Group, the National Council of YMCAs in Myanmar, the Golden Plain Agricultural Products Cooperative Society Ltd., and the Leprosy Mission International.

LIFT-supported advocacy and networking initiatives

Networking between peer groups has helped the transfer of 'good practices'. The civil society organisation, Paung Ku, benefited from learning about the activities of Thai civil society groups active in the Map Ta Put industrial complex in Thailand. Their efforts were shared with activists in Myanmar through LIFT-funded workshops and exposure trips. The ensuing campaigning by the Myanmar-based groups about the harm of environmental degradation led to three households from Char Kam village in Dawei receiving compensation from a Thai company, a strong indicator of community empowerment.

Networking and coordinating with government enables civil society to contribute towards policy change. The Food Security Information Network (FSIN) started by the World Food Programme, reported that involving government staff in its training sessions, together with international and local NGOs, has enabled relationships to develop among participants. These relationships are important to the success of subsequent research carried out by the FSIN in the Dry Zone, which the government is now keen to replicate in other parts of the country.

LIFT partners working on policy advocacy across the areas of food security, land rights, gender equality, and social protection are increasingly using the media for awareness raising and advocacy. CSOs in particular have used the media to inform and influence government officials and parliamentarians.⁸⁸ They also use information gleaned from the media: for example, the LIFT-funded Gender Equity Network (GEN) noted that based on their reading of government daily papers and seven private journals, that women's participation in the election process receives little media attention. The exception was one article that mentioned the first female ward administrator from Pakokku in the Dry Zone, pointing to her as a skilful and committed role model. The results from media monitoring have been used during GEN's advocacy workshops held with parliamentarians and government stakeholders.

The examples above indicate that LIFT is having some success in building the capacity of civil society, but significantly more could be achieved if LIFT provided more support in the areas of communications and advocacy.

Since civil society is taking more of a vocal and influential role in policy debates related to agriculture, food security, and rural livelihoods, the FMO consulted with CSOs to identify priorityworking areas for LIFT. The following areas were proposed:

- Support for issue-based advocacy campaigns;
- Increase capacity to conduct and effectively utilise research for policy change; and
- Increase capacity to develop effective information sharing networks for advocacy.

⁸⁸ The most commonly mentioned print media used by LIFT IPs to influence policy advocacy have been The New Light of Myanmar (a daily newspaper), 7 Days News Journal, Phyi Thu Khit, Mizzima, Myanmar Times, Popular News Journal, The Irrawaddy, Farmers Journal, Eleven Weekly, and The Voice. MRTV4 is the most popular national broadcasting TV channel used by IPs to reach broad and diverse audiences when launching forums and organising talk shows with celebrities for raising awareness on issues such as violence against women.

4.2 PROGRAMME DEVELOPMENT AND POLICY DIALOGUE (OUTPUT 6)

LIFT's Output 6 works to measure the extent that information generated by LIFT's projects and studies is used to inform decisions about future programmes, and to inform policy dialogue with government and other development partners. In the early years (2010-2012), LIFT's efforts focused on the former, gathering evidence through M&E to inform decisions on LIFT's strategy and programmes, and the logframe indicators were formulated accordingly.

Table 21: Results to the end of 2013 for Output 6 (programme development and policy dialogue)

Indicator	LIFT target at 2016	Achieved to end 2012	Milestone 2 2013	Achieved to end 2013	% of 2013 target achieved
O6.1: No. of studies that were discussed by FB and led to change of strategic direction	16	4	7	7 ⁸⁹	100%
O6.2: No. of strategic issues identified through IP activities, discussed by FB and led to change of strategic direction	14	3	5	9 ⁹⁰	180%
O6.3: Number of events (fora, workshops, discussion groups) that promote communication and good practices	50	15	20	57	285%

In 2013, three LIFT-funded studies led directly to strategic decisions taken by the Fund Board:

- The **Wholesale Microfinance Support Facility for Myanmar** study determined that there were good prospects for establishing a microfinance support facility capable of offering non-grant refinancing products (loans and guarantees) and non-financial services (technical assistance and training) to MFIs. Financing for the facility—to be named the Financial Inclusion Fund—will come from LIFT, UNDP, and bilateral contributions from DFID, USAID, and Danida. Pact will contribute to the facility using revenue generated by its donor-funded microfinance activities.⁹¹ The Financial Inclusion Fund will be established in 2014.
- The second round of **Qualitative Social and Economic Monitoring (QSEM 2)** found that in some areas the cost of farm labour is increasing and that this is perceived to be linked to an increase in out-migration. The Fund Board decided that a specific migration study should be conducted and that the design of LIFT's new programme in the Dry Zone should include a component specifically focused on helping improve migration outcomes.
- The **Mid-term Review of LIFT**, conducted in 2013, recommended increasing LIFT's role as a knowledge platform in a way that could benefit both donors and the government. The Fund Board subsequently agreed to increase LIFT's M&E capability with increased funds and long-term support from external M&E expertise.

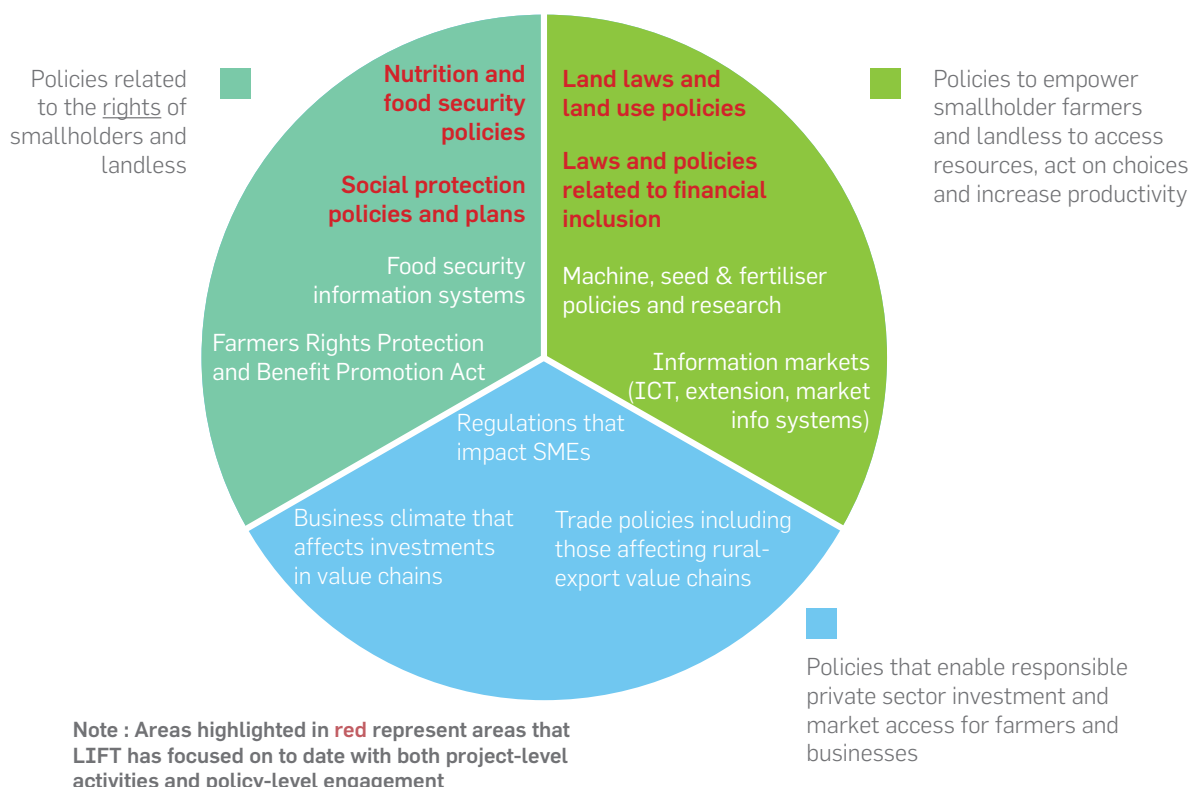
⁸⁹ Completed studies (at least in draft form) during 2013: Wholesale Microfinance Support Facility for Myanmar; Co-operative Systems in Myanmar; Mid-term Review of Delta II and Countrywide Programmes; QSEM 2; Effectiveness of LIFT Support in Strengthening Civil Society; Myanmar Agriculture Development Bank: Initial Assessment and Restructuring Options; and Myanmar: Capitalising on Rice Export Opportunities.

⁹⁰ The mid-term review of the Countrywide and Delta II programmes identified 10 strategic recommendations, four of which were discussed by the FB and implemented. Most of these relate to the design of future programmes for the Delta, the uplands, and the central Dry Zone.

⁹¹ This revenue sharing became possible following the transfer to Pact of all microfinance assets previously managed by UNDP. As the recipient of the funds, Pact agreed to pay a portion of its retained earnings over five years to support the growth and development of the sector.

Increasingly, LIFT is using the evidence it gathers to engage in dialogue on policy issues related to agriculture, food security, and rural development, as well as the strategies and programmes of development partners. In 2013, the Fund Board agreed to concentrate on policies in a limited number of thematic areas: financial inclusion, land, social protection, and inclusive agricultural value chains.

FIGURE 2: POLICIES RELATED TO THE LIVELIHOODS AND FOOD SECURITY OF LIFT’S INTENDED BENEFICIARIES: SMALLHOLDER FARMERS AND LANDLESS



4.2.1 Financial Inclusion

With the passing of the new Microfinance Law in November 2011, it became possible to scale up microfinance services as part of a broader strategy of financial inclusion. LIFT has used this opportunity to expand access to rural credit.⁹² LIFT has also increased its work with government, including:

- Supporting the government to develop a national strategy for financial inclusion. This is the main objective of the 'Making Financial Access Possible' project implemented by UNCDF. In 2013, the project completed a diagnostic of the financial sector, including a nationally representative survey of 5,000 households. The project is on target for developing a government-led financial sector road map in 2014.
- Building the technical and human capacity of the microfinance regulator (the Myanmar Microfinance Supervisory Enterprise or MMSE). This is the main objective of the 'Financial Inclusion for National Development' project implemented by the World Bank. In 2013, the project conducted training of MMSE's staff and developed a manual on how to supervise microfinance providers. The project conducted extensive analysis of the policy and institutional arrangements in the microfinance sector.

⁹² LIFT is expanding microfinance to the rural poor by: (i) enabling existing MFIs to reach 116,000 new clients; (ii) building the capacity of nine new local FMIs that will collectively reach an additional 45,000 clients; and (iii) supporting the entry into Myanmar of three regional market leaders that will reach an additional 250,000 new clients.



LIFT partners have provided 152,000 households with access to microcredit.

- Engaging with the Ministry of Finance and other stakeholders in the sector to address what LIFT sees as the most important constraints to promoting financial inclusion in Myanmar:
 - The current legal limits on interest rates (on savings and loans) and loan sizes⁹³ are restricting growth in the sector, particularly in rural areas where operating costs are higher. LIFT has coordinated with the Myanmar Microfinance Working Group, the Myanmar Microfinance Association, and the World Bank to encourage the relaxation of the limits, but in tandem with increasing MMSE's ability to regulate pricing and reporting by MFIs.
 - Currently, MFIs are not legally allowed to fund themselves through domestic and foreign debt in order to expand services. Combined with the restrictions on interest rates, this makes MFIs reliant on external grant and equity funding. LIFT is advocating that strong MFIs should be allowed to borrow from domestic and international lenders, as is the case in many other countries.

