



Livelihoods and Food Security Trust Fund Annual Report 2011

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Livelihoods and Food Security Trust Fund

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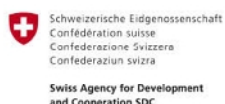
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TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS.....	4
EXECUTIVE SUMMARY	6
1. INTRODUCTION	8
1.1 Context	8
1.2 Background of LIFT	10
2. RESULTS	11
3. GEOGRAPHIC AREAS	16
3.1 Ayeyarwaddy Delta	17
3.2 Dry Zone.....	27
3.3 Hilly Region	35
3.4 Coastal Region.....	39
4. OUTPUTS WITH NATIONAL FOCUS.....	43
4.1 Civil society	43
4.2 Monitoring and evaluation	45
4.3 Funds allocation	47
4.4 Fund flow	48
5. LEARNING	49
6. PROGRAMME DEVELOPMENT	54
6.1 Agro-ecological zones	54
6.2 Thematically-specific	55
7. FUND MANAGEMENT.....	57

ABBREVIATIONS AND ACRONYMS

ADRA	Adventist Development and Relief Agency
AEWs	Agriculture Extension Workers
AYO	Ar Yone Oo Relief and Development
AVSI	Association of Volunteers in International Service
CACC	Chin Association for Christian Communication
CAEDP	Community Agro-Economic Development Platform
CARD	Chin Association for Rural Development
CBO	Community-Based Organisation
CDA	Community Development Association
CDN	Consortium of Dutch NGOs
CESVI	Cooperazione e Sviluppo (Italian NGO for cooperation and development)
CLN	Community Livelihood Network
CRDP	Chin Relief and Development Programme
DC	Donor Consortium
DPDO	Disable People Development Organisation
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organisation
FB	Fund Board (LIFT)
FEG	Farmer Extension Groups
FFS	Farmer Field Schools
FPEs	Farm Producer Enterprises
FM	Fund Manager (LIFT)
FY	Fiscal Year/Financial Year
GDP	Gross Domestic Product
GoUM	Government of the Republic of the Union of Myanmar
HYV	High Yield Variety seeds
IGA	Income Generating Activities
IOM	International Organisation for Migration
IPM	Integrated Pest Management
IRRI	International Rice Research Institute
KMSS	Karuna Myanmar Social Services
LEAD	Linking Emergency Aid and Development
LIFT	Livelihoods and Food Security Trust Fund
LoA	Letter of Agreement
LSG	Livelihood Support Groups
M&E	Monitoring and Evaluation
MAS	Myanmar Agriculture Services
MBCA	Myanmar Business Coalition on AIDS
MCS	Myanmar Ceramics Services
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MERN	Mangrove and Environmental Rehabilitation Network
MK	Myanmar Kyat (local currency)
MoAI	Ministry of Agriculture and Irrigation
MoSW	Ministry of Social Welfare, Relief and Resettlement
MOU	Memorandum of Understanding
MSE	Micro and Small Enterprise groups
MSN	Mangrove Service Network
MT	Metric Tonne
NAG	Network Activities Group
NGO	Non-Governmental Organisation
NMTPF	National Medium Term Priority Framework

RPA	Rice self-Provisioning Ability
RSB	Rice Seed Banks
RTA	Rakhine Thahaya Association
SAM	Severe Acute Malnutrition
SHGs	Self-Help groups
SIM	Social Impact Monitoring
SRI	System of Rice Intensification
TGH	Triangle Generation Humanitaire
UMFCCI	Union of Myanmar Federation of Chambers of Commerce and Industry
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
VCD	Value Chain Development
VDC	Village Development Committee
VVGs	Village Vegetable Groups
WCM	World Concern Myanmar
WFP	World Food Programme
WHH	Welthungerhilfe

Executive Summary

In 2011, LIFT was active in the Ayeyarwaddy Delta in lower Myanmar, the Dry Zone in upper Myanmar, as well as Shan State, Chin State, Kachin State and Rakhine State. Taking into account activities from 2010, LIFT has cumulatively assisted an estimated 223,229 households that includes 5,103 woman-headed households. So far, LIFT has assisted 1,116,145 people or more than two per cent of Myanmar's estimated population of 54 million, and has reached some of the poorest and most vulnerable rural families.

Although the majority of LIFT's first quantitative milestones are expected to be measured in 2012, this report includes some interim indications of progress that were available from the external evaluation report of LIFT's projects in the Delta and the reports of LIFT's implementing partners, the highlights of which are provided in Chapter 2. Currently, important cumulative achievements in Myanmar include:

Output 1: Agricultural production support:

- LIFT partners helped 53,660 farm households improve their agricultural yields through training and facilitating access to key agricultural inputs, including credit;
- LIFT partners helped 3,321 farmers get better prices for their produce by facilitating market linkages and increasing access to independent price information.

Output 2: Non-agricultural support and skill building:

- LIFT partners supported 15,335 households with business training and access to financial services, and 6,799 households - 44% of the households so supported - actually set up a business;
- LIFT partners supported 4,799 households to increase their incomes from fishing.

Output 3: Sustainable natural resource management:

- More than 2,500 women and men received training in environmental protection, conservation, and rehabilitation;
- LIFT partners regenerated 680 acres of degraded mangrove forest.

Output 4: Social protection mechanisms:

- Cash-for-work activities targeted poor and vulnerable households, creating 374,469 person-days of work (164,191 person-days for women) by constructing or repairing important village infrastructure including 182 ponds, embankments, jetties, footpaths, bridges and culverts.
- The pond rehabilitations benefited 35,000 households, saving each household about \$10 per month during the difficult dry months before the monsoon.

Output 5: Capacity of civil society strengthened:

- Over 3,450 community-based groups were established or strengthened, with members trained in management and vocational skills.

Chapter 3 reports on progress to date, analyses partners' strategies and activities, and highlights observations and problems that have arisen over the past year. The 49 projects that LIFT funds (22 Delta 1 projects and 27 on-going three-year projects) are described within the four distinct agro-climatic regions. These regions include the Ayeyarwaddy Delta (commonly referred throughout this report as the 'Delta'), Dry Zone (the low-lying central part of the country that includes large parts of Mandalay, Magway and southern Sagaing Regions), the Hilly Region (upland areas in Kachin, Chin and Shan States), and the Coastal Region (coastal areas in Rakhine State).

Most of LIFT's project expenditure in 2011 was in the Delta (50%) and the Dry Zone (32%). As a result, these are the areas where LIFT activities have been most firmly established. In the Delta, LIFT is now supporting twelve on-going projects in a relatively small geographic area (three townships), which has enabled the projects to complement one another. In 2011, LIFT established a partnership with the International Rice Research Institute to support LIFT's other partners in the Delta. The other partners are focusing on providing agricultural extension services and increasing the availability of quality seeds. By the end of 2011, LIFT had provided very little support for agricultural credit in the Delta. The first significant LIFT microfinance support for farmers will be in time for the 2012 monsoon season, which will make a big difference to the impact of LIFT-supported activities in the Delta.

In the Dry Zone, a number of LIFT-supported projects have made good progress in facilitating community-driven development activities, which have resulted livelihoods support for agriculture as

well as support for improving community infrastructure. Nearly half of LIFT's project expenditure in the Dry Zone is for improving access to water, largely by renovating silted-up ponds through cash-for-work employment schemes. Improving access to water for agriculture and domestic use will be an increasing focus of LIFT's activities in the Dry Zone from 2012.

Chapter 4 reports on the national impact of LIFT's efforts to strengthen civil society, monitoring and evaluation, funds allocation and fund flows (Outputs 5, 6, 7, and 8): Highlights:

- *Civil society:* Most LIFT-funded projects are implemented directly or indirectly by local NGOs¹. To date, LIFT partners have trained 16,121 staff members of local civil society groups and, according to beneficiary feedback, staff members are already using their new knowledge in their work. While LIFT will continue to help strengthen local organisations' ability to deliver strong project results, the Fund Manager and the Fund Board are committed to ensuring that LIFT support also: assists local partner organisations to deliver their own visions and strategies; supports an approach to capacity-building that is not over-reliant on training programmes; and, works with civil society in ways that strengthen the voice of the rural poor.
- *M&E:* LIFT's independent evaluation of its first projects in the Delta reported that incomes were perceived to have increased significantly from 2008 (the year of Cyclone Nargis), bringing paddy farmers to a level above that of 'self-sufficiency' and casual labourers close to pre-Nargis levels. In 2011, LIFT was able to conduct a comprehensive baseline that included a household survey of 4,000 households, village profiles and focused group discussions, covering all four agro-climatic zones where LIFT is active. The baseline report is available on the LIFT website. LIFT also initiated a *Qualitative Social and Economic Monitoring* project, which will contribute to programme and policy dialogue by providing high-quality monitoring and analysis of livelihoods and food security challenges in Myanmar.
- *Funds allocation:* Although half of all LIFT funding commitments to date has been to the Delta, this proportion is decreasing over time as LIFT increasingly funds projects in other areas. Future allocations will likely focus on areas outside the Delta. New areas could also be added if new areas of food insecurity and poverty become accessible.
- *Fund flows:* All national and international NGO partners of LIFT were audited in May-June 2011. Overall, results were positive and no serious problems were identified.

Chapter 5 describes lessons learned during the implementation of LIFT projects in 2011 and covers the following subjects: community mobilisation; targeting of participants and selection of beneficiaries; provision of agricultural and non-agricultural inputs; adoption of agricultural technologies; organic farming; farmer field schools and other forms of agricultural extension; packaged delivery of activities; support to landless households; supporting market access; revolving funds and self-help groups; representation of men and women in community-level groups; and, improved nutrition and hygiene.

Chapter 6 describes how partners have been contributing towards building sub-programmes in various agro-ecological zones, and which will identify the possibility of creating synergies or filling gaps by contracting additional projects in these areas. LIFT also established two thematic funding windows in 2011: one focused on learning and innovation, and another on micro-finance. The learning and innovation projects that are funded need to be innovative in the context of Myanmar, have a high potential to provide valuable lessons, and increase the body of knowledge of food security and livelihoods issues. The new microfinance funding window will begin in 2012.

Chapter 7 describes the Fund Manager has done to improve the overall management of the Fund.

In spite of the progress documented in LIFT-funded projects over the past two years, challenges remain, such as ensuring that disparate projects funded in 2010 and 2011 are combined into coherent sub-programmes. LIFT will work in 2012 to ensure that these sub-programmes in various agro-ecological zones are strengthened.

¹ At the end of 2011, 27% of LIFT-funded projects were being implemented through local NGOs contracted directly by LIFT. Another 29% were being implemented mainly by local NGOs in partnership with international NGOs that were contracted directly by LIFT, and some of the remainder of the LIFT-funded projects included some partnerships with local NGOs.

1. INTRODUCTION

This report describes activities funded by the Livelihoods and Food Security Trust Fund during the calendar year 2011. This was the second year of implementation for LIFT-funded activities in the Ayeyarwaddy Delta region and the first year of implementation for activities in the Dry Zone, and in Chin, Kachin, Shan, and Rakhine States.

1.1 Context

Myanmar held its first election in 20 years on 7 November 2010, with the government party, the Union Solidarity and Development Party (USDP), winning a large majority of the seats. The new president U Thein Sein, inaugurated in March 2011, surprised many observers by quickly laying out an ambitious reform agenda that included reinvigorating the economy, making progress on human rights and reaching out to Daw Aung San Suu Kyi and her National League for Democracy (NLD) party, who had boycotted the 2010 elections. Later, in November 2011, the legislature passed the 'Law Amending the Political Parties Registration', which enabled the previously banned NLD to participate in the political process.

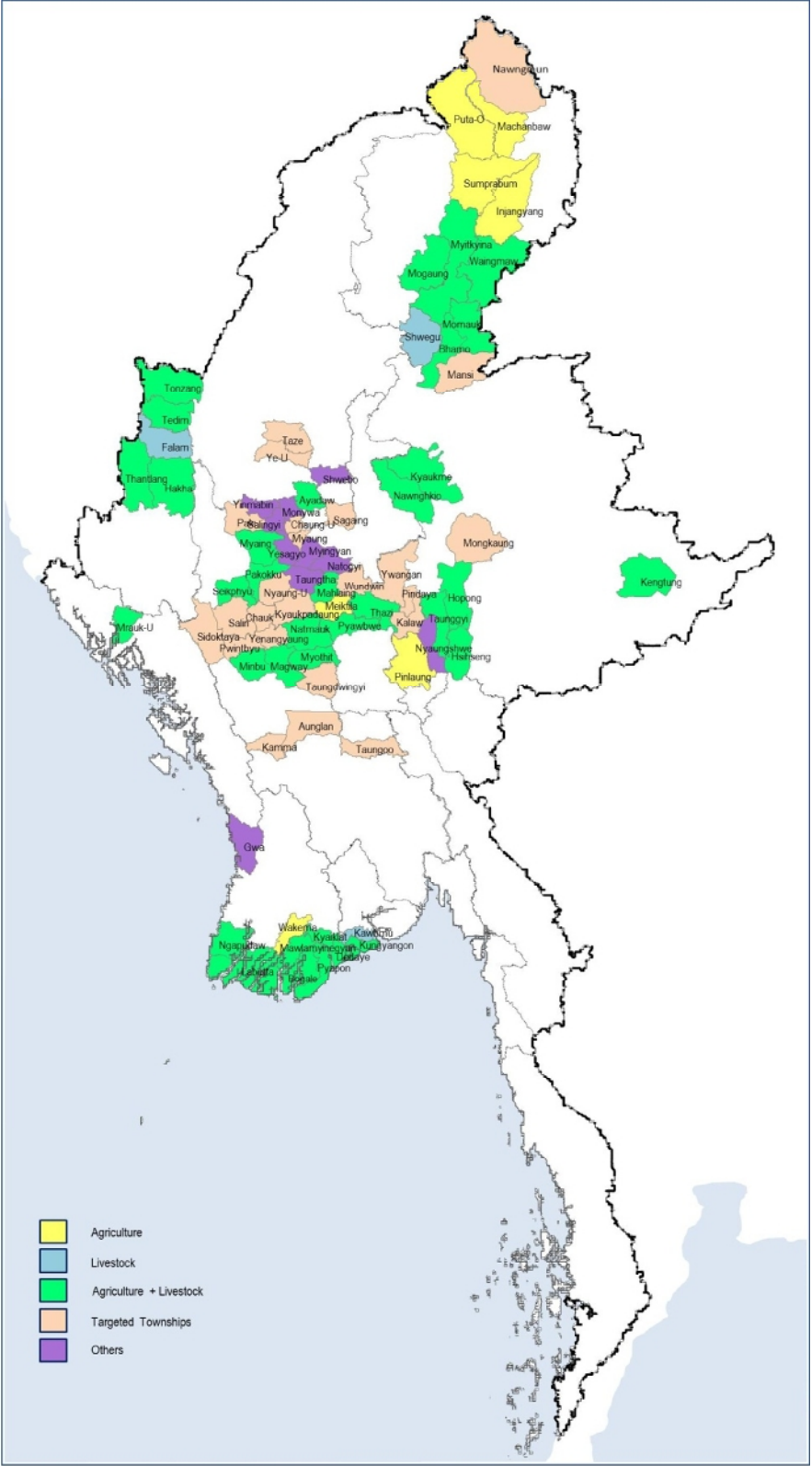
At his inaugural address in March 2011, President U Thein Sein said that he would work to better the lives of rural people by focusing on improving: a) agriculture; b) livestock and fisheries; c) rural productivity and cottage industry; d) micro-savings and credit enterprises; e) rural cooperatives; f) rural socio economy; g) rural renewable energy; and h) environmental conservation. Additionally, the government took a number of concrete measures, including reducing the export tax on many agricultural products from 10% to 2% and passing a new microfinance law on 30 November 2011, which effectively legalises micro-finance services in the country for the first time.

The future prospects for rural people in Myanmar are looking better than they have for many years. However, the recent changes and the government's plans to focus on rural development will take time to show concrete improvements in people's lives. Myanmar is still one of the poorest countries in South-East Asia, being ranked 149 out of 187 countries in the 2011 Human Development Index, and lags behind its neighbours in most socio-economic indicators. In fact, for many people 2011 was a difficult year economically because the influx of foreign investment in the mining, power, oil and gas sectors stimulated a rapid appreciation in the local currency, the *kyat*, which had a negative impact on export industries, manufacturing, and export agriculture.

According to a recent country-wide survey², 26% of Myanmar's population lives below the poverty line, with the proportions being much higher in some areas, as in Chin State (73%), Rakhine State (44%), Tanintharyi Region (33%), Shan State (33%) and Ayeyarwaddy Region (32%). The nationwide prevalence of moderately underweight children is 32%. The proportion of total household budgets spent on food is 68%. Landlessness is a significant phenomenon, at 24%, for those whose primary economic activity is agriculture. The same survey shows that the Delta, Mandalay Region, and Rakhine, and Shan States – all areas where LIFT operates - account for two-thirds of the country's total food poverty and half of total poverty. These areas also account for the majority of LIFT's activities and expenditure.

² *Integrated Household Living Conditions Assessment II*, United Nations Development Programme (UNDP). 2011.

LIFT operational townships by main sector	
Health	1
Education	1
Police	1
Fire	1
Public Works	1
Other	1
Total	6



1.2 Background of LIFT

The Livelihood and Food Security Trust Fund (LIFT) is a multi-donor fund established in Myanmar in 2009. The donors to LIFT are Australia, Denmark, the European Union, the Netherlands, New Zealand, Sweden, Switzerland, and the United Kingdom. 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.

LIFT's vision is to be an effective mechanism for channelling aid to partners to achieve its goal of improving the food and livelihood security of the poor and vulnerable in Myanmar. LIFT also aims to be a collective and influential voice promoting programme coherence, innovation and learning, and provide a platform for enhanced policy engagement on agriculture, food security, and rural development in Myanmar. LIFT is expected to continue operations until at least the end of 2016.

The overall objective of LIFT is to make progress towards the achievement of Millennium Development Goal 1 in Myanmar³. LIFT's purpose is to increase food availability and incomes for 2 million target beneficiaries.

This is to be achieved through delivering the following programme outputs:

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

Additionally, there will be the following management outputs:

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

³ MDG 1: Reduce by half the proportion of people living on less than a dollar a day; achieve full and productive employment and decent work for all, including women and young people; reduce by half the proportion of people who suffer from hunger.

2. RESULTS

Summary of LIFT results versus targets to December 2011

	Target up to end 2016	Cumulative results to Dec 2011	Per cent of target (%)
Planned overall targets (without double counting of beneficiaries)			
Total number of beneficiary households	356,950	223,229	63%
No. female-headed households	5,103	3,691	72%
No. households with disabled persons	3,676	1,064	29%
Agricultural production (crops)			
No. HHs supported in agricultural production	95,892	53,660	56%
No. HHs supported in rice production	31,932	8,744	27%
No. HHs benefiting from market information and linkages	20,719	3,324	16%
Livestock production			
No. HHs supported in livestock production	16,540	9,744	59%
Fishing			
No. HHs supported in wild capture and aquaculture	16,260	8,139	50%
No. HHs supported in wild capture fishery	6,390	4,799	75%
No. HHs supported in aquaculture	9,870	3,340	34%
Other Income Generating Activities (IGA) (not agricultural, livestock, and fisheries)			
No. HHs supported in other IGA	17,261	15,335	89%
No. small and micro enterprises established	7,230	6,799	94%
No. HHs benefiting from improved market access for IGAs	3,612	332	9%
Credit (including households in Delta 1 reported in mid-2011)			
No. HHs provided credit for all purposes	53,198	8,713	16%
No. HHs provided credit for in the form of product loans	14,610	5,073	35%
No. HHs provided credit for for micro-finance activities	17,374	3,640	21%
No. HHs provided loans for other IGAs (small businesses)	3,330	519	16%
No. households provided micro-finance for capture fishery production			
No. HHs provided credit for livestock and aquaculture)	25,099	8,713	35%
Revolving funds			
No. HHs supported through revolving funds	13,594	2,112	16%
Training			
No. participants trained in total	109,682	62,646	57%
No. of people trained: agriculture related (including livestock and aquaculture)	47,492	18,973	40%
No. of people trained:- other IGAs (not ag/livestock/fish)	13,360	7,436	56%
No. of agricultural/livestock/fishery extension workers trained	5,542	5,067	91%
No. of villages where agric. demonstration plots established	1,185	687	58%
No. trained in environmental protection, conservation, rehab	9,908	2,534	26%
No. trained in skills to strengthen CBO management	32,165	25,033	78%
Assets and infrastructure (provided through cash-for-work, grants etc.)			
No. water supply ponds renovated/constructed	7 88	182	23%
Cash-for-work (CfW) programmes:			
No. person-days of CfW provided	2,166,974	374,469	17%
No. person-days of CfW provided for women	672,131	164,191	24%
Total number of households supported through CfW	110,598	64,903	59%
Community-based organisations (CBOs) and local NGOs			
No. CBOs established or strengthened	4,022	3,459	86%
No. members of local NGOs trained (males/females)	1,440	766	53%

2.1 Purpose: To sustainably increase food availability and incomes of 2 million target beneficiaries

Including support provided in 2010 and 2011, 223,229 households (over 1 million people) received assistance from LIFT projects as direct beneficiaries. Of these, 3,691 households were headed by women and 1,064 households included a family member living with a disability.

