

# LIFT

Livelihoods  
and Food  
Security  
Trust Fund

# Annual Report 2010



A multi-donor trust fund supported by Australia,  
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## Acknowledgement

We would like to thank Australia, the European Union (EU), the Netherlands, Sweden, Switzerland and the United Kingdom 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.

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## ABBREVIATIONS AND ACRONYMS

|         |  |
|---------|--|
| ADRA    | Adventist Development and Relief Agency                                |
| CBO     | Community-Based Organization   |
| CDN     | Consortium of Dutch NGOs   |
| CESVI   | Cooperazione e Sviluppo (Italian NGO for cooperation and development)  |
| DC      | Donor Consortium   |
| EC      | European Commission  |
| EU      | European Union   |
| FAO     | Food and Agriculture Organization                                      |
| FB      | Fund Board (LIFT)  |
| FM      | Fund Manager (LIFT)  |
| FY      | Fiscal Year/Financial Year   |
| GDP     | Gross Domestic Product   |
| GOUM    | Government of the Union of Myanmar                                     |
| IOM     | International Organization for Migration                               |
| IP      | Implementing partner (LIFT)  |
| LEAD    | Linking Emergency Aid and Development                                  |
| LIFT    | Livelihoods and Food Security Trust Fund                               |
| LoA     | Letter of Agreement  |
| LWF     | The Lutheran World Federation  |
| MBCA    | Myanmar Business Coalition on AIDS                                     |
| MDG     | Millennium Development Goal  |
| MDTF    | Multi-Donor Trust Fund   |
| M&E     | Monitoring and Evaluation  |
| MK      | Myanmar Kyat (local currency)  |
| MOU     | Memorandum of Understanding  |
| MoAI    | Ministry of Agriculture and Irrigation                                 |
| MoSW    | Ministry of Social Welfare, Relief and Resettlement                    |
| NGO     | Non-Governmental Organisation  |
| NMTPF   | National Medium Term Priority Framework                                |
| PONREPP | Post Nargis Recovery and Preparedness Plan                             |
| SIM     | Social Impact Monitoring   |
| TCG     | Tripartite Core Group  |
| UNDP    | United Nations Development Programme                                   |
| UNESCAP | United Nations Economic and Social Commission for Asia and the Pacific |
| UNFPA   | United Nations Population Fund   |
| UNOPS   | United Nations Office for Project Services                             |
| WCM     | World Concern Myanmar  |



## EXECUTIVE SUMMARY

2010 was the first year of implementation for LIFT-funded field activities. The vast majority of these activities were focused on helping people recover from the damage caused by Cyclone Nargis, which swept through the Ayeyarwady Delta in May 2008. At the beginning of 2010, much of this area was still recovering from the devastation of this disaster.

During 2010, LIFT provided assistance to 1,300 villages in eight townships of the Delta, reaching an estimated 150,000 households, or 750,000 people, as direct beneficiaries. This is half of the cyclone-affected population in the eight townships<sup>1</sup> affected by the storm.

By the end of 2010, the 22 projects supported by LIFT in the Delta<sup>2</sup> had provided:

- 43,454 farmers with agricultural inputs including 1,373 metric tonnes of paddy seed and 1,236 metric tonnes of fertilizer;
- capital for 6,226 small businesses;
- livestock to 7,931 households;
- nets or boats to 6,069 fisher households;

The Fund also:

- created 389,877 person-days of employment for landless and poor households through cash-for-work activities
- trained 3,300 community-based groups with more than 56,000 members (42 percent of which are women)



LIFT Fund provided nets and boats to fisher households, as well as paddy seed fertilizer to rice plantations.

In most cases, these achievements exceeded planned targeted assistance. It is too early to assess how many households were able to use these inputs to increase both crop yields and household income. These issues will be examined in detail in 2011.

<sup>1</sup> The total population of the eight townships is 2,022,063 and the officially affected population is 1,399,865.

<sup>2</sup> The projects ranged in value from \$100,000 and \$2 million USD. Total value of the projects is \$19.5 million over one year. All financial figures are reported in U.S. dollars.



Providing pigs via a revolving animal bank.



Duck breeding project in the Delta.

In addition to the Delta, LIFT also identified 18 projects for funding in other parts of the country. Locations included Mandalay, Magwe, and Sagaing regions as well as Shan, Chin, Kachin and Rakhine States. By the end of 2010, five implementing partners had been contracted through a competitive process for three-year projects, totalling \$11.4 million USD. The value of all grants (Delta and non-Delta areas) is expected to be approximately \$37 million.

LIFT faced a number of implementation challenges in 2010. They included delays recruiting staff and establishing a functional office. These challenges were augmented by the intense work required to assess proposals and negotiate contracts so that LIFT funds could be used to support Ayeyarwady Delta recovery efforts. Additional challenges arose because of the significant political and institutional changes that

took place in Myanmar during 2010. The agreement between the Ministry of Social Welfare, Relief and Resettlement and the Fund Manager expired, and negotiations with the Ministry of Agriculture and Irrigation for an agreement were concluded in February of 2011.

Despite these challenges, LIFT successfully implemented the vast majority of its planned activities. Other important achievements for LIFT during the year included establishing:

- a communications and visibility strategy; and
- partnerships with a wide range of UN agencies as well as international and local NGOs.

LIFT also made significant improvements to the processes of assessing funding proposals and negotiating contracts with implementing partners in 2010. Technical lessons were learned regarding:

- reducing post-harvest losses through proper storage of paddy;
- the relative merits of in-kind distribution of agricultural inputs versus cash grants and voucher systems;
- the provision of pigs in revolving animal banks;
- and duck breeding in the Delta.

These lessons learned are covered in more detail in Chapter 4 of this report.



By the end of 2010, LIFT was well on its way to developing the knowledge base and establishing the networks needed for policy dialogue and programme development with government and other relevant stakeholders on key issues of livelihoods and food security in Myanmar.

**Table 1: Summary of LIFT achievements versus targets for 2010**

| Tasks   | Targets <sup>3</sup>      | Unit      | Achieved <sup>4</sup> |
|---|---------------------------|-----------|-----------------------|
| <b>Output-1: Direct agricultural (crop) production support</b>  |                           |           |                       |
| Number of households (HH) provided with inputs for increased crop production (paddy seeds, power tillers, fertilizer, etc.) | 41,688                    | HH        | 43,454                |
| Number of people receiving agricultural training?   | 11,855                    | People    | 10,443                |
| Number of agricultural extension workers trained  | 4,076                     | People    | 3,801                 |
| Average farm yield increase in rice production  | 30-35                     | Basket    | 45-50                 |
| Number of demonstration plots developed   | 667                       | Plots     | 667                   |
| <b>Subtotal for Output 1</b>  | <b>45,764<sup>5</sup></b> | <b>HH</b> | <b>47,255</b>         |
| <b>Output-2: Diversified and enhanced economic activities</b>   |                           |           |                       |
| Number of households provided with inputs for increased production in fishery sector  | 4,973                     | HH        | 6,069                 |
| Number of new shrimp farms  | 100                       | Farms     | 104                   |
| Number of aquaculture pilot sites   | 1,270                     | HH        | 1,270                 |
| Inputs for increased production in livestock sector   | 6,901                     | HH        | 7,931                 |
| Number of persons trained persons in livestock management   | 6,628                     | People    | 8,690                 |
| Number of persons receiving livelihood technical training (vocational skills required to start a business)                  | 2,000                     | People    | 6,293                 |
| Home/market garden and horticulture inputs received   | 8,228                     | HH        | 8,945                 |
| Daily amount HH income increased as a result of home gardening during the harvest season                                    | \$1.60                    | USD/day   | \$0.5 to \$2          |
| Number of solar dryers per household  | 250                       | HH        | 250                   |
| Number of small scale businesses created  | 6,470                     | HH        | 6,226                 |
| Number of jobs created  | 11,660                    | HH        | 11,635                |
| Number of loans and cash grants received  | 3,071                     | HH        | 3,453                 |
| <b>Subtotal for Output 2</b>  | <b>42,823</b>             | <b>HH</b> | <b>45,883</b>         |

<sup>3</sup> From the proposals of implementing partners

<sup>4</sup> From the annual reports of implementing partners. All household figures have been adjusted to account for double counting (i.e., households reached by more than one partner or with more than one activity)

<sup>5</sup> This total has been calculated as 41,688 HH + 4,076 pp (1 pp/HH) = 45,764 HH. The 11,855 people receiving agricultural training also received inputs, so have not been counted twice in total.





**Table 1 (cont'd) : Summary of LIFT achievements versus targets for 2010**

| Tasks  | Targets <sup>3</sup> | Unit      | Achieved <sup>4</sup> |
|--|----------------------|-----------|-----------------------|
| <b>Output 3: Effective social protection measures</b>  |                      |           |                       |
| Number of HH that now have access to water as a result of dams and ponds funded by LIFT                                | 5,710                | HH        | 6,632                 |
| Number of Villagers participating in CfW activities  | 31,674               | HH        | 33,493                |
| Cash transfer for mothers of malnourished children and lactating mothers   | 900                  | HH        | 952                   |
| <b>Subtotal for Output 3</b>   | <b>38,284</b>        | <b>HH</b> | <b>41,077</b>         |
| <b>Output 4: Capacity of local organizations strengthened</b>  |                      |           |                       |
| Number of community based organization members trained to manage projects and foster cooperation among households (HH) | 14,420               | HH        | 13,672                |
| Number of cluster meetings held  | 44                   | Number    | 44                    |
| Number of self-help groups formed  | 114                  | Number    | 228                   |
| Number of Community Based Organizations formed and/or strengthened   | 133                  | Number    | 1,391                 |
| Number of buffalo banking groups   | 1,110                | Number    | 1,932                 |
| Research conducted by implementing partners on capacity needs of beneficiaries   | 63                   | Number    | 63                    |
| Number of artisans trained   | 1,000                | Person    | 1,067                 |
| Number of agricultural fairs to promote farmer production  | 3                    | Number    | 3                     |
| Number of households participating in vocational training events   | 5,503                | HH        | 5,921                 |
| <b>Subtotal for Output 4</b>   | <b>19,923</b>        | <b>HH</b> | <b>19,593</b>         |
| <b>Grand total of households assisted</b>  | <b>146,894</b>       |           | <b>153,808</b>        |





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## 1. INTRODUCTION

While 2009 was spent setting up LIFT operations in Myanmar, 2010 was the first year of implementation. This report and its annexes provide full details on what was achieved.

### 1.1 CONTEXT

Myanmar is one of the largest and poorest countries in South-East Asia. It is ranked 138 out of 177 countries in the 2009 Human Development Index. It has 130 ethnic groups, with an estimated population between 55 and 60 million. Myanmar is lagging behind its neighbours in most socio-economic indicators. It is the poorest country in South-East Asia after East Timor in terms of gross domestic product (GDP) per capita. According to a recent country-wide survey, 26 percent of Myanmar's population lives below the poverty line<sup>6</sup>. The number of poor is much higher in Chin (73 percent), Rakhine (44 percent), Taninthary (33 percent), Shan (33 percent) and Ayeyewady (32 percent). The nationwide prevalence of moderately underweight children is 32 percent, representing nearly 16 million children. The proportion of total household budget expended on food is 68 percent.



Agriculture and Aquaculture: (left) back-breaking work in the rice paddy fields; (right) taking care of the feeding at the fish farm.

Agriculture remains the mainstay of the economy with almost 50 percent of GDP being derived from agriculture, livestock, fisheries and forestry. Rice is the staple crop and a significant export commodity. It accounts for 43 percent of total area under cultivation (19,768,431 acres or 8 million hectares in 2006/07). Other important crops include sugar cane, groundnuts, sesame, wheat, maize, millet, jute, cotton, beans, pulses and oilseeds, vegetables, rubber, toddy palm, tobacco and spices. Yields of most crops are low compared to neighbouring countries

Sixty-three percent of the labour force is engaged in the agriculture sector, indicating that agriculture will be a key sector in the economy for some time to come. Interestingly, landlessness is a significant phenomenon for 24 percent of the people whose primary economic activity is agriculture.

<sup>6</sup> *Integrated Household Living Conditions Assessment II, United Nations Development Programme (UNDP). 2011.*



## 1.2 LIFT'S PURPOSE & OUTPUTS

LIFT will increase food availability and incomes of 1-1.5 million target beneficiaries. This is to be achieved by:

1. Supporting agricultural production through provision of seeds, fertilizers, power tillers, etc. to beneficiaries;
2. Strengthening effective market and employment support mechanisms for target individuals (on farm, off farm and non-farm);
3. Providing social protection measures to the chronically poor in targeted households;
4. Strengthening the capacity of local partners to support livelihoods and food security initiatives; and
5. Informing national policy and programme development by monitoring and evaluating the impacts of LIFT funded assistance and through commissioned studies.

The above activities are further strengthened by LIFT management activities that:

6. Ensure funds are allocated in line with Fund Board policies and are accounted for in a transparent manner
7. Monitor and evaluate the performance of fund flow and partner activities

## LIFT BACKGROUND

Discussions began in 2008 amongst a group of donors on ways to help Myanmar make faster progress towards the achievement of Millennium Development Goal 1 (the eradication of extreme poverty and hunger). After extensive consultations with key stakeholders from government, embassies, UN and NGOs, in March 2009 LIFT – the Livelihoods and Food Security Trust Fund - was launched.

In the spirit of the Paris Declaration on Aid Effectiveness and the OECD/DAC guidelines on “Harmonising Donor Practices for Effective Aid Delivery”, the donors agreed on a multi-



Initiatives like tree planting help stabilize soils, reducing the risk of crop damage from extreme weather events.

donor trust fund approach with the conviction that pooling resources allows for programme coherence and leads to greater impact.

The LIFT donors – Australia, the European Union (EU), the Netherlands, Sweden, Switzerland and the United Kingdom – are expected to contribute US\$100 million over five years to LIFT. The donors contracted the United Nations Office for Project Services (UNOPS) as the fund manager to administer the funds and provide monitoring and oversight for LIFT.



## 2. PROGRAMMATIC ACHIEVEMENTS

While 2009 activities focused on setting up LIFT, 2010 represented the first year of implementation for LIFT-funded activities in the field. The majority of LIFT field activities were focused on helping people recover from the destruction of Cyclone Nargis, which swept through the Ayeyarwady Delta in May 2008. During 2010 LIFT provided assistance to 1,300 villages in eight townships of the Delta, reaching an estimated 150,000 households or 750,000 people as direct beneficiaries. This is half of the cyclone-affected population in the eight townships (see Figure 1).

This section of the report highlights the achievements of 22 one-year projects that started between January and June 2010. The 22 projects had a total value of \$19.5 million<sup>7</sup>.