4.2.2 Land

While land confiscations and other threats to land tenure security have been common in Myanmar under previous governments, land conflicts moved to the fore of the national agenda in late 2011. In response, the government has acknowledged at its highest levels that land tenure security must be improved. In 2013, LIFT strengthened its work on land through the following projects:

- LIFT increased its funding for FSWG's Land Core Group⁹⁴ to allow the group to do: (i) more land tenure research on upland customary tenure, land taxation, and contract farming; (ii) more research dissemination through national symposiums and workshops; (iii) more training for civil society actors that work on land issues; and (iv) advocacy with a wider range of stakeholders, including the Parliamentary Land Confiscation and Enquiry Commission, the Land Scrutiny and Allotment Committee, the National Farmers' Association, as well as state and regional assemblies. In 2013, the project completed the third step of the customary land tenure research in cooperation with the Forestry

⁹³ In 2013, MMSE limited the size of a single loan to 500,000 kyat (US\$520). Many rural businesses requests loans between US\$313 and US\$1040.

⁹⁴ Project title: Harnessing Resources and Partnerships to Achieve Food Security in Myanmar

Department (SLRD collaborated informally). A study on contract farming for corn production will be completed in early 2014.

- LIFT funded a new project implemented by GRET⁹⁵ that is analysing: the social processes leading to land insecurity and those leading to investment and sustainable land use; land markets and their impact on equity; the dynamics of landlessness; the interplay between state intervention and local authorities in current regulations; and the access to natural resources as a base for livelihoods. In 2013, the project initiated studies in the Delta and the Dry Zone. Results will be available in 2014.
- LIFT continued to support UN-Habitat's land administration project that is providing technical assistance and equipment to the government's Settlement and Land Records Department (SLRD) so that it can better implement the Farmland Law (2012). Implementation of this project has been significantly delayed due to protracted negotiations between UN-Habitat and the Ministry of Agriculture and Irrigation (MoAI), the ministry responsible for the SLRD. The MoAI wants to reduce the scope of the project because of concerns that some activities should be implemented by the National Scrutinising Committee on Land Use and Land Allocation. A revised project design was submitted to the cabinet for approval.

In alignment with the recommendations of the National Dialogue on Land Tenure and Land Use Rights (2012), LIFT's engagement with the government, directly and through partners, is promoting:

- Protection of smallholder farmers' access to land and their capacity to use land sustainably;
- Women's equal rights to land in national land use legislation;
- Registration of communal land use rights, especially the recognition of shifting taungya as a legal land use category;
- Protection of common resources (village forests, fisheries, and grazing lands);
- A halt to granting land concessions where land registration and land census is incomplete;
- Improved land administration processes; and
- An inclusive process of consultation that encourages participation of civil society and farmers.

4.2.3 Social Protection

LIFT supports a rights-based, inclusive, equitable, and community-led approach to social protection, contributing to the development of social protection policies and practice at the national level as well as integrating social protection activities in the community-level activities it funds. At the community level, many of LIFT's implementing partners have employed social protection measures in their projects to increase income and enhance livelihood opportunities for poor and vulnerable households. There is reasonably good evidence that some LIFT-funded activities (employment generation schemes, cash and asset transfers, rice banks, and microenterprise development for people living with disabilities) have led to meaningful reductions in vulnerability and poverty in groups previously suffering from social exclusion.

At the policy level, the LIFT-funded Social Policy and Poverty Research Group (SPPRG), which is

95 Project title: Understanding Rural Land Issues in Order to Engage in Comprehensive Policy Dialogue in Myanmar.

made up of ActionAid, Leprosy Mission International, HelpAge International, and the Department of Social Welfare, is building the skills of researchers and policymakers while it conducts research related to social protection, debt, and migration. In 2013, SPPRG produced the guide, *Optimal Pathways for Inclusive Livelihoods in Myanmar*, based on research across 50 villages in eight states/regions. The research found widespread use of largely self-funded community-led social protection mechanisms.⁹⁶

SPPRG's vulnerability analyses in the Dry Zone (2012) have also influenced government planning and some LIFT projects. In 2013, three LIFT partners began using SPPRG's vulnerability mapping tool to plan and monitor their projects, and the Department of Social Welfare, several regional governments, as well as the Social Security Board, have expressed interest in using the tool to collect baseline data. As described above in Chapter 3, in March 2013, SPPRG conducted a workshop for social welfare directors from 13 states/regions, along with representatives from 12 other ministries. As a direct result, planning for social protection at the state/regional level was conducted with the governments of Chin, Mandalay, Sagaing, Ayeyarwady, Mon, and Shan.⁹⁷

The inclusive village development committees' model of HelpAge's REVEAL⁹⁸ project is another interesting example of a LIFT-supported project that has been recognised by the Ministry of Social Welfare Relief and Resettlement (MoSWRR). The ministry requested funds from the National Development Committee to replicate the model in 200 villages in 2014-2015. The inclusive model ensures that all members of society have the right to participate in their own personal development as well as the development of their communities. A significant achievement of the model has been the inclusion of vulnerable people and the increased participation and engagement of women in community development.

4.2.4 Other areas of policy-related activity

Nutrition

Good nutrition is recognised as a critical factor in the pursuit of economic development, but until recently, malnutrition had neither the profile nor traction needed among policymakers, planners, and decision-makers. While this is a global problem, it is acute in Myanmar because of a weak policy environment and fragmented ministerial responsibilities. In late 2012, LIFT awarded a three-year project called LEARN to a consortium of NGOs led by Save the Children.⁹⁹

The Government of Myanmar has recently demonstrated its commitment to nutrition by signing onto the Scaling Up Nutrition Movement (SUN) in May 2013, and by moving towards finalising a revised National Plan of Action for Food and Nutrition (NPAFN). The LEARN project has contributed to this new focus on nutrition by engaging SUN and by helping to shape the NPAFN. In 2013, the LEARN partners established the SUN Civil Society Alliance. The project also provided important support for other LIFT-funded projects, responding to 17 requests for technical assistance, ranging from advice on programme design to nutrition advice related to seed selection for home gardening.

⁹⁶ All villages had schemes of varying sorts in place, typically four different schemes (social welfare, health, education, and religious). The mean benefit was 31,800 kyat (US\$37) with a typical 100 household village distributing an average 2,277,169 kyat (US\$2,650) per year. While 82% of the village mechanisms relied mainly on contributions from villagers in some form, only 18% were receiving most of their funds from private donors; 18% had some NGO contributions; and just three villages were receiving government funds.

⁹⁷ Mandalay Region followed up with a preliminary needs assessment for social protection and the government of Sagaing developed social protection plans for 37 townships with support from SPPRG. The Chin government presented a draft five-year development plan on social protection, which had been developed through facilitation by SPPRG and the DSW. Chin awarded an additional US\$1 million based on the plan's objectives. The social protection plan for Sagaing Region has been developed, and has been fully costed. A Sagaing development consortium will write up an integrated development plan for the state, which will incorporate the social protection plans into the wider regional development plans. SPPRG is helping to develop the consortium and will help facilitate further development of the implementation and M&E plan for the consortium.

⁹⁸ Reducing Economic Vulnerability through an Equitable/inclusive Approach to Livelihoods

⁹⁹ LEARN stands for Leveraging Essential Nutrition Actions to Reduce Malnutrition and is implemented by Save the Children International in collaboration with Action Contre la Faim (ACF) and Helen Keller International (HKI).

The Fund Management Office is operated by UNOPS, as is its 'sister fund', the Three Millennium Development Goals Fund (3MDG), which has a health sector focus. In 2013, synergies and complementarities between the two funds were built in the area of nutrition, particularly with regard to identifying a number of townships of overlap and providing increased focus on improved water and sanitation where they are likely to lead to better nutrition outcomes.

Food security information management

Information on food security in Myanmar is geographically scattered, with multiple indicators of food insecurity collected with insufficient regard for seasonality. This makes aggregation difficult, hinders understanding of seasonal fluctuations, and reduces the usefulness of such information from a programming perspective. A LIFT-funded project implemented by WFP¹⁰⁰ has created a more integrated and comprehensive information system by establishing the Food Security Information Network (FSIN), which grew from a core group of seven partners to a total of 29 in 2013. Members include UN agencies, INGOs, local NGOs, CBOs, and farming associations. The FSIN is working to support the government of Myanmar in the development of digitalised information systems.

The key achievements of the project so far include the following:

- Agreeing to a set of core food security indicators with FSIN members, which are now used by WFP and FSIN partners in food security assessment, enabling comparisons across regions and over time. In 2013, FSIN developed and piloted a Myanmar-specific Coping Strategies Index (CSI) for seasonal food security monitoring.
- The establishment and management of a coordinated food security monitoring system: In 2013, mobile technologies were introduced with WFP providing tablet computers to partners to facilitate the collection and sharing of information. Findings will also be linked to an interactive mapping function on the FSIN website, allowing partners to map major events. Food security monitoring activities cover more than 90 townships on a monthly basis.
- The establishment of regional resource centres in Hakha and in Magwe.¹⁰¹
- The completion in 2013, of a major food security and nutrition survey in the Dry Zone together with the Department of Rural Development. The survey covered 58 townships, 150 villages, 1,500 households, and more than 1,800 children under age five. The survey enabled the FSIN to work closely with government technicians to further the understanding of differences between food security, food poverty, and overall poverty. Following the completion of the survey in the Dry Zone, the Ministry of Livestock, Fisheries and Rural Development requested WFP to conduct similar surveys in the rest of the country. By the end of 2013, surveys were completed in Bago, Ayeyarwady, and Yangon. In 2014, WFP will aim at assessing the remaining states and regions and presenting the results in a countrywide food security atlas.

Farmer's Rights Protection and Benefit Promotion Law

In 2013, LIFT worked closely with its implementing partners and its donors to engage in consultations on the Farmer's Rights Protection and Benefit Promotion Law, which was eventually passed by Parliament after at least nine drafts. The law, and the considerable consultation process surrounding it, created a high-level awareness on the issues confronting smallholder farmers, including volatile commodity prices and inadequate access to financial services.

100 The Improved Food Security and Market Price Information System in Myanmar was started in 2012.

101 FSWG is also supporting a resource centre in Magwe and it intends to open a centre in Hakha.

In May 2013, the parliamentary Committee on Agriculture, Livestock Breeding and Fishery opened a consultation process with civil society on the draft law, which enabled the FSWG and other LIFT partners to provide extensive input. The Fund Manager and donors participated in a number of workshops on the draft law, including a workshop with the Speaker of the Lower House, Daw Aung San Suu Kyi, and other parliamentarians. The consultations led to significant and important improvements in the law.

- The final draft of the law includes provisions for disaster relief for farmers, insurance, and inventory financing initiatives, while avoiding a potentially expensive price support mechanism similar to the rice-pledging scheme in Thailand, which early drafts of the law included.¹⁰²
- The issue of freedom of crop choice is prominent in the final draft. This was not the case in earlier drafts. 'Small-plot farmers' are mentioned a number of times as the main target of the law and this is also new in the later drafts.
- The need to provide greater oversight of the quality of seeds, fertilisers, pesticides, herbicides and other chemical products was added in later drafts, as was the issue of supporting farmers in the case of major crop losses.
- Language encouraging the private-sector production of seeds and seed research was added in later drafts.