As shown in the table below, which has been extracted from LIFT's overall logical framework, the first quantitative milestones of LIFT's results are expected to be measured in 2012. This will be done using a combination of household surveys, sample on-farm surveys and focus group discussions. Limited interim indicators of progress are available from the external evaluation report of LIFT's projects in the Delta and from the reports of LIFT's implementing partners, the highlights of which are provided below.

Indicators	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
P1: No. and % of target households with increased incomes	0	20,000 HHs	60,000 HHs	90,000 HHs	110,000 HHs	130,000 HHs
<u>Interim indications:</u> Of the 223,229 households that have received LIFT support, 69% of these households live in the Delta. At the conclusion of LIFT's Delta 1 projects, an independent evaluation conducted by Oxford Policy Management reported that incomes were perceived to have increased by two thirds since LIFT started, bringing paddy farmers to a level above that of 'self-sufficiency' and bringing casual labourers close to pre-Nargis levels ⁴ .						
P2: No. and % of target HH with at least 5% agricultural productivity gains	0	20,000 HHs	60,000 HHs	90,000 HHs	110,000 HHs	130,000 HHs
<u>Interim indications:</u> The yields of the monsoon season 2011 were not yet known at the time of report writing. Anecdotal evidence shows that projects with crop production training had a positive impact on yields.						
P3: No. and % of target HH with increased and/or diversified food consumption	0	40,000 HHs	120,000 HHs	160,000 HHs	200,000 HHs	240,000 HHs
<u>Interim indications:</u> Not available						
P4: No. and % of target beneficiaries with an increase in food security by at least one month	0	40,000 HHs	120,000 HHs	160,000 HHs	200,000 HHs	240,000 HHs
<u>Interim indications:</u> The <i>Delta 1 Evaluation</i> found that the overall trend in food security in the Delta shows a net reduction straight after Nargis, followed by a steady recovery, which ensured that rice farmers had adequate food by the end of 2011. This generally agrees with the reports from the Delta 1 implementing partners ⁵ .						
P5: No. and % of target HH with increased assets (gender disaggregated)	0	25,000 HHs	50,000 HHs	70,000 HHs	100,000 HHs	120,000 HHs
<u>Interim indications:</u> Not available.						

⁴ *Delta 1 Evaluation Report*, 2012

⁵ *Delta 1 Evaluation Report*, 2012

2.2 Outputs

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

Although the first quantitative milestones are expected to be able to be measured only starting in 2012, limited interim indications of progress are available from the external evaluation report of LIFT's projects in the Delta and the reports of LIFT's implementing partners, the highlights of which are provided below.

Indicator	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
O1.1 No. and % of target HH aware of new/improved agriculture technologies or techniques	0	70,000 HHs	90,000 HHs	110,000 HHs	125,000 HHs	140,000 HHs
<u>Interim indications:</u> In 2010 and 2011, 18,973 households participated in training concerning agriculture and livestock. Agriculture demonstration plots were set up in 687 villages and 5,067 (91%) extension workers were trained.						
O1.2 No. and % of target HH who adopt/use improved agricultural practices	0	35,000 HHs	50,000 HHs	70,000 HHs	90,000 HHs	100,000 HHs
<u>Interim indications:</u> The <i>Delta 1 Evaluation</i> report notes that training sessions on seed treatment, pest control and soil management were widely adopted. Beneficiaries learned how to prevent soil degradation, recognize plant diseases and to select purified seeds. These training sessions are credited with increasing incomes and were adopted widely.						
O1.3 No. and % of HH in LIFT supported villages accessing credit from low-interest micro finance groups or village savings and loans associations, for agriculture	13%	60,000 HHs (15%)	80,000 HHs (20%)	90,000 HHs (22.5%)	100,000 HHs (25%)	110,000 HHs (27.5%)
<u>Interim indications:</u> In 2011, 8,713 households accessed low-interest credit for agriculture (including livestock and aquaculture). This figure includes 3,640 households that received microfinance services provided by Pact and 5,073 households that received loans to purchase treadle pumps from Proximity Designs.						

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

Although the first quantitative milestones are expected to be able to be measured only starting in 2012, limited interim indications of progress are available from the external evaluation report of LIFT's projects in the Delta and the reports of LIFT's implementing partners, the highlights of which are provided below.

Indicator	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
O2.1: % of trained people who establish enterprises (gender disaggregated)	0%	40% (60% of them women)	50% (60% of them women)	60% (60% of them women)	60% (60% of them women)	75% (60% of them women)
<u>Interim indications:</u> By the end of 2011, 7,436 participants out of the targeted 13,360 (56%) were trained in non-agricultural income generating activities including vocational training, food processing and enterprise development and then provided financial assistance to establish small enterprises. Almost 6,800 small and micro enterprises were set up.						
O2.2: No. and % of HH in LIFT supported villages accessing credit from low interest micro	3%	15,000 HHs (4%)	20,000 HHs (5%)	25,000 HHs (6%)	30,000 HHs (7%)	35,000 HHs (9%)

Indicator	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
finance groups, or village savings and loans associations, for non-agricultural livelihoods						
<u>Interim indications:</u> In 2011, 2,365 households received micro-finance loans in the Dry Zone. Fifty one per cent of these loans were for non-agricultural activities. In the Delta, 3,267 households received micro-finance loans, 31% households used the loans for non-agricultural purposes. Monitoring visits highlight that primarily casual labourers and small-scale farmers accessed low interest micro-finance loans.						
O2.3: Number of targeted HH with increase in income from non-agricultural activities and vocational training	0	15,000 HHs	20,000 HHs	25,000 HHs	30,000 HHs	35,000 HHs
<u>Interim indications:</u> The <i>Delta 1 Evaluation</i> report shows that vocational skill training for poor and vulnerable beneficiaries had mixed effectiveness. This survey found that one of the most useful non-agricultural income generating activities was the making of fuel-saving stoves. The most common training was tailoring, mechanic repair, masonry and carpentry and running a beauty salon. Based on a limited number of focus group discussions, the <i>Delta 1 Evaluation</i> found overall income increases to be modest.						

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

Although the first quantitative milestones are only expected to be measured in 2012, limited interim indications of progress are available from the external evaluation report of LIFT's projects in the Delta and the reports of LIFT's implementing partners, the highlights of which are provided below.

Indicator	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
O3.1: No. of HH participating in improved resource management or rehabilitation activities	0	8,000 HHs	16,000 HHs	24,000 HHs	32,000 HHs	40,000 HHs
<u>Interim indications:</u> Not available						
O3.2: Number of participants trained in sustainable resource management or rehabilitation topics (sex disaggregated) who think the training was useful	0	To be determined				
<u>Interim indications:</u> In 2011, LIFT's partners trained 1,580 people (18% women) in environmental protection, conservation, and rehabilitation.						

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

Although the first quantitative milestones are expected to be able to be measured only starting in 2012, limited interim indications of progress are available from the external evaluation report of LIFT's projects in the Delta and the reports of LIFT's implementing partners, the highlights of which are provided below.

Indicator	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
O4.1: No. and % of HH supported by CfW activities that think the intervention was timely and effective.	0	30,000 HHs	60,000 HHs	100,000 HHs	140,000 HHs	180,000 HHs

Indicator	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
Interim indications: By December 2011, 64,903 households (59% of the targeted households were reached, but only 17% of targeted person-days and 24% of targeted person-days for women had been created) received support through CfW activities. From monitoring visits, most of LIFT partners were able to implement CfW activities at an appropriate time of the year—when other employment opportunities are scarce—and 374,469 person-days of employment were created in the last two years.						
O4.2: No. of HH supported with cash/asset transfer who are able to invest in productive activities/assets that increase their income	0	50,000 HHs	70,000 HHs	90,000 HHs	110,000 HHs	120,000 HHs
Interim indications: Not available						
O4.3: No. of HH who are able to reduce the number of food insecure months or days	0	20,000 HHs	50,000 HHs	80,000 HHs	110,000 HHs	140,000 HHs
Interim indications: Not available						

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

Although the first quantitative milestones are expected to be able to be measured only starting in 2012, limited interim indications of progress are available from the external evaluation report of LIFT's projects in the Delta and the reports of LIFT's implementing partners, the highlights of which are provided below.

Indicator	Baseline	Milestone 1 (2012)	Milestone 2 (2013)	Milestone 3 (2014)	Milestone 4 (2015)	Target (2016)
O5.1 Number of local NGOs better skilled in technical issues and project and financial management	0	25 NGOs	30 NGOs	35 NGOs	40 NGOs	45 NGOs
<u>Interim indications:</u> In 2010/11, 766 staff members of local NGOs were trained in technical issues and in project and financial management. Under LIFT, there are 14 local NGOs working in the Delta and 31 local partners in other parts of the country. Although most international partners work with local NGOs, their commitment to building capacity varies considerably.						
O5.2: Number of trained CBOs applying training in LIFT funded activities	0	6,000 CBOs	7,000 CBOs	8,000 CBOs	9,000 CBOs	10,000 CBOs
<u>Interim indications:</u> In 2011, 35,323 CBO members were trained.						
O5.3: No. of changes in technical or project management made by local NGOs in LIFT funded activities	0	To be determined				
<u>Interim indications:</u> LIFT partners have spent considerable time and resources on activities to build the capacity of local NGO partners. The Fund Manager will ensure that upcoming evaluations measure the number of changes made by local NGOs.						

3. GEOGRAPHIC AREAS

The previous section described the cumulative achievements to date of the 49 projects that had received funds from LIFT up to the end of 2011. Twenty-two of those projects – all of them one-year projects in the Ayeyarwaddy Delta – were completed in 2011. Most of the 27 on-going projects – all are three-year projects - started in 2011, some of them only near the end of the year.

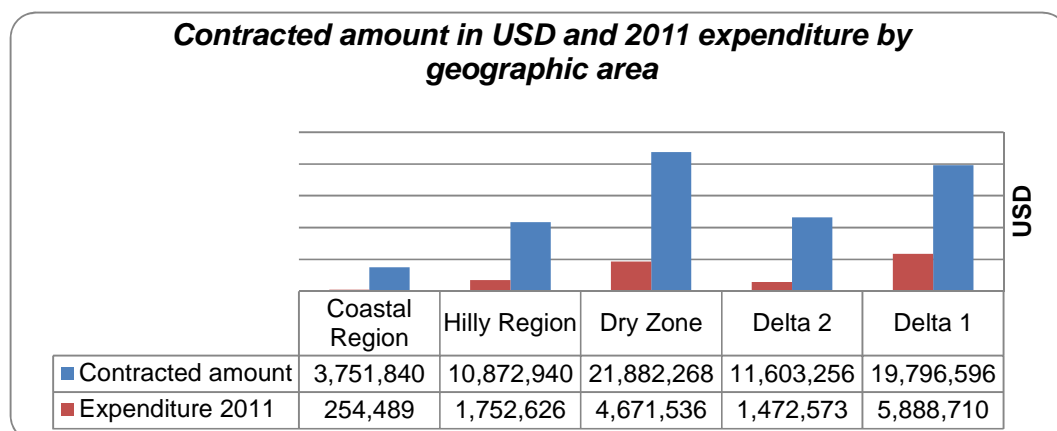
The projects that LIFT funded in 2010 and early 2011 were selected through an open call for proposals launched at the end of 2009, not long after LIFT was established.⁶ This method of selecting grantees was competitive and transparent, but the result was a collection of rather disparate projects, the outcomes of which are difficult to aggregate. Moreover, because the projects were developed and implemented in isolation, synergistic effects have been difficult to achieve. For example, in 2010 all LIFT partners involved in bringing new agricultural techniques to farmers reported that farmers had a very high demand for new techniques, especially when the techniques were shown in demonstration plots. However, the lack of access to affordable credit was cited as one of the primary barriers to adoption of the techniques, and at that time, LIFT did not have any partners providing agricultural loans in those areas.

Starting in 2011, LIFT started to organise its projects into agro-ecological zones based on the assumption that such an approach could help develop a better understanding of the local context and comparisons between diverse parts of the country. This approach would also help LIFT understand the enabling and constraining factors that affect project implementation and impact while also enabling an analysis that could help LIFT respond to new challenges that emerge over time.

There are now four geographic areas of focus with LIFT projects, each one based in a distinct agro-ecological region.

- Ayeyarwaddy Delta ⁷ (commonly referred throughout this report as 'the Delta');
- The Dry Zone (the low-lying central part of the country that includes large parts of Mandalay, Magway and southern Sagaing Regions);
- Hilly Region (upland areas in Kachin, Chin and Shan States); and
- Coastal Region (coastal areas in Rakhine State).

Although the projects that LIFT funds in all of these areas are focussed on improving the livelihoods and food security of the poorest households, the activities are tailored to the specific farming systems, livelihood opportunities, and the behaviour and social contexts of each region.



Most of LIFT's project expenditure in 2011 was in the Delta (50%) and the Dry Zone (32%). As a result, there is much to report on in these sections below. By contrast, there was relatively little

⁶ LIFT's first call for proposals was opened in November 2009 and organised in two streams: one for prioritised townships in Cyclone Nargis-affected areas (Delta), and another for areas in other parts of the country prioritised by the FAOWFP Crop and Food Security Assessment Mission of October/November 2008 (often referred to as the "country-wide" call).

⁷ 'Delta 1' refers to the 22 one-year projects that finished in 2011 (expenditure only includes amount spent in 2011). 'Delta 2' refers to the 9 on-going three-year projects that started in 2011.

expenditure in the Hilly Region (12%) and the Coastal Region (2%), and therefore less to report there. A number of new projects will start in all regions in 2012, but the area of most growth is likely to be in the Coastal Region.

3.1 Ayeyarwaddy Delta

Description of the area

Farming, primarily monsoon paddy, is the most important source of household income reported by 25% of households, while 12% of households claim fishing as their main source of income. Almost 45% of households and 68% of the poorest households (those earning less than \$31 per month) report that their primary source of income is casual labour in the farming and fishing sectors.⁸

Landlessness is much higher in the Delta (72%) than in non-coastal areas as a whole.⁹ Farming households have large average size holdings (9.3 acres) relative to the country as a whole (6.7 acres). However, land-poor households own only half that amount of land, around 5.5 acres in average.¹⁰

Monsoon paddy production is the main economic driver in the Delta, the most important economic activity for farmers, and the second most important economic activity for landless labourers. However, monsoon paddy production in the Delta is not always profitable due to low and declining productivity, poor seed quality, high input costs, poor post-harvest management, and very low access to affordable credit for most farmers, millers and others in the rice value chain.¹¹

Most Delta farmers sell rather than consume the majority of their paddy. Mercy Corps' baseline in Laputta showed that 75% of paddy produced there is sold on the market, 20% of paddy is used for home consumption, and 5% is used for next season's seeds.

The Delta has three distinct agro-ecological zones:

- Freshwater zone (from about the middle of the Delta northwards): Farming dominates and double cropping of paddy provides significant employment. Irrigated vegetables and flowers as well as small- to medium-scale livestock holdings are important.
- Salt-water zone (the southern edge of the Delta close to the sea): Fishing is the dominant economic activity. Other economic activities include commercial shrimp farming, salt making, monsoon paddy (with large land holdings, low inputs and yields), and small-scale livestock rearing.
- Intermediate zone (between the freshwater and salt-water zones): Characterised by salt-water intrusion during the dry season. Single paddy crop is the main activity. Small-scale livestock production and commercial river fishing are also important. This zone moves south during the monsoon season and back north during the dry season.

LIFT has projects in all three of these zones, but paddy-farming activities tend to be restricted to the fresh water and intermediate zones.

⁸ LIFT Baseline Survey, 2012

⁹ LIFT Baseline Survey, 2012.

¹⁰ IHLCA2

¹¹ Proximity Designs 2010

LIFT's activities in the Delta

In 2010, LIFT supported 22 one-year projects to provide inputs to re-establish rice production that had been destroyed by Cyclone Nargis.¹² The progress and challenges of the 22 one-year projects ('Delta 1' projects) are described in LIFT's semi-annual report 2011 and the *Delta 1 Evaluation* report. The latter evaluation report estimated that farmers' incomes increased a further third due to LIFT's interventions.

Following the cyclone Nargis (2008), LIFT started its operation in the Delta in 2010 by funded short-term relief and rehabilitation projects. The approach of the programme is now more oriented toward development and the objective is to boost the production of small-scale producers. The rice sub-sector (promotion of improved cropping and post-harvest practices and technology) and access to finance are the main focus of the programme. By December 2011, LIFT had on-going partnership agreements in the Delta for \$11.6 million for 9 three-year projects until 2014.¹³ Over half of this amount will be spent on Output 1, agriculture. Three project agreements were signed in January 2012, but the contributions are not included in this report. For 2011, the partners in the Delta reported a total expenditure of \$1.5 million, 13% of the contracted amount. Only three projects were able to achieve their planned level of expenditure.

LIFT's three-year projects in Laputta, Bogale, and Mawlamyaingyun townships work collaboratively to boost rice production and profitability. These projects also include stakeholders involved throughout the entire rice processing procedure, or value chain, and work to improve market access for producers. Through Ratanar Ayer, Welthungerhilfe (WHH), GRET, Mercy Corps, LIFT is reinforcing the programme approach by setting up strategic partnerships to boost the production of small scale rice farmers. Additionally, these activities in the agricultural sector are complemented by other LIFT-funded projects, such as UNDP/Pact's project to provide affordable credit to farmers. Proximity Designs is implementing small infrastructure projects through cash-for-work programmes to improve farmers' connections to markets. Most LIFT projects in the Delta started in the third quarter of 2011, including those of Adventist Development and Relief Agency (ADRA), Association of Volunteers in International Service (AVSI), Linking Emergency Aid and Development (LEAD), Mangrove Service Network (MSN), UNDP/Pact, and Proximity Designs.

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

Collective groups (farmer groups)

LIFT supports communities to build their own structures and skills to sustain economic activities in the long-term. In each township, one LIFT partner takes the lead to provide agricultural extension services, coordinate value chain stakeholders (i.e. producers, agro-processors, market dealers), and to create opportunities for building markets for agricultural products, including rice, pulses, and vegetables. Using a collective approach can provide major benefits by allowing farmers to buy inputs more cheaply and to get better prices for their agricultural produce.

Profiled partners strategies

The focus on these projects is to create incentives for farmers to work together. LIFT-funded projects in the Delta follow three distinct approaches:

In Laputta, Mercy Corps is setting up Farm Producer Enterprises (FPEs) and Village Vegetable Groups (VVGs) to help farmers and land-poor households access such inputs as quality seeds, fertilisers, and markets. These groups assist farmers to negotiate the best price to purchase inputs and sell their farm produce.

WHH/GRET first began to bring farmers together through village-based organisations. Later, they combined village-based organisations into clusters to have an even larger impact on prices of inputs by increasing the volume of inputs and produce purchased and sold. In Bogale and Mawlamyaingyun,

¹² In 2008, Cyclone Nargis destroyed lives and livelihoods across the Delta, Myanmar's largest rice producing area.

¹³ The graph includes LIFT's funding provided in 2009-2010 for 22 one-year projects and in 2011 for 9 three-year projects.

WHH/GRET supported 60 village development committees (VDCs) to form 10 new cluster-based groups called 'Community Agro-Economic Development Platforms' (CAEDPs). The CAEDPs operate as an agricultural input store, buying agricultural inputs in bulk and selling them to farmers on credit, thus saving farmers' time and money. The CAEDPs set the rules and regulations for their revolving funds and decide on interest rates, the duration of loans, and the selection of loan beneficiaries.

In Laputta, AVSI has chosen to strengthen an existing, formally-registered cooperative in order to expand its services to farmers.