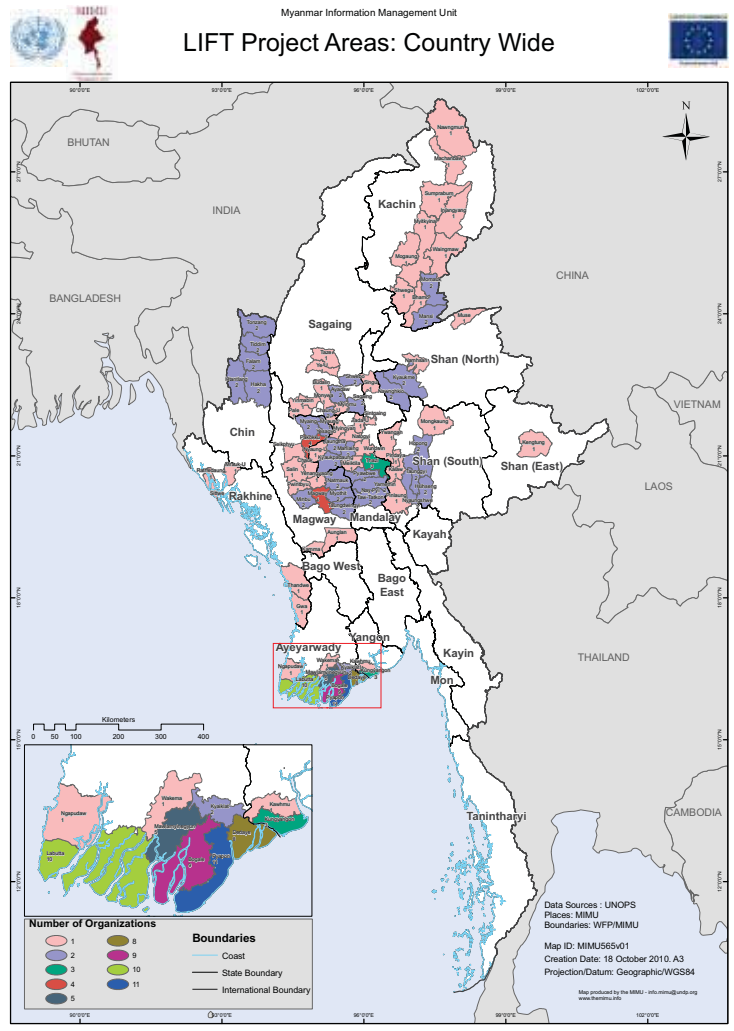


Figure 1

### 2.1 PURPOSE: TO INCREASE FOOD AVAILABILITY AND INCOMES OF 1.5 MILLION TARGET BENEFICIARIES

During 2010 LIFT provided assistance to 1,300 villages in the Delta; reaching an estimated 150,000 households or 750,000 people as direct beneficiaries.

The majority of activities were started in time to support the paddy crop grown during the monsoon season. LIFT also provided employment opportunities to landless and vulnerable households during the dry season. A number of community infrastructure development projects were initiated during the dry season - a time when other job opportunities are scarce.

<sup>7</sup> All figures reported in US dollars





Highlights of what LIFT funds were used for in 2010 include:

### Output 1: Agricultural (crop) production was increased by providing:

- 43,454 farmers with 1,373 metric tonnes of paddy seed 1,236 metric tonnes of fertilizer
- training and advice to farmers to ensure good use of agricultural inputs

### Output 2: Strengthening market & employment mechanisms by providing:

- capital to 6,226 households for small businesses
- livestock to 7,931 households
- nets or boats to 6,069 fishing households



LIFT Funds in 2010 were used for: (left) providing training to farmers to ensure higher yields; (centre) developing community based infrastructure including construction of jetties; (right) providing training in technical, vocational and managerial skills.

### Output 3: Social protection mechanisms include:

- implementing cash-for-work activities for landless and poor households,
- creating 389,877 person-days of work to develop community based infrastructure including jetties, ponds, bridges, embankments, footpaths, and culverts.

### Output 4: Strengthening the capacity of local organisations by:

- providing training to 3,300 community-based groups with 56,000 members in group management, technical, vocational and managerial skills. Forty two percent of people trained were women.

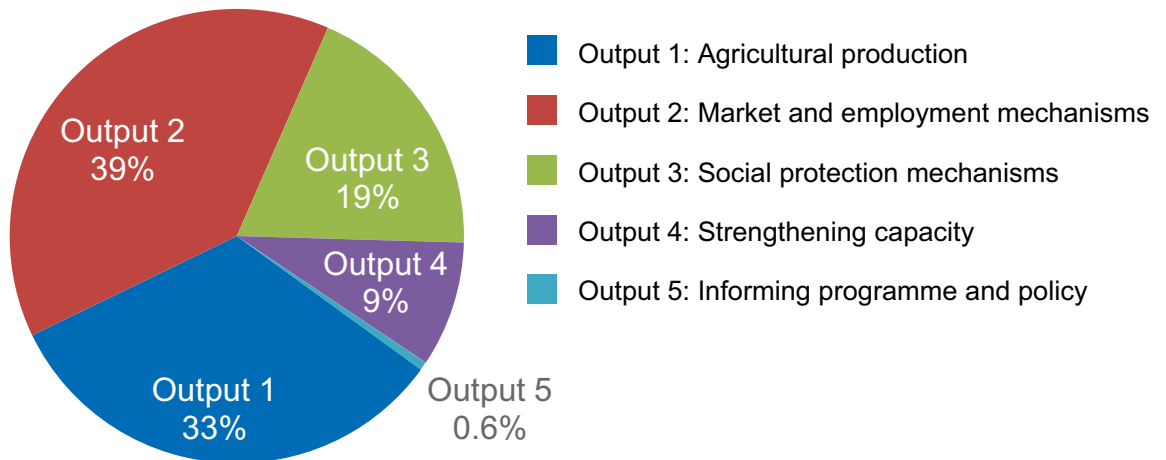
### Output 5: Informing programme and policy development by:

- establishing a network of 61 partners who working on food security and livelihood activities in eight regions and states. The network generates a critical mass of energy upon which programme and policy work can be based)

Figure 2 summarizes the percent expenditure by programme output for 2010.



Figure 2: Expenditures in 2010 by programme output



The next four sections present LIFT's achievements in 2010 by programme output.

## 2.2 OUTPUT 1: DIRECT AGRICULTURAL PRODUCTION SUPPORT PROVIDED & USED BY TARGET INDIVIDUALS

Farming, primarily monsoon rice production, is the main economic activity in the Ayeyarwady Delta followed by fishing. Farming households have large average land holdings (9.3 acres or 3.8 hectares) relative to the country as a whole (6.7 acres or 2.7 hectares). There are, however, very large differences between how much land poor households own (5.5 acres or 2.2 hectares) versus more affluent ones (10.3 acres). Landlessness is also much higher amongst farming households in the delta region (33 percent) compared to the country as a whole (24 percent). These are people that work in the agricultural sector, but do not own farms. In fact, landlessness is twice as high (50 percent) for poor farming households as it is for more affluent ones (24 percent).

The delta has three distinct agro-ecological zones (see Figure 3):

### FRESHWATER ZONE:

Farming dominates and double cropping of monsoon and summer paddy employs labour. Irrigated vegetables and flowers produce food and income and small to medium scale livestock holdings are important.

### INTERMEDIATE ZONE:

Characterised by dry-season salt water intrusion, monsoon paddy production followed by pulses. Small scale livestock production and commercial river fishing are also important.

### SALT WATER ZONE:

Fishing is the dominant economic activity. Other economic activities include commercial shrimp farming, salt making, monsoon paddy (with large land holdings, low inputs and low yields) and small scale livestock rearing.





Figure 3: Agro-ecological zone of the delta



Source: FAO

### Challenges facing farmers in the Ayeyarwady Delta include:

- poor crop husbandry practices,
- a lack of access to affordable credit,
- value chain fragmentation includes old and inefficient rice mills, poor market access,
- absence of high quality inputs (seeds and tillage services in particular), and
- macro-economic environment that results in poor farm gate prices.

### These challenges result in:

- low income and low profit,
- inefficient resource allocation and reduced productivity,
- high transaction costs,
- restricted market information flows (and thus a supply-orientation), and
- an inability and unwillingness to innovate and adapt due to extreme risk adversity.



### Specific constraints for the farm and fishery communities in the south are:

- declining production on saline soils,
- limited access to other income generating activities,
- poor access to bigger markets and consequently low prices for their produce,
- limited access to affordable credit, and
- increasing loss of mangroves and other ecosystems - leaving people and their land vulnerable to natural disasters.

Given the importance of agriculture for the livelihoods of both landless and landowners, it is critical that growth in this sector is a central focus of any economic growth initiatives. In particular, rice production, which accounts for the large majority of both total crop output and daily caloric intake of local people, must be a priority for any support.

In 2010, 16 out of 22 LIFT-funded projects in the delta focused on delivering agricultural inputs. These projects account for 37 percent of total programme expenditures. Note that livestock<sup>8</sup> and fishery inputs are discussed under Output 2. Table 2 summarizes total LIFT expenditures against Output 1 by activity.

**Table 2: Percentage of LIFT's Budget Spent on Activities Under Output 1**

| Activities                                      | % of Budget |
|---|-------------|
| Provision of buffaloes/cattle                   | 28.0        |
| Provision of fertiliser                         | 14.0        |
| Provision of power tillers                      | 14.0        |
| Provision of paddy seed                         | 12.0        |
| Cash grants for agricultural inputs             | 10.0        |
| Provision of post-harvest management tools      | 6.9         |
| Provision of farming tools                      | 5.2         |
| Provision of cow pea/ gypsum for soil fertility | 3.2         |
| Provision of fuel/lubricants                    | 1.8         |
| Seed banks                                      | 1.6         |
| Grants for farmer field schools/centres         | 1.0         |
| Power tiller repair & maintenance               | 0.9         |
| Establishment of demonstration plots            | 0.9         |
| Provision of seeds for summer crops             | 0.3         |
| Provision of sprayers                           | 0.1         |
| Study: Diagnosis of in-depth farming system     | 0.1         |
| Vaccination of buffaloes/cattles                | 0.0         |

Project inputs were generally delivered early in the year in order to support the monsoon paddy crop. Overall, the projects delivered as promised.

<sup>8</sup> Livestock animals excluding draught animals like buffalo and cattle used for plowing fields



Most partners presented preliminary results in their 2010 annual reports. Both final results and evaluation reports, due in 2011, will provide more analysis and details on outcomes of the interventions. Preliminary results indicate that LIFT assistance resulted in:

- an increase in the farm area cultivated,
- better land preparation,
- reduced input costs,
- the adoption of new rice varieties with higher yields, and
- improved post-harvest facilities.

For example, LWF's provision of 77 power tillers to 364 farming households in 30 villages meant that farmers were able to plough more than 2,600 acres (or 1,083 hectares) of paddy land. This represents almost 20 percent of all the land cultivated by these 30 villages during the 2010 monsoon season. LWF-supported farmers also reported a 60 percent increase in yield over the 2009 monsoon season. Most also stated that they had sufficient reserves for consumption and seed for the next season. CDN reported that, due to distribution of buffaloes and ploughs, farmers were able to cultivate 4,484 acres (1,868 hectares) of land - an increase of 17 percent from the previous season.

Two main approaches were used to supply farmers with agricultural inputs<sup>9</sup> (i) in-kind distribution of equipment and material and (ii) cash grants to farmers.



The provision of 77 power tillers to 364 farming households in 30 villages meant that farmers were able to plough more than 2,600 acres (or 1,083 hectares) of paddy land.

<sup>9</sup> See section 5 for a discussion of the relative success of these approaches.

## SUCCESS STORIES

**Farmers praise buffalo voucher system**

U Hla Htun had bought buffalo before, but he had never used a voucher system until Mercy Corps selected him to receive buffalo as a member of a buffalo banking group.

“It is good to buy buffalo with the voucher system. Depending on the price and the quality of the buffalo, we can decide on our own whether to buy or not,” said U Hla Htun from Phoe Gway Kyi village in Labutta Township.

“Instead of providing animals directly to farmers, we used the voucher system to give the farmers more control so they could find the kind of buffalo they wanted. It also gave them the power to negotiate the price,” said Michael Gabriel, Mercy Corps’ Country Director.

Mercy Corps and its partner the Community Development Association (CDA) worked with the Livestock Breeding and Veterinary Department as well as local authorities to develop the buffalo market, the first of its kind in Labutta. The market was created to help local farmers restock buffalo lost during Cyclone Nargis.

Mercy Corps and CDA approached commercial livestock providers to secure stock for the market. Animals were selected and examined by veterinarians from CDA and Mercy Corps before the animals were brought to Labutta town for sale.



photo: Mercy Corps

Market was created to restock buffalo after Cyclone Nargis.

“Examining animals before they were transported has helped ensure a higher survival rate,” said Gabriel. Animals were selected according to criteria such as age, weight, health, and whether they had been vaccinated.

Livestock providers redeemed sales vouchers with Mercy Corps, but only received complete payment once a buffalo had survived a certain length of time in its new village.

Like many other farmers in the southern Ayeyarwady Delta, U Hla Htun lost all his buffalo in Cyclone Nargis. Renting buffalo and tillage equipment has proven expensive for farmers who lost their animals.

“Last year, I had to rent one pair of buffalo and one power tiller. I had to spend 60 baskets of paddy for renting buffalo and 40 [baskets] for power tiller, which in total cost around Kyat 350,000 (\$350),” said U Hla Htun.

U Hla Htun now belongs to one of the livestock banking groups set up by Mercy Corps and CDA. U Hla Htun and other six farmers share the two buffalo that U Hla Htun bought in the market on a rotational basis within their group.

Mercy Corp is implementing LIFT-funded activities together with local organizations CDA and Ar Yone Oo in 81 villages in Labutta Township. Through the voucher system, a total 423 buffalo were distributed to 1,110 farmers in 205 buffalo banking groups.

“This market sets the stage for the development of a sustainable livestock marketplace for farmer self-sufficiency in livestock repopulation, which is key for long term recovery,” said Michael Gabriel.





## 2.2.1 In-kind distribution of agricultural inputs

The majority of partners provided assistance to beneficiaries through in-kind distribution of agricultural inputs (see Table 3). These inputs included paddy seeds, fertilizers, buffaloes, power tillers, post-harvest equipment and other equipment. Activities related to each of these inputs are described in more detail below

**Table 3: LIFT funded farm equipment for rice production**

|   | # of items | # of HH <sup>10</sup> | # villages |
|---|------------|-----------------------|------------|
| Paddy seed (MT)   | 1,373      | 8,875                 | 493        |
| Fertiliser (MT)   | 1,236      | 11,630                | 585        |
| Sprayers (litre)  | 3,741      | 1,046                 | 35         |
| Number of buffaloes/cattle                                | 7,139      | 2,646                 | 309        |
| Number of power tillers                                   | 496        | 3,601                 | 228        |
| Gallons of fuel/lubricants                                | 16,746     | 2,106                 | 176        |
| Financial support for Farming Field School (# of centres) | 30         | 5,110                 | 30         |
| Number of farming tools                                   | 26,532     | 8,723                 | 540        |
| Number of seed banks built                                | 12         | 15,129                | 12         |
| MT of paddy/rice provided to rice banks                   | 34         | 638                   | 21         |

### A) PADDY SEEDS

A total of 1,373 metric tonnes (65,692 baskets) of seeds were distributed to 9,001 farmers in 494 villages. Most partners provided seeds as part of a package of agricultural inputs including fertilizers, pesticides, tilling and paddy threshers. Field monitoring has shown that the majority of partners provided inputs together with appropriate training. As a result of this assistance, farmers were able to cultivate 32,846 acres (or 13,686 hectares) of land.