Fora for aid coordination and policy dialogue

Sector working group: At the Myanmar Development Cooperation Forum held in January 2013, the government of Myanmar and its development partners agreed to establish thematic sector working groups to ensure effective coordination and promote development effectiveness. A specific SWG for agriculture and rural development was subsequently established under the leadership of MOAI. Ultimately, the SWG will focus on the preparation, and implementation of, a government-led five-year plan for the agriculture and rural development sector, including relevant sub-sector strategies. LIFT worked closely with the two development partner co-chairs of the SWG, the Food and Agriculture Organisation of the UN (FAO), and the U.S. Agency for International Development (USAID). The SWG met twice in 2013 and was able to make progress on a number of issues, including sharing stakeholder priorities and plans, and analysing policy constraints.

Consortium of Development Partners: On 18 November 2013, LIFT and MoLFRD hosted a national workshop to discuss the government's Strategic Framework for Rural Development. The framework proposes a targeted approach to reach poor rural people through decentralised planning and delivery mechanisms. This is a significant departure from previous Government of Myanmar approaches to rural development and poverty alleviation. One of the outcomes of the workshop was the formation of a Consortium of Development Partners (CDP), which was established as the main forum for coordinating further inputs on the strategic framework. The CDP is meant to be inclusive of all main stakeholders including all relevant ministries, bilateral and multi-lateral donors, UN agencies, international and national NGOs, and the private sector.

At the first meeting of the CDP in December 2013, the minister for MoLFRD requested LIFT to coordinate with the World Bank and others on the provision of technical assistance to the MoLFRD to help refine the strategic framework and develop an operational plan for its implementation. This support

¹⁰² The 2nd version stated that the first role of the Farmer Protection Central Committee was 'to calculate the expense of production of the basic farming products to set the basic crop price, to set the price of both imported and exported crops, and issue the notification about the set price to the public'. The newly titled Farm Product Managing Group can still 'buy farmer products if needed', but this is an improvement on the earlier drafts. All references to the Crops Trading Committee were removed.

is seen as an important step towards providing coordinated technical assistance to a key ministry for the aim of poverty alleviation in Myanmar.

It is important to note that MoLFRD has only recently been appointed as the focal ministry for rural development. The Department of Rural Development was moved from another ministry into the Ministry of Livestock and Fisheries in 2013. Therefore, as a ministry with an expanded mandate, MoLFRD needs substantial financial and technical capacity support to help deliver this agenda and to coordinate with other ministries, which may also need assistance. Translating the strategic framework into an actionable programme on the ground will be a challenge, and the challenge is made greater by the time pressure imposed: the President's Office has indicated that the programme should roll out in 2014. The role of the private sector and communities in the delivery of rural development interventions are also important, and communication between the three groups is still relatively new. The CDP provides an opportunity to create a new type of mechanism for communication.

In 2014, at the request of MoLFRD, LIFT will recruit an international and a national expert to support MoLFRD and the CDP in the development of an operational plan for the implementation of the Strategic Framework for Rural Development. The consultants will also identify the support needs of MoLFRD to implement and monitor this plan within the context of establishing a three-year institutional strengthening programme for the ministry.

CONCLUSIONS AND NEXT STEPS:

After four years of implementation, LIFT has accumulated considerable experience and information on agriculture, livelihoods, food security and rural development in Myanmar. This experience is complemented by: regular reporting and M&E data gathered from projects across the country; quantitative household surveys (in 2011 and 2013); a complimentary qualitative monitoring tool (QSEM); and a wide range of commissioned studies. The learning is informing the design of new LIFT programmes and the selection of new projects; increasingly, it is also informing LIFT's dialogue with government and other development partners.

In terms of programme development, LIFT's approach has evolved as it has learned. LIFT's first calls for proposals (for the Delta I and Countrywide programmes) were very general and resulted a scatter-shot pattern of projects designed separately by dozens of different implementing partners, each with their own priorities and preferences. In its last call for proposals in 2012 (for Rakhine), LIFT shifted from being a recipient of technical proposals from IPs, towards designing a technical package for implementation by a consortium of IPs.

In the design of its new programmes for the Dry Zone and areas emerging from conflict, for which there will be calls for proposals in 2014, it is becoming clear that the prescriptive design of programmes (e.g., for Tat Lan in Rakhine) may not match the skills, capabilities, and accumulated expertise of potential IPs. For these reasons, LIFT is likely to adopt a more flexible approach that focuses on a framework of results rather than a blueprint of activities and outputs. If such a programme is to learn as it goes along, even more rigorous M&E systems that yield reliable data on results will be required.

Beyond the development of its own programmes, LIFT's accumulated body of experience also forms a credible basis for LIFT to become a 'learning platform' as was articulated in the original vision for LIFT.¹⁰³ This would require more sophisticated and systematic generation, use, and dissemination of LIFT's learning to guide its own programming, to enhance the evidence base for programming by other donors in the sector, and to inform government in policy formulation.

¹⁰³ LIFT's vision is to be a collective and influential voice, promoting programme coherence, innovation, and learning, and to provide a platform for enhanced policy engagement on agriculture, food security, and rural development in Myanmar.

5. LESSONS

Seed multiplication efforts will be more sustainable if growers are organised into seed grower organisations that become integrated into the seed value chain.

Several of LIFT's IPs are supporting farmers to access improved quality seed by directly supporting selected seed growers to multiply certified or registered seeds at the village level (see Chapter 3:1.2 above). This seed is informally shared and sold between farmers without specific treatment, cleaning, or packaging. This decentralised approach provides for cost-effective production and distribution of affordable seed for farmers and it helps to match local supply and demand for seed varieties.

Several issues however, limit the long-term effectiveness of this approach:

- Seed-growers are fully dependent on IPs to supply them with registered/certified seeds (from government or private farms) and technical advice;
- Seed quality is variable between growers;
- It is costly to provide regular technical follow-up and control to individual seed growers;
- The traditional exchange system for rice is a disincentive for seed growers. Seed grain and rice grain is typically exchanged at the rate of 1:1; and
- Most seed growers have little inclination or the capacity to grow seed beyond their own needs.

These limitations could potentially be overcome through the establishment of seed grower organisations, which could give growers the buying power to access higher performing seeds, post-harvest equipment, and the means to manage storage and distribution. With these improved provisions, there will be potential for market influence and subsequent price incentives to promote value chain efficiency and sustainability.

As long as farmers are cash-strapped at harvest time, collective marketing initiatives will be unattractive. Systems such as inventory credit can help address this.

Farmers across LIFT projects typically need money from the proceeds of their harvest at harvest time in order to meet pay back deadlines on the loans they took out to grow the crops. The terms and conditions of microcredit in Myanmar do not provide farmers with the ability to take advantage of the seasonal effect on the market by selling their produce later when prices are higher.

Breaking this pay-back trap would require an adjustment of the microcredit pay-back terms, extending the loans for an additional two to three months so that farmers can store their harvests and sell at a better price. Improved storage arrangements will be required to ensure that grain quality is maintained.

In the Delta, IPs have successfully tested pilot mechanisms for inventory credit where the farmer receives a loan at harvest time (see Chapter 3.1 above). The credit is applied against his stock, which is used as collateral for the loan. The farmer receives enough money to clear his debt, invest in new crops and store his produce until the seasonal effect results in a rise in the market price.

Community development projects need to also provide for building the project team capacity.

Team training and preparation for project implementation frequently focuses on the technical needs of a project rather than the organisational, facilitation, and learning needs. Communication and facilitation skills, critical thinking, community mobilisation, participatory monitoring and evaluation, and results-based management are all key skills important to the implementation of successful community-based projects but are often assumed as being inherently held by project staff. Investment in these skills, knowledge, and learning is fundamental to projects building the necessary learning processes that support project adaptability to changing circumstances and needs, and ultimately, project success.

Creating opportunities for field staff to exchange learning across township boundaries in the same project, and with other projects in the same agro-ecological zone is a good way to help develop these skills. Exchange visits alone however, are not sufficient. The Oxfam/NAG project in the Dry Zone is a good example where efforts to share experiences were made, i.e., between the Thazi and Minbu township teams, but the lack of associated training limited the interpretation of the experiences and the learning process. Active field-level coordination with dedicated learning objectives is also required if the learning is to influence project decision-making.

There is a widespread prevalence of traditional community-led and funded social protection schemes in Myanmar. With training and investment, these have the potential to form the central part of a broader national social protection policy.

SPPRG's research across 50 villages in 8 of the 14 administrative regions shows widespread use of largely self-funded community-led social protection mechanisms. All villages had schemes of varying sorts in place, typically four different schemes (social welfare, health, education, and religious). Social cohesion is strong, and the research indicates several root causes for this. First, religion plays a strong role in all communities with such systems, providing a regulatory ethic. It can also be the practical distributive mechanism for the systems. Second, there is a clear symbiotic relationship between community organisations and community cohesion. Communities know who is really needy and who isn't, and it is much harder to abuse the system if all are living in the same community from which the funds come from.

The research showed that the mean benefit for community members was US\$37, with a typical 100 household village distributing an average US\$2,650 per year in social support. While 82% of the village mechanisms relied mainly on contributions from villagers in some form, only 18% were receiving funds from other sources, e.g., private donors or NGOs.

Initial understanding is that these community systems are delicate and if they are to be strengthened and developed into wider social protection systems, it will be important to ensure that the community retains an investment and management role in the schemes at the village level.

Effective policy and regulatory support to government needs to consider all principal decision makers, to ensure that unanticipated decision-making procedures or changes in personnel do not impede or delay good regulatory development and application.

LIFT's Financial Inclusion for National Development (FIND) project focuses its support on capacity building and policy development for the Myanmar Microfinance Supervisory Enterprise (MMSE), which is an influential part of the structure of the Ministry of Finance.

The FIND project resulted in good technical recommendations for policy and regulatory development. However, key decision makers in charge of microfinance policy and regulations reside outside MMSE in other parts of the Ministry of Finance. They were not privy to the policy and training support provided by FIND and a number of the technical recommendations were not acted upon. This is illustrated in the ministry's decision to impose a regulation on MFI loan size (see 3.2 above), which is contrary to policy advice and training provided by FIND. It is also likely that staff changes within the wider Ministry of Finance influenced this.

A diversified approach to collaboration between government and civil society for research is necessary to ensure that the research influences good policy development.

The Social Policy and Poverty Research Group (SPPRG) works hand-in-hand with government by engaging at many levels, with a number of offices and officials (see section 3.2.2 above). This helps to mitigate the often-poor communication between government departments, and a lack of clarity in the roles and responsibilities evident at the union and state level administrations. Diversifying the collaborations between different officials and levels works to circumvent potential blockages.

Good relations were built with reform-minded officials who are in a position to effect change, both in the central and regional governments. The fact that SPPRG's international staff speak the Myanmar language has also been important to enable the building of trust relationships at this level, and in the overall success of SPPRG in government relations.

In the case of social protection, SPPRG identified that the Sagaing government had placed a high priority on poverty reduction as part of regional development. SPPRG worked alongside them to gather evidence on how social protection can contribute to poverty reduction and regional development.

6. FUND MANAGEMENT

6.1 Allocation of LIFT Funds (Output 7)

Table 22: Results to end of 2013 for Output 7 (allocation of LIFT funds)

Indicator	LIFT target at 2016	Achieved to end 2012	Milestone 2 2013	Achieved to end 2013	% of 2013 target achieved
O 7.1: % of clear FB recommendations implemented by the FM within given deadlines	100%	90%	95%	86% ¹⁰⁴	90%
O7.2: % and number of audit areas (both FM and IPs) rated 'high priority' by the auditors	0 for all parties	0 for all parties	0 for all parties	IPs: 3 (6%) FM: 0 (0%) ¹⁰⁵	94%

From the table above, the Fund Manager is doing reasonably well at interpreting the policies and strategies of the Fund Board and implementing the Fund Board's recommendations on fund allocations in a timely manner. The second indicator in the table above indicates that the Fund Manager has robust financial and management controls in place and is implementing them consistently. By and large, IPs also have robust financial and management controls in place. The total number of audit observations for the IPs in 2013 decreased by 73% when compared to the number of observations in 2012.

