



LIFT ANNUAL REPORT

HIGHLIGHTS

2016



Livelihoods and Food Security Trust Fund

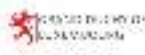


TABLE OF CONTENTS

Working for an inclusive and transformative change.....	1
Impact.....	2
Selected results.....	3
Where we work.....	4
Allocation of budget by agro-ecological zones.....	5
Expanded programmes.....	6
The Delta Programme.....	6
The Dry Zone Programme.....	7
The Uplands Programme.....	8
The Rakhine Programme.....	9
The Financial inclusion Programme.....	10
The Migration Programme.....	11
Stepping up with mechanisation.....	13
Working for an inclusive rural transition.....	15
1. Financial inclusion.....	17
2. Private sector partnerships.....	19
3. Nutrition.....	21
4. Gender.....	23
5. Social protection.....	25
6. Climate change.....	27
7. Civil society.....	29
8. Policy.....	31
LIFT's governance and finance.....	32

ACKNOWLEDGEMENTS

We thank the governments of Australia, Denmark, the European Union, France, Ireland, Italy, Luxembourg, 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 rural poor people in Myanmar. Their support to the Livelihoods and Food Security Trust Fund (LIFT) is gratefully acknowledged. We would also like to thank the Mitsubishi Corporation, as LIFT's first private sector donor.

DISCLAIMER

This document is based on information from projects funded by LIFT in 2016 and supported with financial assistance from Australia, Denmark, the European Union, France, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, the United States of America, and the Mitsubishi Corporation. The views expressed herein should not be taken to reflect the official opinion of the LIFT donors.

Photography by John Rae/UNOPS, Jenny Macintyre, Jacquette Hayes, Kaung Htet and Pyoe Pin

For further details, please see the full version of the LIFT Annual Report 2016, available at www.lift-fund.org/publications

WORKING FOR INCLUSIVE AND TRANSFORMATIVE CHANGE



Number of families reached by LIFT 2010 - 2016

The multi-donor Livelihoods and Food Security Trust Fund (LIFT) has been operating in Myanmar since 2010, helping rural people to reach their full economic potential through improved nutrition, income diversification and skills development.

We support the growth and modernisation of Myanmar's rural economy by increasing the profits of farmers, encouraging diversification in agriculture and skilling people for new jobs with higher wages. This is providing opportunities for smallholder farmers and landless people to take part in Myanmar's development.

Research funded by LIFT and conducted in 2016 provides clear evidence of the structural transformation occurring in Myanmar's economy. In this changing environment LIFT provides new knowledge, technologies and access to finance and markets. In addition, we generate evidence to back the development of policies that will improve the lives of rural poor people.

LIFT support, amounting to USD 266 million, has reached around 7.2 million rural people, roughly 20 per cent of the country's rural population.

In 2016, LIFT started new activities in the Delta, Dry Zone, Rakhine and Uplands geographic areas, as well as for the financial inclusion, migration and civil society engagement programmes. These programmes put the LIFT strategy 2014-2018 into operation, by helping target beneficiary groups to **'step up'** into commercial value chains, **'step out'** of marginalised farming and into more profitable agricultural and non-farm support jobs, and to **'hang in'**, gaining better nutrition and skills that will enable them to later 'step up' or 'step out'.

LIFT is supported by United Kingdom, European Union, Australia, Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Switzerland, Sweden, and the United States of America. From the private sector, the Mitsubishi Corporation is a donor. Funds are pooled for aid effectiveness. Under the management of UNOPS, the Fund's mandate has been extended, and activities are expected to continue to the end of 2018, at least.

IMPACT

LIFT delivers strong results and expands reach

LIFT’s impact on the incomes, nutrition and resilience of rural people in Myanmar continues to grow. In 2016, our seventh year of operation, LIFT met or exceeded its targets for 24 of the 27 outcome indicators, including all indicators of the purpose-level outcomes of improved rural incomes, resilience, nutrition and policy developments.

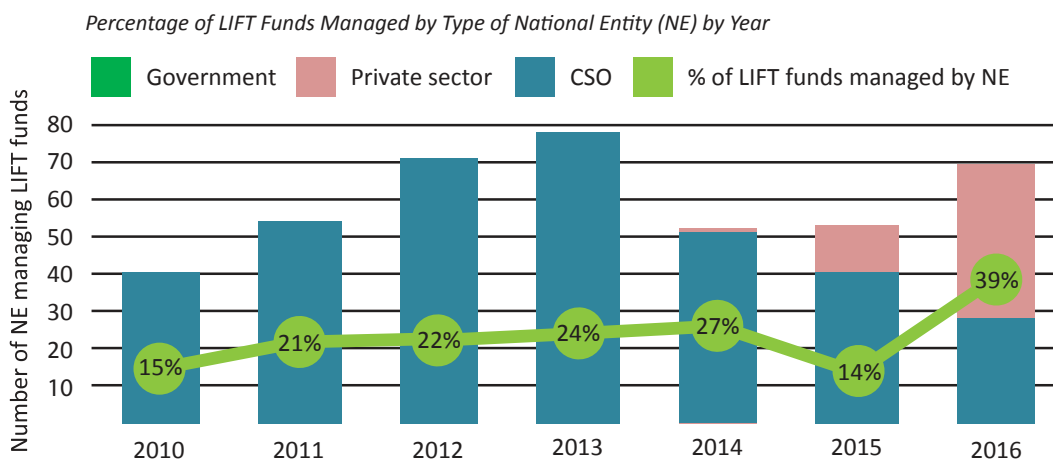
Over the life of LIFT the results translate to:

- 2.2 million people living in households with increased incomes
- 2.3 million people living in households with increased assets
- 2 million people with strengthened resilience
- Almost 326,000 households with improved diets

LIFT continues to support women, particularly through improved maternal nutrition, increased financial literacy and access to credit – 94 per cent of LIFT-supported financial services clients are women – and by reducing abuse and trafficking of women and children.