Approaches varied between partners, but field monitoring showed that the quality of seeds was often poor. The main problem was that seeds contained several varieties with different maturity periods. Certified seeds are hard to obtain in Myanmar. They are normally procured from farm groups and small scale producers that mix varieties. As a result there is no way of checking whether or not the stock is pure until the plants are grown.

Ten partners distributed two baskets (i.e. 42 kg) of paddy seeds per acre per farmer. This is sufficient for SRI<sup>11</sup> hand transplanting techniques. The total amount of paddy seeds received per household ranged from 42 kg to 336 kg. FAO provided individual farmers with 84 kg of local variety paddy seeds. WHH provided 63-104 kg of high-yielding seeds to the seed growers for seed propagation. Mingalar Myanmar distributed 42 kg of paddy seeds to households participating in farmer field school (FFS). HelpAge provided cash equivalent for 210 kg of paddy seeds per household and TGH provided 168 kg of local variety seeds to farmers who own less than 15 acres (6.1 hectares) and double that amount to those who own more than 15 acres

<sup>10</sup> Some households received more than one of these inputs.

<sup>11</sup> System of Rice Intensification (SRI) is a method of increasing the yield of rice produced in farming



(6.1 hectares). The average distributed amount of 42 kg of seed per acre was more than enough for the farmers who use SRI with hand transplanting techniques. Farmers, who still distribute seeds by hand typically require more, since they use between 3 and 4 baskets per acre, however they were provided the same amount of seed as SRI farmers.



The seed banks provide pure seeds, as opposed a mix of rice varieties with different maturing periods.

In addition to providing seeds, three partners (World Vision, Action Aid, Welthungerhilfe) also started up seed banks with groups of small-scale farmers who now produce “pure” seeds. These projects provided seeds, training, material and equipment for storage facilities. Farmer groups were responsible for identifying land, ensuring that storage facilities were communal property, and for managing the quality and quantity of seed borrowed and repaid. A total of 78 seed banks were established. The seed banks are particularly important because the seed producers provide pure seeds and not a mix of varieties with different maturing periods.

Harvest results for 2010 crops were generally not covered in partner reports because the harvest was still ongoing at the time of report preparation.

Anecdotal evidence and monitoring visits to the field show that the 2010 harvest was good. In demonstration plots, farmers’ yields were up 30 percent using only two-thirds of the normal amount of seeds. Partners report a 20 to 30 percent increase in yields due to inputs and improved cultivation techniques. However, the Delta as a whole also reported above-average rice yields due to the favourable weather conditions in 2010. To date, no partner has attempted to analyse LIFT’s specific contribution to the increase in yields observed, though they will be asked to in their final reports.

## **B) FERTILIZERS**

Most LIFT partners provided farmers with inorganic fertilizers such as urea, triple super phosphate (TSP), potash and gypsum. In total, 1,236 metric tonnes of various fertilizers was provided to 11,630 farmers in 585 villages<sup>12</sup>. As part of the accompanying training sessions, targeted farmers learned how to increase their yields using the optimum quantities of fertilizer.

<sup>12</sup> Not all partners that gave seeds also provided fertilizer. This encouraged many farmers to spread the fertilizer to cover a bigger area than normally recommended.



HelpAge, WVI, Welthungerhilfe and LWF provided good background information and soil testing equipment to calculate the necessary amount of fertilizer. During field monitoring visits by LIFT staff, farmers also reported that they had a better understanding of the importance of organic matter in the soil to maintain moisture and a steady flow of nutrients.

The total amount of fertilizer distributed by LIFT partners was insufficient to cover the total area sown. Although the distributed package was sufficient for rain-fed paddy, farmers need much more fertilizer for summer paddy as the growth of high-yielding varieties is highly correlated with the amount of fertilizer used. The recommended rate for high-yielding varieties is 37.8 kg of urea, 8.5 kg of TSP and 4.9 kg of potash per acre. For local varieties the recommended rates are 12.6 kg of urea and 6.1 kg of TSP per acre.<sup>13</sup>



In total, 384 metric tonnes of fertilizer were provided to 2,371 farmers in 154 villages.

Organic fertilizer was also distributed by a few partners (Welthungerhilfe, Action Aid and LWF). In total, 384 metric tonnes were provided to 2,371 farmers in 154 villages. Several kinds of organic fertilizers were introduced. Most were produced locally using composting with special microbial cultures. Although Welthungerhilfe and Action Aid provided both inorganic and organic fertilizers, there were no reports from partners that compared the cost and benefits of the two approaches. LIFT will encourage implementing partners to provide this information in their final reports.

### **C) BUFFALOES & POWER TILLERS**

There was a trend after Cyclone Nargis to provide more powerful, modern power tillers to farmers in order to replace buffaloes that were killed. Farmers have only a short interval (i.e. 3-4 weeks) between the monsoon paddy and summer paddy. As a result they need to finish land preparation in time to meet their sowing and harvesting schedules. However, several partners reported that many farmers still preferred to use buffaloes. Although the capacity of buffaloes for ploughing is limited, there are no costs for fuel, oil and repair.

**Buffaloes:** In total 2,610 buffaloes were provided to 1,195 farming households in 146 villages. Three partners engaged in the establishment of buffalo banks. LWF started a buffalo bank with 45 animals. The farmers sold their harvest and repaid the money and a new group of 45 farmers was able to purchase 45 new buffaloes. Metta also worked with buffalo groups, with loans due one year after receiving the buffalo. Rather than selling their crops immediately post-harvest

<sup>13</sup> Reference: *An Economic Assessment of the Myanmar Rice Sector: Current Developments and Prospects*; Kenneth B. Young, Gail L. Cramer and Eric J. Wailes





when prices are low, the loans enabled farmers to wait until market prices were more favourable.

Mercy Corps was the biggest provider of buffaloes and supporter of buffalo banks. They distributed 423 buffaloes to 205 buffalo banks with 1,110 members. Mercy Corps also organized several buffalo markets in Labutta to establish a transparent market platform for buffalo producers and buyers.



A total of 496 power tillers/hand tractors were distributed to more than 350 farmer groups.

***Power tillers/hand tractors:*** Eight partners distributed a total of 496 power tillers/hand tractors to more than 350 farmer groups. The groups were established to receive, manage and maintain the equipment. All groups received management and technical training. Power tillers have the capacity to plough 60 acres (25 hectares) per season compared to 15 acres (6 hectares) per season for an average adult buffalo. They are also able to plough deeper than buffaloes, which is needed in some locations.

#### **D) POST-HARVEST EQUIPMENT**

Farmers in the Delta lost post-harvest equipment and seed storage facilities during Cyclone Nargis and most lacked capital to replace them. Four partners (Phaung Daw Oo, Relief International, Welthungerhilfe and World Vision) provided 93 paddy threshers in 91 villages in 3 townships to be used by more than 3,000 farming households. All villages established



Farmers are taught how proper seed storage is important to maintain seed quality.

groups and, with the training on management and maintenance of the equipment, were able to reduced losses during harvest.

Many farmers in the Delta sell their crops right after the harvest when prices are at their lowest. This is because they need to repay the loans they took for cultivation. These loans are usually obtained from money lenders at relatively high interest rates. Farmers also lack the storage capacity for harvested crops; which places an additional pressure on them to sell immediately post-harvest when prices are low.

Proper seed storage is important to maintain seed quality. Welthungerhilfe distributed a variety of seed drying kits (6,000 air-tight bags and 6,000 PVC bags, 2,580 super bags, tarpaulins and 41,100 yards of seed nets and 59 metal silos) to 445 farmers including 75 seed growers. Technical booklets on seed production and post-harvest management were also provided. Welthungerhilfe reported that experimenting with air tight bags showed very promising results with no humidity variation over the rainy season



photo: World Vision

Drum seeder demonstration.

and very good germination rates at the time of sowing. The air tight bags were also better at preventing damage from rodents and insects compared with traditional seed storage.

### **E) OTHER FARMING EQUIPMENT**

Other equipment provided to targeted farmers were rotary cultivators, water pumps, trailers, sprayers and drum seeders. Rotary cultivators are efficient for both ploughing and cleaning

weeds and grass. When farmers don't have access to cultivators they remove weeds manually with knives. This is a time consuming task. Drum seeders are very useful for summer paddy cultivation in the delta as farmers are able to reduce the amount of seed used by 50 percent and subsequently control weeds more easily. Water pumps were distributed to farmers who cultivated summer paddy to maintain a sufficient water level in the paddy field through timely irrigation. Farmers adopting SRI methods were able to drain water from the field to control the levels of water as necessary.

Relief International provided 70 rotary cultivators and 3 water pumps. HelpAge provided 26 water pumps. World Vision provided 18 water pumps, 180 sets of sprayers and 102 drum seeders to a total of 1,268 farmers for summer paddy.

## **2.2.2 Distribution of inputs through cash grants and vouchers**

Only a few partners, including Action Aid, ADRA, Mercy Corps, Oxfam and Welthungerhilfe provided farmers with cash grants to buy their own equipment. Action Aid gave cash grants directly to 1,471 vulnerable households including 429 women. ADRA provided grants to 1,115 farmer families. ADRA also conducted a survey of 369 farmers and found that 94 percent of households utilized 100 percent of their cash grants for farming inputs.

Oxfam and Mercy Corps applied a voucher system for the inputs. Oxfam provided vouchers to individual farmers in Dedaye that could be used for fertilizers, seed and diesel. This system allowed 2,000 farm families to choose their own supplies from local businesses. Oxfam found that farmers who received vouchers were able to fully cultivate their paddy fields in time for the monsoon season. As a result of being able to successfully plant crops, many farmers were also able to reduce their loan size by more than 50 percent compared to 2009 figures. Additional benefits of the voucher system identified by farmers include the fact that they:

- were able to make their own choice on inputs in terms of brand, price and quality;
- could purchase these inputs at a fair price; and
- were better able to coordinate group members of management committees as a result of increased participation in these groups.



Mercy Corps reported that the voucher approach provided farmers with more choice, more self-esteem from being able to make such choices, and has developed better communication between the farmers and the suppliers, so that the supply and demand of livestock will be easier to meet after LIFT funded assistance ends.

### 2.2.3 Agricultural advice and training

All partners who supplied farmers with equipment also provided advice and training. Farmer field schools<sup>14</sup> (FFS) and farmer extension groups<sup>15</sup> (FEG) were the most common methods. The farmers who participated showed great enthusiasm when witnessing increased yields from new rice seed varieties and/or improved agricultural technologies delivered through LIFT assistance.

World Vision supported on-farm paddy trials conducted by FFS participants to experiment with different rice varieties and different planting techniques. Farmers improved their knowledge in the use of agricultural inputs and equipment. Mingalar Myanmar reported that FFS participants shared their knowledge with peer farmers from neighbouring villages. Oxfam also reported that with technical support from the Myanmar Agriculture Service (MAS), FFS participants gained knowledge and skills on improved technologies. They also improved their networks with MAS staff township staff, village authorities and members of village development committees.

Oxfam, World Vision and Welthungerhilfe established FEGs with interested smallholder farmers and seed growers. Welthungerhilfe trained FEGs on rice production and the modified system of rice intensification (SRI) through modules on nursery preparation, seed selection and treatment, weeding and soil management, plant nutrients, integrated pest management and post-harvest management. World Vision organized 191 farmers, including both smallholder and larger farms; providing farmers with weekly FFS sessions held at seven farmer field education centres in Bogale and Pyapon.



photo: Mercy Corps



photo: LWF

Improved techniques and technologies increase agricultural yields.

<sup>14</sup> Farmer Field Schools are groups of farmers with a common interest in learning new lessons to improve crop production. They are conducted for the purpose of creating an environment suitable for adult learning. FFS participants get together on a regular basis (i.e. weekly, bi-weekly) and undertake hands-on learning and practical training either in their own fields or on-farm trials. FFS promotes exploration, discovery and adaptation under local conditions.

<sup>15</sup> Farmer Extension Groups (FEG) are groups of like-minded farmers, who have a common goal and shared vision towards increasing production and productivity. FEG also encourage a collective learning through participatory on-farm research. Farmers are able to enhance their capacity to experiment, to develop their farming system in a sustainable way. The participants do not meet regularly, but according to the modules in the training curriculum.





photo: LWF



Demonstration plot (above), and increased paddy yields using SRI methods (below).

***Demonstration plots:*** Demonstration plots were established to test and exhibit different methods of cultivation and rice varieties. Most partners used SRI in their demonstration plots. With SRI, the yield of a rain-fed paddy is increased by 10 percent to 20 percent, while that of summer paddy is increased up to 25 percent. WHH reported that, traditional cultivation systems yield 60 baskets (1,260 kg) per acres while SRI the demonstration plots yield 92 baskets (1,932 kg) per acre. This is an increase of more than 50 percent. According to gross margin analysis conducted by WHH/GRET, the benefit in yield per acre using SRI methods is 3 times higher than those using traditional methods. However, the benefit cost ratio is lower than expected as farmers have to take credit with high interest rates for production costs. In addition, it is found that gross margin in some cases, is lower in summer paddy due to high production costs and low market prices received for high-yielding varieties.

According to partner reports and field visits by LIFT staff, farmers were reluctant to adopt SRI. However demonstration plots and on-farm trails convinced them of SRI's merits. Farmers have learned that, compared to traditional methods, SRI reduces the number of seeds used per hectare, lowers the incidence of pests and provides better yields.

While the merits of SRI are now obvious to beneficiaries, a number of important challenges remain for adopting SRI in the field. Most farms, especially small scale ones have:

- rain fed paddy fields rather than irrigated ones (irrigation is a key requirement of SRI)
- a shortage of skilled labourers for the early transplanting of rice plants by hand ; and
- the lack of capital for hiring skilled labour, especially for small-scale farmers.

***Field days and fairs:*** Other extension tools employed by NGOs and UN agencies were field days, visits to other extension programmes, and agricultural fairs. Some partners took project staff to visit other LIFT funded projects run by Action Aid, Metta, Action Aid, Oxfam. On these visits farmers learned about selection and cleaning of seeds, transplanting rice, pest control and use of fertilizers. Other partners organized peer education at local level with field days to present their demonstration plots. The consortium members under Welthungerhilfe focused on



organizing three agriculture fairs and mobilizing almost a thousand farmers for exchange visits to other villages and projects in the area. World Vision mobilized more than 140 farmers to visit farmer education and training centres run by MAS in various townships.

Action Aid, LWF, Welthungerhilfe and Solidarities organized visits for farmers to learn of the extension approaches and technical skills used by other organizations.

***Winter crops:*** Cultivating winter crops is practiced by farmers living in the fresh water zone. Only TGH and Mingalar Myanmar provided seeds for crops like cow peas, green gram, black gram, sunflower, sesame) to households and FFS participants for winter cropping. TGH reported that the selection of beneficiaries for winter cropping was based on the household with skills and availability of land (owned or borrowed). TGH encouraged land owners to lend their land to landless households. Out of 961 households receiving assistance, 598 were landless households that were farming land provided to them through the project's assistance. There are no reports yet that these crops contributed to the household income.