In 2013, a total of 16 new grant agreements were signed for a total value of US\$38 million.

LIFT's funds have been allocated through the following contracting mechanisms:

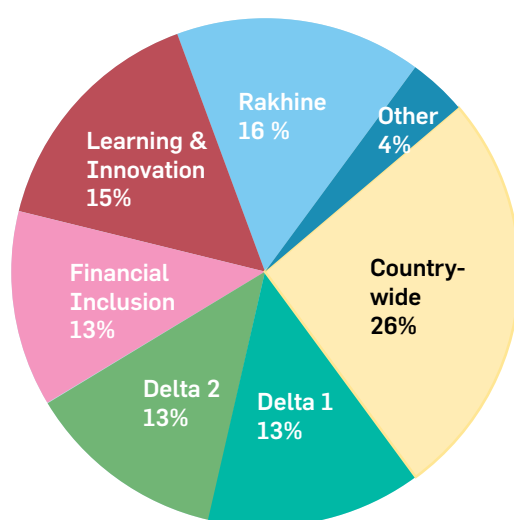
- Delta I:** Through a call for proposals in November 2009, and limited to the Ayeyarwady Delta, 22 one-year projects were selected for funding. All of these projects have now been completed. The total expenditure was US\$19.6 million.
- Countrywide:** Also launched in November 2009, this call for proposals was open to applications for the Dry Zone and Chin, Kachin, Shan, and Rakhine States. Sixteen projects have been funded for a total of US\$37.6 million.
- Delta II:** A call for concept notes was launched in October 2010, requesting new submissions focused in the Delta. Nine projects were funded for a total of US\$18.2 million.
- Learning and Innovation Window:** In November 2011, LIFT announced the establishment of a new LIFT funding envelope called the Learning and Innovation Window. Applications are received continuously and are assessed every three months. As of the end of December 2013, 17 projects had been funded for a total of US\$20.6 million.

¹⁰⁴ There were 28 recommendations made by the FB in 2013, 24 of which were acted upon in a timely manner.

¹⁰⁵ According to the 2013 audit: there were 47 observations for IPs, three of which were 'high priority'. For the FMO, there were three observations, none of which were 'high priority' observations. For comparison, the audit of the FMO conducted in 2012, contained zero 'high priority' observations (of 26 total). The audits of IPs contained nine 'high priority' observations (out of 161 total).

Table 23: Grants signed in 2013 in US\$

No.	Name of IP	Area of Work	Funding mechanism	Amount
1	IRC	Tat Lan project in Rakhine	Rakhine	22,188,065
2	ActionAid	Social Economic Development Network	Learning & Innovation	1,312,936
3	GRET	Land research	Learning & Innovation	223,741
4	Path	Rice fortification	Learning & Innovation	2,499,000
5	FAO	National Action Plan for Agriculture	Learning & Innovation	1,789,789
6	TAG	Bee keeping	Learning & Innovation	716,341
7	University of Sydney	Pro-poor enterprise development	Learning & Innovation	2,007,290
8	Proximity Designs	Microfinance	Financial Inclusion	2,300,000
9	GRET	Microfinance	Financial Inclusion	2,582,362
10	FAO	Dry Zone design mission	Dry Zone	395,332
11	Pact	Microfinance	Delta 2	440,820
12	Entrepreneurs du Monde	Microfinance seminar	Financial Inclusion	39,386
13	FAO	Livestock	Learning & Innovation	42,612
14	Pact	Microfinance	Countrywide	45,2995
15	UNESCAP	Policy engagement on the Dry Zone	Countrywide	1,104,915
16	GRET	Microfinance	Countrywide	53,538
				\$38,149,122

GRANT ALLOCATIONS BY FUNDING MECHANISM
(AT END 2013)

5. Direct Grants: Two grants (ActionAid and Oxfam) were awarded for a total of US\$2.3 million under the 'direct grant' mechanism (i.e., outside the calls for proposals for Delta and Countrywide), but before the Learning & Innovation Window was established. Both projects were implemented in the Delta.

6. Financial Inclusion Window: On 22 March 2012, LIFT opened a new funding window in order to scale up its support to microfinance services for poor rural households. As of the end of December 2013, seven project agreements had been signed to the value of a total US\$18.2 million.

Table 24: Overview of total funding (US\$) to end of 2013 by type of recipient agency¹⁰⁶

Indicator	INGO	UN	NGO	Other	Grand Total
Delta 1	14,890,397	4,037,905	663,189		19,591,490
Countrywide	24,927,267	6,998,166	5,686,507		37,611,940
Delta 2	12,076,562	5,559,180	607,929		18,243,671
Learning & Innovation	11,740,830	4,863,182	1,398,055	4,113,942	22,116,009
Financial Inclusion	10,850,882	7,402,734			18,253,616
Rakhine	22,720,847				22,720,847
Other	2,292,744	395,322		2,689,990	5,378,056
Total	\$99,499,529	\$29,256,489	\$8,355,680	\$6,803,932	\$143,915,629
Percentage	69%	20%	6%	5%	100%

6.2 FUND FLOW AND PARTNER PERFORMANCE (OUTPUT 8)

Table 25: Results to end of 2013 for Output 8 (fund flow and IP performance)

Indicator	LIFT target at 2016	Achieved to end 2012	Milestone 2 2013	Achieved to end 2013	% of 2013 target achieved
O8.1: % of funds released by FB is in line with the IP contracts	87%	99.6%	87%	99.6% ¹⁰⁷	114%
O8.2: % of IPs for whom the FM completes an M&E system review	100%	48%	100%	100%	100%
O8.3: % of IPs for whom the FM completes a financial system review	100%	100%	100%	100%	100%

¹⁰⁶ This refers only to IPs signing agreements with the FMO. Many INGOs have sub-agreements with local CSO partners.

¹⁰⁷ From the audits of IPs, a total of US\$69,911 was identified as ineligible expenditure, which represents 0.45% of total expenditures incurred by the IPs (on 37 projects).

The total LIFT fund flow to IPs in 2013 was US\$31.3 million, which was a 14% increase from 2012. A summary of the 2013 payments to partners is shown in the table below:

Table 26: LIFT payments to IPs and reported expenditure in 2013 by funding mechanism in US\$

IP Grants	Payments to partners in 2013 (US\$)
Delta I	0
Delta 2	5,971,545
Countrywide	9,513,576
Learning & Innovation	6,317,172
Financial Inclusion	4,210,171
Other	5,274,519
Total payments	US\$ 31,286,983

Monitoring partner performance

The main mechanisms used to monitor the performance of LIFT-funded projects are:

1. Regular field trips by the FMO and the Fund Board;
2. Reports submitted to the FMO twice a year;
3. Periodic external reviews of projects; and,
4. Audits carried out by an external audit firm.

The FMO visits each LIFT-funded project at least three times a year. Projects are visited four or more times per year if the FMO has noted serious issues that need to be addressed. During these trips, the FMO assesses the progress of projects, identifies issues with implementation, and tries to capture lessons through comparative analysis of the approaches used. Debriefings with partners are conducted after each visit to discuss findings and agree on actions for follow up. Fund Board members also make regular visits to projects. In 2013, the FMO conducted 169 field-monitoring trips to 446 villages, an increase of 41% (trips) and 28% (villages) over 2012. This reflects the significant increase over 2013 in the number of grants monitored by the FMO.

LIFT-funded projects are also audited on an annual basis. After an audit each IP prepares an audit action plan to address the audit findings. IPs report on the implementation of the plan in their annual and semi-annual reports. This is the main process by which the Fund Manager tries to ensure that IPs have adequate internal financial controls in place.

In 2012, LIFT introduced a method to systematically monitor the project management performance of all implementing partners. Based on five carefully selected indicators,¹⁰⁸ each LIFT-funded project is assigned a series of 'traffic light' status indicators, which the FMO uses to identify high-risk grants. The results for the projects active in 2013 are summarised in Table 27.

108

See the 2012 LIFT Annual Report for details of the indicators used.

Table 27: Summary of risk assessment against project management process indicators (2013) by 'traffic light' category

Indicator	Low risk (Green)			Medium risk (Yellow)			High risk (Red)		
	Threshold	% of grants		Threshold	% of grants		Threshold	% of grants	
		2012	2013		2012	2013		2012	2013
Implementation rate	>90% on track	44%	48%	71% - 90% on track	23%	31%	<=70% on track	33%	21%
Annual expenditure	>90% spent	21%	34%	71% - 90% spent	33%	37%	<=70% spent	45%	29%
Reporting timeliness	0 days late	61%	77%	1-7 days late	18%	7%	>8 days late	20%	16%
Report completeness	100% complete	21%	100%	71 - 99% complete	31%	0%	<=70% complete	48%	0%
Management controls	0 open observations	52%	64%	1-3 open observations	28%	30%	>3 open observations	20%	6%
Overall rating		32%	48%		41%	41%		32%	11%

From the table above, 48% of active projects were rated as low risk in terms of the five project management indicators. Only 11% of projects were rated as high risk. This is a significant improvement over the figures reported in the 2012 annual report. Reporting completeness is the main area of improvement. Progress was also noted in the number of open audit observations reported by IPs, indicating that audit findings from IP audits continue to be followed up by some IPs.

6.3 MONITORING & EVALUATION

LIFT's monitoring systems were refined in 2013 to encourage more consistency across IPs. Analysis of the data received from IPs in 2012 revealed a number of issues: a lack of shared understanding among IPs of the definition of some indicators and a lack of standardised tools for measuring others. Therefore, early in 2013 the M&E datasheets that IPs submit to the FMO every six months were simplified, and detailed manuals were developed in English and Myanmar language. Subsequently, LIFT's information and management system was revised to accommodate these changes.

A process for IP M&E system reviews was also developed to assess the quality of IP M&E data and M&E procedures. This process was tested and is now in full implementation. By the end of December 2013, 18 IPs had had their systems reviewed (six of these were sub-IPs). IPs were also given guidelines for developing terms of reference and methodologies for the final evaluations of their individual projects.

In 2013, LIFT commissioned a number of studies to improve its reporting and understanding of its performance:

LIFT's Mid-Term Review (MTR) of the Delta II and Countrywide programmes: The MTR¹⁰⁹ was guided by 37 research questions, with a specific focus on determining whether the LIFT implementing partners were on track to achieve expected results and impacts. The final report will be published in early 2014. Some of the findings are included below.

The MTR reported that many of LIFT's IPs were on schedule for delivering their inputs, as well as being on track for delivering their targeted outputs, although more so in the Delta II programme than in the Countrywide programme. However, the MTR team determined that about 30% of the activities observed were likely to have minimal or unclear impacts.

The types of interventions that generally worked well included: cash-for-work programmes that built public infrastructure; dialogue and information exchanges with government; well-designed and technically supported village development committees (VDCs), community-based organisations (CBOs), and self-help groups (SHGs); and some village social protection funds. Activities that were noted to be particularly interesting and/or successful included: the support to rice farmers by AVSI, Metta, and RadanarAyar; Pact's microfinance activities; ActionAid's fellows programme; and, the income-generating activities of HelpAge/YMCA and SWISSAID/SSLDO. The less impressive interventions were typically about introducing new ideas and technologies to village households. These included new rice planting methods and income-generating activities, or experimenting with organic fertiliser, co-operative business groups, and livestock banks.