Other major outcomes are increases in farm-based production by smallholder farmers and safe employment opportunities in non-farm activities. There was also a sharp increase in the capacity of national entities to manage LIFT funds.

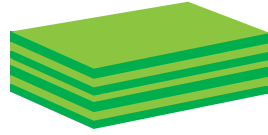
The number of people reached by LIFT in 2016 grew significantly and LIFT worked in 222 townships across the country, more than double the number of townships at the end of 2015. Growth was driven mainly by LIFT’s investment in jump-starting the microfinance capital market in Myanmar, which enabled a significant increase in the outreach of microfinance institutions.



SELECTED RESULTS 2010 - 2016



7.2 million
people reached
by LIFT



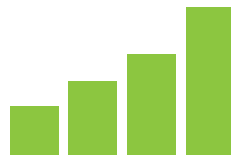
1.6 million
(94% of them are women)
people are served by LIFT-funded
microfinance institutions



2.1 million
people have increased
their food security by
more than one month



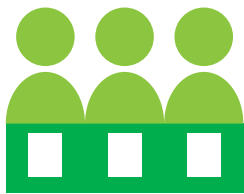
2 million
people have improved resilience



491,000
households reported
increased incomes



326,000
households have
improved diets



434,000
members of civil society took
part in LIFT-funded training



277,000
households increased
their income from
non-agricultural activities



522,000
households have
increased assets

WHERE WE WORK

LIFT works in four agro-ecological zones – the Ayeyarwady Delta, the Dry Zone, Rakhine State and the Uplands. Activities in these zones are designed to lift people out of poverty with improved and diversified livelihoods, greater resilience, healthier diets and increased opportunities. Projects are tailored to each area's special conditions.

Some 2016 highlights of successful interventions in the four agro-ecological zones:

AYEYARWADY DELTA

In the Ayeyarwady Delta, a major rice-producing region, supporting farmers to improve their productivity is an important focus of LIFT's activities. In 2016, progress was made on improving the availability of quality rice seed to farmers by increasing the number of seed growers and establishing links between producers and suppliers. This is one of the activities helping Delta households **'step up'**.

DRY ZONE

In the Dry Zone, social protection initiatives work to ensure the economic transformation is as inclusive as possible and that vulnerable households **'hang in'** and are not left behind. LIFT's elderly pension pilot in the Dry Zone led to close collaboration between social protection committees and government staff to manage the expected rollout of national-level cash transfer schemes in 2017/18.

UPLANDS

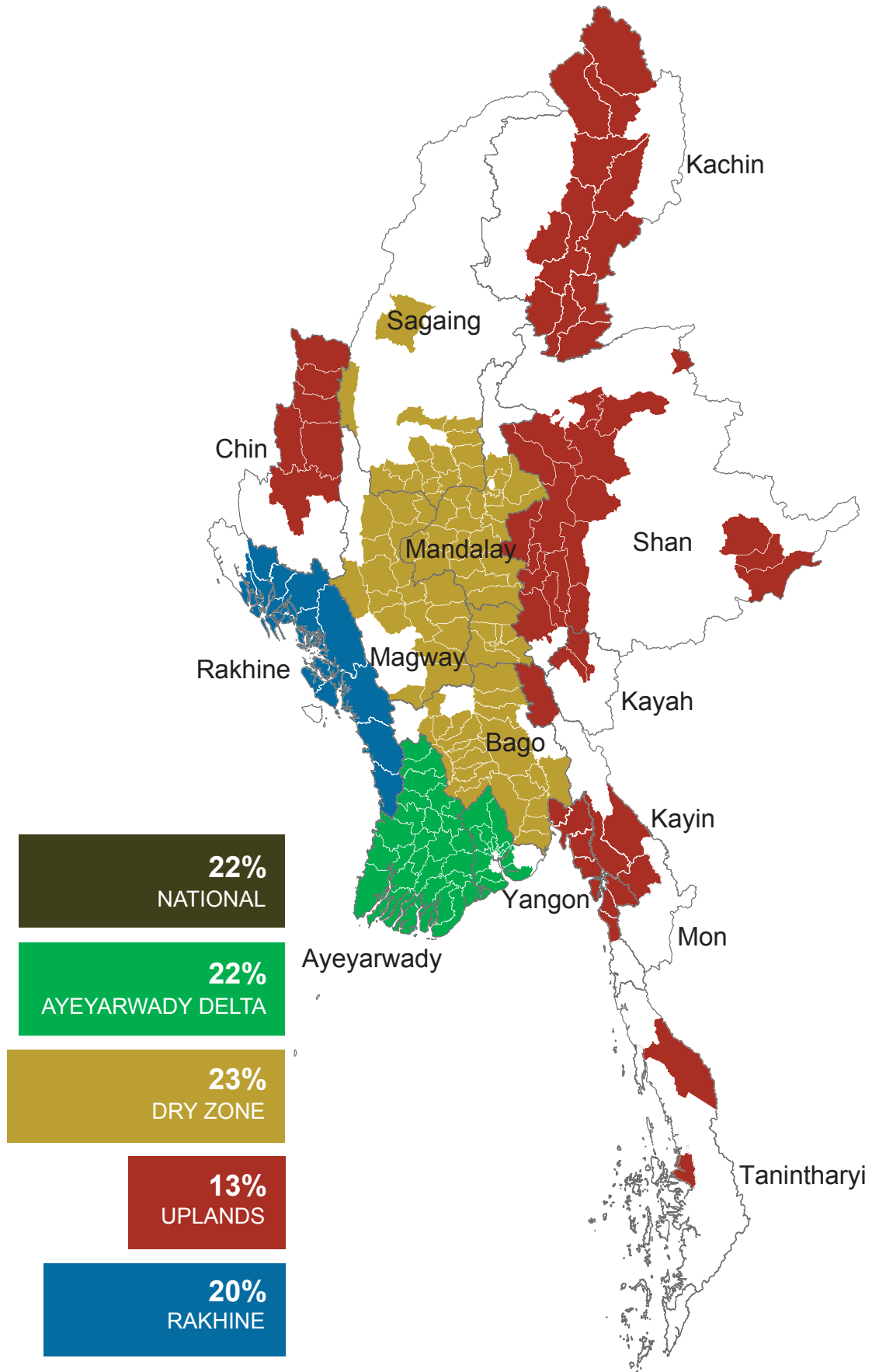
In the Uplands, LIFT began implementing programme initiatives providing a range of agriculture, nutrition and socio-economic-related services alongside existing projects on financial inclusion and private sector engagement. In 2016, LIFT was also able to expand to the conflict-affected areas of Kayin, Kayah and Tanintharyi with new partners and stakeholders.