## SUCCESS STORIES

### Home-based fertilizer factory

"My paddy field is getting worse. I have regularly applied fertilizer in my rice field but the harvest does not seem to increase in yield. I have been spending more money but my rice harvest is still low." U Thein Naing shared his frustration during the community meeting together with other farmers in the village.

U Thein Naing lives in a small village in Bogalay Township. He has been cultivating his paddy farm for 15 years now. He said, "I only know how to apply urea and T-super fertilizer and I have experienced serious problems with the quality of soil and my rice yield is decreasing every year." Prolonged use of urea and T-super fertilizer hardens the soil and makes it less fertile over time.

However, after attending compost making training provided by LWF, U Thein Naing learned new techniques in rice production. He found out that plants need different kind of nutrients in order to grow well. Organic fertilizer plays an important role in soil improvement and is not harmful to the environment.

He also learned how to make compost from plants and animal by-products and the important role of effective microbes.

U Thein Naing has started making compost and is confident that this new fertilizer production will enable him to increase his rice yield and to provide more food for him and his family.



photo: ADRA

Organic fertilizer used to increase soil fertility.



## 2.3 OUTPUT 2: EFFECTIVE MARKET AND EMPLOYMENT SUPPORT MECHANISMS PROVIDED AND USED BY TARGET INDIVIDUALS (ON FARM, OFF FARM AND NON-FARM)

In 2010, LIFT project activities in the Delta supported market development and rural employment support in two ways:

1. Market Development: Supported rural family businesses by providing training in business management including bookkeeping, marketing, and financial management. Partners also knowledge and skills, provided capital support, and improved access to financial services by initiating group managed funds.
2. Creation of rural employment opportunities through livelihood inputs such as livestock and fishery inputs and provision for home gardening.

Table 4 summarizes the main activities supported under output 2. These activities targeted casual labourers and small-scale farmers<sup>16</sup>. Although the projects are still on-going, preliminary results are impressive. For example, Triangle GH reports that the percentage of vulnerable households in their villages that rely on casual labour was reduced from 57 percent to 8 percent during project implementation.

Field monitoring visits revealed some cases of poor decision making by partner field staff (e.g., distributing pigs that were too young, providing fishermen with nets, but not boats and vice versa). However, most activities were well designed and implemented. There are many lessons learned, but the full results will only be known when final project evaluations are completed.

**Table 4: Main activities supported under output 2**

| Activities   | % of budget |
|--|-------------|
| Provision of small livestock (pigs, chickens, ducks, goats, etc)                                 | 33.0        |
| Capital for small or micro businesses  | 28.0        |
| Provision of fishing equipment (various kinds of boats, fishing nets, traps and other equipment) | 19.0        |
| Provision of fishing boats   | 6.6         |
| Provision of other livelihood tools <sup>17</sup>  | 6.1         |
| Provision of home garden kits  | 4.2         |
| Support to nurseries   | 1.5         |
| Cash grants to revolving funds   | 0.6         |
| Construction of aquaculture ponds  | 0.5         |
| Provision of baby shrimps/fingerlings  | 0.2         |
| Survey related to on and off farm product market chain   | 0.1         |
| Vaccination of livestock   | 0.1         |

<sup>16</sup> In the local context, the term "casual labourer" covers households who are not owners of agricultural land, who are doing small scale fishing, who are doing small livestock raising and who are tenant farmers on less than 2 acres. Therefore, the activities in output 2 targeted mostly casual labourers and small-scale tenant farmers. Out of 22 projects, 16 projects address issues of fishery, livestock, and small business. In 2010, 47,295 households received assistance through those activities.

<sup>17</sup> Each implementing partner provided a different range of tools

## SUCCESS STORIES

### Mechanical workshop programme

The mobile mechanic workshops established by Triangle GH were welcomed farmers. Access to mechanical services is almost non-existent in remote villages and machine transportation to the main towns is complicated and expensive.

A small truck loaded with all a mobile mechanic needs went around and conducted on-the-job training with participants. They repaired boat and tractor engines and anything else on a farm that was broken.



photo: TGH

The mobile repair workshops also teach power tiller maintenance.

The mobile workshops repaired 179 power tillers, trained 201 people to repair power tillers and trained another 286 farmers in power tiller maintenance. The repair and maintenance skills can also be used for boat engines.

### 2.3.1 Support to market development for rural businesses

Eight out of 22 projects encouraged poor and vulnerable households without sufficient agricultural land to start their own businesses by providing training and capital.

#### A) BUSINESS DEVELOPMENT TRAINING

During 2010, 9,682 people received business development training from LIFT partners. The training covered three areas: introduction of new products or businesses, improving the management of small businesses and promotion of bookkeeping skills. Table 5 provides a summary of the business development training provided.

The projects identified new products through market surveys followed by skill development training. After the training, product shows were organized together with agricultural trade fairs to promote markets for the new products. Improving small business management skills focused on basic financial management, sale promotion and networking. Bookkeeping training activities addressed capacity building of households engaged in small businesses involved in trading, livestock breeding and retail shops.



**Table 5: Types of business development training provided**

| Activity   | No. of households |
|--|-------------------|
| Blacksmith training and start-up kit               | 8                 |
| Liquid soap making training and start-up kit       | 21                |
| Mushroom and floriculture training                 | 60                |
| Shampoo making training and start-up kit           | 90                |
| Small business management training                 | 2,589             |
| Fish cutting and packaging training                | 106               |
| Food processing and preparation                    | 23                |
| Tailoring training and start-up kit                | 21                |
| Efficient stove making training start-up kit       | 237               |
| Inter blocking brick training and start-up kit     | 44                |
| Reinforced concrete construction material training | 731               |
| Bookkeeping training                               | 4,477             |
| <b>Total</b>                                       | <b>9,682</b>      |

Most of these activities are still on-going and the results will only be known in the final project reports.<sup>18</sup> Some partners were able to report preliminary experiences and achievements as well as lessons learned.

ADRA helped 191 existing small rural businesses such as vendors, traders and shop keepers. They received training in business planning and technical issues like food processing or mechanic skills focusing on how to repair power tillers, small tractors and boat engines. HelpAge supported 788 households (486 livestock owners and 302 small businesses) with their business ideas. A survey of the beneficiaries showed that 100 percent of the livestock and business owners felt that they received more than adequate inputs and now have the knowledge and skills required to run their own businesses. Training sessions in conflict management, problem solving, financial management and business plan management were conducted to help facilitate the success of the new businesses. Exchanges with peers in other project villages were very popular and provided valuable opportunities for information sharing and exchange; expanding the beneficiaries' networks.



Oxfam helps small shops owners to successfully run their own businesses.

UN-Habitat supported small cottage industries across the Delta with training and equipment for brick making and construction. They also brought entrepreneurs together in cottage industry groups. Although the beneficiaries believe the support they received will help them to create a sustainable livelihood, it is evident that the support lacked a significant financial component and there are many more households interested to join that do not have the start-up capital needed.

<sup>18</sup> The first projects closed end of January 2011, the last ones in the delta will close in August 2011.



Oxfam delivered vocational training for tailoring and soap production to 151 landless households. This led to improved tailoring skills and the production of liquid soap. Reports indicate that demand is currently greater than production and linkages with public health promotion and social marketing of the liquid soap are being explored.

From projects that supported the start-up of new businesses, the results are equally promising. Oxfam reported that 60 percent of households that received livelihood support and training are now earning income. ADRA found that 98 percent of all recipients used 75 to 100 percent of the funds for the activity intended. LWF reported that an indirect outcome of its project was the strengthening of community cohesion and trust, as evidenced by the well-functioning revolving fund schemes.

### **B) IMPROVING ACCESS TO FINANCIAL SERVICES**

Expansion of credit for rural family businesses was provided primarily through revolving funds based on the repayments by beneficiaries of livelihood inputs provided by projects. Two types of revolving funds were common:

- “in-kind” funds mainly for animal banking, and
- “cash” funds which provide loans to beneficiaries (see Table 6).

All projects engaged in some kind of revolving fund to avoid handing out inputs and support for free. This increased the number of people who could benefit from the investments. LIFT plans to conduct an evaluation into the sustainability of revolving funds in 2011 once direct assistance has ended.

**Table 6: Comparing two types of revolving funds used by LIFT partners**

| Cash revolving fund established with repayments against project inputs  | Cash revolving fund established with savings   |
|---|--|
| <ul style="list-style-type: none"> <li>• Savings of members are not encouraged</li> <li>• Time for group formation is short (usually a week before provision of project inputs)</li> <li>• The group's level of affinity is usually quite low</li> <li>• Meetings are organized on a monthly basis</li> <li>• Loan sizes and repayment amounts are different from one member to another</li> <li>• Accounting system requires a certain skill level</li> <li>• Loan period depends on type of activity – mainly based on seasonality</li> <li>• No interest is charged on loans for the first cycle – it is introduced for subsequent cycles</li> <li>• Interest charges range from 2 percent to 4 percent</li> </ul> | <ul style="list-style-type: none"> <li>• Savings are prioritised for sustainability</li> <li>• Group formation takes time (2 to 6 months)</li> <li>• In the groups, level of affinity is high</li> <li>• Meetings are organized weekly or bi-weekly</li> <li>• Loan size, saving amount, and repayment amounts are same for all members</li> <li>• Accounting system is simple</li> <li>• Repayment is divided into instalments</li> <li>• Interest on loan is practiced from the first cycle</li> <li>• Interest charges range from 2 percent to 4 percent</li> </ul> |

According to Table 6, it appears that revolving funds with savings from members are likely to be more sustainable. Despite this, only a few partners engaged groups in saving. The evaluation of Delta 1 projects in September of 2011 will make a more detailed assessment of the sustainability and success of the revolving funds established.



Repairing fishing-nets is important work.

Save the Children started successful saving groups that earned income from interest. Although the groups saved to provide capital for themselves, there is strong indication that most of the groups see themselves as part of the wider village development effort. The groups in Mawlamyinyun decided to allocate the earnings from the interest to health: village development: and group development fund initiatives in the ratio of 3:4:3. In Hlaingbone, groups

decided to utilize 90 percent of the interest received for village development and the remaining 10 percent for health. Mothers supported by conditional cash grants from Save the Children reported that their family economic status improved because they could provide meals for the family and invest in livelihood activities such as repairing fishing-nets.

Welthungerhilfe-supported villages adopted interest rates from 3 to 5 percent and average total savings per group reached \$50-\$100<sup>19</sup>. The amount of money in the groups is still small and loans are mostly used for small expenditures when women cannot make daily ends meet or when money is needed for school fees. However, if a villager were to borrow this money from a local moneylender for one day, the interest rate would be over 50 percent. Hence, these groups already contribute to a reduction of household debt in the area.

In the World Vision project, 117 self-help group members have been practicing a savings and loans approach within their groups. Saving rates differ from \$0.20 to \$1.40 per week per person at interest rates of between 2 percent and 3 percent per month. Due to the demand for small credit from women who have to support their families, there were several women's groups formed and organized. These groups aimed to introduce saving habits, but were also able to provide support to each other beyond the specific savings and loans programme. Family members benefited through these activities as they could expand their small businesses and solve their emergency needs for health and education for their children.

### 2.3.2 Creation of rural employment opportunities through livelihood inputs

Most projects provided inputs to beneficiaries for existing livestock, fishery and gardening activities. As a result most beneficiaries were able to start activities and earn an income relatively quickly with minimal training.

#### A) LIVESTOCK INPUTS

In 2010, 7,931 households received livestock inputs from LIFT partners. Pigs, ducks and goats were the most-requested animals by beneficiaries. Field visits showed that the quality of the

<sup>19</sup> Note all figures reported are in U.S. dollars



photo: ADIRA

Distribution of livestock, which includes piglets.

livestock management training had a big impact on the amount of income earned by beneficiaries.

All livestock inputs, except the provision of ducks by one partner, were provided through revolving fund mechanisms. How the revolving funds operated varied across partners and villages. In general, the owners were asked not to replace or pay for an animal if it died of natural causes and if the committee was immediately informed about the death.

The provision of pigs was problematic. Most partners distributed very young piglets, which had difficulties adapting to their new environment and needed a long time and a lot of feed before they could produce offspring. Several partners underestimated the need to provide feed with the pigs, forcing many of their beneficiaries to sell pigs due to lack of funds to buy feed. The lesson learned is that six-month-old pregnant gilts (or sows) with feed for three months should be provided. This ensures a low mortality of the piglets since the mother is already sufficiently mature. It also helps to ensure that beneficiaries do not sell pigs due to lack of feed. As a result, the funds revolve much faster in the group, keeping beneficiaries motivated. According to Metta, some families reported that owning pigs enabled them to gain the trust of the money lenders. The lenders viewed the pigs as a means for families to repay their debts and were, therefore, willing to provide them with lower interest rates.

Normally, raising chickens is more economically viable than raising ducks due to the lower cost of feed. However, few chickens were requested by communities in the Delta due to the wet conditions around most villages<sup>20</sup>.

Duck breeding for egg production is common in the Delta since ducks have fewer diseases than chickens. From discussions with beneficiaries, if duck feed was not provided by the project for at least two months, the beneficiaries would have to wait at least six months to make a profit. Only 40 percent of ducks provided came together with feed for a period of two to three months. Those families who reside beside a creek made a better profit, since the ducks could forage for their own food in the water. Beneficiaries also stated that duck faeces can be used as bio fertilizer for home gardening. Discussions with the beneficiaries indicated that the number of ducks received per household ranged from 15 to 50. Accounting for opportunity costs of time spent caring for ducks, a flock of 50 ducks is the minimum size to make raising them economically viable.

<sup>20</sup> HelpAge and LWF provided chicken and ducks. LWF: 85 chickens, 1,780 ducks. HelpAge: 605 chickens, 1,450 ducks.



LWF reported that many first recipients of livestock have already repaid their group in cash or in kind. This enabled 95 landless households to become second round recipients of loans. Small improvements among the beneficiaries in housing have already been identified as a result of improved income from LIFT assistance. They include improvements to roofs, housing foundations and walls.

ADRA has not been able to report any results of their livestock activities, but they surveyed 323 households or 17 percent of targeted livestock families to gauge the utilization the cash grants. They found that 95 percent of the beneficiaries used between 75 and 100 percent of the cash to purchase animals. At this point however, it is unclear how successful this support has been in terms of whether or not the animals have been successfully raised, or whether any profit was generated from these activities.

## **B) FISHERY INPUTS**

LIFT partners engaged in fishery support focused on four types of fishery inputs: provision of cash; provision of fishing boats; provision of fishing nets; and, construction of aquaculture ponds. Like the livestock inputs, this assistance targeted poor fisherfolk. In total, 8,397 households benefited (see Table 7).