Effectiveness of LIFT support in strengthening civil society: A study was commissioned in late 2013 to evaluate the effectiveness of LIFT's support to civil society strengthening (see Chapter 4.1). The five case-study groups/organisations all reported improved systems/capacity during the term of engagement with LIFT. The local NGOs reported major gains in all aspects of project management, especially in their understanding and practice of monitoring. The second area most frequently reported was in building organisation-wide discipline in reporting, budgeting, scheduling, and agenda setting. All organisations in the study reported that their monitoring systems and practice had improved as a direct result of the LIFT relationship. However, the impact of formal training courses that were provided under these projects specifically to strengthen CSO technical and general capacities was much less effective and, in the words of the authors, 'disappointing'.

LIFT's 2013 Household Survey: In October 2013, LIFT commissioned a large household livelihood, food security, consumption expenditure, and nutrition survey to collect data for comparison with the baseline in order to assess overall sub-programme performance. The survey aimed to assess changes in food security and livelihood indicators assessed in the 2011 baseline survey. As much as possible, the survey covered the same treatment and control villages as the 2011 survey.¹¹⁰ Given that the Tat Lan project had been delayed and was planning to undertake a repeat baseline survey, the 2013 household survey did not cover the four Cyclone Giri-affected

109 Mekong Economics Ltd. and a local firm, Golden Plains, were contracted to undertake LIFT's mid-term review. The review commenced with a document review. Golden Plains then conducted field research, which included 19 focus group discussions and six case studies. Following this work, additional consultations and interviews were held with LIFT IPs. This included site visits to review project activities in over 40 villages.

110 Some treatment villages and control villages were replaced when it was determined that several LIFT IPs had changed their plans and did not undertake project activities in their proposed treatment villages or, in a few cases, commenced work in villages that they had previously identified as control villages (where they did not plan to work).

townships in Rakhine State. In addition to questions on the same indicators as the 2011 baseline survey, the 2013 household survey, for the first time, collected nutrition and anthropometric data for children under 5 years of age, as well as household consumption expenditures. This information will be collected again in the planned 2015 household survey and as part of baseline studies for LIFT's new geographic livelihood and food security programmes.

Data tabulation was completed in early 2014 and analysis is underway. The draft report of the survey results, including an analysis of changes compared with baseline survey data, is due in March 2014. LIFT will make the survey data available to the public, which will allow considerable additional analysis.

The Farm Production and Economics Survey: This will be a national survey to collect key data related to agricultural production and income for monsoon and summer crops to be conducted in late 2013 and mid 2014. The information gathered will form the basis of models to assess smallholder crop production responses to changing economic conditions and policies. Oversight and technical assistance for the survey will be provided by the World Bank and FAO.

Changes to LIFT's M&E processes:

In the coming year, it is foreseen that LIFT will need to update and adapt its M&E processes, in line with these influences:

(i) Value for Money: A preliminary value-for-money (VfM) methodology was developed in 2013 (see Chapter 6.4). Value-for-money measures have been identified, particularly for IP projects, but also for several key Fund Manager functions. Implementing the methodology will require changes to LIFT's operational guidelines, contracts with IPs, as well as LIFT's information collection, analysis, and reporting systems. More information about the VfM methodology can be found in Annex 5.

(ii) LIFT Strategy Review: Following the LIFT strategy review, which started in late 2013, it will be necessary to review LIFT's M&E framework and its logframe. LIFT's existing M&E and information systems were designed for the Delta I and II and Countrywide programmes. They are increasingly ill suited to LIFT's newer programmes and funding windows (e.g., Learning and Innovation, Financial Inclusion, and Tat Lan). However, a large number of projects have been funded under these windows; at the end of 2013, there were 22 projects approved under the Innovation and Learning Window. These projects are diverse in focus, scope, value, location, duration, and start date. As a consequence, there are very few common indicators that can be collated. Moreover, the LIFT strategy review is likely to lead LIFT into other new programmes.

In 2014, it will be necessary for LIFT to develop a new M&E framework that is better aligned with the new strategy. Prior to this, LIFT should develop a more coherent theory of change to more explicitly examine the logic and linkages between the elements of LIFT's programme and how they will contribute to a clearly articulated goal and purpose.

6.4 COMMUNICATIONS

Building on LIFT's advances in 2012 with respect to international publicity, LIFT's profile within Myanmar increased significantly in 2013. LIFT is now well known among the local stakeholder community.

The LIFT Forum on the Strategic Framework on Rural Development:

LIFT hosts an annual knowledge-sharing forum. In 2013, in partnership with the Ministry of Livestock, Fisheries, and Rural Development, LIFT's annual forum was the platform to present the government's Strategic Framework on Rural Development. President U Thein Sein opened the event, which provided a unique opportunity for stakeholders from the UN, development partners, and civil society to discuss the proposed policy with Union Ministers, State and Regional Chief Ministers, and other senior officials.

Discussions focused on possible implementation arrangements for the new framework, which takes a nationwide and people-centred approach to increasing livelihoods of the rural poor and achieving sustainable rural development. Challenges identified for the implementation process include identifying areas of priority, both in locality and activity, to achieve sustainable financing and to develop the capacities required for a successful implementation.

The main outcome of the forum was the formation of a Consortium of Development Partners for Rural Development. The first meeting of the Consortium took place on 20 December 2013 and was chaired by U Soe Thein, Minister for the President's Office.



President U Thein Sein opened LIFT's 2013 Annual Forum, where the government's Strategic Framework on Rural Development was presented.

Media:

The FMO is now an active member of the Myanmar Media Development Thematic Working Group (MMDTWG) that shares information on media development activities in the country. The group includes over 25 local, national and international development partners, including national media organisations, ethnic media groups, and professional journalists' associations. It is chaired by the Deputy Minister of Information and UNESCO staff.

LIFT has established collaborative partnerships with local and international reporters that have led to increased coverage of LIFT activities. LIFT has been profiled by the Myanmar Times, MITV, News Eleven, Al Jazeera, Bangkok Post, Reuters, and Agence France-Presse (AFP), and Myanmar Radio and Television (MRTV).

FMO organised and planned the EU's media team visit to the Dry Zone in September 2013 and the EU media team profiled LIFT's projects implemented by Oxfam and Pact. The EU video on LIFT was showcased during the joint EU-Myanmar Task Force visit in November 2013. The LIFT video can be seen by going to www.lift-fund.org.

Social media and website:

LIFT's website now contains a project database that provides information on LIFT-funded activities. LIFT's homepage was translated into the Myanmar language in 2013. A total 37,205 unique visitors visited LIFT's website, which is a 700% increase compared to 2012. LIFT is using Facebook as its social media platform. www.facebook.com/liftfund is regularly updated with agricultural and LIFT news.

6.5 FINANCE

As of 31 December 2013, the cumulative donor contributions to LIFT were as follows:

Table 28: Cumulative donor contributions up to 31 December 2013 (US\$)

Donor	Signed commitments ¹¹¹	%
Australia	18,568,374	10.3%
Denmark	9,991,566	5.5%
European Union	74,147,454	41.1%
France	1,319,800	0.7%
Ireland	271,210	0.2%
Netherlands	2,950,000	1.6%
New Zealand	809,650	0.4%
Sweden	2,725,776	1.5%
Switzerland	9,099,213	5.0%
UK	55,591,550	30.8%
USA	5,000,000	2.8%
Interest earned	713,614	
TOTAL	\$181,188,207	

111 Commitments may vary slightly from 2009, 2010, and 2011 figures due to changes in exchange rates

LIFT expenditures in 2013 totalled US\$39.1 million, which is an increase of 14% from 2012. Expenditure was lower than expected in 2013 due to delays in the Tat Lan programme in Rakhine and delays in the implementation of two projects in the Financial Inclusion programme.

Table 29: LIFT expenditures for the year 2013 were as follows (US\$)

Activity	Budget	Actual	Under (Over)	%
Grants to implementing partners	33,466,615	31,474,611	1,992,004	6%
Research and visibility	958,650	380,587	578,063	60% ¹¹²
Operation of the Fund Manager's office	3,928,530	3,343,501	585,029	15%
Support to the Fund Board	132,209	107,152	25,057	19%
Facilities and administration	665,928	563,944	101,984	15%
Total in US\$	39,151,932	35,869,795	3,282,137	8%

¹¹² The main under-expenditure here is due to a significant planned piece of research in the Dry Zone that was done through a grant to an implementing partner instead of as a consultancy contract as originally planned.



ANNEX 1. LIFT PROJECT LOCATIONS

In 2013, LIFT worked in 11 states/regions, 35 districts, 103 townships, and 3,792 villages across the country.

	No. of Villages	No. of Townships	No. of Districts	No. of States/regions
Total reached during LIFT operation	3,884	107	37	12
Current operational on 31 Dec 2013	3,792	103	35	11

LIFT TOTAL REACH FOR 2013

States/ Regions	Districts	Townships
Ayeyarwady	1 Labutta	1) Labutta, 2) Mawlamyinegyun
	2 Pyapon	1) Bogale, 2) Dedaye, 3) Kyaiklat, 4) Pyapon
Bago	3 Bago	1) Shwegyin
	4 Taungoo	1) Taungoo, 2) Yedashe
	5 Pyay	1) Paungde
Chin	6 Falam	1) Falam, 2) Tedim, 3) Tonzang
	7 Hakha	1) Hakha, 2) Thantlang
Kachin	8 Bhamo	1) Bhamo, 2) Mansi, 3) Momauk, 4) Shwegu
	9 Myitkyina	1) Injyangyang, 2) Myitkyina, 3) Waingmaw
	10 Mohnyin	1) Mogaung
	11 Puta-O	1) Machanbaw, 2) Nawngmun, 3) Puta-O, 4) Sumprabum
Magwe	12 Magwe	1) Chauk, 2) Magwe, 3) Myothit, 4) Natmauk, 5) Taungdwingyi, 6) Yenangyaung
	13 Minbu	1) Minbu, 2) Pwintbyu, 3) Salin, 4) Sidoktaya
	14 Pakokku	1) Pakokku, 2) Pauk, 3) Myaing, 4) Seikphyu, 5) Yesagyo
	15 Thayet	1) Aunglan, 2) Kamma, 3) Sinbaungwe
Mandalay	16 Kyaukse	1) Kyaukse, 2) Myittha, 3) Sintgaing, 4) Tada U

States/ Regions	Districts	Townships
	17 Mandalay	1) Patheingyi
	18 Meiktila	1) Mahlaing, 2) Meiktila, 3) Thazi, 4) Wundwin
	19 Myingyan	1) Kyaukpadaung, 2) Myingyan, 3) Natogyi, 4) Ngazun, 5) Taungtha
	20 Nyaung-U	1) Nyaung-U
	21 Pyinoolwin	1) Madaya
	22 Yamethin	1) Pyawbwe, 2) Yamethin
Nay Pyi Taw Council	23 Nay Pyi Taw	1) Nay Pyi Taw Lewe, 2) Nay Pyi Taw Pyinmana, 3) Nay Pyi Taw Tatkon
Rakhine	24 Kyaukpyu	1) Kyaukpyu
	25 Sittwe	1) Minbya, 2) Mrauk U, 3) Myebon, 4) Pauktaw
	26 Thandwe	1) Gwa
Sagaing	27 Kale	1) Kale
	28 Monywa	1) Ayadaw, 2) Budalin, 3) Chaung U, 4) Kani, 5) Monywa, 6) Pale, 7) Salingyi, 8) Yinmabin
	29 Sagaing	1) Myaung, 2) Myinmu, 3) Sagaing, 4) Wetlet
	30 Shwebo	1) Kanbalu, 2) Khin U, 3) Shwebo
Shan	31 Kengtung	1) Kengtung
	32 Kyaukme	1) Kyaukme, 2) Namtu, 3) Nawngkhio
	33 Laukkaing	1) Laukkaing
	34 Taunggyi	1) Hopong, 2) Hsihseng, 3) Kalaw, 4) Lawksawk, 5) Nyaungshwe, 6) Pindaya, 7) Pinlaung, 8) Taunggyi, 9) Ywangan
Tanintharyi	35 Dawei	1) Dawei