RAKHINE

In Rakhine, one of the least developed areas of Myanmar, improving nutrition, agricultural production and food security remain the priorities for LIFT. In 2016, 182 villages participated in the maternal and child cash transfer nutrition initiative, designed to improve the nutrition of children in the first 1,000 days of life by delivering cash transfers and education on nutrition to pregnant and breastfeeding mothers.

From 2010-2016 LIFT supported 154 projects. LIFT's implementing partners are local and international non-government organisations, UN agencies, civil society actors, academics, research bodies and the private sector. LIFT provides technical support and guidance to the government of Myanmar.

ALLOCATION OF BUDGET BY AGRO-ECOLOGICAL ZONES



EXPANDED PROGRAMMES

LIFT made excellent progress in awarding, negotiating and signing grants for its new programmes in 2016 – 24 new grants were signed, and by the end of the year LIFT had 71 ongoing projects.

THE DELTA PROGRAMME



Name of Organisation	Project Title	Main Activities
International Organization for Migration (IOM)	Migration as livelihood diversification strategy in the Delta (MILDAS)	Research and support on migration and development
Mercy Corps Ar Yone Oo Swiss Contact	Linking Labutta to markets: increasing incomes through agriculture, skills and employment	Support to farmer producer enterprises and landless households through vocational, business and life skills development and migration-related information and linkages to Yangon-based employers
Welthungerhilfe (WHH)	Delta rural intensification for sustainable economic development (Delta RISE)	Support to farmer groups; support for landless and vulnerable households and small scale business for off-farm livelihood activities. Promotion of improved nutrition and basic hygiene practices
Save the Children	Bright SUN: Building resilience, synergy and unity for nutrition project	Delivery of maternal cash transfers and behaviour change communication to mothers during a child's first 1,000 days
WorldFish	Promoting sustainable growth of aquaculture	On-farm research and development, and scaling-up of homestead-based aquaculture
World Vision International Myanmar	Growing livelihoods in Bogale	Support for the development and diversification of livelihood options
Metta Development Foundation	Promotion of farmer-managed schemes for inclusive growth and sustainable development	Increasing rice production, quality and value through farm advisory services, post-harvest management, collective storage, marketing and farmers' organisations
Link Emergency Aid & Development (LEAD)	Supporting landless households livelihoods and food security through alternative income generation activities	Livelihood support for income diversification mainly in the rural non-farm economy
Radanar Ayar	Integrated agribusiness and rural development project (IARD)	Support to local seed production, improvement of post-harvest practices, farmer-led extension services, collective marketing and contract farming with private sector
Groupe de Recherche et d'Echanges Technologiques (GRET)	Strengthening civil society in the Delta	Small grant delivery and capacity building to township-based CSOs



THE DRY ZONE PROGRAMME

Name of Organisation	Project Title	Main activities
ActionAid	Socio economic development network for regional development	Providing disadvantaged women with vocational training, jobs and access to social services
Terre des Hommes (TdH)	Soilless horticulture and water-saving innovative technologies	Water-efficient technologies allow landless and marginalised farmers to grow nutrient-rich vegetables, improving incomes and nutrition in remote villages in the Dry Zone
International Fertilizer Development Center (IFDC)	Dry zone agro-input and farm services project	Supporting local inputs and service providers, government extension officers to deliver agricultural advisory services to farmers
UN Food and Agriculture Organization (FAO) Livestock	Improving farmer livelihoods in the dry zone through improved livestock health, productivity and marketing	Policy level work in improving animal health services and livestock trade; establishing micro-projects through co-investment with farmers
Golden Plain	Improving soil to get sustainable yields by green manuring and modified cropping system	Restore unproductive soil to get sustainable yield by green manuring; introduce modified cropping systems and early maturing improved variety seeds
United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)	Integrated rural and economic social development programme	Technical reports and training workshops on agricultural mechanisation, seed production and farmer led innovations
HelpAge International	Dry zone social protection project	Implementation of existing village-based social protection schemes, and pilot of two government programmes to provide old age social pensions and support for people with disabilities
Save the Children	LEGACY: Learning, evidence generation, and advocacy for catalysing policy	Randomized Control Trial (RCT) trialling the effectiveness of maternal cash transfers to mothers with children within the 1,000-days window
MPSWA	Improved nutritional status of vulnerable communities through self-help potential	Improving the nutrition practice of young children, pregnant, breastfeeding mothers and mother of young children through behaviour change communication
UN-Habitat	A short step: From improved WASH to healthier communities	Providing quality hygiene education and improved sanitation focused on zero open defecation