**Table 7: Types of fishery inputs provided**

| Inputs for fishing           | Households benefited <sup>21</sup> |
|------------------------------|------------------------------------|
| Cash grants for fishing      | 4,696                              |
| Baby shrimps/fingerlings (#) | 104                                |
| Fishing Boat                 | 1,173                              |
| Fishing equipment            | 1,785                              |
| Fishing nets                 | 639                                |
| <b>Total</b>                 | <b>8,397</b>                       |

HelpAge provided fishery assets (boats, nets, etc.) to 300 households with the condition that the value of these assets be repaid to the community from the profit households were able to generate. This was to address sustainability of project inputs within the community. With repayments, revolving loan funds have been set up for each village targeted. These funds are then made available to beneficiary households who can access small loans for other livelihood purposes. A total of 100 boats in four sizes were procured by 100 fisherfolk in 23 project sites. The beneficiaries also purchased 3,162 eel traps, 678 shrimp traps, and over 300 nets according to business plans beneficiaries were required to develop. In cases where loan repayment was due after the fishing season, beneficiaries were able to get their livelihoods started again. In cases where the repayment was due before the fishing season, beneficiaries needed to request an extension of the loans to earn enough money with their new equipment. An estimated 85 percent of beneficiaries have restored their livelihood to pre-Nargis levels.

<sup>21</sup> Some households received more than one of these inputs





## SUCCESS STORIES

### Solar dryers start work for first time in Delta

For the first time, solar dryers for the fishery industry were installed in four Labutta villages by the Myanmar Business Coalition on Aid, a LIFT implementing partner.

Zee Hpyu Seik and Ka Nyin Ngu villages, which each produce large amounts of dried fish and shrimp, received two solar dryers each. Kwin Gyi and Set Gyi received one dryer per village.

“It is a very effective machine. It can dry fish or shrimp within six to seven hours which normally takes two or three days to dry,” Dr. Linn Thant Aung, Programme Manager of Myanmar Business Coalition on AIDS, adding that the quality and hygiene of the finished product is better than from air drying. Improved quality leads to better prices for the products.

Solar drying is especially beneficial during the monsoon season, when it is difficult to dry fish and shrimp due to rain. Using the traditional sun drying method in the monsoon season often means that fish and shrimp cannot be dried in time. They then have to be discarded.

U Kyi Thoung, a fisherman from Set Gyi village said “Although more fish are caught in the rainy season, much of it ends up being thrown away if we cannot sell them immediately. If we use the solar dryer, we save investments – required for on fish and shrimp drying using charcoal and bamboo arbour methods”.



photo: MBCA

The Solar Dryer can dry fish or shrimp in as little as six or seven hours.

Alternatives to traditional fish and shrimp drying in the monsoon season are often costly. Constructing an arbour for fish drying improves ventilation, but constructing a 10 foot by 12 foot arbour can cost around (US\$200). While fish or shrimp can be smoked during monsoon season, the cost of charcoal makes the operation of fish arbours expensive and environmentally damaging. In contrast upfront costs of solar dryers are relatively expensive (US\$13,335 per unit but require no fuel and dry large amounts of fish/shrimp – even during the monsoon season.

Oxfam noted that the availability of fish is a concern for fisherfolk. Anecdotal evidence shows that the availability of fish is decreasing and future interventions will need to shift from increasing capacity for catching fish to adding value to the product, as well as on the development of aquaculture as an option for fisherfolk. Research conducted by Save the Children found that increased numbers of fisherfolk has contributed to a reduction in fish caught. The study recommended that more aquaculture farming be encouraged.



Some LIFT partners initiated innovative inland community aquaculture ponds<sup>22</sup>, which show promise. HelpAge initiated 11 community aquaculture ponds in seven villages. *Tilapia* fry available in nearby townships were provided to interested villagers. To raise the fry to a size that the beneficiaries were able to handle, HelpAge rented communal ponds. Fingerlings were transferred from communal ponds to family ponds once they were big enough. *Tilapia* were provided instead of crab and eel since the markets for both species regularly experience regular price fluctuations. *Tilapia* start breeding easily and early and the number of fish increases quickly. However frequent breeding prevents the fish from achieving high weights (> 1 kg) for better marketing. Ponds should be stocked with single-sex fish to ensure they do not breed and grow to marketable sizes<sup>23</sup>.

Pond aquaculture activities implemented in 2010 are only a small part of what could be done. There are plenty of opportunities to be explored, like the introduction of fast-growing Chinese carp, or integrating aquaculture operations with pigs and ducks.

### C) INPUTS FOR HOME GARDENING

Support for home gardening was usually given as a kit of seeds, fertilizer and sometimes tools. The most popular vegetables were cucumber, morning glory, gourd, bitter melon, okra, pumpkin, long bean and roselle. LWF made an analysis of reported income from gardening activities. Forty three (43) percent of households who received horticulture grants reported more than 20 percent increased income, while 9 percent reported up to 20 percent increases in income. However, nearly half of households reported a decrease in their net income or no change. Loan recipients with losses reported that they faced difficulties with their cultivation due to pest infestation and weather conditions.

Oxfam provided cash grants to 161 landless households for kitchen gardening. Groups involved with betel nut leaf production performed well while groups cultivating green vegetables have not had a return on their investments due to poor weather conditions.



Ma Thin Yu Hlaing in her vegetable plantation at Mayan village 6.

Rather than providing packages of seeds Triangle GH allowed farmers to choose from a variety of vegetables (cowpeas, green gram, black gram, sunflower, chilli, watermelon, corn, groundnut, radish, radish leaves, roselle, okra, watercress, snake gourd, gourd, cucumber, pumpkin, bitter melon, long bean, marrow, cauliflower, coriander, eggplant). Seeds were delivered together with

<sup>22</sup> Note: Aquaculture is not commonly practiced in this part of Myanmar

<sup>23</sup> Note: While single sex *Tilapia* are available in Thailand and were slowly introduced in Laos some years ago they are not yet used in Myanmar.





fertilizers and tools. Triangle GH also encouraged farmers to lend land to landless households. 598 landless households were able to borrow land from landowners in 6 village tracts of Labutta Township (Bone Gyi Kone, Hlwa Zar, Koke Ko, Myit Pauk, Sar Chet, and Tei Pin Taing). According to monitoring reports from project field staff, those who received the seeds were able to grow the winter crops and found that household expenditure on vegetables for



Daw Than Than putting seeds into small packs of soil for future planting.

daily meal was replaced by the winter crops. They were also able to cover the cost of snacks for their children. When the rain-fed paddy season starts, they will return the lands to the owners. According to the land owners, the vegetable leaves remaining on the land after harvest of winter crops make their land more fertile.

In November 2010, Triangle GH launched cash crop gardening activities in a number of other locations. They used paddy land, but failed in all villages, because the salinity of the soil. Winter gardening on these soils was also not possible. In addition, the late rainy season in 2010 caused a late paddy harvest and consequently many farmers lost interest in winter cropping.

Metta provided loans for gardening to 899 households. The majority of the beneficiaries used the loans to purchase seeds, fertilisers and pesticides. Some villages, because of good repayment rates and interest collection, were able

to provide a second round of loans to other families, thus increasing the number of household beneficiaries. In other villages the loan amounts increased in the second round in response to requests from the villagers. Some of these families had earned very little income from the first round of loans. Crops had not grown well and as a result no profit was made. Reasons provided by villagers included too much rain, pests and not enough care being provided to the gardens.

Metta also provided training to community representatives on how to make organic pesticides and compost. This meant that cultivators were better equipped to respond to future pest infestations. Thirty-one tube wells were dug in communities where horticulturalists have reported difficulty in accessing sufficient water to supply their fields. Metta reported that 43 percent of the horticulturalists had increased their income by at least 20 percent.

Ninety two (92) villages implemented home gardening activities, out of which 11 were in Labutta (salt water zone), 20 were in Bogale (semi fresh water zone) and 61 were in Pyapon, Kungyangone, and Kyeit Lat (fresh water zone).



## 2.4 OUTPUT 3: EFFECTIVE SOCIAL PROTECTION MEASURES THAT INCREASE THE INCOMES AND ENHANCE THE LIVELIHOOD OPPORTUNITIES OF CHRONICALLY POOR HOUSEHOLDS

Many LIFT partners have employed social protection measures in their projects to increase income and enhance livelihood opportunities for poor and vulnerable households. These social protection activities can be divided in four groups:

- Cash-for-work (CfW) for community infrastructure, disaster risk reduction (DRR) infrastructure and agricultural related CfW
- establishment of rice banks
- support for persons with disabilities and older people
- conditional cash grants

Table 8 summarizes the main cash-for-work activities supported under LIFTs Output 3.

**Table 8: Main cash-for-work activities supported under output 3**

| CfW Activities   | % of budget |
|--|-------------|
| Construction/renovation of village footpaths             | 29.0        |
| Construction of community assets (general) <sup>24</sup> | 22.0        |
| Construction/renovation of drinking water ponds          | 9.4         |
| Construction/improvement of river embankments            | 8.8         |
| Construction/renovation of village bridges               | 6.4         |
| Construction/renovation of jetties                       | 5.8         |
| Construction/renovation of irrigation channels           | 4.2         |
| Conditional cash grant to mothers                        | 4.0         |
| Rehabilitation of windbreak/riverbank trees              | 2.6         |
| Establishment of nurseries                               | 2.2         |
| Planting wind break trees                                | 2.0         |
| Construction/upgrading of culverts                       | 1.5         |
| Support to rat control activity /bush cleaning           | 0.5         |
| Construction of aquaculture ponds                        | 0.5         |
| Provision of tube wells for horticulturalists            | 0.4         |
| Other activities   | 0.3         |

### 2.4.1 Cash-for-work activities

Although the economy of the Delta is based mainly on rice cultivation, only 26 percent of people in the region are farmers. Landless households have participated in various cash-for-work (CfW) activities designed to benefit whole communities and provide short-term income for

<sup>24</sup> Some partners did not provide a breakdown of the assets constructed.



participating families. Cash-for-work activities were used to create employment opportunities during labour-lean periods. These opportunities were provided mainly to landless household workers active in agricultural sector as casual laborers. The high season for work in the fields is during planting and harvesting periods. There are fewer opportunities for casual laborers in between these periods. The best times for implementing CfW in the Delta are:

- February to May, before the start of cultivation; and,
- October to December, after planting but before the harvesting of paddy fields.



Cash-for-Work programs include footpath construction.

A daily wage of \$1.50 to \$3.00, was paid for those who participated in CfW depending on the location and nature of the work. Total household income from CfW activities ranged from \$6 to \$100 per participating household depending on the type of the work, skills and knowledge of partners in creating jobs for poor and vulnerable households.

ADRA created 28,373 person-days of work. LWF's project exceeded the target of 2,151 households, but the level of benefit was low, averaging \$18 per household. The objective of LIFT Output 3 is to provide the casual laborers with sufficient funds to cover expenditures during lean periods, when they are not planting or harvesting crops. The amount of \$18 is inadequate to cover this period; probably covering the costs of a household for a week. As a result ADRA's CfW activities did not meet the criteria of providing vulnerable groups with a social protection measure. The families mainly used the cash for their daily food requirements and could not use it to cover future lean periods. On the positive side, CfW for the preparation of monsoon paddy implemented by Solidarites achieved an average total income for most workers of \$100 for the same period. Save the Children was also able to create a reasonable total wage of \$48 per person for the participants in CfW activities. Both groups were able to achieve these results through better targeting of landless households and by providing assistance to fewer people.

In most of the CfW activities equal wages were paid to women and men. However, some organizations including Metta, HelpAge and CDN were not able to ensure equal payment for men and women. Metta paid workers according to the amount of work done, with average daily rates of \$1.50 for women and \$2.00 for men. This was based upon the length of road that each beneficiary helped construct. On average men worked longer hours than women and so were paid more. Interestingly, often male community members in the project villages expressed that women deserved the same wages as men since women's contributions and involvement were equal to men's.

The CfW activities were supposed to support the poorest households in a substantial way so that they could use the earnings to cover a lean period of 1-3 months. However this was seldom achieved. For all LIFT partners the focus of CfW activities appeared to be on constructing



infrastructure rather than supporting the poorest households. On average, 80 percent to 100 percent of all households in a village participated in CfW activities with little targeting of the poor and vulnerable. As a result, there was no significant impact on the lives of vulnerable households. The limited payment they received was usually spent on food and did not support the households over a period longer than a few days.

In some cases the lack of targeting appears to be due to a conceptual misunderstanding of the rationale for CfW by LIFT's implementing partners. However, the main reason was that targeting was strongly resisted in many villages as all households were seen have been affected by Cyclone Nargis, and traditionally, communal activities are carried out by all villagers believing that they will gain merit by being involved in these activities. Targeting in the future will require significant work with communities to convince them of the social protection objectives.

### **A) CASH-FOR-WORK ON CONSTRUCTION OF COMMUNAL INFRASTRUCTURE**

CfW for community infrastructure included repair/construction of footpaths, roads, jetties, culverts as well as the renovation of ponds. UN-HABITAT implemented the highest number of CfW activities focussed on communal infrastructure (282 community contracts). Table 9 summarizes the CfW activities implemented by LIFT partners in 2010.

**Table 9: Summary of CfW activities of LIFT partners in 2010**

|  | <b>CfW amount (US\$)</b> | <b># person days</b> |
|--|--------------------------|----------------------|
| Community asset creation <sup>25</sup>             | 4,460                    | 1,941                |
| Construction of aquaculture ponds                  | 8,517                    | 3,410                |
| Improvement of flood protection/embankments        | 145,797                  | 59,600               |
| Construction/renovation of drinking water ponds)   | 92,588                   | 36,056               |
| Construction/renovation of irrigation channels     | 59,437                   | 13,468               |
| Construction/renovation of jetties                 | 15,298                   | 4,204                |
| Construction/renovation of village bridges         | 34,994                   | 7,496                |
| Construction/renovation of village footpaths       | 653,209                  | 231,723              |
| Construction/upgrading of culverts (# of culverts) | 5,901                    | 1,481                |
| Establishment of demo plots                        | 881                      | 252                  |
| Establishment of nurseries                         | 9,070                    | 2,669                |
| Planting wind break trees                          | 4,000                    | 1,665                |
| Rehabilitation of windbreak/riverbank trees        | 46,550                   | 21,140               |
| Support to rat control activity /bush cleaning     | 9,494                    | 4,747                |
| Upgrading hill lock                                | 3,200                    | 666                  |
| <b>Total</b>                                       | <b>\$1,093,396</b>       | <b>390,518</b>       |

Local communities took primary responsibility for labour management, procurement, quality control, progress reporting, and timely completion. Community mobilization processes empowered

<sup>25</sup> Done by Oxfam and included: road renovation, pond renovation, pond fencing and small bridge construction.





communities to take responsibility for management and implementation of activities.

In general, communal infrastructure was selected by communities based on their needs and agreed plans. Partner staff facilitated the community meetings to identify the infrastructure priorities of the community. According to partner reports, this seems to have enhanced democratic participation and collective decision-making.

Many of the infrastructure projects identified appear to have been useful for communities.