Progress to date

At the end of 2011, WHH/GRET had formed the first CAEDP across six villages.¹⁴ GRET's value chain officer regularly meets farmers, rice millers, and traders to provide them with information on prices at the village and township levels. At a later stage, GRET will provide price information on inputs, equipment, construction materials, and transport. By the end of 2011, Mercy Corps had established 14 out of the 20 FPEs they had planned, covering 34 project villages with 538 members. The outcomes of these projects in 2012 will provide interesting lessons on the relative merits of village-level and supra-village structures.

AVSI has taken farmers interested in the cooperative approach to training and study tours and has provided villagers in Laputta with productive assets, such as rice mills and two small granaries to establish rice seed banks. The co-operatives will manage the granaries and rice mills. AVSI publishes weekly prices of various agricultural products on notice boards in each project villages, and provide telephones to beneficiary farmer groups for them to keep track of current market prices.

Access to agricultural credit

Improving people's access to credit has been identified by LIFT as a high priority for enhancing production and livelihoods. Farmers are forced to rely on informal money-lenders for high interest loans before planting their paddy and usually have to repay their loans straight after the harvest when crop prices are the lowest. The *LIFT Baseline Study* indicated that 88% of households in the Delta-Coastal area had taken a loan in the last 12 months, but that less than 22% had used a low-cost microfinance provider.

WHH/GRET conducted a study on levels of people's access to credit in 2011. This study highlighted that the main problem related to access to credit sources is the cost of these sources, rather than their availability. The rural population appears trapped in a cycle of poverty and progressive over-indebtedness. There is a need to diversify the access to affordable credit at low or medium costs, not only to address cash-flow needs, but also investment ones. In addition, there is a great need for an alternative to farmers having to sell their agriculture products at harvest when prices are low. To meet these needs, WHH/GRET will pilot two innovative tools in 2012, inventory credit and hire purchase.

Profiled partners strategies

LIFT funded UNDP/Pact to provide beneficiary households with loans to produce crops and raise livestock. Loans for livestock were covered by one-year loans with an average loan size of \$115. The repayments of both interest and principle were made every two weeks. Those who have made 100% repayment were eligible for a larger loan in the next cycle. In the second year, people who completely repay their previous loan will be eligible to take out two loans at a time, for example, an agricultural loan and one other. Pact provided two types of agricultural loans for six months: one for monsoon paddy, at \$91 per acre, disbursed in May-June 2011; and another for summer paddy, at \$122 per acre, disbursed in November-December 2011. Cultivating summer paddy is more costly due to higher fertiliser inputs.

Progress to date

In 2011, 8,713 households got credit for agriculture, including livestock and aquaculture, out of a target for the whole country of 25,099 households. In Pyapon, Pact has reached 81% of its three-year target (to mid-2014), providing 2,049 households with \$244,956 in loans. The project achieved a 100% repayment rate of all loans. PACT has planned to provide loans for the monsoon season 2012 for WHH/GRET and Mercy Corps beneficiaries, independently of the system of rice integration (SRI)

¹⁴ The grant with WHH/GRET was signed in June 2011.

in June 2012. From May 2011 onwards, UNDP also provided agricultural loans to 1,218 farmers in the Delta for a total of \$180,000¹⁵.

Coverage of agricultural loans in the Delta in 2011

	Monsoon paddy loans	Summer paddy loans
# of farmers	2,000	1,096
# of acres	5,703	935

Loans from PACT by type in the Delta in 2011

Project	Villages	Clients	Loans (US\$)	% of Loan Types	
				Agriculture	Livestock
Total	115	3267	424,956	46%	23%

The Fund Manager found Pact's client farmers were able to pay back the interest every two week by utilising income from other sources, such as selling eggs from poultry and by casual labour. The Fund Manager will closely monitor repayment among the farmers. It may be necessary to adapt the loan products for new payment methods, more tailored to the agriculture sector cash flows.

Production of quality paddy seeds

The lack of seed varieties and the poor quality of most agricultural crops in Myanmar is a major constraint on productivity. Most farmers save their own rice seeds to plant the following year. Though cost effective, it does not make for good seed quality. Farmers do not always select the best rice for the next year and they do not have the funds to buy new, certified seeds every three years. In the Delta, the quality of rice seeds declined after being affected by Cyclone Nargis in 2008. Relatively modern, high- yield varieties have not been produced at sufficient scale, and distribution channels through government or the private sector remain limited. The sole provider of certified seeds can only provide less than 10% of the amount needed. Therefore, one of LIFT's main priorities in the Delta is to increase the availability of improved paddy seeds and support the government to increase their capacity to develop new varieties and produce enough certified seeds to allow all farmers to change their seeds every three years as required.

Trainings on seed treatment, pest control and soil management taught farmers techniques which they widely adopted. Participants appreciated learning how to prevent soil degradation, recognise plant diseases and select viable seeds. These training sessions were credited with increasing incomes. -- Delta 1 Evaluation report pg iii

Profiled partners strategies

Supporting quality seed production enables farmers to achieve higher prices in a market with very high demand. WHH/GRET, Mercy Corps and Ratanar Ayar (contracted in 2012), are working to increase seed production. This should contribute to a regular increase in yield and lead to a longer-term implementation of good practices in the management of seeds on the farm. IRRI will establish additional demonstration and testing sites of new rice varieties in Bogale, Mawlamyaingyun and Laputta.

Radanar Ayar's project is focussing on seed multiplication, both for local and high-yield varieties, to meet the immediate needs of Bogale farmers¹⁶. By 2014, Radanar Ayar's project will produce at least 30,000 baskets of quality, purified seeds.

Progress to date

Mercy Corps provided 10 seed producers with certified and registered seeds to produce high-quality seed. In 2011, Mercy Corps harvested 2,119 baskets of quality seeds with an average of 50 baskets per acre. In three years, they expect 400 farmers will produce good-quality seeds on 2,000 acres of land, or about 100,000 baskets of improved seed. Mercy Corps reports that if these good-quality seeds are used to cultivate 66,000 acres of paddy, yields per acre will increase by 15 per cent in three

¹⁵ Under LIFT's Countrywide and Delta-2 microfinance programmes, LIFT's partners, such as PACT, GRET and Save the Children, will be operational and LIFT's Fund Manager estimates that the target will be over 30,000 households in 2014.

¹⁶ Ratanar Ayar focusses on seed multiplication of paddy for both local (pawsan baygya and hnanki) and high-yield varieties (sinthwe lat, thi htat yin and yadana to).

years¹⁷. The market for quality seed is highly demand driven. Mercy Corps' seed producers received advance orders for their seeds from neighbouring farmers for up to \$7.4 to \$9.8 per basket.

By the end of 2011, Mercy Corps had established 14 out of the 20 Farm Produce Enterprises (FPEs) they had planned, covering 34 project villages with 538 members. During the project, the FPEs will also establish a 'seed producer forum' to provide a venue for farmers to learn and share information. Farmers under this project will test yields of alternative seed varieties and share market information on seed shortfalls. The projects have already begun producing quality seeds, although the amounts of these seeds are not yet enough to influence the paddy market or significantly improve the supply of quality seeds. However, these projects are on the right track and progress is promising.

IRRI has only recently started and once the impact of this project and the connection with government extension services and agricultural research has been improved, the Fund Manager expects synergies to emerge that result in a better supply of seeds to the market.

Agriculture extension and winter crops

Technical support in agriculture, forestry, and livestock extension services is almost non-existent and is one of the reasons for low production and productivity levels in the Delta. Significant changes in extension approaches are needed, including the direct involvement of farmers through Farmer Field Schools (FFS) and the training of extension staff. In the fresh water areas, two season of paddy is the main pattern, in the brackish water the possibility of double cropping exist but it is the exception today. to increase their income and add to the diversity of dietary choices available to local people. With project support for processing and marketing, there is potential for significant increases in income.

Profiled partners strategies

Mercy Corps, WHH/GRET and Proximity Designs support LIFT's main agricultural extension activities in the Delta. Mercy Corps and WHH/GRET both use farmer field schools to encourage and enable farmers to intensify their rice production, cultivate winter crops, and produce paddy seeds. Proximity Design has taken a different, less intensive, approach that focusses on disseminating a few core messages over a wide area.

Mercy Corps has worked with Shan Maw Myae Agribusiness Company in Laputta to introduce contract farming to farm producer enterprises. The project provided 373 FPE members with cash grants to purchase seeds from Shan Maw Myae for winter crops. Mercy Corps created a cost-sharing plan, with Mercy Corps providing technical support and Shan Maw Myae providing necessary inputs to grow vegetables. The crops farmers chose for winter crops were green gram, chilli, and tomato.

Progress to date

Paddy

By the end of the first year, Mercy Corps had trained a total of 398 farmers, improved their rice husbandry practices, and 373 out of 398 farmers—over 90%—had begun cultivating winter crops. Through the FPEs and village vegetable groups (VVGs), Mercy Corps had facilitated 30 farmer groups to test and monitor yields of alternative crops, source market information related to the availability and quality of seeds, and built links with value chain actors. Mercy Corps also helped the farmer groups to link with asset suppliers so farmers could purchase seeds and fertilisers directly.

WHH established demonstration plots for summer paddy with the participation of 76 farmers. Participating farmers received drum seeders and weeders. Additionally, 174 farmers independently trialled single plant transplanting in at least one acre of their own farms.

LEAD trained 34 local volunteers as agriculture extension workers, and reported that all their trained workers are teaching farmers how to improve local farming practices, such as making compost and winter crops. AVSI built demonstration plots exposed to varying degrees of salinity to show to farmers the difference in paddy yields in each plot.

Proximity Designs' project broadcast widely two main messages for farmers. The first informs farmers on how to select good quality seeds through a simple saltwater selection method. The second subject

¹⁷ Using a seeding rate of 1.5 baskets/acre (improved cultivation technique).

is improving soil fertility by growing green manure.¹⁸ The project also provides knowledge to farmers through the Farm Advisory Service (FAS), which focusses on improving pest control measures on the farm itself. The project has also set up a call in line called the Rice clinic for farmers to receive technical assistance for any pest or other crop related issues they face.

Winter crops

In the freshwater and brackish areas, paddy farmers can grow winter crops to increase their income and diversify the dietary choices available to local people. In Bogale, WHH supported paddy farmers in project villages to grow pulses by providing seeds and fertilisers to 21 farmers to trial growing cowpea on 9.1 acres.

AVSI provided their beneficiaries with green gram and black gram seeds, rhizobium, compound fertilisers, pesticides, and knapsack sprayers. Ninety-four beneficiaries from six project villages participated in the training sessions. Before the project, only a few farmers in AVSI's villages had grown pulses. Now farmers are willing to grow new crops and ASVI reported that farmers cultivated more acreage of cowpeas in 2011, after learning that legumes enhance soil fertility.

WHH/GRET assisted 26 farmers from 11 project villages situated in saltwater and brackish areas to grow cowpeas due to the high market value of these crops. WHH/GRET reported that many farmers faced problems preparing and planting pulses, as the planting of those crops overlapped with the harvest of paddy. Farmers opted for paddy as they perceive it as the most economical crop and they can calculate the risk of loss. For pulses, they often lack practical experience with planting, and need to learn how to sell and market pulses.

Vegetables

In 2011, 16 Village Vegetable Groups (VVGs) were also formed with 628 member households in 38 Mercy Corps' project villages, who made use of non-cropping land to produce vegetables at the household level. Mercy Corps disbursed \$15,322 as cash grants to those members for household-level vegetable production. Farmers chose to grow long bean, tomato, chilli, eggplant (aubergine), cucumber, bitter melon, ladyfinger (okra), radish, and watercress. The profit from Mercy Corps' initiative is expected to be \$200 per acre.

Mercy Corps' project has established and tested demonstration plots successfully, but it remains to be seen how many farmers will adopt the new winter crops and what benefits they will gain in terms of income and food security. Encouraging farmers to make use of non-cropping land opens a whole new possibility of including the landless in vegetable production if they were able to rent the land on a longer-term basis. Although vegetables are profitable in the Delta, the use of pulses as winter crops provides the additional value of improved soil fertility on arable land. Once farmers understand that growing pulses in winter can reduce the amount of fertiliser they need to use, the area under winter crop cultivation will increase.

Post-harvest management

A major bottleneck in increasing the returns on investment for Delta farmers is to decrease the losses throughout the post-harvest chain. Generally, harvest and post-harvest losses of paddy are estimated to be as high as 15-20% of the achieved yield. In addition to the losses during the period of harvest, traditional practices after harvest also have a negative impact on the quality of grain and rice, resulting in lower prices all along the value chain process. Storage capacity is well below pre-cyclone levels. At the same time, improving rice milling is another task to be undertaken to achieve better milling turnout and quality.

Inattentive threshing, drying under direct sunlight, and unsuitable storage facilities quickly reduce the value of the paddy. Many farmers still dry their paddy in direct sunlight, causing cracks that result in high levels of broken rice when milled. Many store paddy in containers infested with weevils and other insects, which reduce germination rates and the nutritional value of the rice. For grain and seed stored inside farmers' houses, rats are an additional problem.

¹⁸ Green manure is a type of cover crop grown primarily to add nutrients and organic matter to the soil.

Profiled partners strategies

Mercy Corps and WHH provided post-harvest interventions such as paddy threshers, airtight bags for seed storage, metallic silos, and technical training. Paddy threshers reduce post-harvest losses by enabling farmers to thresh paddy immediately after the harvest¹⁹. Power tillers and paddy threshers were provided as a revolving asset to sustain activities. LIFT's partners provided management and technical training to maintain the equipment and sustain the revolving funds. Storage facilities in the form of silos or airtight bags enable farmers to store their produce until sold or re-planted.

Progress to date

Threshing activities carried out by WHH's farmer extension groups led to an income of over \$2,800 for 25 thresher operators, averaging \$110 per operator for a season. Today, over 19 out of 25 or 75% of the thresher groups are fully autonomous, with management committees following agreed rules and regulations.

Airtight bags enable farmers to store seeds separately, ensure good germination rates, and protect the seeds from moisture and weevils without using chemicals. Mercy Corps facilitated contact between farmers and the producers of airtight bag. Starting in 2013, Pioneer Harvesting Group²⁰ will sell airtight bags in Laputta Township. To store seeds securely, WHH/GRET also distributed airtight bags to seed producers.

The evaluation of the Delta 1 projects identified airtight bags as more appropriate than metal silos for preserving paddy seeds. Airtight bags are helpful to maintain the optimal moisture content of paddy seeds during storage. The metal silos provided to farmers were generally of poor quality, or were only provided to farmers who are seed growers. Furthermore, airtight bags enabled individual farmers to store their own seeds separately from those of other farmers.

The *Delta 1 Evaluation* highlights that while farmers adopted post-harvest storage techniques such as using airtight bags in the short term, the main barrier preventing them from adopting this technique in the long term was their need to repay loans right after harvest. Respondents stressed that the only way to solve this problem would be to provide loans at affordable rates, and with repayment schedules appropriate to the agricultural cycle.²¹ All evidence so far shows that farmers prefer to store their own produce and seed separately from those of others to avoid mixing varieties and qualities. While this is understandable, there is a chance to develop cooperatives, or cooperative-like groups, to work together to achieve better seed quality and better storage facilities in a more cost effective way.

Aquaculture and livestock.

Nearly every household in the Delta owns some livestock, including poultry (chicken and ducks) and pigs, which people use as a form of savings. Aquaculture is not very common in the Delta compared to similar areas in South East Asia. In many parts of the Delta, the prevalence of salt or brackish water inhibits the creation of freshwater aquaculture ponds for freshwater fish, although in some areas farmers use ponds that are connected to sea- or river water to raise crabs.

Profiled partners strategies

Livestock breeding activities were implemented by LEAD and WHH/GRET. Aquaculture activities were implemented by ADRA/EcoDev and Oxfam/NAG. Both activities targeted landless and casual labourers to provide them with income opportunities. ADRA/EcoDev targeted small-scale fishermen and made use of available land in the mangrove area to establish crab-raising ponds.

Progress to date

LEAD gave each of their 150 beneficiaries (11% women) 10 chickens and chicken feed and assisted them to build chicken coops. LEAD also gave piglets to 50 households, including 6 woman-headed households. The benefits of raising chickens and pigs will be measured in 2012. The Livestock Extension Workers (LEW) whom LEAD has trained will keep track of the project and provide veterinary help to livestock beneficiaries.

¹⁹ Farmers are under a lot of time pressure to sow winter crops immediately after harvesting monsoon paddy in order to take advantage of residual moisture in the soil. Without threshers, many farmers leave the harvested paddy in the open until the winter crop is sown. Significant paddy is lost to rodents.

²⁰ Pioneer Harvesting Group is a post-harvest technology business in Myanmar.

²¹ *Delta 1 Evaluation* report, p 36.

WHH/GRET gave 50 local ducks to each of 32 landless households in 19 villages. WHH/GRET reported that close coordination with the township veterinarian during an outbreak of disease among pigs helped overcome the problem. Although some pigs died, the trained Community Animal Health Workers (CAHWs) treated 304 pigs, of which 287 recovered. Fifty-nine trained CAHWs in 59 villages attended refresher training on veterinary skills.

Oxfam reported that they conducted a training course on aquaculture in association with the local district fishery training school. Training was given on various types of fresh-water aquaculture, including crab and prawn raising and fish farming.

ADRA/EcoDev implemented crab-raising projects in mangroves as part of their overall mangrove rehabilitation activities in six villages. Though progress has been made on technical issues, continuing problems include the distance to markets and the volatility of crab prices.

Looking at the experience of LIFT partners it appears that supporting landless households to raise small livestock can be successful if the projects also ensure a supply of other inputs, from vaccination and feed to shelter for the animals. Landless households can raise most animals without having land-use rights on the area around their houses, although in many places, as part of the rights and rules related to fisheries, there are restrictions on putting ducks in the water. The *Delta 1 Evaluation* also found that the opportunity cost of assigning a family member to tend the animals means that a minimum number of animals is required to make the activity profitable. For ducks, the minimum household herd size was found to be 50.

Farmers and fishermen have not realized the full potential of aquaculture in the Delta. The diverse ecosystem in the Delta makes for a wide variety of possible aquaculture activities. Lessons learned from neighbouring countries show that aquaculture could significantly contribute to family income and improve diets. More work on this will be done in 2012.

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

Income generating activities (IGAs) and access to finance

LIFT supports off-farm employment and income-earning opportunities for landless and vulnerable people in rural areas to provide them opportunities to develop their livelihood skills and incomes. LIFT implements these interventions with a clear view to create sustainable livelihoods for the participants.

Profiled partners strategies

ADRA and Oxfam have followed an approach they share with many other LIFT partners. After assessing market opportunities, they offered training sessions in target villages on food processing and preparation. A common LEAD intervention is to provide training sessions specifically targeted at women, who also get small loans from their village's revolving fund. These training sessions provide a wide set of vocational skills, and include sessions to support business development, and specialised training sessions for community extension workers or livestock extension workers.

Progress to date

Oxfam provided fish processing training to 299 people, through which the participants learned to make dried fish, fish crackers, and packets of fermented prawn. ADRA established 48 collective groups to provide training to women in food processing and established aquaculture ponds. The project facilitates market access for the products. One outstanding problem was that transport to the market in Laputta was difficult and expensive.

Pact provided non-formal business training for prospective borrowers. For example, it organised a three-day non-formal business education training. In 2011, 2,175 borrowers completed the training and 2,305 clients learned business management skills.

The *Delta 1 Evaluation* reported that women said an effect of these types of activities was that they created a sense of 'independence' among the women. However, the report noted that some of the other income-generating activities did not address local demand, and were therefore of little success.

The main lesson learned is that projects must undertake a detailed market analysis to identify the products or services that can be marketed before designing training courses.

Fisheries

Local fishermen have only limited fishing rights because of a restrictive system of rights and tendering. Small-scale fishermen who fish as their livelihood usually have financial obligations to traders in the nearest marketplace and must sell their catch to them.

Profiled partners strategies

Oxfam and its partner Network Activities Group (NAG) have implemented a project in Pyapon and Dedaye Townships, which strengthens the capacity of fishing communities, partner organisations, and CBOs to negotiate fishing rights. The project also promotes linkages between fishermen and markets.

Progress to date

In Dedaye and Pyapon townships, Oxfam/NAG set up 17 income-generating groups, 21 processor groups, and two *daing* or 'fish collectors' groups—*daing* act as a kind of middleman, buying up catches and reselling them on the market. Oxfam/NAG's project organised village meetings on how to sell their catch through collectively tendering and using common fishing grounds. All 15 villages developed plans for either selling fish through collective tender or accessing commonly-held fishing grounds.