THE UPLANDS PROGRAMME



Name of Organisation	Project Title	Main activities
ICRAF World Agroforestry Centre Partners: Yezin University of Forestry, Ecosystem Conservation and Community	Agroforestry alternatives to shifting cultivation in Myanmar	Supporting agro-forestry education and development
Mercy Corps Partner: Swiss Contact	Making vegetable markets work for smallholder farmers in southern Shan and Chin states	Providing agriculture extension services to vegetable farmers
PRIME - Agri	Water for livelihoods and smallholder prosperity	Supporting smallholder farmers with irrigation, access to inputs, access to markets, finance and training
TAG International Partners: Department of Apiculture, Parami Development Network (PDN)	Plan Bee: Introduction and expansion of modern beekeeping and honey production in southern Shan state	Vocational training for new beekeepers, introducing improved beekeeping practices and market development
Catholic Relief Services (CRS) Partner: Karuna Myanmar Social Services (KMSS)	Productive agriculture through community engagement (PACE)	Providing agriculture extension services and nutrition education
Choklei Organization for Rural and Agricultural Development (CORAD) Partner: GRET	Promoting agricultural diversification and economic integration in northern Chin state	Providing agriculture extension services, nutrition education and developing agricultural value chains and natural resource management
Karen Development Network (KDN) Partners: Covenant Consult and Tanintharyi Karen Peace Support Initiative (TKPSI)	Enhanced livelihoods for displaced people (ELDP)	Establishing a vocational training centre, supporting natural resource management and strengthening the resilience of IDP communities
Consortium of Dutch NGOs (CDN) in consortium with Cordaid and World Concern Myanmar Partners: Karen Baptist Convention (KBC) and KMSS	Improving the incomes and nutrition outcomes of rural poor	Supporting agriculture extension, value chain development, natural resource management, land rehabilitation and irrigation. Providing nutrition education, WASH and infrastructure. Building capacity of CBO and CSO.
Metta Development Foundation	Uplands food security and participation in markets (UFS-PM)	Supporting agriculture extension, value chain development and natural resource management
Myanmar Institute for Integrated Development (MIID) Partners: Cornell	Securing positive nutritional outcomes through agriculture extension, nutritional education and institution building in rural Chin state	Supporting nutrition-sensitive agriculture development, delivering nutrition education and supporting the development of women's rights and leadership
SWISSAID Partners: Metta Development Foundation and GRET	Uplands small-grants fund for civil society	Township funds support local CSO capacity building, community-driven livelihoods interventions, advocacy and engagement with government, non-state local government authorities and the private sector



THE RAKHINE PROGRAMME

Name of Organisation	Project Title	Main activities
Save the Children	Tat Lan sustainable food security and livelihoods programme phase II	Agriculture, financial inclusion, nutrition, WASH, governance
International Rescue Committee (IRC)	Tat Lan sustainable food security and livelihoods programme phase II	Agriculture, financial inclusion, nutrition, WASH, governance
Oxfam GB, Scholar Institute	Tat Lan sustainable food security and livelihoods programme phase II	Governance and responsible investment for the Special Economic Zone
Better Life Organisation (BLO)	Tat Lan sustainable food security and livelihoods programme phase II	Governance, fisheries
CARE International in Myanmar	Monitoring and evaluation for the Tat Lan phase II Supporting the food security, resilience and social cohesion of households and communities in Rathedaung Township	Monitoring and evaluation for the Tat Lan Programme Agriculture, forestry, hygiene, social cohesion, financial inclusion
Danish Refugee Council (DRC) / The Norwegian refugee Council (NRC)	Vocational training and livelihood opportunities for in-camp and out-of-camp youth in Rakhine State	Vocational skills training

FINANCIAL INCLUSION PROGRAMME



Name of Organisation	Project Title	Main activities
Alliance Microfinance	Support to savings-led microfinance market leaders to enter Myanmar (MicroLead Expansion Programme) - Dry Zone	Agricultural loans, small business loans, social loans, savings, financial literacy, and beneficiary welfare
Ar Yone Oo	Microfinance – Dry Zone	Agricultural loans, small business loans, social loans, savings, financial literacy, and beneficiary welfare
Asia Confederation Credit Union (ACCU)	Support to savings-led microfinance market leaders to enter Myanmar (MicroLead Expansion Programme) - Delta	Financial literacy, financial management, cooperatives management training, savings and credits
Border Development Association	Microfinance – Dry Zone	Agricultural loans, small business loans, social loans, savings, financial literacy, and beneficiary welfare
Fullerton	Myanmar Microfinance Development Programme - Delta, Dry Zone	Agricultural, small business and social loans, savings, financial literacy, and beneficiary welfare
Groupe de Recherche et d'Echanges Technologiques (GRET)	Creation of a microfinance institution - Dry Zone Expanding rural financial markets by institutionalising Chin MFI - Uplands	Agricultural loans, small business loans, social loans, savings, financial literacy, and beneficiary welfare
National Ecumenical Church Fund (ECLOF)	Microfinance - Delta	Agricultural, small business and social loans, savings, financial literacy, and beneficiary welfare
PACT Global Microfinance (PGMF)	Myanmar access to rural credit through institutional strengthening (MARC) project – Countrywide Myanmar access to financial inclusion (MAFIN) project – Delta Rakhine access to financial inclusion (RAFIN) – Rakhine Cash transfer support for the Legacy project (CTSL) - Uplands	Agricultural, small business and social loans, savings, financial literacy, beneficiary welfare, supporting cash transfers
Proximity Designs	Financial Inclusion – Moving Ahead - Delta, Dry Zone, Uplands	Financing for agriculture, migration, rural enterprises and equipment, financial literacy education
Social Vision Service	Microfinance – Dry Zone	Agricultural loans, small business loans, social loans, savings, financial literacy, and beneficiary welfare
The Currency Exchange Fund (TCX)	Currency exchange hedging facility	Supporting the microfinance sector to access commercial investment funds
Wanlark	Microfinance - Rakhine	Agricultural loan, small business loan, social loan, savings, financial literacy, and beneficiary welfare
World Vision International Myanmar / Vision Fund Myanmar (VFM) Partner: World Vision Australia	Financial inclusion for Uplands project – Delta, Dry Zone, Uplands	Providing pro-poor financial services for agricultural and off-farm livelihood development; debt financing; special loans for small-scale agricultural technologies, and formal savings opportunities
YMCA	Myanmar access to rural credit through institutional strengthening	Agricultural, small business and social loans financial literacy, beneficiary welfare fund
Yoma Bank	Yoma Bank agri-business finance programme (AFP) - Dry Zone, Uplands, Delta, Rakhine	Providing financial services for agricultural and off-farm business, hire purchase scheme, and uncollateralised and under-collateralised loans



THE MIGRATION PROGRAMME

In 2016, LIFT established a new migration programme with an emphasis on improved migration management by making migration safer and more rewarding.