ANNEX 2: ON-GOING LIFT PROJECTS BY FUNDING WINDOW

ORGANISATION	PROJECT TITLE	
Countrywide		16
1 ActionAid	Civil Society-led Community-based Livelihood Resource Development in the Dry Zone	
2 ADRA (CILPR)	Community-initiated Livelihood and Poverty Reduction	
3 Cesvi	Livelihood Security in Kyauk Mae and Naung Cho Townships in Northern Shan State	
4 DPDO	Sowing the Seeds for Persons with Disabilities in Dry Zone Area	
5 EcoDev	Scaling-up Rural Enterprise in Dry Zone (SURE)	
6 GRET	Sustainable Livelihoods and Natural Resource Management in Five Townships of the Northern Chin State	
7 HelpAge International	Reducing Economic Vulnerability through an Equitable/Inclusive Approach to Livelihoods Project	
8 MBCA	Improving Food Security and Incomes of Poor and Vulnerable Households in Rural Dry Zone through Improved Market Access	
9 MCS	Livelihood Assistance for Pottery Enterprises in Non-Delta (LAPEN)	
10 Mercy Corps	Building Communities Resilience for Food Security	
11 MERN	Coastal Livelihood and Environmental Assets Restoration in Rakhine (CLEAR)	
12 Metta	Farmer Field School to LIFT the Food Security of Small and Marginal Land Holders (LIFT-FFS)	
13 Oxfam GB	Building Resilience in the Dry Zone	
14 Proximity Designs/ International Development Enterprises	Livelihoods Support for Vulnerable Dry Zone Communities	
15 SWISSAID	Improving Livelihoods through Civil Society Strengthening	
16 UNDP (Note 1)	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar	
Learning and Innovation		17
1 ActionAid (GEN)	Mobilising Action for the Advancement of Women in Myanmar	
2 ActionAid (SEDN)	Social Economic Development Network for Regional Development	

Note 1: UNDP terminated the agreement as of 31 Dec 2013 and the project was replaced by two agreements with two former sub-IPs (GRET and Pact) with a start date of 1 January 2014

ORGANISATION	PROJECT TITLE
3 ActionAid (SPPRG)	Inclusive Livelihoods and Social Protection Research Project
4 CARE	Tea Business-enabling Environment for the Ex-Opium Farmers of Kokang
5 FAO	Formulation and Operationalisation of a National Action Plan for Poverty Alleviation and Rural Development through Agriculture (NAPA)
6 Food Security Working Group	Harnessing Resources and Partnerships to Achieve Food Security in Myanmar
7 GRET (Land)	Understanding Rural Land Issues to Engage Comprehensive Policy Dialogue in Myanmar
8 University of Sydney	Grass-roots Entrepreneurship Education and Pro-Poor Enterprise Development
9 IRRI	Improving Livelihoods of Rice-based Rural Households in the Lower Region of the Ayeyarwady Delta (LIFT)
10 IRRI (Research)	Reducing Risks and Raising Resources in the Rice Environments of Myanmar through Improved Knowledge of Environments and Management
11 Path	Introduction of Fortified Rice in Myanmar Project
12 Radanar Ayar	Socio-Economic and Environmental Development in Bogalay (SEED)
13 Save the Children/ Paung Ku (Note 2)	Civil Society and Investment: Dawei-Kyauk Phyu Pilot Project
14 Save the Children (LEARN)	Leveraging Essential Nutrition Actions to Reduce Malnutrition (LEARN)
15 Tag	Plan Bee: Introduction and Expansion of Modern Beekeeping and Honey Production in Shan State
16 UN-HABITAT	Land Administration and Management Programme (LAMP), Myanmar
17 WFP	Vulnerability, Analysis, and Mapping in Myanmar

Direct Grant

2

1 ActionAid	Building Local Capacities for Livelihoods Systems Approaches in the Ayeyarwady Delta
2 Oxfam GB	Improving Governance in the Fishery Sector as an Entry Point for Enhanced Small-scale Livelihood Security and the Capacity of Non-state Actors Engage in Rights-based Advocacy

Note 2: Project ended during 2013.

ORGANISATION	PROJECT TITLE	
Financial Inclusion		7 (Note 3)
1	Entrepreneurs du Monde (EdM)	Responsible Microfinance Seminar
2	GRET	Creating of a Microfinance Institution in the Dry Zone, Myanmar
3	Pact (MARC)	Myanmar Access to Rural Credit through Institutional Strengthening (MARC)
4	Proximity Designs/IDE	Catalysing Smallholder Agriculture Finance
5	UNCDF (MAP)	Making Access to Finance Possible in Myanmar (MAP)
6	UNCDF (MicroLead)	Support to Savings-Led Microfinance Market Leaders to Enter Myanmar (MicroLead Expansion Programme)
7	World Bank (IBRD)	Financial Inclusion for National Development in Republic of the Union of Myanmar (FIND)
Delta-II		9
1	ADRA	SCALE UP (Sustainable Community Alternative Livelihood Enhancement to Undermine Poverty)
2	AVSI	Promoting an experience of Small-scale Farmers' Cooperatives in Labutta Township in the Delta Region of Myanmar
3	LEAD	Accelerating Food Security
4	Mercy Corps	Beyond Recovery: Promoting Market-led, Pro-poor Economic Growth
5	MSN	Strengthening Capacities and Market Opportunities for Locally Promising Energy-saving Stoves and Quality Tree Saplings in the Delta, Myanmar
6	Pact	Pyapone Integrated Livelihoods Development
7	Proximity Designs	Livelihoods Support for Vulnerable Communities in Bogale, Mawlamyinegyun, and Labutta
8	UNDP (Note 4)	Sustainable Microfinance to Improve Livelihoods of the Poor in Myanmar
9	WHH	Value Chain Development for Inclusive Economic Growth in Central Bogale/ Mawlamyinegyun Townships

Note 3: Two projects (IFC and Mercy Corps) in contracting process at the end of December 2013.

Note 4: UNDP terminated the agreement as of 31 Dec 2013 and the project was replaced by two agreements with two former sub-IPs (GRET and Pact) with a start date of 1 January 2014

ORGANISATION	PROJECT TITLE	
<u>Rakhine</u>		2
1 CDN (Note 5)	Tat Lan Hydrological Master Plan Development	
2 IRC (Tat Lan)	Tat Lan Sustainable Livelihoods and Food Security Programme	
<u>Dry Zone</u>		2
1 FAO	Dry Zone Programme Development and Formulation	
2 IWMI	Sustainable Management of Water to Improve Food Security and Livelihoods in the Dry Zone of Myanmar	
<u>Study Grants</u>		1
1 The World Bank	Qualitative Social and Economic Monitoring	

Note 5: Project ended during 2013.

ANNEX 3: IP PROJECTS THAT REPORTED ON LIFT LOG FRAME INDICATORS DURING 2013

IP PROJECTS THAT REPORTED ON LIFT LOG FRAME INDICATORS DURING 2013

LIFT Indicator	P 1	P 2	P 3	P 4	P 5	O 1.1	O 1.2	O 1.3	O 2.1	O 2.2	O 2.3	O 3.1	O 3.2	O 4.1	O 4.2	O 4.3	O 5.1	O 5.2	O 5.3	# of key LIFT indicators	# of key LIFT indicators reported against	Remarks
IP Project																						
Country Wide Programme																						
ActionAid	*			*	*	*	*					*	*				*	*		9	9	
CESVI	*	*	*	*	*	*	*	*	*	*	*	*	*					*		14	14	
ADRA	*				*	*	*		*	*	*	*	*	*	*	*		*		13	13	
DPDO	*	*		*	*	*	*		*	*	*							*		10	10	
EcoDev	*		*					*	*	*	*							*		7	7	
GRET	*	*			*	*	*					*	*				*	*		9	8	
HelpAge	*		*	*	*	*	*	*	*	*	*	*	*				*		*	15	15	
MBCA	*																			1	1	
Mercy Corps	*	*	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	14	11	
MCS	*				*			*	*	*								*		6	6	
MERN	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	17	17	
Metta	*	*		*		*	*											*		6	6	
Oxfam	*		*	*	*	*	*	*	*	*	*	*	*				*	*		14	13	data can only be provided after HEA survey
Proximity Design	*			*		*							*	*	*		*			7	7	
SwissAid	*	*		*	*	*	*	*	*		*		*	*	*	*	*	*	*	13	13	
UN-DP-GRET, PACT, SC	*			*		*	*	*	*	*										6	6	
Delta II Programme																						
AVSI	*	*		*	*	*	*	*					*	*	*		*			11	11	
ADRA	*			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	13	13	
LEAD	*	*		*	*	*					*	*						*		8	8	
Mercy Corps	*	*		*	*	*	*										*	*		8	8	
MSN	*			*				*		*	*	*						*		6	3	
PACT	*						*	*	*	*	*							*		6	6	
UNDP-PACT	*						*	*	*	*	*							*		5	5	
WHH-GRET	*	*			*	*	*	*	*	*	*							*		9	9	
Proximity Design	*	*		*		*							*	*			*	*		7	7	
ActionAid (before DG)	*				*	*											*	*		5	5	
Oxfam-NAG (before DG)	*			*		*	*	*	*	*	*						*	*		9	9	
Learning Innovation Window Programme																						
IRRI (before DII)	*	*				*	*										*	*		5	5	
FSWG																	*	*	*	3	3	
IRRI-Research	*	*			*	*														4	4	
Save the Children - Paung Ku																	*			1	1	Project finished in June 2013
Save the Children - LEARN																	*			1	1	
GRET (LAND Project)																						Not relevant to report according to their project's nature
ActionAid (SEDN)	*							*	*								*			4	4	
PATH																						Not relevant to report according to their project's nature

LIFT Indicator	P 1	P 2	P 3	P 4	P 5	O 1.1	O 1.2	O 1.3	O 2.1	O 2.2	O 2.3	O 3.1	O 3.2	O 4.1	O 4.2	O 4.3	O 5.1	O 5.2	O 5.3	# of key LIFT indicators reported against	# of key LIFT indicators reported against	Remarks
IP Project																						
FAO - NAPA																						Not relevant to report according to their project's nature
TAG																						In inception phase
ActionAid (GEN)																						Not relevant to report according to their project's nature
CARE						*	*											*		1	1	
Radananr Ayar	*	*				*	*												*			
IERG - University of Sydney																						In inception phase
ActionAid - SPPRG																	*	*		2	2	
UN-Habitat																						Not relevant to report according to their project's nature
WFP																						Not relevant to report according to their project's nature
Financial Inclusion Programme																						
UNCDF - MAP																						Not relevant to report according to their project's nature
UNCDF - MicroLead																						M&E Plan not yet submitted
GRET (DZ)																						In inception phase
Proximity Designs	*									*									*		3	3
PACT (MARC)	*						*	*	*								*	*		6	6	
World Bank (IBRD)																						Not relevant to report according to their project's nature
Rakhine Programme																						
IRC - Tat Lan	*		*	*		*	*	*		*	*			*	*	*		*		12	2	
CDN																						Not relevant to report according to their project's nature