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

Fuel saving stoves

Wood for cooking is a significant expenditure for households in the Delta. The average daily wood consumption rate by 86% of MSN's surveyed households is 5 kg, at a total cost of about \$0.50. Wood collection is depleting the remaining mangrove forest in the Delta.

Profiled partners strategies

MSN's surveys highlight an urgent need for mangrove rehabilitation and replanting fruit trees destroyed by Cyclone Nargis, as well as a need for more cost- and fuel-efficient stoves with lower carbon dioxide emissions.

Progress to date

In Bogale and Mawlamyaingyun Townships, MSN has set up production centres for fuel-saving stoves. By improving the baking process, MSN has been able to produce stoves that are more durable and more suitable for transport on rough roads. Management committees for stove production and plant nurseries were formed in 40 villages. Villagers have begun to use rice husks as an alternative fuel for their stoves, thereby reducing operating costs, and limiting the use of firewood.

Regenerating mangroves and planting trees

The degeneration of the mangroves in the Delta has undermined the embankments protecting villages from natural disasters such as cyclones, the availability of fuel wood, and degraded the breeding grounds for many species of fish. Protecting mangroves and community forests has many direct, positive economic effects.

Profiled partners strategies

ADRA and EcoDev have been working to regenerate the mangrove forests in Laputta. As an incentive to villagers to participate, the project provided saplings of native, high-value mangrove trees used in construction that had become extinct in the area. MSN has set up nurseries for firewood in Bogale.

Progress to date

ADRA and EcoDev established four mangrove nurseries, trained village groups, rehabilitated mangroves to work as windbreaks, and took prevention measures to prevent riverbed erosion. They regenerated 680 acres of degraded forest by planting mangrove seedlings. The project also planted an additional 80 acres to protect eight villages from strong winds, reforested 17 acres as roadside plantations in 13 villages, and had four village user groups grow 112,000 mangrove seedlings in nurseries.

MSN's nurseries have already begun to yield saplings to be distributed in 2012. Village management committees for rice husk stove production and plant nurseries were formed in 40 villages.

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

Employment creation schemes

According to the *LIFT Baseline Survey*, 44% of households in the Delta/Coastal region reported casual labour as being the most important source of household income in the past 12 months. However, labour opportunities are scarce at certain times of the year and the coping mechanisms adopted by many households (borrowing money for food, selling assets and removing children from school) undermine future livelihood prospects. Therefore, some LIFT partners are implementing small-scale infrastructure projects using cash-for-work in order to employ poor households when other job opportunities are scarce.

Profiled partners strategies

ADRA and EcoDev have generated employment opportunities through environmental rehabilitation activities. Starting in January 2012, Proximity Design will implement cash-for-work programmes to improve roads between villages.

Progress to date

ADRA created 28,649 workdays—88% of the annual target—for short-term employment for 2,345 households by renovating river embankments and rehabilitating mangroves in 18 project villages. In total, \$76,300 was provided to 2,345 target beneficiaries, with each person receiving an average of \$32. ADRA and EcoDev provided income with 9,520 person-days of work to rehabilitate mangroves. Additionally, poor villagers planted trees along riverbanks for 555 days of work.

Under these LIFT projects, the local communities have been involved in planning, designing and implementing infrastructure projects to ensure a sense of local ownership and accountability. All communally-built infrastructure is handed over to the communities, which take on the responsibility to maintain them.

Micro insurance and other safety nets

Evidence from across the globe suggests that insurance and other safety nets are crucial for micro-entrepreneurs and farmers, because they are vulnerable to personal, natural, and business disasters. However, any form of insurance for such enterprises is rare in Myanmar, aside from what NGOs provide out of their own funds.

Profiled partners strategies

UNDP/Pact offers a form of insurance to beneficiaries. For a cost of 1% of the loan amount, coverage is provided for:

- One-time payment (approximately \$60) in the event of loss of life;
- Write-off of the outstanding loan in case of loss of life or disaster; and
- A maximum of \$60 for property loss due to fire, flood, earthquake, storm, landslide, or other such natural disaster.

Progress to date

In 2011, Pact collected \$2,500 from clients for insurance. Three clients died and their families were compensated with \$60 each and their outstanding loans of \$58 were cleared. However, in the event of a natural disaster, claims could exceed the amount collected by a large margin, which is why this type of self-insurance is a marginal activity for agencies providing microfinance services in Myanmar. Therefore, one key area for the future is to determine whether independent insurance companies working through brokers are a possibility for Myanmar. There may also be an opportunity to nurture the development of other forms of micro-insurance, including weather-based insurance.

Summary of progress in the Delta

LIFT commissioned Oxford Policy Management to conduct an evaluation of LIFT's Delta 1 projects to learn from the experiences of implementing projects under the Delta 1 phase to inform future LIFT-funded programming. (Please see evaluation on LIFT's website).

With the end of the 22 one-year projects in the Delta, which focused mainly on the delivery of inputs to re-establish livelihoods destroyed by Cyclone Nargis, LIFT's on-going projects are now focused on addressing some of the most important underlying livelihoods problems. The nine core projects complement one another, each one contributing to a programme of support built upon a value chain approach.

The focus on Delta 2 phase is on "economic development" and LIFT will continue to monitor to what extent partners have taken that on board subsequently changed their approach from relief and rehabilitation to development.

The main area of intervention is paddy production and one of the main bottlenecks for improved paddy production in the delta is the availability of quality seeds. LIFT has contracted IRRI to support Mercy Corps, GRET, and Ratanar Ayar to increase the availability of quality seeds. IRRI, a world-renowned expert in paddy seeds, will work together with the Myanmar agricultural extension service and the government's research institutions. IRRI's involvement will also enable LIFT and its partners to more accurately measure yield impacts of new practices/varieties and to determine the net financial benefits to farmers.

By the end of 2011, LIFT provided very little support for agricultural credit. The first significant LIFT microfinance support for farmers will be in time for the 2012 monsoon season. This will make a big difference to the impact of all LIFT activities in the Delta.

3.2 Dry Zone

Description of the area

The Dry Zone of central Myanmar, which comprises much of Magway, Mandalay, and southern lower Sagaing Regions, is home to about 14 million people. It receives relatively little rainfall (500-1,000 mm per year) and is one of the most food insecure parts of the country. Most of the Dry Zone is characterised by poor access to water, either for human consumption, for livestock, or for agriculture, low agricultural yields, inadequate levels of food consumption, and high levels of indebtedness among the rural poor.

In the Dry Zone, most people rely on rain-fed farming as their major source of income. Yields are constrained by erratic rainfall and very limited access to surface and underground water reserves.²² Although rice is the staple food of the area, the type of soil and rainfall patterns are not conducive to rice cultivation. Although more than 50% of all farming households grow three or more different types of crops, the total area that farmers in the region can cultivate is limited by the lack of access to affordable capital or credit, sufficient water, and agricultural inputs. In times of water scarcity, farmers tend to focus on one crop. The most common food crops grown are pulses for 70% of farming households, followed by sesame (63%) and paddy (38%).²³ The Food Security and Agriculture Thematic Group (FSATG) reports that the key ways to increase land productivity are improving soil fertility, mitigating erosion, using water resources efficiently, and introducing resource efficient crops.

Although landlessness is high at 43%, it is lower than the national average (50%). The average household income for those without land is not significantly different from that of small farmers (those with <2 acres).²⁴ Important sources of income for landless households in the Dry Zone are casual labour, followed by small businesses and small-scale production of non-agricultural items. For the

²² Food Security and Agriculture Thematic Group, *Action Plan for the Central Dry Zone*, June 2011

²³ FSATG, June 2011

²⁴ LIFT Baseline Survey, 2011.

poorest households, earning less than \$22 per month, casual labour is the most important source of household income.²⁵

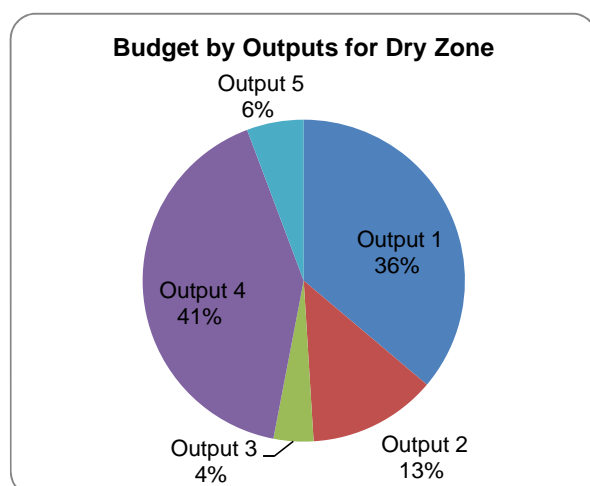
In terms of animal husbandry, LIFT's *Baseline Survey* reports that cattle ownership is the most common in the Dry Zone, followed by ownership of chickens and pigs.²⁶ The Dry Zone is also important for goats and sheep. The livestock sector is constrained by a shortage of fodder and a limited amount of grazing land, which results in overgrazing and environmental degradation.

Men in the Dry Zone often migrate to seek economic opportunities. Migration has resulted in women being the head of households for significant periods of the year.²⁷ In sharp contrast with the Delta, in the Dry Zone women reportedly do more agricultural work—108 days per year—than men (67 days per year). Women in the Dry Zone head 53% of households and there are relatively fewer children in those households.

It must also be emphasised that within the Dry Zone, there are significant differences between and within villages in terms of core economic activities. Some of the heterogeneity can be explained by the physical nature of the terrain, ranging from hills to low lying alluvial land, natural endowments such as the quality of the land, proximity to the Ayeyarwaddy River, and physical access to the nearest market. These factors drive to a great extent the type and nature of agriculture, casual labour and non farm activities²⁸. An important determinant of livelihood options is access to water.

LIFT's activities in the Dry Zone

LIFT supports partners to improve land preparation, improve access to water, provide affordable loans, and manage post-harvest losses. Knowledge sharing by LIFT's partners through Farmer Exchange Groups or other informal farmer networks has been effective.



Six of LIFT's partners already provide assistance with dry land farming, helping farmer's access credit, and building their capacity to farm more effectively. LIFT projects are also protecting the environment through soil conservation and community forestry activities. LIFT recognises that livestock plays an important role in household food security, as the animals provide a source of income and nutrition, as well being a key asset, especially during times of crisis.

As of the end of 2011, LIFT had on-going partnership agreements in the Dry Zone worth \$21,900,000 for 11 three-year projects that will run until the end of 2014. Nearly half the total amount will be spent on Output 4²⁹. The

relatively large proportion of the overall budget allocated for Output 4 is due to significant cash-for-work activities for pond rehabilitation in 695 villages.

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

Agricultural extension

Providing training to farmers on crop management techniques, such as selecting good quality seeds, land preparation, planting techniques and post-harvest technology, has been the most promising

²⁵ LIFT Baseline Survey, 2011.

²⁶ LIFT Baseline Survey, 2011.

²⁷ LIFT Baseline Survey, 2011.

²⁸ Livelihoods in the Dry Zone of Myanmar: A Pilot Qualitative Social and Economic Assessment, LIFT, September 2011.

²⁹ For 2011, the partners working in the Dry Zone reported a total expenditure of \$4,700,000, or 21% of the contracted amount.

approach to increase productivity and incomes of farmers. However, the adoption of these new approaches is still very limited.

Profiled partners strategies

Six of LIFT's partners - Action Aid, ADRA, DPDO, HelpAge, Mercy Corps, and Oxfam/NAG - have assisted over 27,000 farming households in 243 villages by providing them with technical knowledge and access to agricultural inputs as well as productive assets. Action Aid, together with ADRA, has provided agricultural training and inputs, and water supply systems, mainly for drinking but also for small-scale backyard gardening.

Progress to date

HelpAge, Mercy Corps, DPDO, and ADRA have trained beneficiaries to grow pulses and oil seed crops. Through farmers field schools or other agricultural training sessions, participants learn about systematic land preparation, selection of crops, seed multiplication, fertiliser application, integrated pest management, and integrated soil management.

In Pyawbwe Township, Mercy Corps and its local partner CDA started 41 farmer field schools with 982 farmers through which they learned line-sowing, proper spacing techniques, and seedbed raising methods. These schools built 20 demonstration plots, including 17 plots for chickpea, one for onion and the remaining for summer paddy. By the end of 2011, only four out of 17 Mercy Corps villages were applying the training in their own chickpea farms.

ADRA provided cash grants to vulnerable farming households in 41 villages to purchase horticultural inputs, tools and vegetable seeds. In addition, compost kits were distributed to 129 households to make compost with kitchen waste - compost is very useful for growing vegetables. ADRA established water supplies in 10 villages, which greatly helped vegetable cultivation without creating a burden for women to fetch water from distant sources. Most vegetables improve the family diet, but this activity has also enabled beneficiaries to earn money by selling vegetables. Home gardening takes place all year round, and in the dry season, many villagers water their gardens from the ponds.

HelpAge and its partner Golden Plain supported farmer-led research through cluster-based farmer field schools for 94 farmers (73 men and 21 women) and conducted technical training for 570 farmers. Through their projects, farmers tested better cultivation techniques including inter-cultivation, weeding, thinning, fertilisation, and raising furrows on potential crops such as sesame, peanut and sunflower. However, only a few farmers have begun using these improved technologies in their dry land farming.

Disabled People's Development Organization (DPDO) trained 944 farmers from seven villages on sustainable agriculture. Of these, 450 farmers adopted improved agricultural techniques and 60 farmers established 12 small-scale compost and folia production units. Communities have shown a growing awareness of the benefits of composting. The heat produced during composting inhibits weeds from germinating in the field and reduces the amount of weeding and costs of fertilisers.

The combination of providing access to long-term training, inputs, and tools in combination with creating demonstration plots is persuading farmers to adopt new techniques. Short training sessions on agricultural topics seem to be less successful in changing farmers' practices.

Access to affordable finance

Small-scale farmers and the landless poor in the Dry Zone lack access to affordable, adequate loans to invest in agricultural inputs, or to credit to invest in small income generating activities. The *LIFT Baseline Study* indicates that while 81% of households in Dry Zone villages served by LIFT projects had taken out a loan in the last 12 months, less than 36% had used a low cost microfinance provider. Whilst better than other regions, lack of access to credit and micro-finance at affordable rates continues to exacerbate a problem of growing indebtedness in the Dry Zone.

Profiled partners strategies

LIFT's partners have begun microfinance projects in the Dry Zone to provide small credit to farmers and landless labourers at affordable rates. However, in 2011 no credit was provided for agriculture in the Dry Zone (see Output 2). Nonetheless, some partners have started innovative interventions. For

example, Proximity Designs offered product-financing loans to communities to purchase treadle water pumps.

Progress to date

Proximity Designs provided 5,073 product-financing loans for three different kinds of pumps costing from \$60 to \$124.³⁰ The loans were delivered in two rounds, in March and Nov 2011. In the first round, 2,071 loans were made, with 3,002 loans in the second round. Approximately 23% of the customers are women, who took out product-financing loans for treadle pumps. Loans also cover costs for drilling tube wells, building water basket platforms, and purchasing the water baskets. Many farmers purchased Proximity Design's drip irrigation system, which requires a larger loan, because the system uses water efficiently. Of the first round loans, 64% had been repaid in full by August 2012. Delays in repayment were occasioned by drought in the Dry Zone and unexpectedly low crop prices. However, drought could not be large factor as Proximity provides credit for treadle pump in villages close by the river.

Proximity Designs reported that as more farmers selected larger loans, the number of loans it was able to provide were lower than the 6,000 planned. This was remedied in the subsequent years by reducing the target to a more realistic 4,000 in 2012. However, Proximity's ability to provide even this lower number has been jeopardised by the slower-than-anticipated repayment of the 2011 loans. Proximity has responded by extending loan repayment deadlines, but with interest on the outstanding loan balance. The Fund Manager is monitoring the situation.

Access to markets and market development

The vast majority of farmers claim to be reasonably well informed about market prices prior to selling their crops. From the LIFT baseline survey, 85% of farmers (those that own land) sold part of their harvest over the past 12 months, and 86% of those farmers claimed to have had price information prior to selling³¹. The main sources of this information are family/friends (70%) and dealers/brokers (60%). However, the reliability of this information is unclear, especially the information coming from dealers and brokers that travel from village to village buying produce. Moreover, farmers rarely form formal or informal groups in order to improve their negotiation position with traders; only 10% of farmers claim to sell part of their produce together with other farmers. Traders complain that few farmers understand the quality requirements of the market, which makes it difficult to offer farmers higher prices.

Another important problem is that most farmers are forced to sell to brokers that visit their village immediately after harvest (regardless of the price offered by traders) due to lack good storage facilities³², high interest rates on agricultural loans from the informal sector, and the high cost of transport to market towns.

Profiled partners strategies

MBCA works with the private sector, especially traders, to market farm produce from villages that have received technical support from LIFT partners. They also have established market links between farmers and traders. Oxfam and its local partner Network Activity Group (NAG) have helped farmers build collective marketing strategies so that they can negotiate higher prices for their crops. NAG also began distributing information to villages on the prices of various crops.

MBCA's radio initiative could be replicated in other rural areas of Myanmar to provide up-to-date and independent price information to farmers.

Progress to date

In three townships (Monywa, Mandalay, and Pakokku), MBCA established steering committees and organised advocacy meetings between communities and the government's agricultural service providers. MBCA started by providing market information by telephoning villages directly. However, the system was costly for both the project and the villages. As a result, MBCA began disseminating

³⁰ Proximity Design works in villages situated along the river with a year round access to fresh water.

³¹ LIFT Baseline Survey, 2011.

³² In the Dry Zone, farmers traditionally store grain and seed in a bamboo container, called a *pout*, which is sealed with cow dung and mud. This is an inexpensive technology, but the containers are often contaminated with pests.

information via FM radio, which 70% of farmers in the target villages listen to. The project contacted radio stations and established regular broadcasts of prices using official government information.

In Thazi, during the preparation for winter crops, Oxfam facilitated links between MAS and local traders, resulting in a consolidated plan for chickpea cultivation. Oxfam's purchase and sales committee developed a collective action plan to work with MAS and negotiated contacts with suppliers and traders for purchasing inputs and negotiated prices for selling. The contracts negotiated with suppliers achieved a 20% discount on retail prices of pesticides and foliar fertilisers. This approach of negotiating contracts provided communities with a greater understanding of quotations and open bids with suppliers as well as pre-sale agreements for crop production.

From May 2011, Oxfam began distributing two journals, *Do Kyeiywa* [Our Village] and *Leya Sibwa* [Farmland Business], in Thazi. The weekly magazines (or 'journal' in Myanmar English), published by the government's Public Communication Department and MAS on a bi-weekly basis, are displayed on village notice boards. Membership Organisations (MOs) collect updated market information from nearby markets, which is also posted on the notice boards, to ensure that communities have up-to-date market information. NAG posts pulse and oil crop prices on village boards in Minbu on a weekly basis, taken from weekly economic magazines, such as the Myanmar-language *Commerce Journal*, the *Market Journal*, and the *Trade News Journal* and merchant houses in Magway and Minbu.

MBCA has identified a number of important points for farmers to consider when trying to get the best possible price for their produce. For example, farmers need to improve the quality of their crops, monitor market changes and price movements, and stay in contact with buyers³³. MBCA reported that neither extension agencies or traders, nor farmers knew which crops could be sold for the highest profit. MBCA plans to conduct a detailed cost and benefit analysis for each crop in consultation with various stakeholders including traders, agronomists, beneficiaries, and NGOs.

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

Access to Finance

Profiled partner strategies

UNDP, in partnership with Pact, GRET and Save the Children, is implementing a microfinance project which started in November 2011 with a target of 17,220 households in 1,705 villages in three main geographical areas: the Dry Zone, Shan State and Kachin State.

Progress to date

By December 2011, loans had been disbursed to 379 households in the Dry Zone, all for non-agricultural activities. Loan terms and conditions are similar to those in the Delta.

Major client activities revolved around livestock, particularly pig rearing and chicken breeding. If larger loans were available, clients stated that they would prefer rearing goats because their maintenance costs are lower than other livestock. Clients who repaid their first loan will be eligible for agricultural loans next year. The project did not plan to provide agricultural loans in the first year (see Output 1).