With USD 16 million of funding, the programme is the largest funding window for migration in Myanmar. LIFT entered into partnerships with 15 migration stakeholders representing the government, UN agencies, the private sector, microfinance institutions, job-matching platforms, academia, civil society organisations, mass media and INGOS to make the migration experience of women and men safe and empowering.

One of the flagship projects works with the garment industry in Yangon where one of the largest factory workforces in Myanmar is employed. This workforce is predicted to grow from 400,000 workers to 1.5 million by 2020. The programme will also reach three to four million people through mass media with safe migration messages.





In 2016, the pace of farm mechanisation accelerated rapidly. LIFT's Agribusiness Finance Programme increased farmers' access to tractors, combine harvesters and other machinery, improving productivity and stimulating growth in non-farm businesses.

STEPPING UP WITH MECHANISATION

In Kyar Kan Taunt, a village in the Ayeyarwady Delta, Yin Hlaing, 70, lives with his wife, six children and nine grandchildren. The family lives on 57 acres of land passed down from Yin Hlaing's father, which he now shares with his sons.

Annually, the family sets out to produce rice and black gram. The crop is highly time sensitive – if planting is not completed on time, farmers could lose up to 60 per cent of their potential yields.

Since childhood, Yin Hlaing has worked the farm, helping look after the cows used to plough the land. The farming methods used were labour intensive and time consuming and the family had to work tirelessly through Myanmar's annual monsoon season. Yin Hlaing said that before they had the tractor the family spent three months or more working to prepare the land for the rice crop. This can now be achieved in five days using the tractor.

In 2016, the family's farming practices changed dramatically. After trying to save money and researching tractors for years, Yin Hlaing and his family had the opportunity to buy a tractor through the **LIFT-funded Yoma Bank Agribusiness Finance Programme** in early 2016. Under the Programme, Yin Hlaing purchased the USD 18,000, 47-horsepower tractor by paying a deposit of 10 per cent, rather than 30 per cent, with repayment terms spread over two years, rather than one year. The quarterly installments made it possible for the family to buy the tractor.

Quickly, the family benefitted. What used to take three or more months is now done in five days. Labour productivity has improved and they achieve better yields. Min Htike, the youngest son, and all of his brothers went with their father to purchase the tractor and sign the contract. He said it was a very happy day: "This tractor was ours. My dream had come true."

Now, his ambitions have grown. Min Htike wants to have a well-structured farm, and roads and electricity in the village. He hopes to one day buy a combine harvester, purchase more land and develop a farm demonstration plot on their land for farmers' education.

Yin Hlaing's wife, Daw Than Than, recalls how hard it was to watch her family working so hard in the rice fields, trying to finish the work in time for the crop's season. When her children were young, the family struggled a lot. They could not afford to have all of the children stay in school – they needed them to stay back and work on the farm. She feels that her grandchildren are now in a different era. The possibility of them finishing school and getting an education feels more real. The eldest granddaughter is already attending university in Patheingyi, approximately 30 minutes from their village.

The mechanisation of the farm means the entire family has more time for social activities in the village, religion and more free time to spend with one another.

The village benefits

Min Htike's neighbours who do not have farm machinery benefit also. Neighbouring landowner, U Ma Saw, and his nephew, Hpa Nyant, pay 20,000 Kyat (approximately USD 15) for the use of the tractor, which is less than what it costs them to do the same work manually. Work completed in one hour would have taken two days with cows and two farm workers.

About 20 other farmers have rented Yin Hlaing's tractor in the past eight months. All the farms in the village that plant black gram are now prepared – and Yin Hlaing says he feels confident the village will have a good season, and is proud knowing his tractor played a part in achieving this.

The family's eldest son, Hla Moe Khaing, discusses the labour shortages in the area, and how the village farms have been affected, with workers leaving the fields for the better-paying garment industry. Without the tractor, he feels him and his family would have been left behind.

Now, with more confidence in what the future holds for his family, Yin Hlaing appreciates the simple things in life – like his daily walk to the village school to collect his granddaughter.



WORKING FOR
AN INCLUSIVE RURAL TRANSITION

WORKING FOR AN INCLUSIVE RURAL TRANSITION

There are many factors at work in Myanmar's structural transformation that are contributing to changes for people in rural areas. In 2016, mechanisation, microfinance and migration had significant impacts on the rural population in Myanmar across the four geographic areas where LIFT works.

Migration from rural areas continued to increase as jobs in urban areas attracted rural people looking to **'step out'** of agriculture. LIFT is responding to the migration, expected in a country's structural transformation, with a USD 16 million migration programme that was designed and contracted in 2016. The migration programme will contribute to safe and rewarding migration for people who move from rural areas by working with migrants and aspiring migrants to ensure they have the skills, financial literacy and support to **'step out'** safely to new opportunities that deliver the employment and financial goals they have for themselves and their families.

Migration is not the **'stepping out'** solution for everyone. People also choose to stay in their rural communities and take advantage of new economic opportunities in agriculture and the rural non-farm economy. LIFT invested USD 9 million in the Agribusiness Finance Programme that began in 2016 and resulted in more than 3,000 lease contracts worth USD 56 million for tractors, combine harvesters and other machinery that smallholder farmers are using to improve their land and labour productivity and rural entrepreneurs are using to build businesses in machinery rental services. Mechanisation is helping smallholder farmers **'step up'** agriculture productivity and is helping others **'step out'** into income generation through the non-farm activities.