- * LIFT lograme indicators that are key to the IP project
- * IP reported against key LIFT lograme indicators in 2013
- IP reported against other LIFT lograme indicators in 2013
- * Key LIFT lograme indicator but not due to be reported in 2013
- * Key LIFT lograme indicator not reported in 2013

Note1 not relevant to report according to their projects nature

ANNEX 4: DETAILS ON THE PROVISION OF CREDIT TO THE END OF 2013**FINANCIAL INCLUSION: TARGETS AND ACHIEVEMENT**

INDICATOR DESCRIPTION	COMBINED TARGET FOR CONTRACTED IPS TO 2016	PROGRESS TO DECEMBER 2013	CUMULATIVE PROGRESS TO END 2013
No. HHs provided credit for agriculture (including livestock and aquaculture)	134,930	60,518	130,025
No. HHs provided credit for non-agricultural purposes	101,840	3,536	21,187

SUMMARY ACHIEVEMENT (AGRICULTURAL CREDIT) BY 2013

IMPLEMENTING PARTNER	# OF VILLAGES	# OF RECIPIENTS	TOTAL LOAN AMOUNT (US\$)
<u>Coastal</u>	<u>95</u>	<u>2,186</u>	<u>127,846</u>
Mercy Corps	44	996	66,384
MERN	51	1,190	61,462
<u>Delta</u>	<u>1,091</u>	<u>45,025</u>	<u>6,927,143</u>
ActionAid	24	786	61,759
LEAD	15	606	59,682
Mercy Corps	95	4,070	1,064,026
Oxfam	46	467	53,559
Pact/MARC	81	4,657	571,042
Pact/Pyapon	32	3,442	1,165,525
Proximity Designs	427	16,274	195,274
UNDP/Pact	263	13,378	3,536,621
WHH/GRET	43	127	39,655
UNDP/Pact Delta I	65	1,218	180,000

IMPLEMENTING PARTNER	# OF VILLAGES	# OF RECIPIENTS	TOTAL LOAN AMOUNT (US\$)
<u>Dry Zone</u>	<u>3,667</u>	<u>61,739</u>	<u>8,244,945</u>
ActionAid	57	3,065	414,890
ADRA	9	346	133,533
DPDO	23	1,650	48,870
Mercy Corps	92	3,530	307,171
Pact/MARC	142	10,591	1,690,853
Proximity Designs	3,088	14,263	889,817
UNDP	2	1,835	1,454,548
UNDP/Pact	201	24,784	3,179,755
UNDP/Save the Children (SC)	53	1,675	125,508
<u>Hilly</u>	<u>314</u>	<u>20,610</u>	<u>3,319,292</u>
Mercy Corps	32	1,348	142,368
SWISSAID	26	312	50,295
UNDP/GRET	29	576	65,635
UNDP/Pact	227	18,374	3,060,994
<u>Yangon</u>	<u>62</u>	<u>465</u>	<u>5,862</u>
Proximity Designs	62	465	5,862
<u>Sub-total</u>	<u>5,229</u>	<u>130,025</u>	<u>18,625,088</u>

SUMMARY ACHIEVEMENT (NON-AGRICULTURAL CREDIT) BY 2013

IMPLEMENTING PARTNER	# OF VILLAGES	# OF RECIPIENTS	TOTAL LOAN AMOUNT (US\$)
<u>Coastal</u>	<u>39</u>	<u>605</u>	<u>63,857</u>
Mercy Corps	10	324	13,105
MERN	29	281	50,752
<u>Delta</u>	<u>213</u>	<u>3,984</u>	<u>112,667</u>
ActionAid	21	487	15,349
Pact/Pyapon	107	2,534	11,399
Welthungerhilfe (WHH)	18	43	14,712
Oxfam/NAG	67	920	71,207
<u>Dry Zone</u>	<u>164</u>	<u>16,364</u>	<u>187,868</u>
ActionAid	20	2,059	84,808
ADRA	9	100	10,000
DPDO	23	57	1,000
MCS	18	147	20,953
Mercy Corps	20	276	17,313
UNDP/Pact	13	13,350	29,260
UNDP/SC	53	355	14,534
EcoDev	8	20	10,000
<u>Hilly</u>	<u>18</u>	<u>234</u>	<u>23,728</u>
MCS	12	70	13,143
Mercy Corps	4	104	8,604
SWISSAID	2	60	1,981
<u>Grand Total</u>	<u>434</u>	<u>21,187</u>	<u>388,120</u>

BRIEF OVERVIEW OF MICROFINANCE INSTITUTIONS FUNDED BY LIFT

SUMMARY OF PACT, GRET, PROXIMITY DESIGNS, AND SAVE THE CHILDREN PROJECTS

OUTREACH (31 DECEMBER 2013)	ALL INSTITUTIONS	LIFT-FUNDED PROJECT
Total loans outstanding	US\$97.39 million	US\$12.08 million
Total number of active clients	647,636	103,242
Total number of villages	12,090	4,389

1. PACT MYANMAR (MICROFINANCE PROGRAMME AND PACT GLOBAL MICROFINANCE)

OUTREACH (31 DECEMBER 2013)	INSTITUTIONS	LIFT-FUNDED PROJECT
Total loans outstanding	US\$91.54 million	US\$10.98 million
Total number of active clients	592,673	78,915
Total number of villages	8,316	792

Financial services (products)

Regular Loan	<p>US\$50 - \$500</p> <p>Loan period: 25 weeks</p> <p>Interest: 2.5% monthly (calculation based on declining balance)</p> <p>Repayment: bi-weekly (interest + loan)</p>	<p>A new client can start with US\$50 - \$100 then access a larger loan after successful repayment of current loan</p>
Agricultural Loan	<p>Maximum US\$125 per acre</p> <p>Loan period: 5 months (calculation based on declining balance)</p> <p>Interest: 2.5% monthly (calculation based on declining balance)</p> <p>Repayment: bi-weekly interest payment + 100% of loan at the end of the loan period</p>	<p>Accessible for any active borrower; maximum 3-4 acres (depending on season and area)</p>

113 ¹ Loan value in circulation.

Micro and Small Enterprise Loan	Up to US\$500 Loan period: 25 weeks Interest: 2.5% monthly (calculation based on declining balance) Repayment: bi-weekly (interest + loan)	Based on capacity and profitability; Clients are eligible after 1 year of membership
Micro and Small Enterprise Employment Loan	Up to US\$500 Loan period: 25 weeks Interest: 2.5% monthly (calculation based on declining balance) Repayment: bi-weekly (interest + principle)	Based on capacity and profitability; Clients are eligible after 2 years of membership
Social loan	US\$65 Loan period and repayment: based on negotiation Interest: 1% monthly (calculation based on declining balance)	Accessible for health care loan, education loan, and fly-proof latrine loan
Loan for vulnerable households	US\$65 Loan period, interest and repayment: based on negotiation	Targets non-client poor households
Beneficiary welfare scheme	Natural disasters: \$50 cash disbursement plus outstanding loan write-off if business affected Childbirth: \$30 - \$100 cash disbursement depending on circumstances Client death: \$100 cash disbursement plus outstanding loan write-off	Decision based on on-site assessment; Client contribution 1% of every loan; Institution contribution 1% of gross income plus 15% interest on fund
Saving	- Mandatory saving – US\$1.2 per month - Voluntary saving – per client desire - Interest 1.5% per month	Saving is mandatory for all clients

2. GRET (CHIN MICROFINANCE INSTITUTION)

OUTREACH (31 DECEMBER 2013)	INSTITUTIONS	LIFT-FUNDED PROJECT
Total loans outstanding	US\$1,350,000	Wholesale loan only US\$0.67 million
Total number of active clients	8,276	576
Total number of villages	118	29
<u>Financial services (products)</u>		
Group Loan	US\$100 - \$150 Loan period: 12 months Interest: 2.5% monthly (calculation based on declining balance) Repayment: monthly interest (Bullet repayment for capital)	NA
Individual Loan	Maximum of US\$600 Loan period: 18 months Interest: 2.5% (calculations based on declining balance) Repayment: Interest payable monthly 1/5th of capital repaid after 12 months, the remaining after 18 months	NA
Wholesale Loan	Minimum US\$500 and maximum of US\$2000 depending on loan proposal and size of SRG. Loan period: one year Interest: 2.5% monthly (calculation based on declining balance) Repayment: monthly interest payment during first six months and then capital and interest repaid monthly	Targets self-reliant groups (formed with assistance from UNDP's Human Development Initiatives Projects)

3. PROXIMITY DESIGNS (MICROFINANCE)

OUTREACH (31 DECEMBER 2013)	INSTITUTIONS	LIFT-FUNDED PROJECT
-----------------------------	--------------	---------------------

Total loan outstanding	US\$3.47 million	US\$0.24 million
Total number of active clients	21,262	21,262
Total number of villages	3,515	3,515

Financial services (products)

Agricultural loan	US\$158 per farmer/client Loan period: 5 months (calculation based on declining balance) Interest: 2.5% monthly Repayment: interest payment + loan by end of loan period	The loan size to be increased to US\$177 per farmer/client in 2014 LIFT fund contributes 7% of each loan in 2013
-------------------	--	---

4. SAVE THE CHILDREN (DAWN MICROFINANCE)

OUTREACH (31 DECEMBER 2013)	INSTITUTIONS	LIFT-FUNDED PROJECT
-----------------------------	--------------	---------------------

Total loan outstanding	US\$1.03 million	US\$0.19 million
Total number of active clients	25,425	2,489
Total number of villages	141 villages and 92 wards	53

Financial services (products)

Regular loan	US\$50 - \$250 Loan period: 6 months (or) one year Interest: 2.5% monthly (calculation based on flat method) Repayment: weekly (interest + principle) (bi weekly is also acceptable)	The loan size increases from one cycle to another depending on capacity of economic activity.
--------------	---	---

Seasonal loan	<p>US\$50 - \$250</p> <p>Loan period: 4 months</p> <p>Interest: 2.5% monthly (calculation based on flat method)</p> <p>Repayment: bi weekly (interest) + principle at the end</p>	<p>Targets agriculture and small animal husbandry. The loan size also increases from one cycle to another depending on capacity of economic activity.</p>
Education loan	<p>US\$30 - \$50</p> <p>Loan period: 4 months</p> <p>Interest: 1.6% monthly</p> <p>Repayment – weekly (interest and principle)</p>	<p>Purpose for education (with school expenses given only once a year in May/June).</p>
Saving	<p>- Mandatory saving – \$1.2 per month</p> <p>- Interest 1.25% per month</p>	<p>Saving is mandatory for all clients.</p>

ANNEX 5: BIBLIOGRAPHY OF LIFT REPORTS, SURVEYS, AND PUBLICATIONS**2013**

1	Annual Report 2012	LIFT
2	Semi-annual Report 2012	LIFT
3	Quarterly Report to the FERD	LIFT
4	Microfinance Impact Assessment Designs	LIFT
5	Consultancy on Cooperative Systems	LIFT
6	Qualitative Social and Economic Monitoring Round 2 (QSEM 2)	LIFT/World Bank
7	Wholesale Microfinance Support Facility: Myanmar	LIFT
8	Effectiveness of LIFT Support in Strengthening Civil Society	LIFT
9	Water Resource Assessment of the Dry Zone in Myanmar: Components 1-4	LIFT
10	LIFT Accountability Framework and Community Feedback Mechanism	LIFT
11	Mid-Term Review: Dry Zone and Countrywide Programmes	Mekong Economics Ltd.
12	Myanmar Agriculture Development Bank: Initial Assessment and Restructuring Options	World Bank
13	LIFT Impact Assessment Consultancy Report	LIFT/Pact
14	Mini-study of Potential of Rehabilitation of Canal Systems in Gravity Irrigation Schemes in the Dry Zone	National Engineering and Planning Service
15	A study of selected earth dams in Northern Rakhine	SMART Consultant

2012

1	Annual Report 2011	LIFT
2	Semi Annual Report 2011	LIFT
3	Baseline Survey 2011 Report	LIFT
4	Delta 1 Evaluation Report	LIFT
5	Qualitative Social and Economic Monitoring Round 1 (QSEM 1)	LIFT/World Bank
6	Interim Review	NIRAS
7	Report on Embankment Projects in Rakhine State	LIFT
8	Prawn Value Chain Analysis in Rakhine State	Olivier Jofre and Moe Aung

2011

1	Annual Report 2010	LIFT
2	Value Chain Development in Central Bogale and Mawlamyinegyun	Bernard Cartella and Myint Soe

ANNEX 6: COMPARISON OF RESULTS - 2012 AND 2013

N.B.: 2012 results were based on IP data. Results in 2013 were based on both IP data and extrapolations from the LIFT 2013 Household Survey, which has improved data reliability. In some cases, aided by the cumulative effects of LIFT inputs over time, the 2013 results present a significant increase from the previous year.