Income-generating activities

The World Food Program's 2010 survey on food security indicates that the most common livelihood activity in the Dry Zone among landless households is casual wage labour, followed by farming, small trade, and the sale of livestock. Compared to 2009, the proportion of households engaged in casual labour had increased from 37% to 59%, farming households from 23% to 38%, petty traders from 8% to 16%, and livestock sellers from 6% to 9%³⁴. Women contribute significantly to household income—on average 45% of all income-earners are female.

³³ Prices follow seasonal trends and political decisions that can disrupt markets and influence prices. Knowing historical trends enables farmers to forecast market behaviour and make better decisions when selling their produce.

³⁴ *Framework for Action for the Dry Zone*, Food Security and Agriculture Thematic Group (FSATG), 2011.

Profiled partners strategies

Technical and financial assistance has focussed on the development of such skills in carpentry, masonry, blacksmithing, repairing motorcycles and tractors, tailoring, and food processing and preservation. A key element of capacity building is the establishment of revolving funds to create self-reliance groups managed within communities. These funds provide loans in cash and in kind according to the needs and priorities the community identifies.

Progress to date

ADRA provided vocational skill training to 895 trainees (243 men and 652 women) in 50 villages. About 50% of these trainees then attended a small enterprise management (SEM) training. The training included machine repair, carpentry and masonry, food processing, and tailoring. Small enterprise management training was also provided to people who had completed vocational skill training. One hundred and ten households received business start-up kits.

DPDO provided micro-enterprise training to 157 households. HelpAge provided small business development training to 200 households, of which 111 were female-headed households. After receiving financial support from HelpAge, all trainees established their own micro-enterprises.

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

Soil and water conservation

Rainfall patterns, characterised by short destructive showers, and erosion-prone soils pose a serious constraint to agriculture in the Dry Zone. Deforestation and soil erosion appear to have increased in recent years. According to the Forest Department, deforestation in Magway Division is rampant, with a 4% annual loss of forest, exceeding the national average of 1% per year³⁵. Rapid deforestation in the Dry Zone is a result of the over-exploitation of forests by local communities for daily subsistence.

LIFT has introduced integrated soil conservation and water harvesting measures in some areas of the Dry Zone in order to restore the fragile ecosystem. Other measures include community forestry projects that provide wood for domestic use, fodder for livestock, land rehabilitation for the project villages, and job opportunities for unskilled workers.

Profiled partners strategies

ADRA/Action Aid have set up forest user groups (FUG) to manage existing forests and to plant new trees. ADRA has promoted soil and water conservation measures in fields and supports farmers to construct contour, stone, and sediment storage bunds to improve soil quality. Farmers are also planting fruit trees on and behind bunds.

Progress to date

ADRA/Action Aid has trained 178 participants and set up 10 forest user groups in Pakokku and Myaing Townships to manage the existing forests and to plant trees in new community forest areas. Additionally, they have started nurseries to provide seedlings and trees. FUG members identified 10 acres of land and applied to the Forestry Department to create community forests for three villages. Community forest management is a collaborative effort between the Forest Department and village FUG, in which a large share of the non-timber forest products goes to the community. Four multipurpose nurseries were established with 115,200 seedlings. These activities have already created some benefits, like rehabilitating existing forests, improving soil conservation, and creating job opportunities for poor and vulnerable people during lean seasons through cash-for-work activities.

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

Access to water

Buying drinking water is a large household expenditure for chronically poor households in the Dry Zone³⁶. Households spend about \$10 each month to buy water when the village pond dries up. If

³⁵ NCEA (2007), *Environmental Performance Assessment in Myanmar*, National Commission for Environmental Affairs in Myanmar, Naypyidaw.

³⁶ *Livelihoods in the Dry Zone of Myanmar: A Pilot Qualitative Social and Economic Assessment*, LIFT, September 2011.

there were either a reliable water source in the village itself or a nearby one, each household could get water at no cost, save hours each day fetching water, ensure children attend school instead of carrying water, and improve the health of the entire household.

During the Fund Manager's monitoring visits, villagers stressed that they have faced drought over the past few years, resulting in increased migration and an increase in the number of casual labourers because of crop failure. The resulting increased expenditures for basic drinking water has proved a big burden on cash-strapped households in the Dry Zone. This effect is even more pronounced for households with people with disabilities or households headed by women.

Profiled partners strategies

LIFT's projects aim to protect livelihood assets of poor households by decreasing the amount of money they spend to buy water in the dry season. Both Proximity Designs and ADRA/Action Aid rehabilitated or constructed water sources in project villages. Proximity Design's pond rehabilitation project provides approximately 22 work-days to each project community. Through cash-for-work, villagers earned an average of \$44 per family. Over three years, the project will inject about \$3 million into rural communities through cash-for-work.

Some of LIFT's partners, Proximity and Mercy Corps, work in villages close to the Ayeyarwaddy River while other partners work in remote villages far away from the river. Proximity works both close to the river (treadle pump) and in remote villages (ponds). To assess better, where the needs are, LIFT plans to conduct a detailed water assessment of drinking and irrigation with partners.

Progress to date

Proximity Designs' pond rehabilitation project can increase the storage capacity of ponds to 2.6 million litres, so that an average-sized village of 200 households can have water for an additional 150 days. A household's minimum requirement is 90 litres of water a day to meet basic needs for drinking, cooking, and washing. Proximity Designs restored 172 ponds across 10 townships in 2011. They provided 303,753 person-days of employment to 21,494 households. Women comprised of 47% of cash-for-work labourers and 31% of the people involved in the pond rehabilitation were CBO members. In addition, poor households benefit more from the money they save from not having to purchase drinking water.

ADRA/Action Aid has constructed a variety of water supply systems in 36 villages³⁷. ADRA/Action Aid ponds provide water year round. More than 1,300 households received an average of \$25 in short-term employment during the renovation or construction of the pond through cash-for-work activity. The Fund Manager will continue to monitor that ponds are being maintained. The storage capacity of ponds ADRA built covers both the domestic and drinking water needs of a village for the entire year. ADRA's ponds are fenced and fitted with gravity water pipes to bring water into the village. Sand filters and storage tanks have improved the quality of water. With the funding of ADRA and Action Aid, villagers built a mini-dam in collaboration with government departments, which provided machinery. The total employment provided to poor households was 337,942 person-days in 345 villages³⁸.

Pond construction or renovation with cash-for-work have two benefits: job opportunities for villagers in the lean season, and making more water available in the dry season. The savings per household from having more water available in the village, is significant, especially for poor households. The Fund Manager will gauge whether additional support can be provided to construct mini-dams in the Dry Zone, as they could help prevent water scarcity. Further investigations will be undertaken to identify various options to increase access to water in the Dry Zone.

Inclusion of marginalized groups in community-led processes

The Disabled People's Development Organization (DPDO) conducted a baseline survey in 23 villages with 1,544 respondents from vulnerable households in the Dry Zone. They found that more than one

³⁷ This included deep tube wells in 4 villages, 13 rain water collection tanks in schools, 3 dams, 10 pond renovations, 15 shallow tube wells, 10 hand dug wells, 13 5000-gallon rain water collection tanks, ten piped water supply systems, and 600 household water collection tanks.

³⁸ This is the number of villages in which the infrastructure was built and from where the vast majority of the labour was drawn. In an effort to renovate water ponds as quickly as possible, Proximity Design also employed some people from 209 nearby villages.

fourth (27.4%) of the heads of households from the target beneficiaries were women, and the highest percentage of vulnerable households were households that were supporting a person with a physical disability (35%). The second highest percentage included vulnerable older people (23%) and there are 3% of households with leprosy. Many of these households need help to improve their livelihoods and food security.

Profiled partners strategies

In implementing their projects, DPDO and Help Age used an 'inclusive development approach'³⁹. DPDO reported that financial support alone could not increase the well-being of households with people with disabilities, and therefore they have provided technical assistance and linked vulnerable households with the MAS, the University of Agriculture, Central Research Farm, and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)⁴⁰. Connecting the public and private sector with the beneficiary households is necessary as these institutions can continue providing technical support after DPDO's project ends.

Progress to date

DPDO reported that 60% of households with people with disabilities have compounds around their house where they can grow vegetables. As a result, DPDO has provided small cash grants to 180 households to grow vegetables in their gardens. Women make up 45% of these beneficiaries.

DPDO set up 61 self-help groups (SHGs) with 1,418 disabled persons and their representatives; just over half of the members of SHGs are women. In 2011, 532 households received a total amount of \$28,000 from DPDO. The cumulative amount of loans the self-help groups managed reached \$99,000. Disabled people from 157 households also established 55 small enterprises, including small-scale compost units, animal feed shops, grocery shops and other family businesses. DPDO used an effective peer-education approach for training, and helped the self-help groups create a network with MAS, the University of Agriculture, and UMFCCI. In DPDO's project areas, 34 out of 46 of village volunteers were women.

DPDO reported that project communities were now more aware of disability issues and that disabled people were more self-confident and involved in the project as key stakeholders. The Fund Manager observed that HelpAge's inclusive programming approach brought the active engagement of vulnerable people into community development projects.

Summary of progress in the Dry Zone

At the end of 2011, LIFT's on-going agreements with 11 partners totalled \$21,900,000 over three-years (2011 to 2014). LIFT's projects in the Dry Zone focus on supporting the agricultural sector (Output 1) and improving access to water, largely by renovating silted-up ponds through cash-for-work employment schemes (Output 4). In the agricultural sector, LIFT supports communities to increase yields of paddy and cash crops, and to assist farmers to get better prices for their crops.

LIFT-funded projects have made progress towards increasing access to water for domestic consumption, but much less is being done on improving access to water for agriculture. In 2011, LIFT funded a technical mission to Myanmar. The approach and conclusions of the mission were well received by the government at a time when the government was itself examining the performance of its pumped irrigation schemes (PIPs). The PIPs target small-scale farmers and aim to improve the food security of small farmers by providing irrigation. LIFT is planning a follow-up mission to formulate a PIP project.

It is also important to find a solution for the problem of water access for villages that are far away from the Ayeyarwaddy River by building small dams. These dams collect water during the rainy season and are an appropriate adaptation measure to climatic changes. The extra water could potentially secure cropping during the rainy season and may even allow double cropping. Small dams could be built through cash-for-work and machinery, and access of landless people to water resources could

³⁹ DPDO baseline survey identified that women head 27% of households with people with disabilities and 51% of the people with disabilities in the project area are female.

⁴⁰ The UMFCCI is Myanmar's largest not-for-profit business federation, representing more than 11,000 Myanmar and foreign companies.

be negotiated. These are all potential areas for future LIFT-funded interventions. LIFT will conduct a study in 2012 on options available for increasing access to water in the Dry Zone for both human consumption and productive purposes.

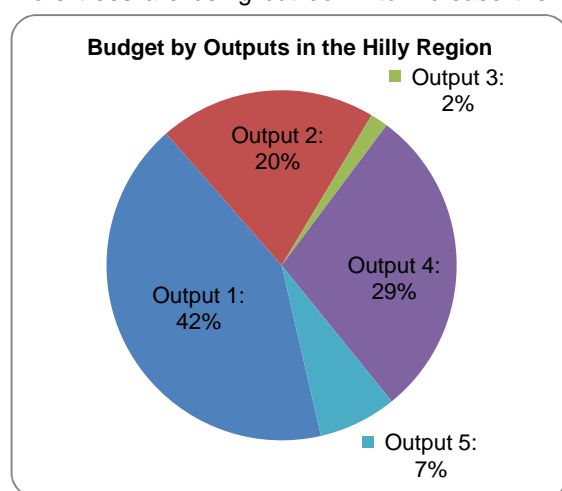
3.3 Hilly Region

Description of the area

Approximately 2.6 million people living in Kachin, Kayah, Kayin, Chin, and Shan States practice shifting cultivation. Agriculture is the most important source of household income for 61% of the households in this area. However, almost one-fourth (26%) of households are landless. Casual labour in the agricultural sector provides the main source of income for 19% of households and non-agricultural activities provide the main source of income for 10%⁴¹.

Over time, and due to increased population pressure, shifting agriculture has degraded the land, leading to declining crop yields. In these areas, farmers clear mountain land and cultivate upland rice to meet family consumption needs. Farmers grow other crops such as maize and potatoes with the upland rice or after the rice-growing season. Livestock is an essential part of the household economy in the hilly areas. Due to the limited access to markets and banking services, livestock is often used as savings for emergencies.

More trees are being cut down to increase the area of land available for shifting cultivation, which



causes further land degradation. Farmers grow crops on very steep hillsides, resulting in an increase in soil erosion and a decrease in soil fertility. In Shan State, farmers are planting hybrid maize as the only crop, leading also to soil erosion, reduced soil fertility, and health hazards from pesticides.

Households in the region have large families - meaning of more than five people - and 36% of the population are under 15 years old⁴². The majority of Myanmar's ethnic minorities live in these areas and armed conflict continues to be a major livelihoods issue in many areas.

LIFT's activities in the Hilly Region

LIFT is working in a sub-section of the Hilly Region, in Shan, Kachin and Chin States. LIFT-funded projects help upland farmers increase upland rice yields by providing training for new and improved farming techniques. As of the end of 2011, LIFT had 7 on-going partnership agreements in the Hilly Region worth \$14,300,000 for three-year projects going until 2014. The largest proportion of the budget has been allocated for agriculture-related activities (Output 1).

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For 2011, the partners in the Hilly Region reported a total expenditure of \$1,800,000, or 12% of the contracted amount. On-going conflicts in Kachin and Shan States are partly responsible for this relatively low expenditure and have caused delays for Swiss Aid and CESVI.

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

Agricultural extension

Profiled partners strategies

LIFT partners working in the Hilly Zone (Metta, GRET, Mercy Corps, Swiss Aid, CESVI) have used farmer field schools to train farmers in better techniques and the use of more suitable ploughing tools. All partners work closely with the government's agricultural extension services (MAS). The training not

⁴¹ LIFT Baseline Survey report, 2012.

⁴² LIFT Baseline Survey report, 2012.

only covers agriculture, but also topics like soil and water management, pest and disease, and weed control. Most projects also delivered agricultural inputs to the beneficiary farmers.

Progress to date

In 2011, farmers were able to increase their upland rice yields from 18-20 baskets per acre to 25-30 due to the new farming techniques introduced. In Shan and Kachin State, farmers started selecting seeds using the salt-water method and some farmers adopted line-sowing methods (with or without drum seeders). Farmers reported that they now use one basket of seed an acre, compared to the 2.5 baskets they used previously.

In 2011, Metta established 80 farmers field schools and provided participants with local varieties of paddy seeds, various types of drum seeders (both the combined and separate style), a variety of rotary weeders, and rakes to use in trials of line sowing and weed control. While the adoption rate among farmers was good in Shan State, the farmer field schools in Kachin State reported that out of 488 farmers, only 278 had adopted the new techniques on their own fields.

Swiss Aid reached 53 of 54-targeted villages despite the on-going conflict in Kachin State. Their training covered environmental conservation, growing perennial plantations, compost-making, organic fertiliser and pesticide making, as well as business management. Follow-up support for participants was limited due to the conflict in the area. Swiss Aid also gave \$100 to 299 smallholder farmers to purchase agricultural inputs such as fertiliser, seeds, simple hand tools, pesticides, and compost making ingredients.

In Chin, Mercy Corps' partner Ar Yone Oo Relief and Development (AYO) organised 16 field schools, to which more than 400 farmers actively participated. GRET trained 56 village facilitators and 1,042 farmers on low-cost agricultural innovations, and encouraged village facilitators to establish demonstration plots. CESVI, in cooperation with MAS, conducted a five-day integrated pest-management training for 80 participants from two townships. All the trainees received certificates from MAS Plant Protection Division and are now officially allowed to use pesticides in their fields.

Although LIFT partners in the Hilly Region have made efforts to increase the participation of women in their projects, levels of women's participation varied. Training on gender given to 56 farmer-group members has resulted in 30% of farmer group members in Chin State being women. Metta reported that women account for 26-32% of management positions within their farmers' field schools. In CESVI's field schools, 33% of participants were women and in Swiss Aid's project, 36% of participants were women. In the Mercy Corps/AYO project in Chin State, however, women's participation in field schools was only 16%, even though women do more agricultural work there than men.

There have been problems with some of these projects. In Kachin State, the farming equipment that Metta provided, for example, the drum seeders and weeders, were not suitable for land on steep slopes. During the Fund Manager's visits to Metta's project sites in Kachin State it was noted that not all the new techniques learned at the field schools were suitable to the local context. Metta has revised the tools introduced in the field schools in the area. The problem with tools was only apparent in northern Kachin State and was related to the fact that the trainers had been trained in Shan State, where the environment and farmers' preferences were different.

Affordable agricultural credit

As in other zones, small-scale farmers and the landless poor in the Hilly Zone lack access to reasonably-priced and affordable credit. LIFT's *Baseline Survey* indicated that 77% of households in the Hilly Zone served by LIFT had taken out a loan in the last 12 months, but that less than 18% had made use of a low-cost microfinance provider.

Profiled partners strategies

LIFT has funded two microfinance projects in the Hilly Zone states of Chin, Kachin and Shan. The largest is UNDP/Pact, which targets 7,655 households in 415 villages through May 2014. The total for the Hilly Zone is summarized below:

State	Number of planned villages	Number of targeted households
Chin	20	660
Kachin	60	2,000
Shan	355	5,655
Total	435	8,315

In late 2011, UNDP/Pact opened three new microfinance branches in Shan State, but no loans had been made by the end of the year. They had planned to two new microfinance branches in Kachin State in 2011, but political instability postponed the plan to 2012, as was GRET's project in Chin State.

Livestock development

Profiled partners' strategies

LIFT's partners (Swiss Aid, GRET and CESVI) run training sessions on animal husbandry. Most of these projects provide money to farmers for them to establish the necessary housing before any animal is given to them. Farmer groups have ownership over the animals until the agreed-on repayment (offspring, in cash, or in paddy) is received. Some of the projects are meant to end after all members of the group get one animal, while others are designed to keep running indefinitely and allow new members in.

Progress to date

Swiss Aid set up buffalo banks in eastern Shan State and cattle banks in Kachin State as revolving schemes. Buffaloes are repaid in new calves, money or rice. In six buffalo banks, members have already begun to repay their management committees in cash. Swiss Aid distributed piglets to 10 pig banks managed jointly by 128 households. CESVI distributed to beneficiaries improved crossbreed piglets that have a high survival rate. The project also gave buffaloes to poor farmers who had previously rented buffaloes for the planting season. GRET provided more than 200 cows and goats to 943 households. The pig banks are doing well, but care has to be taken to vaccinate the pigs regularly to prevent a total loss or breakdown of the pig bank.

Cows and goats have a long reproduction cycle and so no data on results are available yet. The survival rate, according to the Fund Manager's monitoring visits, was satisfactory through the end of 2011. The buffalo bank will be very slow to increase the number of households that own buffaloes if repayment can only be made by giving back offspring. Allowing repayment in rice, paddy, or cash can speed up the timeframe in which all households can have a buffalo. Using their own buffalo allows farmers to save cash that they can then use to buy other inputs for rice production and achieve higher yields.

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

Income generating activities and access to credit

Non-agricultural income generating activities are usually based on special skills that can be learned in training. No land or livestock is necessary to start up one of these small enterprises. Income-generating activities provide a good form of support for casual labourers and landless households.

Profiled partners strategies

In Shan State, CESVI, MCS and Swiss Aid have set up skills training for poor households. These projects provide both training and follow-up support. Swiss Aid provides a small grant to villagers to establish small businesses. CESVI provides starter kits for professions like animal health workers and mechanics. MCS provides grants to micro revolving fund groups through village management committees.

Progress to date

In Chin State, GRET and Mercy Corps have conducted training on livestock management, vegetable growing, food processing, tailoring, and handicraft making. As explained under Output 1, microfinance activities were planned for 2011, but security issues postponed the start date.

In Shan State, CESVI organised vocational training in food processing, preservation, sewing, and hairdressing. At least 20 revolving savings groups established by CESVI are functioning, with almost 300 women participants. CESVI reports an overall participation rate of 80% women in this project. Myanmar Ceramics Services (MCS) trained 46 potters to make ceramic water filters and started a revolving fund for 320 households.

Although interest has been high for the specific trainings offered, the participation of the target groups, specifically women and vulnerable households, has been limited by difficulties in traveling to the training sites, and the opportunity costs of spending time in these workshops. Moreover, in some cases too many of the same skills are developed in the same village, and, despite the good intentions of the NGOs, many participants have been unable to set up their own business because of the level of competition in their village.