By the end of 2016, LIFT was funding 56 financial institutions active in 222 townships and client growth increased by 22 per cent. The majority of clients use their loans for agriculture production in crops, livestock and aquaculture. A total of USD 400 million of agriculture loans have been disbursed. Access to credit provides rural households with opportunities to **'step up'** their agriculture productivity and to **'step out'** and create non-farm income-generating activities.

In 2016, LIFT also worked on nutrition, resilience, gender and social protection initiatives that support rural people's transition in Myanmar's economic transformation across the geographic areas where LIFT works.



LIFT GREW ACCESS TO RURAL
FINANCIAL SERVICES IN 2016



1. FINANCIAL INCLUSION



Access to financial services plays a key role in LIFT's approach to supporting rural communities transition as Myanmar develops and changes. Financial services enable people to invest in better farm inputs, expand their businesses and smooth their income over the year.

The enormous gap in the supply and access to financial services remains one of Myanmar's most pressing development challenges and financial inclusion is now LIFT's largest programme. In 2016, LIFT contracted The Currency Exchange (TCX) to enable institutional investors to lend in Myanmar Kyat (MMK) to Myanmar's MFI sector while protecting investors from MMK currency volatility. The result is a USD 70.6 million injection of capital to Myanmar's microfinance market that will be disbursed in 2017.

By the end of 2016, LIFT was supporting 56 financial institutions (up from 40 in 2015) that collectively reached 1.6 million clients in 15,000 villages countrywide. This was 62 per cent of the total microfinance market in Myanmar. A total of USD 400 million has been disbursed in loans and 88 per cent of all microfinance clients use the loans for agriculture production – crops, livestock and aquaculture.

Another focus of LIFT's work in rural financial services is to support the institutional and financial sustainability of financial service providers. In 2016, there were 12 microfinance institutions that were financially self-sustaining, compared to six in 2015.

Total growth of LIFT financial inclusion partners

Indicator	2015	2016	Growth
Total clients	1,269,666	1,635,932	22% increase
Total assets (USD)	162,443,148	240,724,881	48% increase
Total outstanding loans (USD)	139,560,710	203,839,218	46% increase
Total balance of savings (USD)	36,239,781	51,995,711	43% increase



New farm machinery purchased through LIFT's partnership with Yoma Bank provides land preparation services to around 55,000 households covering 350,000 acres of farmland.



2. PRIVATE SECTOR PARTNERSHIPS



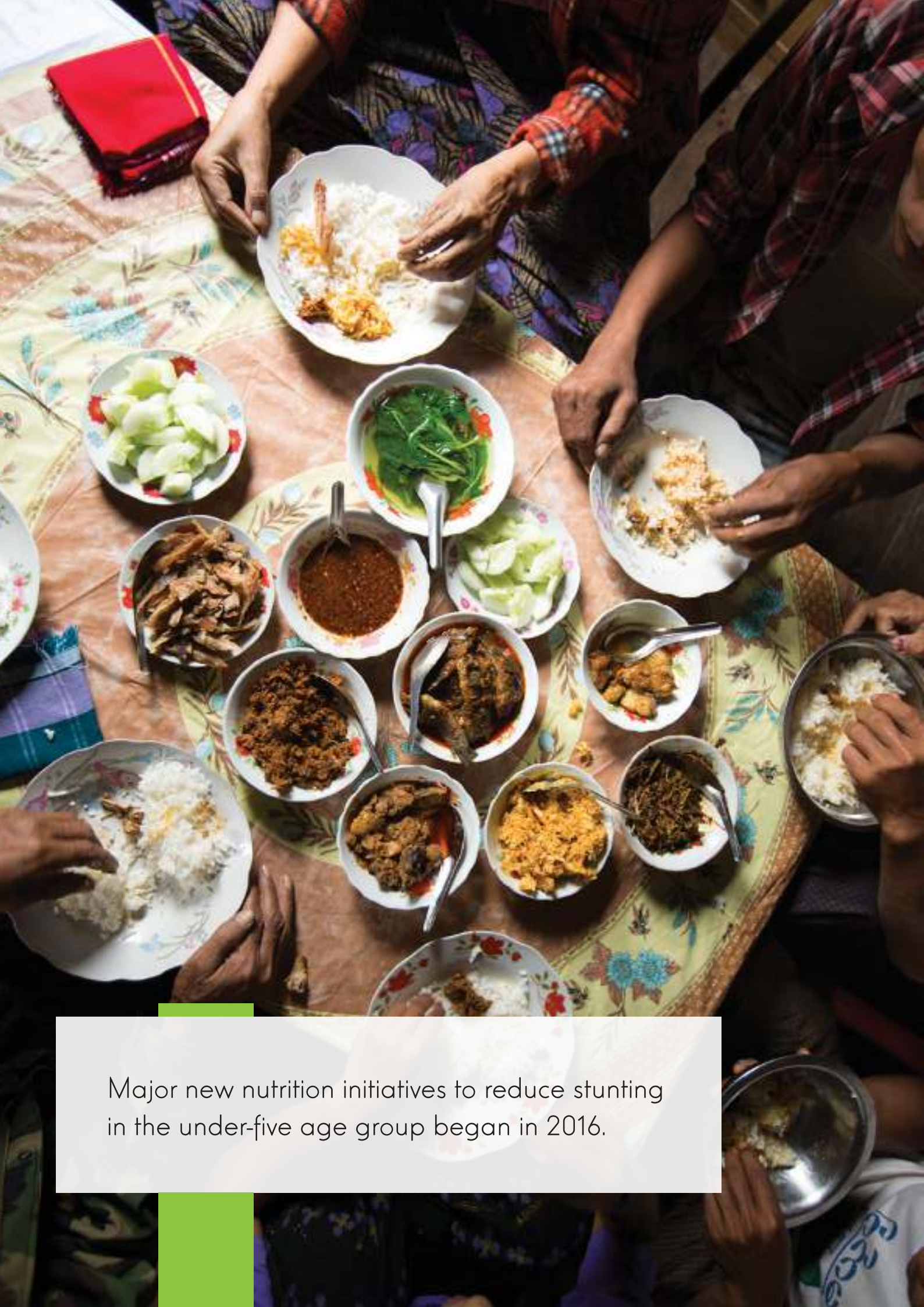
In all four agro-ecological zones, LIFT's work on inclusive value chains focuses on the development of private sector partnerships that stimulate direct and indirect investments in smallholder agriculture.