- The construction and renovation of communal water ponds addressed immediate water needs for household use. They also provided water to (re)establish home gardens which will help to improve food security. In total 35 ponds were renovated or constructed.
- According to field visits and project reports, the village roads and paths constructed have had a positive impact on transportation and communication. For example, in one village supported by Metta, the two-mile long road significantly improved access to schools, employment, traders and medical care in the large town of Kunyangone. One village elder noted that participating in the task not only helped them earn extra income, but it also enabled them to do good for others.



DRR Cash-for-Work program: working on community nurseries.

## **B) DRR RELATED CASH-FOR-WORK PROGRAMME**

LIFT partners emphasized the importance of risk mapping and mitigation measures to address the risks of natural disasters to communities in the Delta. CfW activities for disaster risk reduction (DRR) implemented under LIFT have resulted in safer communities. Discussions on the choice and design of communal infrastructure usually took risk reduction into consideration. CfW for DRR included re-forestation of natural mangrove forest, windbreak plantations, river bank plantations, slope stabilisation

and establishment of nurseries for community forestry. During implementation, social cohesion in the communities was strengthened as was the awareness of the value of working together to mitigate future risks from natural disasters.

## **C) AGRICULTURE RELATED CASH-FOR-WORK**

CfW activities in the agriculture sector were implemented by Solidarites and Triangle GH. The intervention was closely monitored and facilitated by project staff to ensure the most vulnerable persons were selected. Four hundred and sixty six (466) people who mostly rely on daily wages were employed to prepare 882 acres of monsoon paddy in 24 villages.

CfW activities also included renovation or rehabilitation of small dykes, dams and embankments, clearing of scrubland that had been a haven for rats and unwanted insects,





establishment of demonstration plots and establishment of seed banks. The activities resulted in immediate benefits to both landless labourers and farmers. The advantages to farmers were:

- increased capacity for retaining water in paddy fields,
- preventing the intrusion of salt water,
- minimizing water loss from the fields to the river, and
- increasing the area under cultivation.

In the Triangle GH project sites, 29,082 acres (12,118 hectares) were cultivated in 2010 compared with 21,241 acres (8,850 hectares) in 2009. Triangle GH stated that with an average of 28.5 baskets per acre, the 2010 yield of their targeted villages was close to double the 2009 yield (15.7 baskets/acre). The CfW activities contributed to this increased yield by ensuring better land preparation and protection against saline water and leaking dykes.

## 2.4.2 Establishment of rice/grain banks

Establishment of rice/grain banks in Nargis-affected communities has helped reduce hunger and food insecurity among the poor and vulnerable. LIFT partners that helped establish rice/grain banks include Mingalar Myanmar, Action Aid and Oxfam. The main purpose of these rice banks is to provide food security for the most vulnerable households by giving them access to affordable food during lean periods. Small farmers who are not able to reserve paddy for their consumption have to buy rice from the traders at a high price. In the project areas of Mingalar Myanmar, the targeted beneficiaries of rice banks are smallholder farmers. These farmers often have to borrow from money lenders at high interest rates (around 20 percent) in order to buy rice before the harvest. In one Action Aid project village, the establishment of a paddy bank allowed poor households in the village to purchase rice at a price lower than the market.

The organisation and operation of the rice/grain banks varied from community to community and was influenced by LIFT's implementing partners. The group size varied from 23 to 30 members in the rice banks formed by Mingalar Myanmar. Action Aid facilitated the formation of a rice bank in one village where they targeted 125 households. Partners reported that the rice banks were generally being managed well and run successfully.

## 2.4.3 Support for persons with disabilities and older people

The inclusion of vulnerable groups in livelihood recovery activities is an important aspect of LIFT's work in Myanmar. HelpAge has adopted an inclusive approach which focuses on the integration of persons with disabilities and older people. Social assistance as part of social protection was provided to 21 of the most vulnerable older people and 216 people with disabilities in the project villages. The goal was to ensure access and genuine participation in village development committees and livelihood support groups. All 21 older people received assistive devices (wheel chairs, canes, etc). Two hundred and sixteen disabled people were



## CONDITIONAL CASH GRANTS

### According to FAO, conditional cash grants are:

Money disbursed with a condition that recipients do something in return (such as attend school, plant seeds or demobilise). These transfers are often given in instalments and monitored to ensure that it is being used for the “correct” purpose before receiving additional instalments. Conditional transfers should not be made when basic household needs are not being met. Conditional transfers are sometimes used as a development response to encourage households to access certain services such as keeping children in school, getting children vaccinated etc. Conditional transfers should not be provided unless the intended service is readily available and functioning to an acceptable standard.”

*Source: Animal Production & Health. Working Paper. The Use of Cash Transfer in Livestock Emergencies and Their Incorporation into Livestock Emergency Guidelines and Standards (LEGS). Food & Agriculture Organization. Rome 2011*

provided physiotherapy. To ensure sustainability, training was provided to care givers, volunteers and VDC members. Disabled people also benefited from the public investment in reconstructed footpaths which were constructed without barriers.

### 2.4.4 Conditional cash grants

One of the strategies used by LIFT partners to protect vulnerable populations was the provision of conditional cash grants to poor and vulnerable households. Save the Children provided these households with conditional cash. In total 5,257 households received \$50 to \$100 as a conditional cash grant for livelihoods rehabilitation:

- Save the Children screened 3,062 children aged 6-59 months in 62 villages. So far 453 pregnant women and lactating mothers each received \$95 as a conditional cash grant for exclusive breastfeeding (i.e. babies were not fed formula). Two hundred and seventy nine (279) mothers of children with moderate acute malnutrition (MAM) received a cash grant of \$63. In total, 327 malnourished children have been identified (108 percent of the initial target). Their families received support in the form of nutrition education, conditional cash transfers, counselling support and therapeutic food when required.
- Pregnant and lactating women participated in training activities and joined the mother-to-mother support groups. The number of pregnant and lactating women identified and supported with a conditional cash grant was three times higher than expected. These grants allowed women to have better food, and give more attention to their babies; increasing the frequency of breastfeeding. The conditional cash grants also allowed families to save income generated from other activities or invest in repairing fish nets or other income-generating activities. Malnutrition rates declined from 7.5 percent to 4.7 percent in Save the Children-supported villages over a period of nine months (March to November 2010).



## 2.5 OUTPUT 4: CAPACITY OF LOCAL ORGANISATIONS STRENGTHENED TO SUPPORT LIVELIHOODS AND FOOD SECURITY INITIATIVES

### 2.5.1 Capacity development of local NGOs

Many LIFT partners organized project orientation and induction workshops with their local partners. These were used to ensure that all staff understood project work plans, monitoring frameworks and approaches to implementation. Training sessions included improving skills in participatory rural appraisal, project cycle management, participatory monitoring and evaluation, report writing, induction on disaster risk reduction and gender analysis.

A particularly interesting approach was taken by Action Aid in the Thadar Consortium. The consortium established five thematic clusters as discussion and learning fora for their local partners. The clusters were community management, agriculture, livestock and fishery, capacity building and infrastructure. The results were impressive. Reports and field visits showed that consortium members made great progress in knowledge and practice in these areas. Most of the local partners in the Thadar Consortium were formed just after the delta area was destroyed by Cyclone Nargis. They were developed to deliver emergency assistance to cyclone survivors. Staff and volunteers working for these local organisations had little or no experience with community development. The consortium implemented a capacity building programme that introduced:

- livelihoods concepts
- project cycle management;
- improved technical skills through training in agriculture, livestock and fishery development;
- enhanced skills in conducting assessments, selection of beneficiaries and social mobilisation.

Many of the partners applied the concepts of accountability, transparency and participation in project implementation. The consortium approach also helped in the identification of common issues that required joint coordination efforts with stakeholders.

Overall, one of the most common and important types of training provided by partners concerned revolving funds. Revolving funds were implemented a number of different ways depending on the preference of villagers. Field staff needed to have a good understanding beneficiary needs and of revolving fund concepts to enable them to facilitate the establishment of groups and funds effectively.

Most projects were implemented with existing NGO staff who were already experienced in technical issues. Nevertheless, all projects included technical training for staff to varying degrees. Field visits showed that smaller local organizations benefited most from training; performing better than organizations who did not receive training.



Management training was also important. During field visits it was clear that the management capacity of local NGO staff was a primary driver of the quality of project implementation.

Monthly coordination meetings also proved effective in improving project implementation of local NGOs. Many overlapping issues were solved during these meetings. An example of a very active group of implementing agencies is the Bogale Agriculture Technical Working Group (BATWG). This group was successful in coordinating with its members and with local authorities, doing joint assessments, exchanging technical expertise and cooperating with the local private sector.

### 2.5.2 Capacity development of community based organizations (CBOs)

CBOs were formed in all LIFT villages through the facilitation of project staff. The number and type of CBOs varied from partner to partner (see Table 10). Community development committees, self-help groups, credit management committees, revolving fund management committees, animal bank committees, and agriculture user groups were among the most common CBOs formed.



Capacity development of community based organizations conducted training in management, financial management, book keeping, disaster risk reduction, livestock banking systems, the implementation of cash-for-work activities and more.

To improve the capacity of CBOs, partners conducted training for CBOs in management, financial management, book keeping, social audits, revolving funds, disaster risk reduction, livestock banking systems, vulnerability analysis, the implementation of cash-for-work activities and monitoring and evaluation. Technical training was also provided to CBO members to improve their skills and knowledge in implementing livelihood activities. In total, 19,304 CBO members were trained by partners in 2010. According to partner reports, skills, knowledge and confidence of CBO members improved significantly as a result of the training and experience provided by projects. The attitude of CBO members towards increased social cohesion in the villages and development activities improved for the better.



Table 10: Capacity building activities carried out by LIFT partners in 2010

| Name of IP           | Agriculture | Business | CBO capacity | DRR training | Environmental | Fisheries | Gender awareness | Health & nutrition | Home gardening | Nursery | Farm tools op & | Agricultural | Animal health | Animal husbandry | Vocational training | Study tours | Staff training | Review meetings |
|----------------------|-------------|----------|--------------|--------------|---------------|-----------|------------------|--------------------|----------------|---------|-----------------|--------------|---------------|------------------|---------------------|-------------|----------------|-----------------|
| Action Aid           | √           | √        | √            | √            |               |           |                  |                    |                |         |                 |              |               | √                |                     | √           | √              |                 |
| ADRA                 | √           | √        | √            |              | √             | √         |                  | √                  |                | √       |                 |              |               | √                | √                   |             | √              |                 |
| CDN                  |             |          |              | √            |               | √         |                  |                    |                |         |                 |              |               |                  |                     |             |                |                 |
| FAO                  | √           |          |              |              |               |           |                  |                    |                |         |                 |              | √             |                  |                     |             |                |                 |
| HelpAge              | √           |          | √            | √            |               | √         |                  | √                  | √              | √       |                 |              | √             | √                | √                   | √           | √              |                 |
| LWF                  | √           |          | √            |              |               |           |                  |                    | √              | √       | √               | √            |               | √                |                     |             |                |                 |
| Mercy Corps          |             |          | √            |              |               |           |                  |                    |                |         | √               |              |               | √                |                     |             | √              |                 |
| Metta                |             |          | √            | √            |               |           |                  |                    | √              |         |                 |              | √             | √                |                     |             | √              |                 |
| Mingalar Myanmar     | √           |          | √            |              |               |           |                  |                    |                |         |                 | √            |               |                  |                     |             |                |                 |
| Oxfam                |             | √        | √            |              | √             | √         | √                |                    | √              | √       |                 | √            |               | √                | √                   |             | √              | √               |
| Pact                 |             | √        | √            | √            |               |           |                  |                    |                |         |                 |              |               |                  |                     |             |                |                 |
| Phaung Daw Oo        | √           |          |              |              |               |           |                  |                    |                |         | √               |              |               |                  |                     |             |                |                 |
| Relief International | √           |          |              |              |               |           |                  |                    | √              |         | √               |              |               | √                |                     |             |                |                 |
| Save the Children    |             | √        | √            |              |               |           | √                | √                  |                |         |                 |              |               |                  |                     |             |                | √               |
| Solidarities         | √           |          |              |              |               | √         |                  |                    |                |         |                 |              | √             | √                | √                   | √           |                |                 |
| TGH                  |             |          |              |              |               |           |                  |                    |                |         | √               |              |               |                  |                     |             |                |                 |
| UNDP                 | √           | √        |              |              | √             |           |                  |                    |                |         |                 | √            | √             | √                | √                   |             |                |                 |
| UNHabitat            | √           |          | √            |              | √             |           |                  |                    | √              |         |                 |              |               |                  | √                   |             |                |                 |
| WHH                  | √           |          | √            |              | √             | √         |                  | √                  | √              |         |                 | √            | √             | √                | √                   | √           | √              |                 |
| World Vision         | √           |          | √            |              |               | √         |                  |                    | √              |         | √               |              |               | √                | √                   | √           |                |                 |

Community mobilizers were identified in many villages. LIFT partners provided training to them on vulnerability, participatory methods and approaches as well as development concepts related to poverty. These village-based volunteers helped to implement project activities and served as change agents in their own communities. Action Aid and the Thadar Consortium probably have the most advanced system of village-based volunteers (called fellows), which receive extensive training.

## 2.6 OUTPUT 5: MONITORING AND EVALUATION EVIDENCE AND COMMISSIONED STUDIES USED TO INFORM PROGRAMME AND POLICY DEVELOPMENT

LIFT's focus in 2010 was on: establishing a M&E system (see section 3.2 for details); building LIFT's network of partners and contacts; and, identifying strategic issues for further study. All of these things are precursors to informing livelihoods and food security programming and policy in Myanmar.





## 2.6.1 Partners and Contacts

In the first year of field activity implementation (2010) LIFT has funded 61 partners. This support is either directly, as implementing partners, or indirectly as partners of partners. These partners are working in 29 townships across eight regions and states. Of these partners, 39 of them are local NGOs.

LIFT has also established dialogue with a number of other key organisations in Myanmar working on livelihood and food security issues, including the World Food Programme and FAO's regional project on agricultural information management.

## 2.6.2 Strategic Issues Identified

The need to develop and communicate LIFT policy papers on key livelihoods and food security issues has been highlighted as a priority by the Fund Board. Preparations are underway for papers on vulnerability and targeting vulnerable groups, capacity building of local partners, business development and market linkages, gender, environment and disaster risk reduction.

In addition, other areas that may require research include rural credit options; institutional mechanisms for technical support (research, extension systems, seed supply, pest/ disease control, post-harvest storage), value chain analysis and market opportunities for key commodities and land tenure and utilisation.

## 2.7 OUTPUT 6: FUNDS ARE ALLOCATED IN LINE WITH FUND BOARD POLICIES AND ARE ACCOUNTED FOR IN A TRANSPARENT MANNER

LIFT's first call for proposals was launched in November 2009 and organised in two streams:

- prioritised townships in Cyclone Nargis-affected areas (Delta), and
- parts of the country prioritised by the FAO/WFP Crop and Food Security Assessment Mission of October/November 2008 country-wide).

However, no contracts were awarded until 2010.