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

Soil and water conservation

The hilly slopes of northern Chin and Shan States are threatened by logging, decreasing forest cover and increasing soil erosion due to high surface water runoff. LIFT is attempting to limit this degradation through terracing and reforestation.

Profiled partners strategies

GRET has helped develop terraces in Chin State on plots used for shifting cultivation. After the terraces have been built, farmers will begin a new system of agro-forestry with orchards, carefully selected crops and small-scale irrigation. In Shan State, CESVI has helped establish community forests and tree nurseries.

Progress to date

GRET has supported 291 acres of terraced and irrigated land. More than 30% of the beneficiaries are women. GRET led a workshop for partners and for local government on technical standards and methods of terrace building.⁴³ The project organised field days for farmers at several agro-forest pilot sites for 231 farmers, including 95 women. CESVI created 29 village reforestation groups with 449 members. Nurseries have been established in 10 villages and are working well. However, the groups selected eucalyptus as shade trees, which have high water requirements.

In CESVI's villages, the community forest projects are continuing. As part of a new strategy, based on the findings of CESVI's mid-term evaluation, the project now helps villages legally register their community forestry land.⁴⁴ CESVI reported that the traditional division of labour between men and women meant that women were excluded from village reforestation committees, because men traditionally collect firewood. CESVI is now taking care to include women in these committees.

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

Community infrastructure development

Social protection activities in the Hilly Region have, to date, focussed on creating employment through cash-for-work schemes, which have worked mainly on building community infrastructure and on terracing of agricultural land.

Profiled partners strategies

In Shan, Swiss Aid has used cash-for-work to build roads and bridges. In most cases, the community owns infrastructure after it is built and the community also takes on responsibility for maintenance. In Chin, GRET has helped terrace sloping agricultural land to enable farmers improve soil protection and obtain higher yields.

⁴³ Participants included MAS, UNDP, CAD, CAOC, ZBC, AYO, UNDP, WFP, FBA, CRDP, MOC Thantlang, YMCA, KHSS, OCHA, CARD, and GRET) and 6 farmers engaged in terracing projects supported by CAD, KMSS, and GRET.

⁴⁴ B. Tucknott, *Independent CESVI Evaluation*, 2012

Progress to date

In Chin State, creating terraced land is crucial for communities where shifting cultivation is practiced. Each participating household receives \$88 to \$100 as cash-for-work to build terraces. GRET has encouraged equal wages for men and women up to \$2.50 per day. Farmers have grown garlic and onion on their newly developed land.

Swiss Aid had 194 villagers (149 men, 45 women) repair access roads in Keng Tung Township in eastern Shan State, improving transportation and market access for nine villages. Swiss Aid has been unable to start other social protection activities like rice banks for poor and vulnerable households because of security problems.

Summary of progress in the Hilly Region

By the end of 2011, LIFT had seven on-going partnership agreements in the Hilly Region worth \$14.3 million. Most of the projects only started in 2011 and some have been significantly delayed by armed conflict in some target villages of Shan and Kachin States. For 2011, the partners in the Hilly Region reported a total expenditure of \$1,800,000, or 12% of the contracted amount.

LIFT-funded projects in the Hilly Region promote new and diverse farming techniques and agriculture extension work that is less focused on paddy compared to other regions. More emphasis has been given to maize and soybean. Farmer field schools have been established at most project sites and farmers have started to adopt some new techniques and approaches (with more success in Shan than in Kachin).

The glaring gap in activities relates to microfinance services. Although UNDP/Pact opened three new microfinance branches in Shan State in 2011, no loans had been made by the end of the year. Agricultural and non-agricultural credit should be available through Pact and GRET in 2012.

In 2012, LIFT may expand its activities in the Hilly Region, particularly in food insecure areas that emerge from years of armed conflict and isolation.

3.4 Coastal Region

Description of the area

For LIFT, at least for the time being, the Coastal Region is limited to Rakhine State, which is one of the least developed areas in Myanmar, and suffers from a number of chronic challenges including, malnutrition, poverty, poor infrastructure, and exposure to extreme weather events. Rakhine State has faced food shortages for many years because of poor transport and communication infrastructure, and regularly-occurring natural disasters.

The majority of communities rely on fishing and forest resources, including mangroves, for their basic needs. Encroachment into the mangroves, which is the main source of firewood for many local communities, has been uncontrolled. Mangrove forest has also been converted into paddy fields, shrimp farms and salt farms. Mangrove degradation has impacted the breeding grounds of fish and shrimp.

Most of the arable land in Rakhine State was originally mangrove swamp, which means that the soil is inherently poor and requires substantial amounts of fertiliser to achieve reasonable production levels. While farmers grow pulses in a few locations, they rarely do so in the coastal areas because of both the limited availability of freshwater outside the monsoon season, and the unsuitability of the poorly drained clay soils. Farmers grow paddy only in the monsoon season, with fields remaining fallow for the other half of the year. Paddy rice accounts for 75% of arable land use, while fruit and palm trees cover 13% of land.

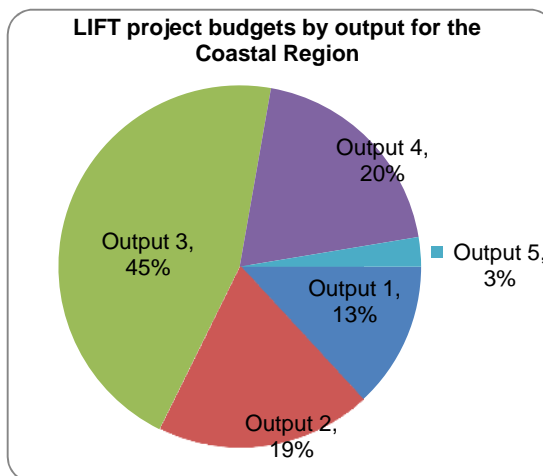
In many areas there are almost no roads. Most travel is by boat or along embankment paths, which results in high transport costs. Many villages can use boats only at high tide. Fishing is a major livelihood, but capture fishing is declining because of overfishing.

Even though Rakhine State has some of the highest rainfalls in Myanmar during the monsoon season, the area suffers from acute water shortages during the dry season because water storage is woefully inadequate. Freshwater shortages are a chronic problem across Rakhine State and the majority of villages rely exclusively on collecting water in open ponds during the rainy season.

According to LIFT's *Baseline Survey*, 70% of the people are landless. Over 60% of households earn their living as casual labourers in agriculture, fisheries, or dealing in forestry or forest products. The sale of fish products is the second most common source of household income for the landless.

LIFT's activities in the Coastal Region

Currently, LIFT has on-going partnership agreements in the Coastal Region (outside of areas affected by Cyclone Giri) worth \$3,800,000 million for two three-year projects that will run until 2014. However, LIFT's partners only spent \$255,000 in 2011. MERN's project is focused on mangrove protection and rehabilitation (Output 3), some of which will be done through cash-for-work activities (Output 4). MERN encountered a number of start-up problems and they are currently significantly restructuring the project. Mercy Corps is implementing a three-year project in Mrauk U Township to increase agricultural productivity, create income-generating opportunities, and assist communities to build resilience to natural disasters.



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

Agricultural Extension

For years, farmers in coastal Rakhine State have encountered considerable difficulties with regards to soil, fresh water, access to new farming techniques and technology, and transport. Small-scale farmers find themselves increasingly vulnerable to livelihoods shocks from weather and natural disaster. They also battle declining yields and a limited amount of arable land and lack access to inputs, improved agricultural technologies, and a commercial credit system.

Profiled partners strategies

Through farmers' field school, Mercy Corps has worked to build the capacity of farmers in improved crop husbandry practices. Before opening the field schools, Metta had a season-long training of trainers for Mercy Corps staff and Agricultural Development Officers.

Progress to date

The Rakhine Thahaya Association (RTA), Mercy Corps' local partner in Mrauk U, ran 20 field schools for 567 farmers. In total, 20 Community Economic Resilience Plans (CERPs) have been developed in these villages. The CERPs are meant to increase productivity and income, and provide households with a higher level of resilience to natural and manmade disasters. The CERP projects that villagers prioritised focus on water pumps for irrigation, power tillers, and culvert renovation, as well as agricultural loans to vulnerable farmers.

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

Income generating activities

Compared to the previous year, nearly 60% of casual work opportunities vanished in areas affected by Cyclone Giri. More than 70% of people in Rakhine are landless and need cash-for-work opportunities when work is scarce as well as new livelihoods skills training for the long term.

Profiled partners strategies

Mercy Corps and its local partner RTA facilitate the development of community economic resilience plans (CERPs) that include non-agricultural income generating activities, some of which are then funded by the project.

Progress to date

Mercy Corps trained local NGO partners on the CERP process in an orientation workshop. Soon after the workshop, Mercy Corps helped local NGO partners to apply the tools and methods they had learned. The 20 CERP projects included renovating roads and bridges, building jetties, renovating culverts, and small business loans to casual labourers. RTA planned to disburse grants to CERP committees in February 2012.

Mercy Corps and local NGO partners took more time than expected to design, review, and approve CERP projects. As the CERP process was new to local NGO partners, some of them had to take time to understand and implement the plans.

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

Mangrove rehabilitation and conservation

Coastal mangrove forests have been degrading at an alarming rate. The majority of people in Gwa Township rely on fishing and forest resources, including mangroves, for their basic needs. Hillside forest resources have become heavily depleted, with virtually no commercial timber remaining. Hillsides near villages are subject to heavy erosion and landslides.

Ineffective forest laws and enforcement mean that encroachers exploit mangrove products, with mangrove forests being the main source of firewood for the local community. Small-scale fishermen can supplement their income by cutting firewood in the mangroves. Some villages have settled permanently inside the forest area, leaving the mangrove vegetation entirely clear-cut.

Many fish and prawn species, the main source of food and income for the poorest and most vulnerable in the coastal villages, suffer from loss of habitat. The areas targeted by LIFT projects are those, which face an increased risk from storms because of the absence of mangroves.

Profiled partner strategies

MERN works with six Myanmar NGOs in a consortium. Each consortium member works in specific thematic area depending on the organisation's particular expertise. Forest user groups and forest labour groups are formed to carry out mangrove protection activities. The mangrove ecosystem is rehabilitated through cooperation within and between communities and other stakeholders. Before implementing the activities, social survey with community mapping using satellite images and GIS technology is used.

Progress to date

In Gwa Township, the project planted 50 acres - 25% of the target - with mangrove species, implemented regeneration improvement felling (RIF) on 58 acres - 12% of target - of degraded forests, and 70 acres - 35% of target - of enrichment planting.

MERN's consortium project has faced a number of implementation problems, most of which are due to poor coordination amongst consortium members. A stronger, centralised project management unit has been created to address these problems, but many activities have been delayed. Changes in project design have also been required. After the first months of implementation, the project consortium made substantial changes to adapt to the villagers' priorities. For example, non-mangrove community forests were incorporated into the project to provide more firewood sources and to take pressure off the mangroves.

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

Cash-for-work

The Coastal Region includes a high percentage of households (landless, small-scale farmers and fishermen) who have only seasonal income from their regular occupation. The cash-for-work approach to mangrove rehabilitation has created employment during periods when work is scarce.

Profiled partners strategies

MERN uses cash-for-work to rehabilitate and conserve the mangroves, activities that are targeted to the most vulnerable in the villages.

Progress to date

MERN provided 3,029 person-days of employment in 2011, providing household income between \$38 and \$100 depending on the volume of the work. More than 130 households worked to set up mangrove plantations and regenerate mangroves.

Obtaining the cooperation of all members in MERN's consortium has been difficult because many members report to their headquarters in Yangon and not to project management in the field. This has led to communication problems, with activities in the field being controlled from a distance. The first cash-for-work activities were successful, but implemented in a hurry to achieve promised objectives. This resulted in a less-than-ideal level of participation of the villagers. MERN has made significant changes in project management, which will result in more effective communication and implementation.

Summary of progress in the Coastal Region

The Coastal Region, as defined by LIFT, is currently limited to Rakhine State. In 2011, only two LIFT-funded projects were active there. Both projects target important thematic issues: agricultural development in the hills north of Sittwe and mangrove rehabilitation in southern Rakhine State. Expenditure on these projects in 2011 only amounted to \$255,000 (7% of project budgets), so there is little progress to report so far.

MERN's consortium has faced a high turnover of senior staff, which they have agreed to mitigate by improving project management and coordination. Many of the community forestry activities cannot be implemented as planned. However, since these difficulties emerged during the beginning of the projects inception, MERN is restructuring the project and have revised their approach to select new activities to ensure maximum participation of the beneficiary communities.

Both Mercy Corps and MERN maintain good relationships with the local authorities, holding regular meetings to inform local authorities of project activities. MERN's local partners have conducted their mangrove-related programmes in close cooperation with the government Forestry Department and align their activities with the government plans. MERN has also held township-level coordination meetings with local authorities and government department officials.

In 2012, LIFT will launch a four-year development programme to help communities affected by Cyclone Giri. The programme will build on the efforts of the initial humanitarian response to the Cyclone and provide \$20 million to develop one of the least developed areas in Myanmar. Because local value chains are relatively insular, and because the dramatic absolute decline in food production following Cyclone Giri, the primary emphasis of the programme will be to increase food production through individual village development plans. Interventions will follow a village grant model, with participants selecting and prioritising interventions from amongst those outlined in the agriculture, fisheries, infrastructure, and microfinance sectors.

4. OUTPUTS WITH NATIONAL FOCUS

4.1 Civil society

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

The LIFT Fund Board has enhanced Output 5 to support civil society's role in the systems, structures, and practices that are conducive to pro-poor economic development. The new output statement is an explicit recognition that strengthening civil society is an essential part of LIFT's strategy, and that social actors and social action are key to improving the food and livelihoods security of poor and vulnerable people in Myanmar.

To date, much of LIFT's activity under this output consists of training delivered by LIFT implementing partners. Indeed, as reported in section 2.2, the indicators in LIFT's logical framework are focused on this aspect of capacity strengthening and LIFT has made some reasonable progress in delivering training⁴⁵.

While LIFT will continue to help strengthen local organisations' ability to deliver strong project results, the new output statement will require much more. In particular, LIFT support also needs to be targeted at:

- assisting local partner organisations to deliver their own visions and strategies;
- supporting an approach to capacity-building that is not over-reliant on training programmes;
- working with civil society in ways that strengthen the operating context and the voice of the rural poor as well as the capacities of individual development organisations.

This will require significant strengthening of implementation partnerships and practices. It will also require a lot of work on improving the learning and measuring of LIFT's civil society efforts. At a workshop in mid-2011 organized by LIFT, a number of NGOs (Oxfam, Paung Ku, Swiss Aid, Mercy Corps and Action Aid) shared approaches and tools for assessing their work in strengthening civil society. There was general agreement amongst participants, confirmed through consultations with local organisations, that increasing "strength" does not readily align with project cycles, is a medium-term process, and is difficult to predict and measure. In particular, attempts to codify the process through capacity indexing of individual organisations (often known in Myanmar as organization capacity assessments) has had mixed results.

In 2012, LIFT will convene further consultations with international and local NGOs on options for improving LIFT's civil society/capacity-building work. This will include continuing to work on the question of "how can we know whether we are strengthening civil society". The output of these consultations will be used to refine the indicators in LIFT's logical framework under Output 5.

Training for implementing agency staff, local partners

Most LIFT-funded projects are implemented directly or indirectly by local NGOs. At the end of 2011, 27% of LIFT-funded projects were being implemented through local NGOs contracted directly by LIFT. Another 29% were being implemented mainly by local NGOs in partnership with international NGOs that were contracted directly by LIFT, and some of the remainder of the LIFT-funded projects included some partnerships with local NGOs. Clearly, appropriate training for local NGO staff is important for the successful implementation of LIFT-funded projects.

Profiled partner strategies

The vast majority of capacity building activity has been staff training until now. Action Aid, Oxfam, HelpAge, SwissAid, GRET, Save the Children and Mercy Corps have all been active in providing technical and managerial training to local NGOs. One of the most active LIFT partners in this regard is Action Aid in cooperation with the Thadar Consortium, which has organised training on facilitation skills, social mobilisation, team building, communication skills, and various technical subjects related to strengthening the livelihoods of the rural poor. More than 100 participants from six local NGOs

⁴⁵ Indicator 1: number of local NGOs skilled in technical issues and project and financial management. Indicator 2: percentage of trained CBOs applying training in LIFT funded activities. Indicator 3: number of changes in technical or project management made by local NGOs.

have participated in the training sessions. Some of the training was carried out by non-LIFT partners like Pyo Pin, CDEC and Thingaha. As part of a GRET-led coordination initiative between local and international actors in northern Chin, staff from six organisations were trained on project cycle management, proposal writing and report writing. Mercy Corps and Swiss Aid have also been very active in providing training for staff of their local partners in technical issues, project management, gender analysis, planning and monitoring.

Progress to date

To date, LIFT partners have trained 16,121 staff members of local NGOs and monitoring visits by the Fund Manager, as well as beneficiary feedback, indicate that staff have benefited from the training sessions and that their skills tend to be better than the staff from organisations that have not received training.

Despite the large number of staff trained, a number of important issues are emerging. First, in some organisations only staff working on LIFT-funded activities have had access to this training. It is unlikely that the investments only in LIFT-funded project staff will promote organisational capacity within the local NGOs as a whole. Second, a significant proportion of the training focuses directly on LIFT requirements (financial systems, reporting, monitoring and reporting formats). Local NGOs acknowledge some overlap between these requirements and their own organisational development needs, but the overlap is limited. Thirdly, many organisations report that quality trainers are hard to find, and that some of the training may have been poorly delivered and applied.

Supporting CBOs

Training and support for CBOs is an important component of nearly every LIFT-funded project. Some of this training and support has established mechanisms to facilitate the delivery of project inputs. Others supported community-based planning mechanisms. There are wide differences between projects in the intensity of the support provided, the types of CBOs supported and the time allotted for community mobilisation. It appears that the differences in approaches are leading to different project outcomes.

Profiled partner strategies

HelpAge has worked intensively on building capacity of village development committee (VDCs). Two hundred and seventy VDC members and 22 staff from local authorities received training on leadership and inclusive programming. Oxfam and its partner NAG have initiated village-based membership organisations (MOs) to guide and carry community development activities forward. The project has spent a lot of time helping define the structure and governance of the MOs and training members. The MOs in five project villages in Thazi have started to engage in purchasing inputs for all group members with good success. GRET has also offered support for village facilitators on collective action planning and participatory methods.

Action Aid uses a fellowship approach to community development where trained village-based fellows facilitate the village's development process. Village fellows are trained and coached by Action Aid on development concepts, community mobilization, how to use PRA tools, gender and women rights, accountability and transparency and facilitation skills. The fellows conduct village assessments with partner organisations. More than 40% of the village fellows are women who support other village women to manage CBOs and village development activities. Villagers who attend training with the fellows tend to participate in local development activities. Fellows also train CBOs, such as self-help groups, disaster management committees, water management committees, forest user groups, and revolving fund committees. DPDO has trained community volunteers in 23 villages in project cycle management, disability, and development issues. The volunteers assist self-help groups to monitor the progress of activities implemented in the villages. DPDO conducted all training using mobile units in villages to ensure that people who have difficulties in traveling could fully participate in the training.

Progress to date

In 2011, 35,323 CBO members were trained in management, financial management, book keeping, social audits, revolving funds, disaster risk reduction, environment, livestock banking systems, vulnerability analysis, implementation of cash-for-work activities and M&E. Partners report that as a result of the training, and experience provided by the projects, skills, knowledge and confidence of CBO members improved.

It is now time to identify those CBOs working on livelihoods issues that have a vision beyond the project. LIFT support should be available to develop and to link them into broader networks of social learning and action.

Support for networking, social learning and advocacy work

LIFT's enhanced statement of strategic intent recognises the key role of civil society in the sustainable improvement of livelihoods and food security. LIFT aims to contribute to an informed, engaged and active rural population that is increasingly able to self-protect, self-organise and self-advocate. As a significant actor in the livelihoods sector, LIFT is now in a position to contribute its funds, networks, learning and research to these ends.

Profiled partner strategies

In Dedaye and Pyapon, townships Oxfam and NAG are working on governance in the fishery sector. The project established fishing groups, fishing development committees, and village development committee, processor groups, and two fish collector groups. These groups received training and were linked to the district and township levels of the Department of Fisheries, the Myanmar Fishery Federation and members of the regional parliament. The project organized meetings on collective tender buying and use of common fishing grounds. There is increasing appreciation that collective purchase of tenders and collective applications for access to common fishing could work. They have identified the areas that they will target to secure common fishing areas or purchasing of tenders directly from the regional government. All 15 villages developed their own plans for collective purchase or applications for access to common fishing grounds.