In 2016, LIFT began a new agriculture hire purchase programme in partnership with Yoma Bank to enable smallholder farmers to access mechanised farm services from small businesses. The programme has allowed rural entrepreneurs to purchase tractors, combine harvesters and trucks and widen the use of mechanisation in farming, improving productivity and incomes. By the end of 2016, the total number of lease contracts exceeded 3,000 with a value of USD 56 million.

In the Ayeyarwady Delta, LIFT's programme delivered extension services to around 4,000 farmers resulting in increased involvement of the private sector; particularly millers, input suppliers and equipment dealers.

In the Dry Zone, private sector input retailers and service providers received training along with farmers and agriculture extension officers to allow them to provide better advisory services on good agriculture practices to farmers.

In the Uplands, private sector partners support agriculture development by providing access to training, markets and finance, and by helping farmers to organise and cooperate.



Major new nutrition initiatives to reduce stunting in the under-five age group began in 2016.



3. NUTRITION



Nutrition programmes, particularly focussed on improving the nutrition for mothers and their children in the first 1,000 days of life by providing nutrition education and maternal and child cash transfers, were expanded in 2016, reaching communities in the Delta, Dry Zone and Rakhine.

A nutrition programme for Chin State was designed in 2016 and implementation will begin in 2017. Nutrition initiatives help people **'hang in'** and build the capacity of the next generation to **'step out'**.

LIFT supports a project implemented by PATH that focuses on making micronutrients more readily available to consumers through the production and distribution of nutrient-fortified rice. In 2016, the project received approval from Myanmar's Food and Drug Authority for its fortified rice kernels and for three fortified rice production facilities. Fortified rice is currently distributed through 28 supermarkets and more than 200 other retailers.



With my first child, five-year-old Soe Pyin Win, I listened to my mother, who taught me to feed the baby rice mixed with breast milk at one month, and encouraged me to avoid meat and fish. Now I know new ways. My baby eagerly wants food and asks me for food if I forget. He is more developed than my daughter at this age and he does not get sick. He is very strong and has a lot of energy. Although my previous child was cared for like a flower, Hein Pyae Sone is as strong as stone.

Ma Than Than Win and Hein Pyae Sone, 22 months



LIFT is committed to supporting women's empowerment and promoting gender equality.



4. GENDER



LIFT developed a gender strategy and action plan in 2016 and allocated approximately USD 100,000 to support the strategy's implementation, to fund studies, workshops and employ gender experts.

LIFT continued to support women's empowerment and fight for gender equality in Myanmar, achieving many notable successes in our geographic programmes. For example in Rakhine, women's empowerment has advanced by strengthening women's skills and potential to become leaders in their communities.

LIFT also supported women's empowerment and wellbeing through scaled-up nutrition, migration and vocational training programmes.




Thet Yee Win, 27, attended Oxfam's women's leadership training in Rakhine State:

"I learned a lot in the trainings, and sharing my new knowledge with women in my community motivated them to participate as well and increased the unity among us."

Now she has her heart set on even greater responsibilities:

"If possible, I want to be the president of Myanmar, not just a village leader," she said with a smile.

A group of diverse people, including men and women of various ages, are smiling and looking towards the camera. The background is slightly blurred, showing a red wall and some lights. A white text box is overlaid on the top left of the image.

LIFT supports government policies and community activities that improve the resilience of rural people.



5. SOCIAL PROTECTION



Myanmar's increasingly dynamic economic and social context is generating new opportunities for many individuals and households to improve their livelihoods. However, the capacity of rural households to benefit from opportunities can be undermined by sudden shocks, such as illness or severe weather events, as well as socio-economic stresses arising from poor nutrition, social dislocation and poverty. The government's National Social Protection Strategic Plan aims to prevent and alleviate economic and social vulnerabilities. LIFT supports the government's objectives with targeted activities that strengthen the institutional capacity of government, promote inclusion and equality, and increase the resilience of target communities.

In 2016, LIFT's social protection partner HelpAge International continued to work closely with the Ministry of Social Welfare, Relief and Resettlement. A one-year cash transfer pilot was completed in 2016 and resulted in the government committing funds for the scale up of the first government-funded national social pension for people aged over 90 years.

LIFT's partners also worked with communities to improve their own capacities to address vulnerabilities. In the Dry Zone in 2016, HelpAge International and its local partner the Young Men's Christian Association worked with 40 village social protection committees to develop their own social protection annual plans and provided financing to establish village-based social protection mechanisms.



BUILDING PEOPLE'S CAPACITY TO ADAPT
IN THE FACE OF CLIMATE CHANGE



6. CLIMATE CHANGE



Myanmar is the country second most-affected by climate change in the world. Over the last six decades Myanmar's mean temperature and overall rainfall has increased, extreme weather events have become more common and sea levels have risen. These changes impact on everyone in Myanmar but the poor, the vulnerable and those relying on subsistence agriculture are most affected. LIFT targets these households and builds their capacity to cope with climate shocks and stresses and adapt in the face of climate change.

LIFT aligns with the government's National Climate Change Adaptation Programme of Action 2012, and its climate-smart agriculture principles for agriculture, forestry and fishery programmes.

Rakhine State is highly vulnerable to the impacts of climate change, including flooding and salt water intrusion. In 2016, the LIFT-funded Tat Lan programme in Rakhine made significant progress in the protection of farmland from salt water intrusion renovating almost 22 miles of embankments protecting over 5,000 acres of paddy fields from salt water intrusion.