### 2.7.1 Round 1: Delta

The Delta region call for proposals was launched on 11 November 2009 and consisted of two windows:

- A window for well-established organizations, which provided grants of between \$100,000 and \$2 million over 12 months
- A small window for less established (mostly local) organizations which provided grants of up to \$100,000 over 12 months

After reviewing the 36 proposals received, 22 projects were selected for the Delta in December

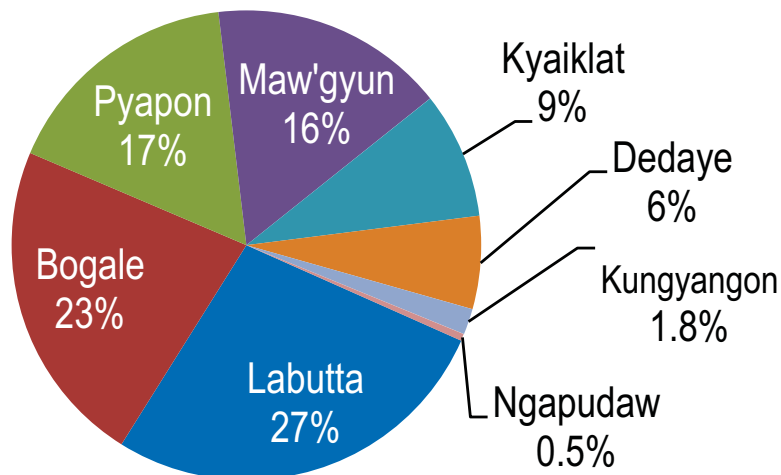


2009. All 22 projects had started by the end of June 2010. The total value for these projects was \$19.5 million over a one-year implementation period (see Table 11). International NGOs were awarded 66 percent of the total, UN agencies were awarded 21 percent and local NGOs 13 percent of the total (see Figure 4).

**Table 11: Funds awarded to implementing partners for projects in the delta**

| Organisation      | Budget      |
|-------------------|-------------|
| UNDP              | \$1,998,690 |
| Save the Children | \$1,691,228 |
| World Vision      | \$1,682,790 |
| Welthungerhilfe   | \$1,651,355 |
| ADRA              | \$1,353,120 |
| Mercy Corps       | \$1,328,734 |
| Solidarites       | \$1,143,262 |
| LWF               | \$1,113,284 |
| UN-habitat        | \$1,092,012 |
| FAO               | \$1,042,499 |
| Oxfam             | \$980,006   |
| HelpAge           | \$898,686   |
| Tringle GH        | \$867,886   |
| Action Aid        | \$695,309   |
| PACT              | \$508,074   |
| Relief Int.       | \$502,194   |
| CDN               | \$374,755   |
| METTA             | \$366,770   |
| MBCA              | \$157,461   |
| LEAD              | \$100,075   |
| Phaung Daw Oo     | \$100,070   |
| Mingalar Myanmar  | \$99,993    |

**Figure 4: Expenditure by township for Round 1 projects**

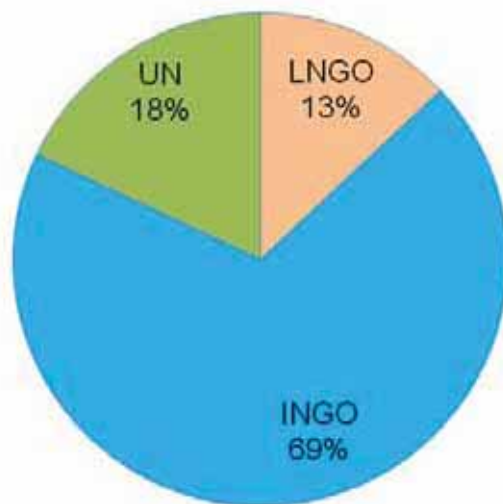




### 2.7.2 Round 2: Country-Wide

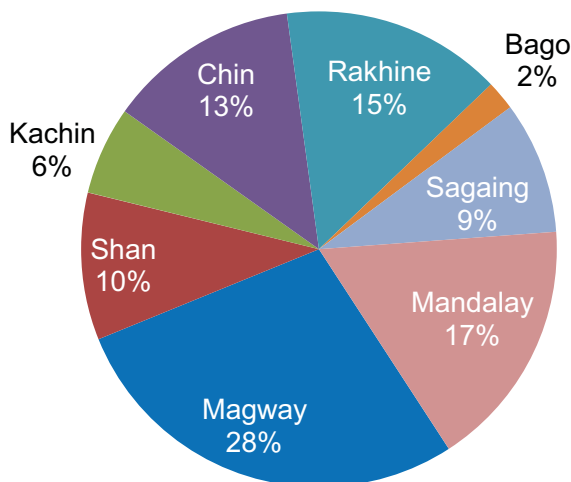
The Call for Proposals for prioritized States and Divisions was launched on 11 November 2009 and, like the Round 1 for the Delta, it consisted of two windows:

- A window for well-established organizations, which provided grants of between \$300,000 and \$6 million over three years
- A small window for less established (mostly local) organizations, which provided grants of up to \$300,000 over three years



**Figure 5: Percent awarded by type of implementing partner for country-wide projects**

A total of 50 proposals were received from 37 organisations. An independent assessment team reviewed the proposals against the criteria set out in the call for proposals. These criteria included the financial and operational capacity of the proposing organisation; relevance of the action proposed; methodology proposed; sustainability; and cost effectiveness. Eighteen projects were short listed for possible funding and contract negotiations were ongoing at the end of 2010. Approximately 69 percent of budgeted projects were awarded to international NGOs, 18 percent to UN organizations and 13 percent to local partners (see Figure 5).



**Figure 6: Percent of funds awarded by region for country-wide projects**

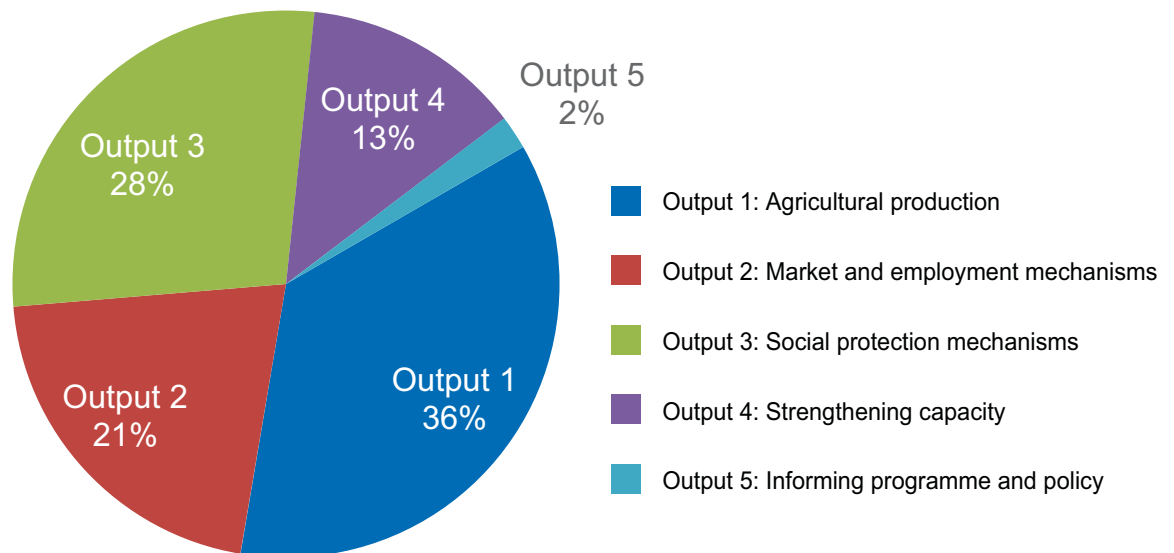
Signing of contracts with partners was delayed for two main reasons: a) delays in signing an agreement between UNOPS (as the Fund Manager) and the Ministry of Agriculture and Irrigation; and b) difficulties in agreeing upon final proposals and contract terms with some partners.

As of 31 December 2010, five implementing partners had been contracted for three-year projects in Mandalay, Magwe, and Sagaing regions as well as Shan, Kachin, and Chin State (see Figure 6). The value of these grants is \$11.4 million. The total value of all grants for the country-wide round is expected to be about \$37million.



The breakdown in budget allocation to country wide projects according to LIFTs' programmatic outputs is shown in Figure 7.

**Figure 7: Percent LIFT funds awarded by output**



### 2.7.3 Round 3: Longer-term development in the Delta

With most of the Round 1 projects in the Delta coming to an end in early 2011, the Fund Board took a decision to launch a third call for proposals, which was launched on 5 October 2010. Similar to Round 2, it consisted of two windows:

- A large window for three-year grants up to \$1.5 million per year
- A small window for three-year grants up to \$100,000 per year

A total of 33 concept notes were received from 32 organisations. Eleven projects were short listed for possible funding and contract negotiations were initiated at the end of 2010.

## 2.8 OUTPUT 7: FUND FLOW AND PARTNER PERFORMANCE ARE MONITORED AND EVALUATED

### 2.8.1 Monitoring visits to partner activities

The Fund Manager conducted 33 monitoring trips in 2010, covering 8 townships, 120 villages and all 22 partners in the Delta. These visits were used to monitor the progress of all LIFT implementing partners and to assess the degree to which partners adhered to good practice and contractual commitments. Partner activities were assessed against the three categories of criteria shown in Table 12.



**Table 12: Criteria used for partner assessments**

| Category              | Criteria   |
|-----------------------|--|
| Social mobilization   | <ul style="list-style-type: none"> <li>• Participation: the degree to which beneficiaries participated in project design, planning and implementation.</li> <li>• Targeting: the degree to which the right beneficiaries were targeted.</li> <li>• Group formation: how groups were formed and/or supported at village level.</li> <li>• Equity &amp; gender mainstreaming: the degree to which activities addressed the needs of both men and women and the degree to which both men and women were involved.</li> <li>• Capacity building: the degree to which building local capacity was addressed by the partner.</li> <li>• Transparency: how project related information was shared among the project team, the communities and beneficiaries.</li> </ul> |
| Implementation issues | <ul style="list-style-type: none"> <li>• Relevance of activities: were the right activities selected and were they implemented to good standards?</li> <li>• Timeliness: were activities completed on time?</li> <li>• Cost-effectiveness: were the activities done in a cost effective way?</li> <li>• Implementation capacity of local partners</li> <li>• Reliability of reported information (based on field verification)</li> <li>• Progress/achievement against work plan</li> </ul>  |
| M&E system            | <ul style="list-style-type: none"> <li>• Baseline: was a baseline/initial assessment done and is the data used?</li> <li>• Tracking system: has the partner got a tracking system in the field?</li> <li>• Learning and feedback mechanisms</li> </ul>   |

Results of monitoring and evaluation activities indicated that implementing partners performed relatively well in terms of social mobilization activities (see Table 13). Twenty (20) out of 22 activities (91 percent) were rated as strong or fair in terms of their social mobilization activities, based upon field visits. Only two were deemed weak. The criteria used for making these assessments are presented in Table 12.

**Table 13: Assessment of partners from monitoring visits**

|        | No. of partners     |                       |            |
|--------|---------------------|-----------------------|------------|
|        | Social mobilization | Implementation issues | M&E system |
| Strong | 10                  | 9                     | 15         |
| Fair   | 10                  | 13                    | 3          |
| Weak   | 2                   | 0                     | 4          |
|        | 22                  | 22                    | 22         |

## 2.9 CROSS-CUTTING ISSUES: GENDER

LIFT expects all stakeholders to mainstream gender into every stage of their projects. This includes the design, implementation, monitoring and evaluation of a projects implementation. The objective is to promote equality between women and men. Many LIFT partners have adopted a gender programming approach.





## 2.9.1 Women and livelihoods

Some LIFT partners have integrated gender in their approaches to improve the food security and livelihoods of women and their families. Women from poor families and destitute, women-headed households, received agriculture and livestock support. Women also received technical training in agriculture and livestock breeding. In addition, partners improved access to savings and credit for women. World Vision conducted a gender assessment in Bogale and Pyapon. Gender-related obstacles and opportunities were identified and appropriate indicators added to World Vision's M&E plans.

## 2.9.2 Women and decision making

All partners were able to form village development committees, livestock income generation groups or livestock support groups. Women comprise between 10 percent to 74 percent of group membership. In Oxfam-supported communities, 41 percent of decision-making posts are held by women. World Vision formed a total of 445 groups during 2010 with 6,385 female members (74 percent). Eighty 80 percent of the decision making positions were held by women. Save the Children has achieved 71 percent female membership in groups, with 56 percent of decision making positions filled by women. In contrast, women's involvement in the groups



Women comprise the majority of villagers involved in the transplanting of rice seedlings.

formed by ADRA was 14 percent, with women holding only 8 percent of management positions. Similarly, female participation was only 10 percent in the CBOs where LWF implemented its project with 18 percent of management positions held by women.

The discrepancy in ADRA and LWF figures compared to other implementing partners reflects, in part, the types of activities undertaken. Operating tillers and threshers is regarded as men's work by most communities. As a result, men were selected to attend the training for machinery operations. In contrast women's participation was

more strongly witnessed in community activities, such as community assessments, PRAs, etc. as well as alternative income generating activities such as pig growing and the saving and loan schemes. Division of labour on strength prevents women from using a plough; however, women comprise the majority of villagers involved in the transplanting of rice seedlings, weeding, harvesting and threshing.



### 2.9.3 Women and economy

Partners have provided skills training for women in enterprise development gender mainstreaming in small enterprise management and provided women with income generating skills. Training provided by Oxfam included skills in tailoring, candle making and in business. Partners that provided cash grants to women to start up small and medium enterprises included World Vision, Oxfam and UNDP. In addition, Save the Children has developed a guideline on “gender mainstreaming in local economic development projects”.

### 2.9.4 Changing gender roles in households

The involvement of male members in child caring was limited in Save the Children project villages. Out of 9,462 members attending BCC sessions, 23 percent of them were men. Men attending these sessions were able to respond to many key child-caring questions. Evidence also suggests that men began to help in cooking reflecting a change in attitude that may have been brought about through class participation.

### 2.9.5 Enhancing the capacity of women

Selected community members received vocational training, acquired marketable skills and material resources. Training included tailoring, carpentry, mechanics, shampoo making, mushroom culturing and liquid soap making, candle making, food preservation and



photo: LWV

Women acquiring marketable skills through vocational training including tailoring, carpentry, mechanics and more.

mushroom/floriculture. Women in the targeted villages reported improved capabilities in decision making, increased participation in village affairs, improved confidence and increased job opportunities.

It is still too early to know whether these women are really benefiting economically from the vocational training. One unintended result is the out-migration to Yangon garment factories of girls who participated in tailoring training (11 percent of the participants left their

villages). One of the challenges partners experienced was that while women expressed a desire to participate in certain project activities, they often did not. Any activity that requires a woman to leave her village will be difficult for her to attend, since she has to take care of the children, husband and backyard animals.