Swiss Aid conducted training in Kachin on land tenure and land registration processes together with local authorities. Twenty-two women and 16 men trainees received a three-day introduction on land tenure and land registration procedures. The training was facilitated by one officer from Township Settlement and Land Record Department (SLRD), under Ministry of Agricultural Services to enable farmers to register their shifting cultivation areas. Land tenure training is important for the project areas, in Kachin and Shan. Land rights and utilisation directly affects food security.

Progress to date

Most partnership support of this type has only been entered into in the early part of 2012. A year from now LIFT plans to be reporting in detail on the impact and learning from this work. What already seems clear is that LIFT is by-and-large engaging with the appropriate international actors at the national level. It is also clear that LIFT does not yet have sufficient engagement with government, the private sector or with local civil society. Whether LIFT can and should be taking a stronger support role to a wider group of actors is a key question for the coming year.

4.2 Monitoring and evaluation

Monitoring and evaluation evidence and commissioned studies used to inform programme and policy development (Output 6)

In 2011, the LIFT M&E team made progress in several crucial areas:

Logical framework

The logical framework of LIFT has been updated with a revised set of outputs and narrative statements, together with revised milestones and targets. They increase the clarity and the programme logic and accommodate key partner's activities in the areas of livelihood and food security.

LIFT worked with the partner's active in the different geographic sub-programmes on the development of logical frameworks. Three frameworks were developed: for Delta I, Delta II and Countrywide. The frameworks use common outputs which are linked to the LIFT logical framework. LIFT's partners assisted in the identification of common indicators for which they have the capacities and resources to report on. The gaps where partners cannot reliably collect information will be addressed through other approaches.

Monitoring and progress reporting

In 2011, LIFT commissioned the design of a database for the Fund Manager to manage and monitor partner projects. The database consolidates a range of information kept by the Fund Manager plus additional information that is helpful for monitoring partner's progress and performance. The database contains information on contracts and amendments, deliverables and payments, field monitoring visit findings, performance targets, township and village locations, and budgets compiled by LIFT output. It was tested during the last months of 2011 and data entry is to start in 2012.

LIFT reached agreement with its partners on new indicators and templates for the six-monthly progress reporting.

Surveys and studies

In the second half of 2011, the Delta I one-year projects that had started in 2010 were evaluated by independent consultants working together with a national research organisation. The aim of the evaluation was to learn from the experiences under the Delta I phase so that they could be used to inform future LIFT-funded programming. The evaluation focused on identifying which measures and procedures worked particularly well and been most helpful in increasing the incomes and food availability of women and men.

The field work included a series of focused group discussions, key-informant interviews and a survey of 800 households in the villages where the partners had been active. The analysis and final report is available on LIFT's website.

The design of *Qualitative Social and Economic Monitoring (QSEM)*, which is undertaken by the World Bank and funded by LIFT, was further developed in 2011. The objective of QSEM is to deliver high quality monitoring and analysis of livelihoods and food security challenges in Myanmar. This is to enhance the relevance and implementation of LIFT. Additionally, an important outcome of QSEM is the development of local capacity to carry out qualitative social and economic research and analysis.

In 2011, LIFT was able to conduct all the field work of the baseline survey. The data taken from the survey will provide the initial values for most of the indicators of the logical framework. The baseline included a household survey of 4,000 households, village profiles and focused group discussions in 12 villages in the four regions where LIFT is active. The baseline report is available on the LIFT website.

Challenges

While there has been real progress in terms of M&E in 2011, several challenges remain regarding LIFT's ability to capture and share the learning from its activities. LIFT also needs to engage more with government and civil society if the learning is to inform policies and practices related to rural development and poverty alleviation:

1. Improving the quality of the monitoring information

The flow of monitoring data from partners to the Fund Manager has accelerated during the year with the agreement on new reporting formats and more user-friendly indicators. However, problems remain in terms of consistency of data, comparability between townships and regions, and double counting of beneficiaries. The Fund Manager needs to devote more time and energy to strengthening of the capacity of partners in M&E. The Fund Manager also needs to develop better internal systems for learning comparative lessons across the projects it funds.

2. Increasing policy dialogue with the government

The operating context in Myanmar is changing rapidly and LIFT is keen to ensure that its engagement with the Government of Myanmar changes in step with what is possible and appropriate. LIFT will explore in early 2012 how engagement between LIFT and the government could be strengthened. This will include options for increased engagement in the governance of LIFT, the setting of LIFT priorities, the implementation of LIFT-funded activities as well as possible capacity building activities that LIFT could support.

3. Supporting civil society analysis and action

Civil society actors are becoming increasingly influential in both local and national debates on issues of food security and livelihoods and this trend is almost certain to continue. Many LIFT partners have direct access to important decision makers in government and the private sector. LIFT could be doing more to share its M&E data and analysis with its partners and with the networks that its partners are part of. More importantly, there are many influential civil society actors that know little about LIFT's activities and the lessons LIFT is learning. LIFT needs to engage more with civil society beyond the circle of its implementing partners.

4.3 Funds allocation

Funds are allocated in line with Fund Board policies and are accounted for in a transparent manner (Output 7)

To date, LIFT has used the following criteria to decide on which parts of the country to focus its project activities:

- Where poverty and vulnerability are greatest (primary source of data has been the *FAO/WFP Crop and Food Security Assessment Mission* report of October/November 2008)
- Where there are international and local partners with experience and the capacity to implement programmes
- Where there is potential to link up two or more partners, so as to achieve programme coherence, scale and impact
- Where there is opportunity to monitor and evaluate project activities and to capture lessons.

Using these criteria, LIFT has chosen to fund activities in the Delta, the Dry Zone and Chin, Kachin, Shan, Rakhine States. Within these areas, nearly half of all LIFT funding commitments to date has been for the Ayeyarwaddy Delta, but this proportion is decreasing over time as LIFT increasingly funds projects in other areas. Future allocations will likely focus on areas outside the Delta. In addition, new areas could be added if new areas of food insecurity and poverty become accessible.

Fig: Allocation of LIFT funding within the Delta, Dry Zone, Hilly Region, Coastal Region (\$68 million)⁴⁶

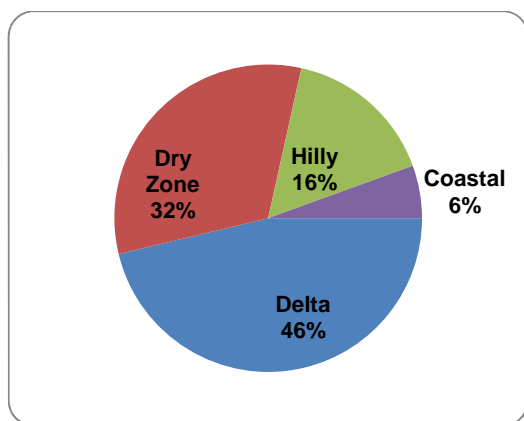
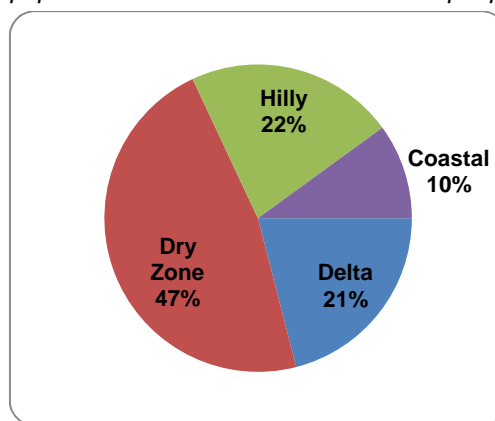


Fig: Proportional of population within the Delta, Dry Zone, Hilly Region, Coastal Region (total population in LIFT area = 29.3 million⁴⁷ people)



Fund allocations have been made through four rounds or mechanisms:

1. *Delta 1*: Through a call for proposals launched on 11 November 2009, and limited to proposals focused in the Ayeyarwaddy Delta, 22 one-year projects were selected for funding. The total value for these projects is \$19.5 million.
2. *Country-wide*: Also launched on 11 November 2009, this call for proposals was open to proposals for the Dry Zone and Chin, Kachin, Shan, Rakhine States. Eighteen projects were

⁴⁶ Projects contracted as of 31 December June 2011

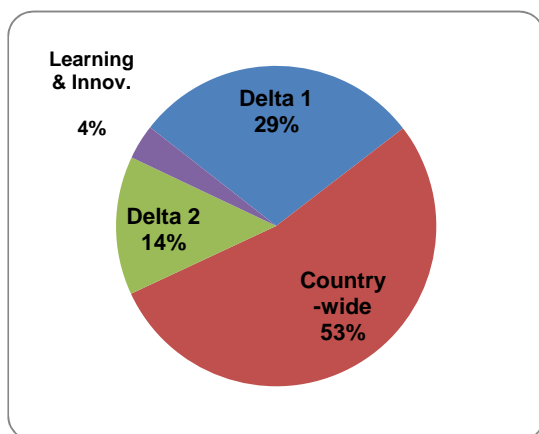
⁴⁷ MMU website: General Administration Department (GAD) 2009

selected for possible funding and, as of the end of 2011, 16 project agreements had been signed for a total of \$36.5 million.

3. *Delta 2*: A call for concept notes was launched on 5 October 2010, requesting new submissions focused in the Delta. Eleven projects were short listed for possible funding and, as of the end of 2011, seven project agreements had been signed for a total of \$9.6 million.
4. *Learning and Innovation Window*: On 23 November 2011, LIFT announced the establishment of a new LIFT funding envelope called the Learning and Innovation Window. Applications are received on an on-going basis and are assessed every three months. As of the end of 2011, three project agreements had been signed for a total of \$2.4 million.

Figure below summarizes how LIFT funds have been allocated through the above-mentioned rounds/mechanisms.

Allocation of LIFT grant funds by round/mechanism



4.4 Fund flow

Fund flow and partner performance are monitored and evaluated (Output 8)

LIFT visits each implementing partner at least three times a year. Partners are visited four or more times if visits indicate serious issues need to be addressed. These trips have a number of objectives including assessing progress of partner projects, identifying issues with project implementation and capturing lessons through comparative analysis of the approaches used. Debriefings with partners are conducted after each visit to discuss findings and agree actions as required.

In 2011, the Fund Manager conducted a total of 54 field monitoring trips to 194 villages. The main findings of these visits are captured in a database maintained by the Fund Manager. Lessons and associated recommendations are also discussed with LIFT partners and the Fund Board to ensure they are taken into account in future programming and implementation. The main lessons learned are discussed in chapter 5⁴⁸.

All national and international NGO partners of LIFT, 19 in total, were audited in May/June 2011. Overall results were positive and no serious issues were identified. Average scores for the 5 national NGOs audited were the same as the average score for the 14 international NGO partners. All partners have management plans to address the audit recommendations. The Fund Manager follows up with partners to review progress in implementing these plans.

⁴⁸ Note that there is often considerable discussion on the validity of lessons – and whether they are generally relevant and applicable to similar projects or relate to specific circumstances faced during implementation.

5. LEARNING

The following section summarises the lessons that LIFT and its partners have learned so far in implementing their projects during 2011. These lessons have been compiled from the following sources:

- Partners' six monthly and annual reports
- LIFT donors and Fund Manager's field monitoring visits
- *Delta 1 Evaluation* report

Lessons will also be identified through the *Qualitative Social and Economic Monitoring* (QSEM) and thematic studies, as well as thematic workshops that will be conducted with partners. LIFT donors have recommended strengthening the learning process within LIFT by developing various such studies as:

- Thematic study followed by workshop with partners on cash-for-work. This study will look at the different methodologies, including the selection of beneficiaries, payments, gender sensitivity, nutrition sensitivity, and others. The workshop coming out of the study will focus on best practices.
- A study on various practices within LIFT on farmers' field schools will be carried out followed by a workshop on best practices.
- A general study will be conducted on the water situation in the Dry Zone, on the ecological impact of goat breeding, agroforestry, community approaches, and water harvesting methods, among others.

The Fund Manager has developed a database of lessons coming from all sources. The database will arrange lessons by theme, indicate the source, and provide links to key documents. It is expected that lessons will feature in regular LIFT reports. Lessons and associated recommendations are also discussed with LIFT partners to ensure that their views are taken into account in future programming and implementation.

The following is a summary of lessons learned during the implementation of LIFT projects in 2011:

1. *Community mobilisation*

Nearly all LIFT-funded projects involve substantial community involvement. However, there are great differences between the projects in the intensity of community involvement, the time allotted for the process to occur, and the amount of information provided to communities about the overall project design. It appears that differences in approach to community involvement have led to different project outcomes.

Some partners appear to focus primarily on technical issues, devoting little time to ensure that the community is fully engaged in the project. Some partners hold few meetings, often months apart, and provide minimum information to communities on the overall project design. The Fund Manager's monitoring visits have identified such problems with these approaches, because not many people in the villages knew what the project was trying to do or who was to be supported with what. Sometimes the partners have rushed the mobilisation process without sufficiently consulting with communities on what they identify as needs and priorities.

Other partners, such as Oxfam and NAG in the Dry Zone, have taken more time to elicit the participation of their communities, but have not followed quickly enough with project activities, which, potentially undermines the process as the community waits for the results of studies or assessments. There are also projects, such as that of AVSI, with deliberately intensive and time-involved mobilisation processes, particularly when the project is attempting to introduce a new form of cooperative organisation.

Even when sufficient time is spent on community mobilisation, the Fund Manager's field visits have sometimes found that many people in the community do not know about or understand what the project is doing in the community, as in the case of MCS and EcoDev. Partners must ensure that all information given in village meetings is also available to the entire village.

Some partners do intensive community mobilisation, design community development plans, and ask the communities to let them know what their priorities are, but have very little flexibility in the type of activities that the partners will accept. Partners should be able to clarify the objectives of 'community mobilisation' to determine the correct involvement from villagers.

Some projects follow a set 'blueprint' approach, which is the same in each village and allows for very little flexibility to analyse the real needs and opportunities, or for participation of the community in analysis and planning. Approaches used for targeting beneficiary households have also varied, with some very complex approaches used that the community did not always understand. Some of the communities visited did not agree with the outcomes of the selection process, as some of the poorest households had been excluded for various reasons described above.

2. Targeting of participants and selection of beneficiaries

Some social groups have been excluded from projects, even though they fit the profile of beneficiaries. This has come about for the following reasons:

- Women may be excluded if only one member per household is invited to attend initial village meetings, if they are single mothers, disabled or looking after a disabled person;
- Some households may live in a remote part of the village or another area;
- Some household members cannot afford the time, for example casual labourers who have work at the time of beneficiary selection;
- Some household members may be away, including those who undertake seasonal migration;
- Some households may be marginalised because of social stigma, illness, ethnicity, religion or age;
- Some villages disallow those who have benefited from previous interventions, have recently moved to the area, or have recently left their parents.

The Fund Manager is working closely with partners to ensure that targeted beneficiaries are in fact included in projects. LIFT will conduct specific research on the targeting of cash-for-work activities as cash-for-work is often used as a social protection intervention targeted at the poorest households.

3. Provision of agricultural and non-agricultural inputs:

The mode of provision of inputs affects the quality, timeliness of supply, and effectiveness of support:

- Group ownership of assets, capital equipment, and draught animals are successful when groups are small and homogenous, clear sharing arrangements are established, and means for on-going maintenance are agreed to and in place⁴⁹.
- The provision of cash to purchase inputs is preferred to vouchers – the latter is often inflexible and can lead to recipients buying inputs of lower quality. Direct provision is an efficient means of providing inputs only when bulk purchases provide economies of scale or in cases where inputs of appropriate quality are not available locally.
- The direct provision of livestock, such as pigs, may introduce disease from outside the locality, especially when animals are purchased from different parts of the country. The Fund Manager recommends using a local village supplier when possible; however, this may require appropriate training and support to those suppliers.
- A combination of inputs and training can be very successful, especially in the case of livestock extension workers or veterinarian assistants.
- Farmers are reluctant to store their seed in communal seed banks because they have little faith in the quality of the other farmers' seed, its moisture content, and other related matters.
- The direct provision of inputs is most successful if the inputs are clearly in demand and locally appropriate. Examples of less successful supply of inputs have included:
 - Seed of varieties that are not preferred, locally adapted, or with low germination rates;
 - Livestock breeds that are not locally preferred or more subject to disease;
 - Livestock that are too young or in poor condition;
 - Livestock to households without the land or resources to provide feed;
 - Home garden equipment to households with no land or in areas subject to salinity;
 - Fishing equipment to non-fishing households and to households that do not have legal access to fishing areas⁵⁰.

⁴⁹ Note that this is an early observation. The long-term sustainability of group ownership may still be questioned.

4. Adoption of agricultural technologies:

Households will generally only adopt new agricultural techniques if:

- They are demonstrated as effective and appropriate to the local conditions;
- The costs and benefits of the new techniques are made clear to farming households;
- If comparing the cost of labour and the selling price of paddy grown with a new high-yield variety that requires transplanting, is favourable.

5. Organic farming

Some partners, such as LEAD, Help Age, Swiss Aid, and GRET, provide training sessions on organic farming practices, including on how to develop organic pesticides. Although organic pesticides provide farmers with cheap and effective solutions, some pests may not be killed by organic pesticides. Farmers must be made aware of other choices, have the skills to assess their effectiveness, and knowledge about using chemicals safely.

Three of LIFT's partners—LEAD, GRET, and Swiss Aid—reported that farmers adopted compost making and the use of organic fertilisers. However, the Fund Manager observed that organic fertiliser is often mixed with industrial fertiliser, and compost is used only on small areas. GRET, for example, reported a 150% increase in potato yield in Chin State due to organic fertilisers. However, the labour requirements were so high that farmers could only apply it on a quarter of an acre.

6. Farmer field schools and other forms of agricultural extension

Eleven LIFT-funded projects AVSI, CESVI, LEAD, WHH/GRET, Mercy Corps, ADRA, DPDO, Help Age, Oxfam, Metta, and Swiss Aid) have implemented agriculture extension activities, but only METTA, CESVI, HelpAge and Swiss Aid reported them as farmer field schools⁵¹. Other organisations - WHH and Mercy Corps - use similar approaches under different names, while DPDO has conducted agricultural training through a different approach altogether. In practice, most of the projects are using aspects of farmer field schools, usually farmer-led field trials and group analysis, to promote a pre-defined set of agricultural practices that are new to the farmers involved. In some of the projects, such as those of Metta and HelpAge, the projects promoted tend to be determined by project staff without sufficient adaptation to local conditions. For example, in Metta's field school in Kachin State, only a few of the concepts introduced to farmers on their fields have taken root.

It is understandable that partners want to establish packages of interventions to be used in the farmers' field schools, as this makes it easier to conduct them at scale, especially if finding facilitators with good technical capacities is a challenge. However, the general observation from field visits is that most farmers' field schools need greater adaptation to the local farming context, which can be done by focusing more on the concepts of networking and empowering farmers to build upon their local knowledge as part of the school curriculum.

Including government agricultural extension staff in the farmers' field school sessions will improve the chances of making the changes sustainable, and provide an important connection between farmers and extension workers. This connection must be established to make sure farmers have access to technical expertise after projects end.

7. Packaged delivery of activities

A recurrent finding in many project monitoring visits, including visits of Fund Board members, is that partners often have 'standard' packages of project activities that they implement in all villages with relatively few adjustments for specific village conditions or priorities. These packages usually include

⁵⁰ Access to fishing grounds is a serious problem in the Delta because of the high cost of fishing leases and tenders, and because of the frequent encroachment of lease and tender holders into open fishing grounds. The practice of demanding sub-tender payments from artisanal fishermen and the recent increases in the price of sub-tenders, have also made fishing very difficult for many households.

⁵¹ During farmer field schools, farmers were involved in regular field observations and group analysis. Experiential learning enabled farmers to change their crop management practices with confidence. This approach is a radical departure from earlier agricultural extension programmes, in which farmers were expected to adopt generalised recommendations formulated by specialists outside the community.

a relatively short list of activities related to improving farming productivity or income generation, but can leave important local livelihoods problems unaddressed. For example, one area not systematically addressed is the lack of drinking water in the Dry Zone. This is a major constraint to improving livelihoods since collecting water can take many hours a day and poor access to water leads to costly health problems.