In the Delta, LIFT looks at the long-term impacts of climate change and works to conserve local seed varieties and safeguard biodiversity. LIFT's partner Metta is at the forefront of this and in 2016 carried out experiments on 48 varieties of rice in the Ayeyarwady region as well as distributing certified rice seed to farmers and seed growers, contributing to improving farmers' resilience to climate shocks and stresses in the long term.

In the Dry Zone, LIFT's partners work to improve farmers' capacity to adapt to climate change through projects to improve soil fertility, use water saving technologies and improve the availability of quality seeds.



LIFT supports rural communities' development by strengthening the capacity of civil society to engage in policy development and decision making.



7. CIVIL SOCIETY



Civil society plays an important role in promoting the sustainable and inclusive development of rural communities. Building the capacity of civil society organisations and engaging in dialogue with the public and private sector is an integral part of how LIFT supports community development. LIFT supports development that is nationally owned and works with civil society organisations to enable them to take the driver's seat in decision making and policy development relate to Myanmar's rural transition.

In 2016, LIFT signed 24 new contracts, of which nine were directly with national NGOs. Of the other 15 contracts signed in 2016, four included seven national sub-implementing partners. The 2016 budget managed by all national entities was USD 23.1 million, which is 39 per cent of LIFT's 2016 total grant expenditure – a substantial increase from the 14 per cent in 2015.

Three new small grants windows were opened in the Delta, Dry Zone and Uplands for township level civil society organisations that work on livelihood system strengthening with civil society, government and private sector actors.



In 2016, LIFT engaged with government on agriculture, gender, land, nutrition and social protection policy.



8. POLICY



LIFT continues to provide support to government and engage with government policy across its entire programme, particularly in policy areas of most relevance to LIFT's objectives.

In 2016, LIFT supported the establishment of an agriculture policy unit in the Department of Planning to support the development and implementation of the Ministry of Agriculture, Livestock and Irrigation's (MOALI) new Agriculture Development Strategy.

LIFT also collaborated with the Asia Development Bank (ADB) and Food and Agriculture Organization of the United Nations (FAO) to support MOALI's proposal for substantial grant funding from the Global Agriculture and Food Security Program (GAFSP). The proposal was approved and MOALI was awarded a USD 27 million grant from GAFSP, which triggered an ADB concessional loan of USD 35 million.

LIFT also continued to support government efforts to operationalise the National Land Use Policy by providing technical expertise and strengthening institutional capacities at all levels of government for land management and administration.

In the area of social protection, LIFT's partner Help Age International worked closely with the Ministry of Social Welfare, Relief and Resettlement to strengthen institutional capacities in support of legislation on ageing and government financing for elderly pensions.

In the area of nutrition, LIFT began working directly with government to support the Department of Social Welfare's provision of MCCTs in Chin State for a two year period (2017-2019), after which government will assume full financial and management responsibility.

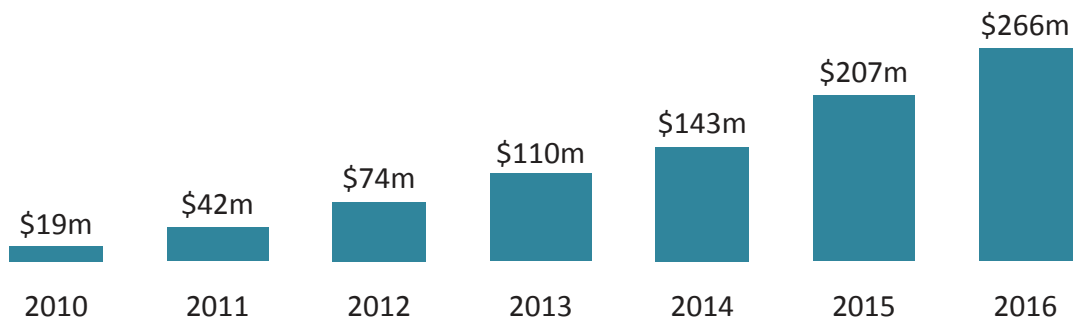
In the area of gender, LIFT support enabled Gender Equality Network to contribute to the development of a Prevention and Protection of Violence Against Women Law, advocate for the implementation of the National Strategic Plan for the Advancement of Women, and participate in the first meeting of the Myanmar National Committee for Women's Affairs.

LIFT'S GOVERNANCE AND FINANCE

LIFT continues to adapt its governance structure as the context evolves. In March 2016, after the election of the new government, LIFT's donors agreed to invite the newly formed Ministry of Agriculture, Livestock and Irrigation to join the Fund Board. The government accepted the invitation and is now a full Fund Board member. The first meeting with government representation occurred in September 2016. The government's participation in the LIFT Fund Board eliminates the primary function of the Senior Consultation Group and alternative mechanisms for bringing civil society and private sector inputs to the Fund Board are being considered.

An interim review of LIFT was commissioned by the Fund Board in November, 2016 to evaluate LIFT's performance at the mid-point of the current funding period against its current strategy. The independent review team conducted extensive interviews with LIFT's fund management office, the Fund Board, government representatives, implementing partners and other stakeholders. The review concluded that LIFT was performing well against all the performance questions and found that LIFT's result align well with the LIFT strategy, including the objective of helping people **'step up'**, **'step out'** and **'hang in'**.

In 2016, LIFT's cumulative expenditure reached USD266 million.



Cumulative LIFT expenditure in USD (millions) 2010-2016

THE LIVELIHOODS AND FOOD SECURITY TRUST FUND

UNOPS Fund Management Office
12(O) Pyi Thu Lane, 7 Mile, Mayangone Township, Yangon, Myanmar
Phone: +95 1 65 7280~87, Fax: +95 1 65 72 79
Email: lift@unops.org
lift-fund.org | facebook.com/liftfund | twitter.com/liftfund

LIFT is managed by the United Nations Office for Project Services