## 3. IMPLEMENTATION ISSUES

### 3.1 REFINEMENTS TO THE M&E SYSTEM

Establishing the LIFT M&E system was a priority during 2010. LIFT's monitoring activities concentrated on tracking inputs and field activities. The Fund Manager established a data base containing details of inputs supplied, values of inputs and the number of households reached (disaggregated by sex of household head and level of vulnerability). Implementing partners collected information on their activities for aggregation by the Fund Manager.

This system has enabled the Fund Manager to track the activities of partners, but a number of weaknesses have been identified. They include:

- the system requires too much time for some partners;
- as the number of LIFT partners increases the system may over tax data handling capacity of the Fund Manager;
- the quality of the data cannot be adequately validated by the Fund Manager; and, most importantly,
- the energy of partners was spent collecting activity data instead of measuring results (outputs, outcomes).

Therefore, LIFT is in the process of shifting its focus to collecting information on results rather than data on activities implemented by partners. The M&E system to be introduced in 2011 will summarize results for selected headline indicators at the township level; and eliminate village profile and grant monitoring forms. The Fund Manager's field verification reports will also be revised to make them more of a mutual learning tool for both LIFT and its partners.

### 3.2 COMMUNICATIONS

A communications and visibility strategy was developed by LIFT in 2010, along with a briefing kit for its implementing partners. The LIFT logo was designed and approved by the Fund Board in May, and a local company was recruited to design and develop the LIFT website. The website's content has been drafted but was not uploaded to the site at the end of 2010. The website domain name is registered as [www.lift-fund.net](http://www.lift-fund.net).

### 3.3 IMPLEMENTATION CHALLENGES

LIFT had a number of implementation challenges in 2010, partly because of the significant political and institutional changes that took place in Myanmar, but also because it was LIFT's first full year of implementation and many start-up issues needed to be dealt with.

For implementing partners, challenges arose because most contracts were signed just before or during the monsoon season; forcing partners to prioritise activities and focus on delivery



photo: FAO

Access via boat to isolated villages increased delivery costs.

of agricultural inputs at the expense of community sensitisation and mobilisation. Many partners faced challenges in delivering agricultural inputs in time for the monsoon paddy season. Many activities planned for the dry season in early 2010 were reduced in scale, postponed or cancelled. Additionally, when funds were released, partners reported shortages of suitable staff and inputs due to peak demand.

Even though partners were encouraged to co-ordinate on the ground, there was still some overlap of villages and activities. The Fund Manager was able to identify these villages once P-codes were provided. Some villages still do not have these,

making co-ordination difficult. Training was provided by MIMU on how to develop the P-codes and this has helped overcome co-ordination issues. Not all overlap was problematic as some activities were complimentary and partners were able to resolve other issues locally.

Targeting beneficiaries proved to be challenging in some communities. This is a difficult task where all households can be classified as poor and traditional practices of patronage are strong. Partners were able to resolve this through increased sensitisation, inclusion, transparency and participation of communities. Partners reported that, when staff members were able to stay overnight in villages, attendance at meetings was higher and targeting was easier.

Poor communications and transport infrastructure created logistical problems for partners. Most access is via boat and isolated villages created increased delivery costs. Fortunately all partners were already operating in some manner in the Delta and were familiar with the logistical issues.

Authorities placed restrictions on the distribution of fishing gear and nets due to the low fish catches experienced in some areas. Partners were forced to delay these activities until the restrictions were lifted. Other issues relating to regulation included land registration and licenses required for pesticide applicators and the complicated process for buffalo purchase and distribution. Many partners also reported difficulties with buffalo procurement, transport, distribution and losses. Involving beneficiaries and villagers in the procurement process was reported as successful by several partners.

Loss of livestock (buffalo, pigs) was reported by some beneficiaries. Highlighting the need to provide adequate care to livestock during transport and quarantine as well as allowing for proper housing and feed. The possibility of developing a livestock insurance scheme is being investigated by Oxfam.





## 3.4 FINANCIAL STATUS

### 3.4.1 Financial contributions

Table 14 shows cumulative donor commitments and contributions (payments made) to LIFT As at 31 December 2010.

**Table 14: Cumulative donor commitments and contributions:**

| Donor               | Commitments <sup>25</sup> | Contributions (already received) |
|---------------------|---------------------------|----------------------------------|
| Australia           | \$3,415,490               | \$3,415,490                      |
| European Union (EU) | \$43,264,559              | \$35,123,490                     |
| Netherlands         | \$2,950,000               | \$2,950,000                      |
| Sweden              | \$2,725,776               | \$2,725,776                      |
| Switzerland         | \$471,000                 | \$380,000                        |
| UK                  | \$9,546,750               | \$9,546,750                      |
| Interest earned     |                           | \$149,327                        |
| <b>Total</b>        | <b>\$62,373,575</b>       | <b>\$54,290,833</b>              |

### 3.4.2 Expenditures

Table 15 shows total LIFT expenditures for 2010. Grants to implementing partners accounted for 91 percent of the total budget. Additional funds were spent on research and promoting LIFT's visibility (0.1 percent of the total budget), operation of the Fund Managers office (7 percent of the total budget), providing support to the Fund Board (0.3 percent of the total budget), and facilities/administration costs (1.4 percent of the total budget).

**Table 15: LIFT expenditures for 2010**

| Activity                               | Budget              | Actual              |
|--|---------------------|---------------------|
| Grants to implementing partners        | \$24,982,226        | \$17,051,402        |
| Research & visibility                  | \$35,000            | \$13,783            |
| Operation of the Fund Manager's office | \$1,968,336         | \$1,575,055         |
| Support to the Fund Board              | \$90,480            | \$61,708            |
| Facilities & administration            | \$382,249           | \$281,793           |
| <b>Total</b>                           | <b>\$27,458,291</b> | <b>\$18,983,741</b> |

<sup>26</sup> Commitments have reduced slightly from 2009 due to changes in exchange rates.





## 4. LESSONS LEARNED

### A) REDUCING POST-HARVEST LOSSES THROUGH PROPER STORAGE OF PADDY

Improving farmers' capacity for storing seeds has significant advantages. Tests showed that using airtight bags for seed storage resulted in excellent germination rates and no losses due to rats. It seemed the rats did not smell the content of the bag due to the airtight seal. After harvest, the ability to store paddy for a few more months results in significantly higher profit margins. The farm gate price for paddy is lowest at harvest time and up to 20 percent higher a few months later. LIFT will look for opportunities to expand the use of airtight bags for seed storage in the delta and other parts of the country in 2011.



photo: CDN

Cash-for-Work village infrastructure activities like pond construction help build social cohesion.

### B) CASH-FOR-WORK

Most CfW activities focused on the construction of village infrastructure. Resulting work activities were carried out by the entire village, helping build social cohesion. This may play an important role in implementing social protection measures in the future. However, the emphasis of project staff and villagers was to finish the work as soon as possible. This led to a shift in focus away from the most vulnerable households. From field visits and reports LIFT received, it appears that more than 50 percent of participants thought the intervention was timely. There is no indication that any partners implemented CfW initiatives at the wrong time, i.e. when other labour opportunities were abundant. The effectiveness, however, is doubtful. Few partners adequately

targeted the participants of CfW to ensure that the amount of cash they earned had an impact on their livelihoods and would support them through the lean period. Moreover, none of the partners implemented CfW activities on a scale that enabled beneficiary households to reduce their food insecure months. Following the evaluation of Round 1 activities, which will take place in late 2011, LIFT will organize a knowledge-sharing workshop to share experiences and lessons learned on CfW implementation.

### C) IN-KIND DISTRIBUTION OF AGRICULTURAL INPUTS VERSUS CASH GRANTS & VOUCHERS

The majority of implementing partners provided inputs through in-kind distributions, but five partners (Action Aid, ADRA, Mercy Corps, Oxfam and Welthungerhilfe) provided farmers with cash grants or vouchers to make their own choice of agricultural inputs. The evidence from LIFT partners suggests cash grants and vouchers have significant potential in the future. Table 16 summarizes the advantages and disadvantages of cash voucher systems.



**Table 16 – Advantages and Disadvantages of Cash Grant/Voucher Systems**

| Advantages usually associated with cash / voucher systems   | Evidence from LIFT partners   |
|---|---|
| Farmers are usually better able to select appropriate and good-quality inputs than project staff. | Quality of inputs procured by partners was often below expectations (e.g. varying qualities of seeds, buffaloes of different ages, couples of buffaloes that could not work together and milk buffalos unsuited for ploughing).   |
| Provides farmers with options and choices in selecting the inputs they prefer.                    | Those farmers who were asked, appeared to appreciate the opportunity to select inputs themselves.   |
| Enables farmers to get the inputs they need more quickly.   | Some farmers receiving in-kind inputs suffered delays in receiving the promised inputs and had to hire buffaloes and power tillers with their own funds to sow during the 2010 monsoon paddy season.  |
| Reinforces existing local markets and supply chains.  | Oxfam monitored local markets and found that traders provided more brands and competition so that beneficiaries could make choices and achieved reasonable prices.  |
|   |   |
| Disadvantages usually associated with cash / vouchers   | Evidence from LIFT partners   |
| Increases the work load for farmers.  | Possibly, but Oxfam found that increased participation of farmers resulted in better coordination among group members and improved management capacity of management committees.  |
| Cannot be sure that farmers will use the cash/vouchers for agricultural inputs as intended.       | ADRA conducted a survey of 369 farmers and found that 94% of households utilized 100 percent of their cash grants for farming inputs.   |
| Cash and voucher systems are more difficult to monitor than in-kind distributions.                | LIFT partners providing cash grants and vouchers were able to monitor how the grants /vouchers were used.   |
| Economies of scale enable partners to procure inputs at lower cost than farmers.                  | When many projects started at the same time (as in LIFT) partners had trouble procuring inputs (prices for power tillers went up and good quality seeds were difficult to obtain). Oxfam found that beneficiaries of their voucher scheme could purchase inputs at a fair price. Some suppliers provided loading and unloading discounts. |

In summary, in-kind distributions may provide better value for money through bulk purchases, distribution is easier to monitor, and partners retain more control over the use of funds. However, cash grants and vouchers enable farmers to select better quality items more quickly. Cash grants also encouraged more ownership of the selected items and increased farmers' self-confidence because they had the funds and were able to negotiate with traders themselves. This improved local market relationships and trust between farmers and traders. Regardless of the method of distribution, the impact of agricultural inputs was better when the equipment and material were accompanied by relevant and quality training.

### **D) IMPORTANCE OF FINANCIAL SERVICES**

All partners reported very high demand from farmers for learning new agricultural farming methods. Interest was especially high when techniques were shown in demonstration plots. However, lack of access to affordable credit was cited as a primary barrier to adopting new methods. It is clear that the intensification of farming systems requires the development of adapted financial services for small holder farmers. Such services are likely to benefit both



small holder farmers and landless labourers since intensive farming practices are usually associated with an increased demand for labour.

### E) THE PROVISION OF PIGS IN REVOLVING ANIMAL BANKS

When piglets were distributed too young (4-6 weeks) the mortality rate was high (up to 50 percent). The young animals had problems adjusting to their new environment. If no feed was provided together with the piglets, households did not have the means to raise them. Often the pigs were sold before they had offspring. Distributing pregnant sows reduces mortality rates, and shortens the revolving time necessary before the next beneficiaries receive their pigs. Although raising pigs often did not result in high profit, the households had a stronger position when negotiating with money lenders. Often they were able to negotiate lower interest rates.

### F) DUCK BREEDING

Duck breeding for egg production is common in the Delta because ducks have fewer diseases than chickens. However, if duck feed was not provided by the project for at least two months, beneficiaries had to wait at least six months to make a profit. Only 40 percent of ducks provided came with adequate feed. Discussions with the beneficiaries indicated that the number of ducks received per household ranged from 15 to 50. Accounting for opportunity costs of the person who takes care of ducks, a flock size of 50 ducks is the minimum size to make this an economically viable activity.

### G) AQUACULTURE

Only a few projects engaged in pond aquaculture activities. There are plenty of opportunities to be explored, like the introduction of fast-growing Chinese carp, or integrated aquaculture operations with pigs and ducks. LIFT will investigate these opportunities further in 2011 together with the potential environmental issues associated with such interventions.



A beneficiary shows the growth of fish in a pilot aquaculture site.

photo: HelpAge

### H) TILLAGE CAPACITY

There is no general trend in the use of buffaloes or power tillers for tillage. Each geographic area has its own soil conditions and local traditions. Some villages prefer tractors for deeper ploughing and higher tillage capacity on big fields. Others still prefer buffaloes (for smaller and muddier fields). LIFT will undertake an evaluation for projects in the delta in late 2011 so as to better understand the reasons for farmers' choice of equipment in different agro-ecological zones.



## 5. CONCLUSIONS

At the beginning of 2010 the Ayeyarwady Delta was still suffering badly from the effects of Cyclone Nargis. This was the first year of implementation for LIFT-funded activities in the field. Many start-up challenges arose, including delays in recruiting staff and in establishing a functional office. These challenges were intensified by the need to quickly assess proposals and negotiate contracts so that LIFT funds could be used to support the recovery activities in the Delta.

Despite the challenges, LIFT still achieved an enormous amount during 2010. LIFT began supporting its first projects early in the year; approving grants between \$100,000 and \$2 million to 22 projects (total value \$19.5 million). These projects were designed to increase the production of crops, livestock and fisheries and the availability of food for households still struggling to recover from the devastation of Cyclone Nargis.



Training people with new business skills and providing households with income through cash grants from LIFT.

By the end of June 2010, all 22 projects had started and by the end of the year these projects had helped over 150,000 households (three quarters of a million people). Other achievements include providing 43,454 farming households with agricultural inputs; training 61,433 people with new business and farming skills; and providing 3,493 households with income through cash-for-work activities.

LIFT also completed a competitive process, which identified 18 projects for funding in other parts of the country, including Mandalay, Magwe, and Sagaing Regions as well as Shan, Chin, Kachin and Rakhine State. By the end of 2010, five implementing partners had been contracted for three-year projects for a total of \$11.4 million. The total value of all grants for this process is expected to be about \$37 million.





Other important achievements for LIFT during 2010 include establishing a monitoring system to track the activities of all implementing partners; developing a communications and visibility strategy, including a briefing kit, a LIFT logo and the design for a LIFT website; and establishing partnerships with a wide range of UN agencies as well as international and local NGOs. These steps will provide LIFT with the foundation to build its knowledge and networks for policy dialogue on key issues in livelihoods and food security in Myanmar.

LIFT also learned some important internal lessons in 2010. Significant improvements were made to the processes of assessing funding proposals and negotiating contracts with implementing partners. The need for revising LIFT's M&E system was identified so it can focus much more on the outcomes and impacts of LIFT's activities. The Fund Board also highlighted the need to develop and communicate LIFT policy papers in the following areas: vulnerability and targeting, capacity building of local partners, business development and market linkages, beneficiary accountability, gender, environment and disaster risk reduction.

2011 promises to be an exciting year for LIFT. The Fund Manager will have a fully-staffed office for the vast majority of the year. LIFT-funded projects will begin to generate more meaningful data and lessons. The institutional changes brought about by the elections in 2010 will create new opportunities for coordination and dialogue with the government on an improved policy framework for food security and livelihoods in Myanmar.