Summary of purpose-level indicators' cumulative achievements: 2012 and 2013

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

Summary of output-level indicators' cumulative achievements: 2012 and 2013

<u>Indicator</u>	<u>2012</u>	<u>2013</u>
Output 1: Increased agricultural production and higher incomes supported through improved production and post-harvest methods, and improved access to inputs and markets.		
01.1 No. of target HHs aware of new/improved agricultural technologies	26,700	51,592
01.2 No. of target HHs that adopt/use improved agricultural practices	20,600	87,000
01.3 No. of HHs in LIFT-supported villages accessing low-interest credit for agriculture	69,000	130,025

<u>Indicator</u>	<u>2012</u>	<u>2013</u>
Output 2: Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.		
O2.1: No. of trained people who establish enterprises (gender disaggregated)	14,300 M=800 F=13,500	29,155 M=1,653 F=27,502
O2.2: No. of HHs in LIFT-supported villages accessing low-interest credit for non-agricultural livelihoods	17,800	21,187
O2.3: No. of targeted HHs with an increase in income from non-agricultural activities and/or vocational training	3,300	17,164
Output 3: Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.		
O3.1: No. of HHs participating in improved resource management or rehabilitation activities	24,700	32,854
O3.2: No. of participants trained in sustainable resource management or rehabilitation topics (gender disaggregated) who think the training was useful	7,000 M=3,525 F= 3,475	14,514 M=7,527 F=6,987
Output 4: Effective social protection measures supported to increase the incomes, enhance the livelihood opportunities, or protect the livelihoods assets of chronically poor households.		
O4.1: No. of HHs supported by CfW activities that think the intervention was timely and effective	21,600	114,362
O4.2: No. of HHs supported with cash/asset transfers that are able to invest in productive activities/assets that increase their income	1,900	27,364
O4.3: No. of HHs that are able to reduce the number of food insecure months or days	9,990	290,000
Output 5: Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.		
O5.1: No. of local NGOs better skilled in technical issues, and project and financial management	27	200
O5.2: No. of trained CBOs applying training in LIFT-funded activities	1,300	4,285

ANNEX 7: MEASURING THE 2013 RESULTS

1. Purpose-level indicators

Purpose 1: To sustainably increase food availability and incomes of two million target beneficiaries.

<u>Indicator</u>	<u>Detail</u>
Purpose indicator 1: Number and percentage of target households with increased incomes	Source: Results gauged through extrapolation from LIFT household surveys. Many of the IPs did not have reliable means to assess this indicator and did not identify the percentage increases in household incomes. Final evaluations planned for LIFT projects in 2014 will generally include quantitative end-line surveys that will also shed light on these reported achievements.
Purpose indicator 2: Number and percentage of target households with at least 5% agricultural productivity gains	Source: Results gauged through extrapolation from LIFT household surveys.
Purpose indicator 3: Number and percentage of target HHs with increased and/or diversified food consumption	Source: LIFT Household Survey 2013. Only 12 projects reported against this indicator. Their total achievement amounted to 23,983 households with increased and/or diversified food consumption. Given the large number of households reported by IPs to have increased incomes (indicator P1), it would be expected that the number of households with increased dietary diversity and/or increased access to food should also be higher as well. ¹¹⁴ However, only a minority of IP projects have attempted to measure this.
Purpose indicator 4: Number and percentage of target beneficiaries (HHs) with an increase in food security by at least one month	Source: Results gauged through extrapolation from LIFT household surveys.
Purpose indicator 5: Number and percentage of target HHs with increased assets	Based on IP data with additional insight from the household surveys.

¹¹⁴ Household Dietary Diversity Score (HDDS) is a widely used proxy measure of food access where the number of different food groups consumed over the previous 24 hours is recalled by respondents. It is an important outcome in itself and it is also correlated with improved outcomes in birth weight, child anthropometric status, and caloric and protein adequacy. It is also correlated with household income. Increased food expenditure resulting from additional incomes is generally associated with increased quantity and quality of the diet. Source: Swindale and Bilinsky, Household Dietary Diversity Score (HDDS) for Measurement of Household Food Access Indicator Guide (v 2). Food and Nutrition Technical Assistance Project, Academy for Educational Development, Washington, D.C. (2006).

Output 1: Increased agricultural production and incomes supported through improved production and post-harvest technologies, and improved access to inputs and markets.

Indicator

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

Detail

Source: IP data. Twenty-four IP projects have reported against this indicator, but several of the more ambitious projects are well below their targets. Many IPs simply use their training records to assess performance against this indicator, which would not capture the spread of information more broadly within the villages where the projects are being implemented. As many IPs use demonstration plots and field trials as part of their extension approaches it may be expected that awareness extends beyond those households that have been directly involved in training.¹¹⁵ Stronger results are indicated in the 2013 household survey.

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

Source: LIFT household surveys. Some IPs measured achievements by means of household surveys; others simply used training records, sometimes with some form of post-training assessment. Results were therefore gauged through extrapolation from LIFT household surveys.

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

Based on IP data with additional insight from the household surveys. LIFT's 2013 Household Survey explains use of loan money, with the purchase of food remaining the most important use. In control villages, more people used their loans for business investment than in LIFT villages.

Output 2: Targeted households supported in non-agricultural livelihood activities and/or trained in livelihood skills for employment.

Indicator

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

Detail

Source: IP data. Seventeen IP projects reported their achievements against this indicator. The target for this indicator is based on an assumption that 80,000 people will be trained in skills to run a non-agricultural enterprise and 75% of these will establish such an enterprise, often with material support provided by the IP upon completion of the training.

¹¹⁵ Comparing IP achievements to the end of 2013 for outputs 1.1 and 1.2, it is clear that IP estimation methods did not capture such a diffusion of information.

Indicator

O2.2: Number of households in LIFT-supported villages accessing credit from low-interest microfinance groups or VSLAs for non-agricultural livelihoods

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

Detail

Based on IP data with additional insight from the household surveys.

Source: IP data. Nineteen IP projects reported their achievements against this indicator. However, many of the IPs did not have reliable means for assessment, often relying on simple project records and monitoring of beneficiaries. Final evaluations planned for most IP projects under the Delta II and Countrywide programmes in 2014 will include quantitative end-line surveys that will assess income impacts from non-agricultural support. Final results from the 2013 household survey will provide another estimate of income changes for the LIFT villages between November 2011 and November 2013.

Output 3: Sustainable natural resource management and environmental rehabilitation supported to protect local livelihoods.

Indicator

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

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

Detail

Source: IP data. Twelve IP projects reported their achievements against this indicator.

Source: IP data. Ten IP projects reported their achievements against this indicator.

Output 4: Effective social protection measures that increase the incomes, enhance the livelihood opportunities, or protect the livelihood assets of chronically poor households.

Indicator

O4.1: Number of households supported by CfW activities that think the intervention was timely and effective

Detail

Source: IP data. In total, 12 IPs supported 146,618 households with CfW activities by the end of December 2013. The largest contribution came from Proximity Designs whose two projects supported 99,441 households. The number of households receiving CfW payments is readily measured and all projects have done so. However, assessing whether CfW opportunities were offered at the most appropriate time or were effective is

Indicator**Detail**

O4.2: Number of households supported with cash/asset transfers that are able to invest in productive activities/assets that increase their incomes	more difficult. ¹¹⁶ Proximity Designs was the only IP to have formally assessed the perceptions of household beneficiaries regarding the timeliness and effectiveness of this support. In May 2013, they surveyed a random sample of 373 households involved in their Dry Zone pond rehabilitation program. Seventy-eight per cent of respondents reported that the CfW was timely and effective. Given the significance of Proximity Designs in the above achievements, their findings from the Dry Zone (their largest CfW project) have been applied over all IP CfW activities. ¹¹⁷ Even without extrapolation, the Proximity Designs data still exceeds the milestone.
O4.3: Number of households that are able to reduce the number of food insecure months or days	Source: IP data, with ten IP projects reporting their achievements.
	Source: Results gauged through extrapolation from LIFT household surveys. Only eight IP projects reported against this indicator. By far the largest was Proximity Designs, whose two projects constituted nearly 85,000 households out of the combined IP total of 94,171. Their two surveys in 2013 indicated that 86% of their CfW households in the Dry Zone and 83% of households in the Delta achieved improved food access by at least one month. ¹¹⁸ Other IPs did not conduct such formal surveys to estimate their contribution to household food security from social protection measures.

Output 5: Capacity of civil society strengthened to support and promote food and livelihoods security for the poor.

Indicator**Detail**

O5.1 Number of local NGOs better skilled in technical issues, and project and financial management.	Source: IP data. Eighteen IP projects reported their achievements against this indicator.
O5.2: Number of trained CBOs applying training in LIFT-funded activities.	Source: IP data. Thirty-five projects reported their achievements against this indicator.

¹¹⁶ Timeliness refers to offering cash-for-work opportunities when demand for casual labour is low and effectiveness is related to its impact on food security (i.e., enabling households to have enough food to eat when otherwise they might not).

¹¹⁷ By extrapolation, 78% of the total 146,618 households engaged in CfW activities would suggest that 114,362 households found the CfW support to be timely and effective. Obviously there are errors associated with applying Proximity Designs' findings across other IPs' CfW activities, as not all would provide the work at the same time of year nor would they use the same approach to target CfW beneficiaries.

¹¹⁸ This has been extrapolated using household incomes from cash-for-work activities, numbers of household members, and market prices for rice, to calculate the number of extra months of rice consumption that could be afforded, assuming all expenditures would be for this purpose.

UNOPS FUND MANAGEMENT OFFICE

12 (O), Pyi Thu St, 7 mile,
Mayangone Tsp, Yangon, Myanmar
Phone: +95 1 65 72 80~87,
+95 1 65 77 02~04
Fax: +95 1 65 72 79
Email: lift@unops.org
Website: www.lift-fund.org