The reason that partners may choose a relatively narrow package of activities may be that LIFT has required them to submit detailed proposals and work plans that show where, when, and how activities are to be implemented. Even though the Fund Manager has encouraged partners to modify their projects when they have identified problems, field staff are often reluctant to deviate from plans. Projects that explicitly build in flexibility by leaving the determination of project activities until after the partner has carried out detailed village-level planning, have demonstrated good results and have created better rapport with villagers. It is clear that providing a flexible approach to planning involves more time, resources, skills of field staff, management expertise and more complex monitoring and evaluation systems, and these represent significant constraints for partners that have increased the scale of their activities to sometimes over 100 villages.

Another example where greater flexibility would yield benefits is the Mangrove Service Network (MSN) project in the Delta. Beneficiaries produce energy-saving stoves, which are locally marketed. However, demand has built only slowly because villagers must change their behaviour - the preferences for how they cook - in order for more of them to buy the stoves. The Fund Manager has asked MSN to encourage villages to use surplus raw materials to produce bricks, which could be more easily marketed in the current construction boom while demand for the stoves increases.

Comparison of training methods

Training methods	Positive aspects	Potential problems
Farmer Field School	<ul style="list-style-type: none"> • Practical • Time to go into depth and apply and build trust • Participants as role models, creates ripple effects • Allows for coordination with MAS 	<ul style="list-style-type: none"> • Attendants tend to be young and the better educated • Regular sessions are not always easy to attend
Exchange visits	<ul style="list-style-type: none"> • See how other people do things • Share what has been learned elsewhere with those in the community 	<ul style="list-style-type: none"> • High cost • Some outside learning may not be relevant to local conditions
Occasional farmer training	<ul style="list-style-type: none"> • Possible to include a wider number of people • Possible to have more age groups and education levels 	<ul style="list-style-type: none"> • Less practical: time allocated is often too short, often too many participants. • Less time to build confidence in the new ideas • People are less likely to apply knowledge than FFS, for example
Farmer Exchange Groups	<ul style="list-style-type: none"> • Good way to spread knowledge from field schools to all farmers 	<ul style="list-style-type: none"> • Only works if well managed • Low incentives to participate

8. Support to landless households

There are few simple, short-term, effective, and sustainable approaches to supporting livelihoods and food security for landless households. Providing livestock and gardening inputs with approaches that provide access to land and other resources have more potential for success⁵². Examples include landless households being given access to land for their ducks to feed, and farmers lending land to the landless for home gardening.

Training landless households as service providers to the farming community will provide landless households with an important new source of income. Training in the operation, maintenance, and

⁵² Delta 1 Evaluation report

repair of agricultural equipment, and in some cases providing equipment to the landless groups themselves, may provide new opportunities to generate income. Equipment can include tillers, fertiliser spreaders, sprayers for pest control, threshers, flat bed driers, and small rice mills. Most organisations provide such equipment to farmers only.

9. Supporting market access

One of the most important differences between the LIFT-funded activities in 2011 and those of 2010 is that, in addition to supporting agricultural production, most LIFT projects in 2011 worked explicitly on improving farmers' access to markets by connecting them and producers to markets. For example, WHH/GRET and MBCA connected groups of producers with traders, while in Laputta, ADRA built the skills of leaders of marketing groups to establish and maintain market connections. MSN actively markets wood-saving stoves, while MCS helps producers display water filters for sale and increase consumer interest in them.

However, many partners introduce income-generating activities because they have been successful in the partners' projects, or if their staff has experience with the activity. Partners rarely investigate sufficiently or systematically the availability of raw materials, technical skills, the market and customer base for any potential products, and the profitability of the activity. A good cost-benefit analysis of the production process and the market risks involved would give the villagers the necessary information to make an informed decision.

Many projects, such as those of AVSI, ADRA, and HelpAge, also support market information systems. While some projects rely on the publications of the MAS for crop prices, making them available in villages, others establish price information systems through the telephone. All these systems tend to be vulnerable to two problems: the person who has the information does not always pass it on to villagers; and they cost money to maintain. The MBCA approach, using local FM radio, is free, uses official government information, and all farmers in the area can access it. It is likely that as media restrictions relax, radio will become more important as a medium for market information systems.

10. Revolving funds and self-help groups

Smaller and more homogenous groups are more likely to be successful. Social homogeneity, however, is common within self-help groups, which limits their membership and hence influence. The poorest in the community are often unable to join self-help groups that require regular savings, since they are not in a position to contribute. Revolving funds are often available for the whole village and can work to provide village social and physical infrastructure⁵³. Their success depends on the strength and accountability of the leadership. Ultimately, the success and sustainability of revolving funds and self-help groups depend on the financial success of the fund users' enterprise. For example, livestock revolving funds have failed because of the outbreak of disease.

The Fund Manager suggests that partners' develop safeguard strategies for all activities that could have risks for the poor and vulnerable, which would include revolving funds. The communities themselves should also have strategies for addressing such cases. While partners can offer support to adversely affected households while the project is running, the communities themselves must develop equitable, pro-poor approaches to address such cases after the partners have left.

11. Representation of men and women in community-level groups

In many cases, women are well represented among CBOs and self-help groups, including in management positions. In DPDO's project, for instance, 130 out of 305 (43%) representatives of self-help groups and 724 out of 1418 (51%) members of self-help groups are women. However, this is not true for all projects. For example in the Mercy Corps/RTA project area communities are very conservative and women are not allowed to speak in public. In Swiss Aid project areas, women represent only 29% of the village development committee members. Similarly, in Metta's project, the participation of women on the committees of farmer field schools was 26%, with 32% of women having management positions.

⁵³ Although many revolving funds required annual membership fees.

12. Improved nutrition and hygiene

Although improved child nutrition is an explicit goal of LIFT, the current logical framework does not include specific outputs related to nutrition. Nevertheless, four LIFT-funded projects - those of ADRA, CESVI, WHH and DPDO - are undertaking activities with explicit nutrition-related outcomes.

DPDO conducted nutrition- and hygiene-education sessions in 15 villages, 91% of the attendees are women. WHH has introduced 'nutrition promoters', people with specialised knowledge of and training in promoting nutrition, to disseminate key messages to women on food processing and dietary diversity. ADRA is working with the Department of Health to monitor 1,560 children under five in 50 villages based on their weight-for-age status. They found 41% of children were mildly to moderately underweight, while 4% were severely underweight. In 26 villages, ADRA conducted training in nutrition and basic hygiene and in 38 villages, they conducted training sessions for women on breast feeding, complementary feeding, and good health practices.

CESVI has been monitoring child nutrition in two townships in Shan State (Kyaukme and Naung Cho). Out of 386 randomly selected children under-5, measured using weight-for-age criteria, 37% were mildly to moderately underweight, while 5% were severely underweight. They selected 300 women to act as 'peer nutrition promoters' in their villages. Pre-test knowledge was on average 30% and post-training the knowledge increased to 65% on average on the test score.

In 2012, LIFT will organise a workshop with partners in order to identify options to improve nutrition the nutrition impact of LIFT-funded projects and to identify additional nutrition-related activities that LIFT could support.

6. PROGRAMME DEVELOPMENT

6.1 Geographically-specific programmes

The projects that LIFT funded in 2010 and early 2011 were selected through an open call for proposals launched at the end of 2009, not long after LIFT was established⁵⁴. This method of selecting grantees was competitive and transparent, but the result was also a collection of rather disparate projects, the outcomes of which are difficult to measure in aggregate. Moreover, because the projects were developed and implemented in isolation, synergistic effects have been difficult to achieve. For example, in 2010 all LIFT partners involved in bringing new agricultural techniques to farmers reported very high demand from farmers for new techniques, especially when they were shown in demonstration plots. However, a lack of access to affordable credit was cited as one of the primary barriers to the farmers adopting the techniques, and at that time, LIFT did not have any partners providing agricultural loans in those areas.

Starting in 2011, LIFT began the process of organising the projects it funds into programmes based on agro- ecological zones, following the assumption that such an approach would help strengthen the aggregate impact of the individual projects. This approach should enable LIFT to: a) understand the enabling and constraining factors that affect project implementation and impact in each agro-ecological zone; and b) make comparative analyses across the zones to identify common policy constraints and bottlenecks.

LIFT is now funding projects in the following agro-ecological areas of the country (see Section 3 of the report for more details about the projects):

- *Delta* - The programme approach in this area has suffered because of the lack of coordination between the agricultural and microfinance components. However, LIFT is reinforcing the programme approach by setting up strategic partnerships with IRRI, Ratanar Ayar, WHH-GRET, Mercy Corps, and UNDP/Pact to improve this.
- *Dry Zone* - The major focus of the projects here is on increasing yields of paddy and cash crops, and supporting farmers to get better prices for their crops. In 2012, LIFT plans to

⁵⁴ LIFT's first call for proposals was launched in November 2009 and organised in two streams: one for prioritised townships in Cyclone Nargis-affected areas (Delta), and another for areas in other parts of the country prioritised by the FAOWFP Crop and Food Security Assessment Mission of October/November 2008 (often referred to as the "country-wide" call).

develop a programme in the central Dry Zone after first completing a comparative analysis of the approaches LIFT partners have adopted. Possible activities, in addition to agriculture, will include environmental protection, soil conservation, and livestock development. Moreover, LIFT will also explore an overall strategy to sustainably increasing household access to water for consumption and production.

- *Hilly Region* - LIFT will identify appropriate new food security and livelihoods activities to develop a new programme in this region.
- *Coastal Region* - LIFT will increase its engagement in the Coastal Region in 2012 with the initiation of a new \$20 million programme of support for the four townships most affected by Cyclone Giri (in 2010). LIFT contracted the FAO Investment Centre to help develop a detailed programme design that will focus on agriculture, fisheries, infrastructure rehabilitation, and increasing access to microfinance. The programme called *Tat Lan* (or 'Way to Advancement') will be launched in 2012.

6.2 Thematically-specific programmes

Learning and Innovation Window

Towards the end of 2011, LIFT Fund set up a new funding window to support innovative initiatives likely to increase collective knowledge of food security and livelihoods in Myanmar. The Learning and Innovation Window supports projects across all of LIFT's output areas and will prioritise projects that:

- use an approach that is innovative in the Myanmar context;
- have a high potential for learning and will increase the body of knowledge in Myanmar of food security and livelihoods issues;
- can contribute significantly to policy dialogue; and,
- are likely to increase the impact or quality of existing LIFT activities.

In 2011, 29 concept notes were submitted for consideration. The Fund Board approved nine projects that were contracted in 2012.

1. International Rice Research Institute (contracted in 2012)

The 3-year project aims to work closely with LIFT's partners in three townships in the Ayeyarwaddy Delta to improve food security and livelihoods of 1,500 rice producing households. In close collaboration with the government extension and agricultural research services, IRRI will test new varieties and existing varieties for their suitability in a number of agricultural "zones" in the Delta. This research will lead to farmer tests in LIFT project villages and feedback will lead to further targeted research. The project will also provide technical advice to LIFT's partners to facilitate greater food security in these townships through raising productivity. This will consist of advice and training associated with best management practices of rice production pre- and post-harvest.

2. World Food Programme (contracted in 2012)

The project aims to develop a standardized approach for market monitoring and analysis, as well as for qualitative and quantitative food security analysis. The project works closely with LIFT implementing partners and with the Food Security Working Group, as well as the wider NGO community and government. WFP included in the proposal an active approach to information dissemination. The development of a common approach to data collection and analysis will contribute to national-level analysis of food insecurity.

3. Gender Equity Network (formerly Women's Protection Thematic Working Group) (contracted in 2012)

The project aims to develop enabling systems, structures and practices that improve women's livelihoods and reduce poverty. The work of the GEN will be done in close cooperation with livelihoods and food security experts, relevant government ministries and civil society organisations, including the Food Security Working Group. The project will build capacity of civil society and government agencies in ensuring that both men and women benefit equitably from food security and livelihoods interventions.

4. Care International (contracted in 2012)

The project will focus on tea value chain processes in northern Shan State in order to help tea farmers access new domestic and foreign markets. Care is working the Tar Shwe Tan Tea Association (TSTTA) in Kokang and has established a Tea Investment Fund to strengthen the tea market. This project will work mainly with poor farmers/producers who are still unlinked with TSTT and will provide access to credit and training. The main outputs of the project are the cooperation of tea producers for more market power and better links to the Myanmar private sector to reduce the dependency on volatile Chinese markets. The project includes surveys and studies of new market opportunities and is designed to provide the necessary skills and processing equipment essential to the tea value chain (e.g., harvesting, processing, packaging, etc.) so that small tea producers can market their products using a common brand.

5. Oxfam (contracted in 2011)

Implemented together with Better Life Organisation, the project focuses on testing innovative storage and marketing of rice in Rakhine State. The project will provide lessons for LIFT's programme in Rakhine State.

6. Food Security Working Group (FSWG) (contracted in 2012)

Over the last five years, the FSWG has developed into one of the most important and effective coordination mechanisms in the sector. This project will enable the FSWG to expand its work and to maintain its important coordination role as more development assistance becomes available in Myanmar.

7. Rakhine Consortium (International Rescue Committee, Mercy Corps, Oxfam, Save the Children, Solidarites) (contracted in 2012)

This short (6-month) project focused on conducting research in Giri-affected parts of Rakhine State on three important subjects: a) household coping mechanisms; b) the scope and scale of embankment still in need of repair (location, height, volume); and, c) the extent of fruit production and processing. The research was commissioned in order to provide essential background data for the team designing LIFT's new Tat Lan programme in Rakhine, which will begin in 2012.

8. Radanar Ayar (contracted in 2012)

The project is a key component of LIFT's programme in the Delta. The project focuses on innovative seed multiplication in an area where lack of access to good seed is a major reason for low paddy production and poor profitability.

9. Paung Ku (contracted in 2012)

Focused on the areas adjacent to the Kyauk Phyu and Dawei Special Economic Zones, the project is designed to build the capacity of small CSOs using Paung Ku's existing financial, monitoring and evaluation and human resource systems, which are well established. The project will generate knowledge on areas of the country where the majority of foreign direct investment is currently focused.

Micro-finance Window

In recognition of the importance of micro-finance services for improving agriculture and non-agriculture livelihoods⁵⁵, the Fund Board took a decision in 2011 to allocate specific funds to support the expansion of rural micro-finance services within the country. This funding will be additional to the microfinance activities that LIFT is already funding in the Delta (UNDP, Pact), the Dry Zone (UNDP, Pact, Save the Children) and the Hilly Region (UNDP, Pact, GRET). The new funding will be available in 2012.

In 2011, LIFT supported 3,640 households through micro-finance with a total loan portfolio of \$454,216. From this amount, 43% was used for agricultural and the rest for small business loans (including trading, production, and livestock). The majority of these loans go to women, including agricultural loans - roughly 60%. Lessons learned from LIFT microfinance activities include:

⁵⁵ The *LIFT Baseline Survey* found that whilst 83% of households had taken out a loan in the previous 12 months, only 16% were able to do so from a low interest micro-credit provider.

- Credit services provided by experienced micro-finance institutions can be extremely successful, with repayment rates higher than 95%;
- The demand for agricultural credit exceeds supply many times over; and
- There is a very high, unmet demand in deposit-taking and other financial services.

In 2011, LIFT also supported the Second Workshop on Microfinance Best Practices in Myanmar, organised by the Microfinance Working Group (MFWG). Attended by the public, private, and non-profit sectors, the workshop deepened the cooperation between the government's Central Bank and members of the Microfinance Working Group. Subsequently, several MFWG members were invited to participate in government consultations to revise the draft microfinance law. A microfinance law was enacted in November 2011. LIFT intends to expand this work in 2012.

In light of LIFT's decision to expand its financing for microfinance, LIFT will undertake a detailed sector review of microfinance in 2012-13. This will enable the Fund Manager to identify areas to support through the Microfinance Window.

7. FUND MANAGEMENT

Communications

LIFT's profile within Myanmar and internationally increased significantly in 2011. Fund Manager ensured that LIFT was highlighted once every three weeks in the local and international media. The LIFT website went online on 30 June 2011 and has had a steady increase in the number of visitors⁵⁶. By the end of December 2011, 1,283 unique visitors from 70 countries had visited the site. Myanmar accounted for the highest proportion of the visitors (28%) followed by Germany (16%), Thailand (16%), the USA (11%), Russia (7%) and the UK (4%).

The *LIFT Forum on the Rural Economy* was held on 6 December 2011 to present LIFT's draft strategy and to explore how it could support the government's National Programme for Rural Development and Poverty Alleviation. More than 300 representatives attended the Forum from the government, diplomatic community, UN agencies, NGOs, and the business sector. In a 'market place'-style display, LIFT's partners had an opportunity to highlight some of their innovative approaches as well as the products of the activities they support.

Most LIFT partners have complied with the LIFT visibility guidelines and have branded their offices, vehicles, and training materials with the LIFT logo. The Fund Manager will continue to emphasise with implementing partners the need to provide appropriate profile to LIFT and its donors by complying with the visibility guidelines.

In 2011, the following activities were accomplished:

- the regular publication of success stories on LIFT's website;
- the publication of LIFT leaflets in English and the Myanmar language;
- publication and distribution of the LIFT semi-annual and annual report in English and the Myanmar language; and,
- organisation of public events, such as the LIFT open house, Myanmar Partnership Group meeting, LIFT Forum, and others;

In 2012, LIFT plans to:

- increase the visibility of the individual donors to LIFT;
- launch an upgraded version of the LIFT website that includes an interactive database of LIFT-supported projects;
- gain sustained and better-quality media coverage for LIFT and its partners; and,
- focus on wide dissemination of LIFT's baseline report, the Delta 1 evaluation report.

⁵⁶ The website domain name is registered as www.lift-fund.net and www.lift-fund.org. LIFT also has a Facebook fan page <http://j.mp/wD5ewE> to publicize LIFT's work in Myanmar

Government relations

An official Memorandum of Agreement between Ministry of Agriculture and Irrigation and UNOPS (the Fund Manager for LIFT) was signed in Naypyitaw on 25 February 2011. Upon instructions from the Foreign Affairs Policy Committee, the responsibility for implementing the agreement was passed from MoAI to the Ministry of National Planning and Economic Development (MoNPED)⁵⁷.

During the second half of 2011, LIFT held minister-level meetings in Naypyidaw with the Union Ministers of Agriculture and Irrigation, Livestock and Fisheries, National Planning and Economic Development, and Cooperatives and Commerce. The most concrete progress has been collaboration with the Water Resources Utilization Department (WRUD) under the Ministry of Agriculture and Irrigation. LIFT funded a mission in June-July 2011 to assess the situation of pumped irrigation schemes (PIPs) the WRUD had constructed. The mission visited seven PIP sites in the central Dry Zone. The mission identified a number of ways to improve the PIPs and in 2012 LIFT will develop a multi-year project to the performance of a sample of the PIPs.

All of LIFT's implementing partners reported holding coordination meetings with township and district officials to provide them with updates on project activities. During these meetings, partners discussed achievements and challenges with line departments. In the Delta, the Bogale Agriculture Technical Working Group, co-chaired by GRET and Welthungerhilfe, regularly invites MAS and LBVD to participate in meetings with farmers and private sector representatives. Mercy Corps convenes regular coordination meetings in Laputta with LIFT partners, government and private sector representatives.

In most townships in the Dry Zone, LIFT partners are invited regularly to meetings hosted by township authorities, which at times include local business people. In the Coastal Region, LIFT's partners have regular meetings with local authorities. For example, MERN has organised township multi-stakeholder coordination meetings with local authorities and government officials.

Finance

As at 31 December 2011, cumulative donor commitments and contributions (payments made) to LIFT were as follows (all values in US dollars).

Cumulative donor commitments and contributions (US\$)

Donor	Signed commitments ⁵⁸	Contributions (already received)
Australia	18,938,824	13,342,904
Denmark	959,674	959,674
European Commission	43,760,140	35,123,490
Netherlands	2,950,000	2,950,000
New Zealand	409,275	409,275
Sweden	2,725,776	2,725,776
Switzerland	5,167,117	3,145,612
United Kingdom	56,006,400	32,826,750
Interest earned		362,919
Total	130,917,206	91,846,400

⁵⁷ LIFT activities are relevant to MoAI and the Ministries of: Cooperatives; Livestock and Fisheries; Social Welfare, Relief and Resettlement; Forestry and Environmental Protection.

⁵⁸ Commitments may vary slightly from 2009 and 2010 figures due to changes in exchange rates.





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